

Jackson County, Florida

Financial Statements

September 30, 2017



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**Jackson County, Florida
FINANCIAL STATEMENTS
September 30, 2017**

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

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SPECIAL-PURPOSE FINANCIAL STATEMENTS

Clerk of the Circuit Court

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector



REPORT





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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Florida, (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Jackson County, Florida as of September 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Jackson County, Florida's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Award Programs and State Financial Assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Florida Single Audit Act; and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill is required by Chapter 10.550, Local Governmental Audits, Rules of the Auditor General State of Florida, and neither schedule is a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2018, on our consideration of Jackson County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

June 25, 2018



**MANAGEMENT'S DISCUSSION AND
ANALYSIS**



Jackson County, Florida Management's Discussion and Analysis

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

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the County's financial statements and notes to financial statements found on pages 5 through 58.

FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) at the close of the most recent fiscal year by \$71,894,608.
- The County's total net position increased by \$4,138,429, which represents a 6.11% increase from the 2016 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balance of \$26,422,479, which is an increase of \$1,591,399 in comparison with the prior year.
- During the current year, General Fund revenues exceeded expenditures and transfers by \$1,198,441. General Fund revenue increased by \$618,382, or 3.44% over the prior fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

Jackson County, Florida Management's Discussion and Analysis

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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



Jackson County, Florida Management's Discussion and Analysis

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the County's funds. The County maintains 40 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fine & Forfeitures, Transportation Trust, Gas Tax Bond Series 2014 and Road Construction, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

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

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 58 of this report.

Other information

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

Jackson County, Florida Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial position. The following is a summary of the County's net position as of September 30, 2017 and September 30, 2016:

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$32,855,280	\$31,680,786	\$ 680,423	\$ 632,607	\$ 33,535,703	\$32,313,393
Non-current assets	67,406,087	64,494,046	10,904,966	11,093,822	78,311,053	75,587,868
Total assets	100,261,367	96,174,832	11,585,389	11,726,429	111,846,756	107,901,261
Deferred outflows of resources	9,895,476	11,855,517	150,694	180,541	10,046,170	12,036,058
Current liabilities	6,432,801	8,387,656	132,385	185,201	6,565,186	8,572,857
Non-current liabilities	37,836,012	35,573,985	3,961,792	4,084,129	41,797,804	39,658,114
Total liabilities	44,268,813	43,961,641	4,094,177	4,269,330	48,362,990	48,230,971
Deferred inflows of resources	1,610,799	3,890,917	24,529	59,252	1,635,328	3,950,169
Invested in capital assets, net of related debt	55,814,377	52,214,499	7,293,523	7,251,689	63,107,900	59,466,188
Restricted	6,392,983	7,869,858	59,531	58,290	6,452,514	7,928,148
Unrestricted	2,069,871	93,434	264,323	268,409	2,334,194	361,843
Total net position	\$64,277,231	\$60,177,791	\$ 7,617,377	\$ 7,578,388	\$ 71,894,608	\$67,756,179

Jackson County, Florida Management's Discussion and Analysis

The following is a summary of the County's Statement of Activities as of September 30, 2017 and September 30, 2016:

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 8,346,687	\$ 7,825,922	\$ 1,303,684	\$ 1,229,428	\$ 9,650,371	\$ 9,055,350
Operating grants and contributions	9,811,649	7,923,034	-	-	9,811,649	7,923,034
Capital grants and contributions	1,447,886	390,288	95,886	126,049	1,543,772	516,337
Total program revenues	19,606,222	16,139,244	1,399,570	1,355,477	21,005,792	17,494,721
General Revenues						
Property taxes	12,308,102	12,590,078	-	-	12,308,102	12,590,078
Other taxes, intergovernmental and shared revenue	18,690,255	18,095,740	-	-	18,690,255	18,095,740
Investment earnings	25,011	20,032	14,322	12,466	39,333	32,498
Miscellaneous	1,512,273	719,872	4,939	10,872	1,517,212	730,744
Transfers	(291,397)	(275,860)	291,397	275,860	-	-
Transfers to State of FL	(167,016)	(196,000)	-	-	(167,016)	(196,000)
Total general revenues	32,077,228	30,953,862	310,658	299,198	32,387,886	31,253,060
Total revenues	51,683,450	47,093,106	1,710,228	1,654,675	53,393,678	48,747,781
Expenses						
Program activities						
Governmental activities:						
General government	8,531,103	10,438,964	-	-	8,531,103	10,438,964
Public safety	16,612,886	14,604,337	-	-	16,612,886	14,604,337
Physical environment	517,396	527,631	-	-	517,396	527,631
Transportation	16,673,210	15,529,598	-	-	16,673,210	15,529,598
Economic environment	1,196,169	748,319	-	-	1,196,169	748,319
Human services	1,664,564	1,615,924	-	-	1,664,564	1,615,924
Culture and recreation	865,890	888,814	-	-	865,890	888,814
Court related	1,268,442	1,187,937	-	-	1,268,442	1,187,937
Interest on long-term debt	254,350	239,587	-	-	254,350	239,587
Business-type activities	-	-	1,671,239	1,639,731	1,671,239	1,639,731
Total expenses	47,584,010	45,781,111	1,671,239	1,639,731	49,255,249	47,420,842
Change in net position	4,099,440	1,311,995	38,989	14,944	4,138,429	1,326,939
Net position – beginning	60,177,791	58,865,796	7,578,388	7,563,444	67,756,179	66,429,240
Net position – ending	\$ 64,277,231	\$ 60,177,791	\$ 7,617,377	\$ 7,578,388	\$ 71,894,608	\$ 67,756,179

Jackson County, Florida Management's Discussion and Analysis

The largest portion of the County's net position (87.79%) reflects its investments in capital assets (e.g., land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's net position is *restricted* net position (8.98%) which represent resources that are subject to constraints such as debt covenants, grantors, laws or regulations. The remaining balance of unrestricted net position (\$2,334,194 or 3.25%) is that portion of County resources that are available to meet the ongoing obligations to citizens and creditors.

The key elements of the changes in the County's net position for the fiscal years ended September 30, 2017 are contained on the Statement of Activities on Page 5 of this report.

Governmental activities increased the County's net position by \$4,099,440.

FINANCIAL ANALYSIS OF JACKSON COUNTY'S FUNDS

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

Major Governmental Funds

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$4,403,017 while the total fund balance was \$8,598,293. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 19.05% of total General Fund expenditures, while total fund balance represents 37.20% of that same amount. The fund balance increased by \$1,198,441 during the 2016-2017 fiscal year.

The Fine and Forfeiture fund accounts for law enforcement activities of the County. At the end of the current fiscal year, the fund balance was \$1,130,992 which is assigned. The fund balance increased by \$107,766 during the 2016-2017 fiscal year.

Jackson County, Florida Management's Discussion and Analysis

The Transportation Trust fund accounts for the operation cost of the Public Works Department. At the end of the current fiscal year, the assigned fund balance was \$4,865,447 and committed fund balance was \$225,860. The fund balance increased by \$2,398,025 during the 2016-2017 fiscal year.

The Road Construction fund accounts for revenues that improve roads throughout the County. At the end of the current fiscal year, the committed fund balance was \$2,700,427. The fund balance increased by \$1,055,415 during the 2016-2017 fiscal year.

The Utility Fee fund accounts for utility fee tax revenues. At the end of the current fiscal year, the assigned fund balance was \$245,587. The fund balance decreased by \$148,326 during the 2016-2017 fiscal year.

Proprietary Funds

The County's proprietary funds reported net position of \$7,617,377 which includes \$6,793,460 from the operation of the Water/Sewer System.

Total unassigned fund balances for all governmental funds totaled \$4,397,614 at September 30, 2017, compared to total governmental fund balances of \$26,422,479 at the same date. The restricted fund balance was \$6,392,983 which included funds for Vessel fees, Gas Tax Bond Series 2014, Courts facility fund, JCDC tax, Inmate Welfare fund, and other special revenue funds.

The unassigned governmental fund balance of \$4,397,614 is different from the Unrestricted Net Position amount on the Statement of Net Position of \$2,069,871 due to reporting requirements regarding primarily capital assets and long-term debt liabilities which are not included on the Governmental Fund balance sheet.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2016-2017 fiscal year, the County amended the budget for numerous funds on November 14, 2017. The County received unanticipated revenues and determined actual cash balance forward dollars in excess of the original budget figures in the amount of \$2,059,973.

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of September 30, 2017 amounted to \$78,311,053 (net of accumulated depreciation). This investment in capital assets includes land; buildings and fixed equipment; cost for past road and other infrastructure; fixtures and equipment; and computer software.

Jackson County, Florida Management's Discussion and Analysis

LONG-TERM DEBT

At the end of fiscal year ended September 30, 2017, the County had a long-term debt amounting to \$41,797,804. Of this amount, notes payable, capital lease and revenue bond outstanding was \$14,478,951, with \$1,424,447 to meet compensated absences obligations, with \$23,356,596 to meet net pension liability and the remainder for other liabilities, landfill closure and post-closure costs and other post-employment benefit obligation.

ECONOMIC FACTORS – JACKSON COUNTY, FLORIDA

- The unemployment rate for the County was 4.0% percent at September 30, 2017, a decrease of 1.4% from the prior year.
- Population increased to approximately 42,808.
- The taxable value for personal and real property in the County at September 30, 2017 is \$1,537,214,805, an increase of 1.7% from the previous year.
- The general ad valorem tax millage rate was 7.8727 for the year ended September 30, 2017.
- The budget for the next fiscal year ending September 30, 2018 represents a 1% increase over the 2016-2017 fiscal year total operating expenditures.

REQUESTS FOR INFORMATION

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

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



**BASIC FINANCIAL
STATEMENTS**

Jackson County, Florida Statement of Net Position

September 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 16,092,623	\$ 283,418	\$ 16,376,041
Restricted cash and cash equivalents	2,482,472	47,834	2,530,306
Investments	1,578,032	-	1,578,032
Equity in pooled investments	881,314	46,572	927,886
Accounts receivable	1,804,855	111,519	1,916,374
Internal balances	(61,145)	61,145	-
Due from other governmental units	9,918,964	129,935	10,048,899
Due from agency funds	54,334	-	54,334
Prepays	103,831	-	103,831
Capital assets, net			
Nondepreciable capital assets	5,316,107	345,200	5,661,307
Depreciable capital assets, net	62,089,980	10,559,766	72,649,746
Total assets	100,261,367	11,585,389	111,846,756
Deferred outflows of resources			
Pension	9,895,476	150,694	10,046,170
Total deferred outflows of resources	9,895,476	150,694	10,046,170
Liabilities			
Accounts payable and accrued expenses	3,970,151	76,204	4,046,355
Accrued interest payable	-	8,347	8,347
Due to other governmental units	763,993	-	763,993
Unearned revenue	1,698,657	2,360	1,701,017
Liabilities payable from restricted assets	-	45,474	45,474
Long-term liabilities			
Portion due or payable within one year			
Notes payable	51,000	-	51,000
Capital lease	140,010	-	140,010
Bonds payable	901,000	157,222	1,058,222
Compensated absences	356,113	-	356,113
Other liabilities	75,000	-	75,000
Landfill closure liability	50,000	-	50,000
Portion due or payable after one year			
Notes payable	212,000	-	212,000
Capital lease	2,654,498	-	2,654,498
Bonds payable	6,909,000	3,454,221	10,363,221
Compensated absences	1,068,334	-	1,068,334
Other post-employment benefit obligation	1,657,000	-	1,657,000
Net pension liability	23,006,247	350,349	23,356,596
Other liabilities	513,649	-	513,649
Landfill closure liability	242,161	-	242,161
Total liabilities	44,268,813	4,094,177	48,362,990
Deferred inflows of resources			
Pension	1,610,799	24,529	1,635,328
Total deferred inflows of resources	1,610,799	24,529	1,635,328
Net position			
Net investment in capital assets	55,814,377	7,293,523	63,107,900
Restricted	6,392,983	59,531	6,452,514
Unrestricted	2,069,871	264,323	2,334,194
Total net position	\$ 64,277,231	\$ 7,617,377	\$ 71,894,608

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

Jackson County, Florida Statement of Activities

For the year ended September 30, 2017

Functions/Programs	Expenses	Program Revenues					Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Activities	Primary Government	
							Total	Total
Primary government								
Governmental activities								
General government	\$ 8,531,103	\$ 7,687,683	\$ 258,831	\$ 52,392	\$ (532,197)	\$ -	\$ (532,197)	
Public safety	16,612,886	548,174	226,493	344,209	(15,494,010)	-	(15,494,010)	
Physical environment	517,396	-	86,234	-	(431,162)	-	(431,162)	
Transportation	16,673,210	-	8,648,308	224,154	(7,800,748)	-	(7,800,748)	
Economic environment	1,196,169	-	349,781	-	(846,388)	-	(846,388)	
Human services	1,664,564	-	41,407	542,110	(1,081,047)	-	(1,081,047)	
Culture and recreation	865,890	-	200,595	285,021	(380,274)	-	(380,274)	
Court related	1,268,442	110,830	-	-	(1,157,612)	-	(1,157,612)	
Interest on long-term debt	254,350	-	-	-	(254,350)	-	(254,350)	
Total governmental activities	47,584,010	8,346,687	9,811,649	1,447,886	(27,977,788)	-	(27,977,788)	
Business-type activities								
Water and sewer	966,578	1,058,394	-	95,886	-	187,702	187,702	
Parks and recreation	444,119	163,435	-	-	-	(280,684)	(280,684)	
Recycling	157,114	81,855	-	-	-	(75,259)	(75,259)	
Interest on long-term debt	103,428	-	-	-	-	(103,428)	(103,428)	
Total business-type activities	1,671,239	1,303,684	-	95,886	-	(271,669)	(271,669)	
Total primary government	\$ 49,255,249	\$ 9,650,371	\$ 9,811,649	\$ 1,543,772	(27,977,788)	(271,669)	(28,249,457)	
General revenues								
Taxes								
Property taxes					12,308,102	-	12,308,102	
Local option taxes					6,772,455	-	6,772,455	
Sales tax and other taxes					2,941,841	-	2,941,841	
Intergovernmental and shared revenue					8,975,959	-	8,975,959	
Investment earnings					25,011	14,322	39,333	
Miscellaneous					1,512,273	4,939	1,517,212	
Transfer to State of Florida					(167,016)	-	(167,016)	
Transfers					(291,397)	291,397	-	
Total general revenues					32,077,228	310,658	32,387,886	
Change in net position					4,099,440	38,989	4,138,429	
Net position, beginning					60,177,791	7,578,388	67,756,179	
Net position, ending					\$ 64,277,231	\$ 7,617,377	\$ 71,894,608	

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

Jackson County, Florida
Balance Sheet – Governmental Funds

September 30, 2017

	General Fund	Fines and Forfeitures	Transportation Trust	Road Construction	Utility Fee Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 6,476,347	\$ 768,141	\$ 248,619	\$ 133,021	\$ 2,738,780	\$ 3,582,934	\$ 13,947,842
Investments	-	-	-	-	-	1,578,032	1,578,032
Equity in pooled investments	353,334	88,139	-	14,910	-	199,071	655,454
Restricted cash and cash equivalents	111,077	-	1,681,552	-	-	3,060,484	4,853,113
Accounts receivable	766,065	-	-	-	356,807	681,983	1,804,855
Due from other funds	2,963,102	150,245	790,618	1,416,997	-	1,454,474	6,775,436
Due from agency funds	-	54,334	-	-	-	-	54,334
Due from other governmental units	1,288,645	311,237	4,882,186	2,787,639	-	649,256	9,918,963
Prepaid expenses	592	-	-	-	-	103,239	103,831
Total assets	\$ 11,959,162	\$ 1,372,096	\$ 7,602,975	\$ 4,352,567	\$ 3,095,587	\$ 11,309,473	\$ 39,691,860
Liabilities							
Accounts payable and accrued expenses	\$ 878,306	\$ 241,104	\$ 624,232	\$ 1,584,231	\$ -	\$ 642,277	\$ 3,970,150
Due to other funds	1,821,514	-	1,210,612	67,909	2,850,000	886,546	6,836,581
Due to other governmental units	630,387	-	-	-	-	133,606	763,993
Unearned revenue	30,662	-	676,824	-	-	991,171	1,698,657
Total liabilities	3,360,869	241,104	2,511,668	1,652,140	2,850,000	2,653,600	13,269,381
Fund balances							
Restricted	103,792	-	-	-	-	6,289,191	6,392,983
Committed	1,105,497	-	225,860	2,700,427	-	970,698	5,002,482
Assigned	2,985,987	1,130,992	4,865,447	-	245,587	1,401,387	10,629,400
Unassigned	4,403,017	-	-	-	-	(5,403)	4,397,614
Total fund balances	8,598,293	1,130,992	5,091,307	2,700,427	245,587	8,655,873	26,422,479
Total liabilities and fund balances	\$ 11,959,162	\$ 1,372,096	\$ 7,602,975	\$ 4,352,567	\$ 3,095,587	\$ 11,309,473	\$ 39,691,860

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

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

September 30, 2017

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

Total fund balances – governmental funds	\$ 26,422,479
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	67,406,087
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	(37,836,012)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources - pensions	9,895,476
Deferred inflows of resources - pensions	(1,610,799)
Net position of governmental activities	\$ 64,277,231

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

Jackson County, Florida

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

For the year ended September 30, 2017

	General Fund	Fines and Forfeitures	Transportation Trust	Road Construction	Utility Fee Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 3,507,625	\$ 8,376,714	\$ 3,503,166	\$ 565,910	\$ 2,701,376	\$ 3,367,607	\$ 22,022,398
Licenses and permits	1,861,255	-	3,050	-	-	-	1,864,305
Intergovernmental	6,286,992	196,700	44,513	2,330,904	-	116,850	8,975,959
Charges for services	4,979,944	276,075	-	-	-	841,158	6,097,177
Fines and forfeitures	195,547	47,823	-	-	-	144,885	388,255
Grants	1,207,778	-	4,312,565	4,559,897	-	1,179,295	11,259,535
Investment earnings	4,813	947	2,694	162	298	16,097	25,011
Other fees and miscellaneous revenues	545,422	189,227	1,027,529	-	-	172,855	1,935,033
Total revenues	18,589,376	9,087,486	8,893,517	7,456,873	2,701,674	5,838,747	52,567,673
Expenditures							
Current:							
General government	7,346,096	-	-	-	-	721,509	8,067,605
Public health and safety	9,756,654	4,394,782	-	-	-	671,168	14,822,604
Physical environment	410,905	-	-	-	-	86,234	497,139
Transportation	176,982	-	7,719,257	5,757,554	-	419,955	14,073,748
Economic environment	465,878	-	-	-	-	718,052	1,183,930
Human services	1,210,862	-	-	-	-	48,826	1,259,688
Culture/recreation	432,827	-	-	-	-	277,178	710,005
Court related	949,329	-	-	-	-	225,308	1,174,637
Capital outlay	2,107,917	249,412	1,755,439	325,634	-	2,966,611	7,405,013
Debt service:							
Principal	188,142	-	-	-	-	881,000	1,069,142
Interest and other charges	68,685	-	-	-	-	185,665	254,350
Total expenditures	23,114,277	4,644,194	9,474,696	6,083,188	-	7,201,506	50,517,861
Excess (deficiency) of revenues over (under) expenditures	(4,524,901)	4,443,292	(581,179)	1,373,685	2,701,674	(1,362,759)	2,049,812
Other financing sources (uses)							
Transfers in	7,686,958	446,232	3,727,643	748,439	-	1,633,345	14,242,617
Transfers out	(1,796,600)	(4,781,758)	(748,439)	(1,066,709)	(2,850,000)	(3,290,508)	(14,534,014)
Transfer to State of Florida	(167,016)	-	-	-	-	-	(167,016)
Loan proceeds	-	-	-	-	-	-	-
Net other financing sources (uses)	5,723,342	(4,335,526)	2,979,204	(318,270)	(2,850,000)	(1,657,163)	(458,413)
Net changes in fund balances	1,198,441	107,766	2,398,025	1,055,415	(148,326)	(3,019,922)	1,591,399
Fund balances - beginning	7,399,852	1,023,226	2,693,282	1,645,012	393,913	11,675,795	24,831,080
Fund balances - ending	\$ 8,598,293	\$ 1,130,992	\$ 5,091,307	\$ 2,700,427	\$ 245,587	\$ 8,655,873	\$ 26,422,479

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

Jackson County, Florida

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

For the year ended September 30, 2017

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

Net change in fund balances - total governmental funds	\$ 1,591,399
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	7,405,013
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(4,067,162)
The net effect of transactions involving capital assets (i.e. sales, transfers and donations) included in the governmental activities in the statement of activities.	(425,810)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net assets. These include:	
Principal payments on long-term debt	1,069,142
Worker's compensation	75,000
Compass Lake in the Hills special assessments	591,036
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include:	
Compass Lake in the Hills special assessments	(318,649)
Post employment benefits	(180,000)
Compensated absences	(45,500)
Pension expenses	(1,595,029)
Change in net position	\$ 4,099,440

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

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 3,381,406	\$ 3,481,406	\$ 3,507,625	\$ 26,219
Licenses and permits	1,401,600	1,786,600	1,861,255	74,655
Intergovernmental	6,131,526	6,149,526	6,286,992	137,466
Charges for services	4,433,038	4,931,711	4,975,177	43,466
Fines and forfeitures	183,935	183,935	195,547	11,612
Grants	706,597	1,432,897	1,207,778	(225,119)
Investment earnings	3,625	3,625	4,813	1,188
Other fees and miscellaneous revenues	283,909	489,809	545,422	55,613
Total revenues	16,525,636	18,459,509	18,584,609	125,100
Expenditures				
Current:				
General government	8,937,502	9,292,536	7,341,329	1,951,207
Public health and safety	9,317,798	9,885,198	9,756,654	128,544
Physical environment	438,286	438,286	410,905	27,381
Transportation	203,907	203,907	176,982	26,925
Economic environment	466,899	474,899	465,878	9,021
Human services	1,423,836	1,422,836	1,210,862	211,974
Culture and recreation	508,419	508,419	432,827	75,592
Court related	1,181,106	1,166,106	949,329	216,777
Capital outlay	2,931,099	3,916,914	2,107,917	1,808,997
Debt service	55,313	260,313	256,827	3,486
Total expenditures	25,464,165	27,569,414	23,109,510	4,459,904
Excess (deficiency) of revenues over (under) expenditure:	(8,938,529)	(9,109,905)	(4,524,901)	4,585,004
Other financing sources (uses)				
Transfers in	10,398,088	10,710,784	7,686,958	(3,023,826)
Transfers out	(4,625,816)	(4,793,170)	(1,796,600)	2,996,570
Transfer to State of Florida	-	-	(167,016)	(167,016)
Net other financing sources (uses)	5,772,272	5,917,614	5,723,342	(194,272)
Net change in fund balance	(3,166,257)	(3,192,291)	1,198,441	4,390,732
Fund balance - beginning	7,399,852	7,399,852	7,399,852	-
Fund balance - ending	\$ 4,233,595	\$ 4,207,561	\$ 8,598,293	\$ 4,390,732

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

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 8,182,388	\$ 8,182,388	\$ 8,376,714	\$ 194,326
Intergovernmental	161,168	161,168	196,700	35,532
Charges for services	343,250	343,250	276,075	(67,175)
Fines and forfeitures	44,000	49,000	47,823	(1,177)
Grants	30,000	45,236	-	(45,236)
Investment earnings	500	500	947	447
Other fees and miscellaneous revenues	156,186	136,186	189,227	53,041
Total revenues	8,917,492	8,917,728	9,087,486	169,758
Expenditures				
Current:				
Public health and safety	4,475,864	4,547,100	4,394,782	152,318
Capital outlay	249,980	329,980	249,412	80,568
Total expenditures	4,725,844	4,877,080	4,644,194	232,886
Excess (deficiency) of revenues over (under) expenditures	4,191,648	4,040,648	4,443,292	402,644
Other financing sources (uses)				
Transfers in	304,173	444,173	446,232	2,059
Transfers out	(4,628,620)	(4,653,620)	(4,781,758)	(128,138)
Net other financing sources (uses)	(4,324,447)	(4,209,447)	(4,335,526)	(126,079)
Net change in fund balance	(132,799)	(168,799)	107,766	276,565
Fund balance - beginning	1,023,226	1,023,226	1,023,226	-
Fund balance - ending	\$ 890,427	\$ 854,427	\$ 1,130,992	\$ 276,565

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

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 3,134,079	\$ 3,510,864	\$ 3,503,166	\$ (7,698)
Licenses and taxes	3,000	3,000	3,050	50
Intergovernmental	44,954	44,954	44,513	(441)
Grants	9,500,000	9,500,000	4,312,565	(5,187,435)
Investment earnings	1,500	1,500	2,694	1,194
Other fees and miscellaneous revenues	10,000	422,000	1,027,529	605,529
Total revenues	12,693,533	13,482,318	8,893,517	(4,588,801)
Expenditures				
Current:				
Transportation	12,879,580	13,245,587	7,719,257	5,526,330
Capital outlay	3,932,113	4,989,736	1,755,439	3,234,297
Total expenditures	16,811,693	18,235,323	9,474,696	8,760,627
Excess (deficiency) of revenues over (under) expenditures	(4,118,160)	(4,753,005)	(581,179)	4,171,826
Other financing sources (uses)				
Transfers in	3,952,607	3,957,207	3,727,643	(229,564)
Transfers out	(486,948)	(760,000)	(748,439)	11,561
Net other financing sources (uses)	3,465,659	3,197,207	2,979,204	(218,003)
Net change in fund balance	(652,501)	(1,555,798)	2,398,025	3,953,823
Fund balance - beginning	2,693,282	2,693,282	2,693,282	-
Fund balance - ending	\$ 2,040,781	\$ 1,137,484	\$ 5,091,307	\$ 3,953,823

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

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 578,114	\$ 578,114	\$ 565,910	\$ (12,204)
Intergovernmental	2,212,625	2,212,625	2,330,904	118,279
Grants	-	5,891,000	4,559,897	(1,331,103)
Investment earnings	-	-	162	162
Total revenues	2,790,739	8,681,739	7,456,873	(1,224,866)
Expenditures				
Current:				
Transportation	143,608	7,154,608	5,757,554	1,397,054
Capital outlay	2,018,527	2,916,579	325,634	2,590,945
Total expenditures	2,162,135	10,071,187	6,083,188	3,987,999
Excess (deficiency) of revenues over (under) expenditures	628,604	(1,389,448)	1,373,685	2,763,133
Other financing sources (uses)				
Transfers in	486,948	760,000	748,439	(11,561)
Transfers out	(1,115,552)	(1,115,552)	(1,066,709)	48,843
Net other financing sources (uses)	(628,604)	(355,552)	(318,270)	37,282
Net change in fund balance	-	(1,745,000)	1,055,415	2,800,415
Fund balance - beginning	1,645,012	1,645,012	1,645,012	-
Fund balance - ending	\$ 1,645,012	\$ (99,988)	\$ 2,700,427	\$ 2,800,415

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

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 2,750,000	\$ 2,750,000	\$ 2,701,376	\$ (48,624)
Investment earnings	-	-	298	298
Total revenues	2,750,000	2,750,000	2,701,674	(48,326)
Excess (deficiency) of revenues over (under) expenditures	2,750,000	2,750,000	2,701,674	(48,326)
Other financing sources (uses)				
Transfers out	(2,850,000)	(2,850,000)	(2,850,000)	-
Net other financing sources (uses)	(2,850,000)	(2,850,000)	(2,850,000)	-
Net change in fund balance	(100,000)	(100,000)	(148,326)	(48,326)
Fund balance - beginning	393,913	393,913	393,913	-
Fund balance - ending	\$ 293,913	\$ 293,913	\$ 245,587	\$ (48,326)

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

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

September 30, 2017

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 207,507	\$ 54,605	\$ 262,112
Equity in pooled investments	46,572	-	46,572
Accounts receivable, net	98,150	13,369	111,519
Due from other funds	-	85,067	85,067
Due from other governments	129,935	-	129,935
Total current assets	482,164	153,041	635,205
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	63,120	6,020	69,140
Capital assets			
Nondepreciable	303,559	41,641	345,200
Depreciable, net	9,780,975	778,791	10,559,766
Total noncurrent assets	10,147,654	826,452	10,974,106
Total assets	10,629,818	979,493	11,609,311
Deferred outflows of resources			
Pensions	86,398	64,296	150,694
Total deferred outflows of resources	86,398	64,296	150,694

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

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

September 30, 2017

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 46,221	\$ 29,983	\$ 76,204
Accrued interest payable	8,347	-	8,347
Due to other funds	-	23,922	23,922
Liabilities payable from restricted assets	41,814	6,020	47,834
Bonds payable - current	157,222	-	157,222
Total current liabilities	253,604	59,925	313,529
Noncurrent liabilities			
Revenue bonds payable	3,454,221	-	3,454,221
Net pension liability	200,868	149,481	350,349
Total noncurrent liabilities	3,655,089	149,481	3,804,570
Total liabilities	3,908,693	209,406	4,118,099
Deferred Inflows of resources			
Pensions	14,063	10,466	24,529
Total deferred inflows of resources	14,063	10,466	24,529
Net position			
Net investment in capital assets	6,473,091	820,432	7,293,523
Restricted for			
Debt service	59,531	-	59,531
Unrestricted (deficit)	260,838	3,485	264,323
Total net position	\$ 6,793,460	\$ 823,917	\$ 7,617,377

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

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

For the year ended September 30, 2017

	BUSINESS -TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Operating revenues			
Charges for services	1,058,394	245,290	1,303,684
Total operating revenues	1,058,394	245,290	1,303,684
Operating expenses			
Personal services	237,833	338,734	576,567
Utilities	139,015	17,039	156,054
Services and supplies	259,832	105,418	365,250
Repairs and maintenance	48,668	45,455	94,123
Other operating expenses	-	8,863	8,863
Depreciation	281,230	85,724	366,954
Total operating expenses	966,578	601,233	1,567,811
Net operating income (loss)	91,816	(355,943)	(264,127)
Nonoperating revenues (expenses)			
Interest income	14,320	2	14,322
Interest expense	(103,428)	-	(103,428)
Miscellaneous revenue	-	4,939	4,939
Total nonoperating revenues (expenses)	(89,108)	4,941	(84,167)
Income (loss) before contributions and transfers	2,708	(351,002)	(348,294)
Capital contributions	95,886	-	95,886
Transfers, net	-	291,397	291,397
Change in net position	98,594	(59,605)	38,989
Total net position - beginning	6,694,866	883,522	7,578,388
Total net position - ending	\$ 6,793,460	\$ 823,917	\$ 7,617,377

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

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

For the year ended September 30, 2017

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Operating activities			
Receipts from customers and users	\$ 1,056,251	\$ 257,501	\$ 1,313,752
Payments to suppliers	(520,844)	(164,896)	(685,740)
Payments to employees	(223,908)	(328,371)	(552,279)
Net cash provided (used) by operating activities	311,499	(235,766)	75,733
Noncapital financing activities			
Transfers to/from other funds	-	291,397	291,397
Advance from/to other funds	(30)	(43,204)	(43,234)
Net cash provided (used) by noncapital financing activities	(30)	248,193	248,163
Capital and related financing activities			
Capital contributions	95,886	-	95,886
Purchase of capital assets	(127,774)	(50,324)	(178,098)
Principal payments on capital debt	(151,501)	-	(151,501)
Interest payments on capital debt	(104,168)	-	(104,168)
Other receipts	-	4,939	4,939
Net cash (used) provided by capital and related financing activities	(287,557)	(45,385)	(332,942)
Investing activities			
Purchase of investments	(501)	-	(501)
Interest and dividends	14,320	2	14,322
Net cash provided by investing activities	13,819	2	13,821
Net increase (decrease) in cash and cash equivalents	37,731	(32,956)	4,775
Cash - beginning of the year	232,896	93,581	326,477
Cash - ending of the year	\$ 270,627	\$ 60,625	\$ 331,252

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

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

For the year ended September 30, 2017

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Reconciliation of net operating income to net cash (used) provided by operating activities			
Net operating income (loss)	\$ 91,816	\$ (355,943)	\$ (264,127)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	281,230	85,724	366,954
(Increase) decrease in accounts receivable	(11,471)	9,851	(1,620)
(Increase) decrease in due from other governments	2,314	-	2,314
(Increase) decrease in deposits	7,014	2,360	9,374
Increase (decrease) in accounts payable	(59,404)	22,242	(37,162)
		-	
Net cash provided (used) by operating activities	\$ 311,499	\$ (235,766)	\$ 75,733

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

Jackson County, Florida
Statement of Fiduciary Net Position
Agency Funds

September 30, 2017

	Agency Funds
Assets	
Cash and cash equivalents	\$ 1,136,995
Total assets	\$ 1,136,995
Liabilities	
Due to others	\$ 664,850
Due to the Board	54,334
Due to other governments	417,811
Total liabilities	\$ 1,136,995

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

Jackson County, Florida Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2017.

Reporting Entity

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

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

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

Jackson County, Florida Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Jackson County, Florida Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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 County has elected not to follow subsequent private-sector guidance.

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

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

The County reports the following major governmental funds:

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



Jackson County, Florida
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The County reports the following major proprietary fund:

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

The County also reports the following fund type:

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

The County reports the following blended component units:

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

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.

Jackson County, Florida
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

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

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

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

Property Appraiser	Total Expenditures	Total Revenue
GAAP basis	\$ 950,280	\$ 950,280
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(4,767)	(4,767)
Budgetary basis	\$ 945,513	\$ 945,513

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments

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

Equity in Pooled Investments

Equity in pooled investments include amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Jackson County, Florida
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

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

Interfund Balances

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

Inventories

Inventory 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 amounts are immaterial.

Capital Assets

The County’s capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, storm water system, sidewalks, and similar items), are reported in the capital asset accounts of the County. Property and equipment with initial, individual costs that exceed \$5,000 and an estimated useful life in excess of one year are recorded as capital assets. Buildings, roads, bridges, and sidewalks are capitalized when their initial costs exceed \$5,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred. Capital assets purchased by the Clerk of Circuit Court, Property Appraiser, Supervisor of Elections, and Tax Collector are accounted for within the Board of County Commissioner’s capital assets. The Sheriff maintains its own property records.

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

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

Unearned revenues

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

Accumulated Compensated Absences

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

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

Long-Term Debt

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

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

Governmental Fund Balances

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

Net Position

For the year ending September 30, 2017, the County reports net position as restricted or unrestricted. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is comprised of all other balances, including committed, assigned and unassigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

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

Management Estimates and Assumptions

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

Subsequent Events

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

New Accounting Standards Adopted

In fiscal year 2017, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.
- GASB Statement No. 77, Tax Abatement Disclosures.
- GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans.
- GASB Statement No. 80, Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14

GASB Statement No. 74 (GASB 74) establishes accounting and financial reporting standards, but not funding or budgetary standards, for state and local governmental other postemployment benefit ("OPEB") plans. The statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and Statement No. 57, *OPEB Measurement by Agent Employers and Agent Multiple-Employer Plans*. The adoption of GASB 74 had no impact on the County's governmental fund financial statements. The requirements of GASB 74 are effective for fiscal years beginning after June 15, 2016.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards Adopted (Continued)

GASB Statement No. 77 (GASB 77) defines a tax abatement and contains required disclosures about a reporting government's own tax abatement agreements and those agreements that are entered into by other governments and that reduce the reporting government's tax revenues. There was no impact on the County's financial statements as a result of the implementation of GASB 77. The requirements of GASB 77 are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 78 (GASB 78) amends the scope and applicability of Statement No. 68 *Accounting and Financial Reporting for Pensions*—and amendment of GASB Statement No. 27 to exclude pension plans provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (a) is not a state or local government pension plan, (b) is used to provide defined benefits both to employees of state or local governmental employers and to employees of employers that are not state or local governments, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The Statement also establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. There was no material impact on the County's financial statements as a result of the implementation of GASB 78. The requirements of GASB 78 are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 80 (GASB 80) amends the blending requirements for the financial statement presentation of component units of all state and local governments by providing an additional criterion. A component unit should be included in the reporting entity financial statements using the blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member as identified in the component unit's articles of incorporation or bylaws. There was no impact on the County's financial statements as a result of the implementation of GASB 80. The requirements of GASB 80 are effective for reporting periods beginning after June 15, 2016.

Jackson County, Florida
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued But Not Yet Effective

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

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
75	<i>Account and Financial Reporting for Postemployment Benefits Other Than Pensions</i>	2018
81	<i>Irrevocable Split-Interest Agreements</i>	2018
83	<i>Certain Asset Retirement Obligations</i>	2019
84	<i>Fiduciary Activities</i>	2020
85	<i>Omnibus 2017</i>	2018
86	<i>Certain Debt Extinguishment Issues</i>	2018
87	<i>Leases</i>	2021
88	<i>Certain Disclosures Related to Debt, including Direct Borrowings And Direct Payments</i>	2019
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021

NOTE 2 - PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2017 millage rate assessed by the County was 7.9000 mills.

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

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

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

Jackson County, Florida Notes to Financial Statements

NOTE 2 - PROPERTY TAXES (CONTINUED)

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

NOTE 3 - CASH AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$20,043,342 and the bank balance was \$22,844,029. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2017, the net realizable value and the carrying value of these funds was \$927,886. The funds are carried as equity in pooled investments on the balance sheet at September 30, 2017. 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.

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

The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in PRIME is at amortized cost.

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2017, the County'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, 2017, is 51 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2017, is 80 days.

Custodial Credit Risk

At September 30, 2017, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

Concentration of Credit Risk

At September 30, 2017, the County did not hold any investments that were considered to have a concentration of credit risk.

Foreign Currency Risk

At September 30, 2017, the County did not hold any investments that were considered to have a foreign currency risk.

Fair Value Measurement and Application

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 lists several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. At September 30, 2017, the County's investments consisted of non-negotiable certificates of deposits which are recorded at cost and are excluded from fair value measurement.

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

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

Jackson County, Florida
Notes to Financial Statements

NOTE 4 - RESTRICTED ASSETS

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

	Amount
Technology escrow	\$ 103,042
Federal election activities	8,035
Sick leave buyback program	279,758
Total	\$ 390,835

The Transportation Trust Fund's cash is restricted for the sick leave buyback program in the amount of \$225,860 and for ongoing FEMA projects in the amount of \$1,681,552.

The Nonmajor Governmental funds' cash is restricted for other programs in the amount of \$3,060,681.

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

	Amount
Debt service	\$ 21,306
Customer deposits	47,834
Investment extension and improvements	46,572
Total	\$ 115,712

Jackson County, Florida
Notes to Financial Statements

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable of the Fire/Rescue Department is accounted for in the County's General Fund. Accounts receivable in the Fire/Rescue Department totaled \$1,718,746 and are shown net of the allowance for doubtful accounts and contractual adjustments of \$1,396,861. 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 \$401,403 from franchise fees and royalties related to private landfills and \$42,777 in miscellaneous receivables.

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

NOTE 6 - INTERFUND BALANCES

Balances due to/from other funds at September 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>		
General fund	Utility Fee fund	\$	2,850,000
	Road Construction		23,978
	Nonmajor governmental funds:		
	Other special revenue funds		65,358
	Proprietary funds:		
	Parks and Recreation		23,766
Transportation Trust	Nonmajor governmental funds:		
	Other special revenue funds		790,618
Fine and Forfeitures	General fund		144,457
	Nonmajor governmental funds:		
	Other special revenue funds		5,788
Road Construction	General fund		206,385
	Transportation Trust		1,210,612
	Jackson Recycling		85,067
Nonmajor governmental funds	General fund		1,385,605
	Road Construction		43,931
	Proprietary funds:		
	Jackson Recycling		156
	Nonmajor governmental funds:		
	Other special revenue funds		24,782
Total		\$	6,860,503

Jackson County, Florida
Notes to Financial Statements

NOTE 6 - INTERFUND BALANCES (CONTINUED)

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

Interfund transfers for the year ended September 30, 2017, consisted of the following:

Transfers to General Fund from:		
Fines and Forfeitures	\$ 4,781,758	
Utility Fee Fund	2,850,000	
Nonmajor Governmental fund	55,200	
Total		\$ 7,686,958
Transfers to Fines and Forfeiture from:		
General Fund	144,421	
Nonmajor Governmental fund	301,811	
Total		446,232
Transfers to Transportation Trust from:		
General Fund	996,758	
Nonmajor Governmental fund	2,730,885	
Total		3,727,643
Transfers to Road Construction from:		
Transportation Trust		748,439
Transfers to Nonmajor Governmental Funds from:		
General fund	364,024	
Road Construction	1,066,709	
Nonmajor Governmental funds	202,612	
Total		1,633,345
Subtotal		14,242,617
Transfers to Proprietary funds from:		
General fund		291,397
Total interfund transfers		\$ 14,534,014

Jackson County, Florida
Notes to Financial Statements

NOTE 6 - INTERFUND BALANCES (CONTINUED)

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

NOTE 7 - DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2017, but not yet received by the County. The majority of these amounts were received in October and November 2017.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,685,933	\$ 128,484	\$ -	\$ 2,814,417
Construction in progress	3,158,354	3,806,174	4,462,838	2,501,690
Total capital assets, not being depreciated	5,844,287	3,934,658	4,462,838	5,316,107
Capital assets, being depreciated:				
Buildings and improvements	35,537,151	4,201,066	-	39,738,217
Equipment	19,555,401	2,345,250	633,725	21,266,926
Roads	50,155,651	1,010,393	-	51,166,044
Infrastructure - Sidewalks	1,099,712	376,484	-	1,476,196
Total capital assets, being depreciated	106,347,915	7,933,193	633,725	113,647,383
Less: Total accumulated depreciation	47,698,156	4,067,162	207,915	51,557,403
Total capital assets, being depreciated, net	58,649,759	3,866,031	425,810	62,089,980
Governmental activities capital assets, net	\$ 64,494,046	\$ 7,800,689	\$ 4,888,648	\$ 67,406,087

Jackson County, Florida
Notes to Financial Statements

NOTE 8 - CAPITAL ASSETS (CONTINUED)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 46,641	\$ -	\$ -	\$ 46,641
Construction in progress	170,786	127,773	-	298,559
Total capital assets, not being depreciated	217,427	127,773	-	345,200
Capital assets, being depreciated:				
Equipment	15,586,774	50,325	-	15,637,099
Total capital assets, being depreciated	15,586,774	50,325	-	15,637,099
Less: Total accumulated depreciation	4,710,379	366,954	-	5,077,333
Total capital assets, being depreciated, net	10,876,395	(316,629)	-	10,559,766
Business-type activities capital assets, net	\$ 11,093,822	\$ (188,856)	\$ -	\$ 10,904,966

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 188,832
Public safety	784,166
Transportation	2,463,247
Economic environment	1,234
Culture and recreation	138,818
Human services	397,060
Court related	93,805
Total depreciation expense-governmental activities	\$ 4,067,162

Jackson County, Florida
Notes to Financial Statements

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Business-type activities

Water and sewer	\$ 281,230
Recycling	14,070
Parks and recreation	71,654
Total depreciation expense-business-type activities	\$ 366,954

NOTE 9 - LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2017, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Revenue bonds	\$ 8,691,000	\$ -	\$ 881,000	\$ 7,810,000	\$ 901,000
Notes payable	312,000	-	49,000	263,000	51,000
Capital leases	2,933,650	-	139,142	2,794,508	140,010
Compensated absences	1,378,947	750,358	704,858	1,424,447	356,113
Landfill closure and post-closure costs	292,161	-	-	292,161	50,000
Total governmental activities:	13,607,758	750,358	1,774,000	12,584,116	1,498,123
Business-type activities:					
Revenue bonds	3,762,944	-	151,501	3,611,443	157,222
Total	\$ 17,370,702	\$ 750,358	\$ 1,925,501	\$ 16,195,559	\$ 1,655,345

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

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Debt service requirements on long-term debt at September 30, 2017 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES			
	REVENUE BONDS		NOTES PAYABLE	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2018	\$ 901,000	\$ 170,686	\$ 51,000	\$ 4,845
2019	922,000	150,300	51,000	3,805
2020	943,000	129,432	53,000	2,744
2021	964,000	108,101	53,000	1,663
2022	986,000	86,288	55,000	561
2023-2027	3,094,000	116,964	-	-
Total	\$ 7,810,000	\$ 761,771	\$ 263,000	\$ 13,618

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES	
	CAPITAL LEASE	
	PRINCIPAL	INTEREST
2018	\$ 140,010	\$ 63,715
2019	148,677	60,523
2020	157,705	57,133
2021	167,107	53,537
2022	176,900	49,727
2023-2027	1,002,141	184,751
2028-2032	1,001,968	58,566
Total	\$ 2,794,508	\$ 527,952

FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES	
	REVENUE BONDS	
	PRINCIPAL	INTEREST
2018	\$ 157,222	\$ 98,448
2019	161,588	94,081
2020	166,076	89,594
2021	170,689	84,981
2022	175,429	80,241
2023-2027	952,993	325,356
2028-2032	1,092,887	185,460
2033-2037	734,559	35,703
Total	\$ 3,611,443	\$ 993,864

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Governmental Activities

Revenue Bonds

\$9,981,000, Gas Tax Revenue Bonds, Series 2014, payable in semi-annual installments of \$427,000 to \$530,000 through 2025, interest at 2.25%. Collateralized by pledged revenue generated from certain gas tax revenues. \$ 7,810,000

Total revenue bonds \$ 7,810,000

Notes Payable

\$500,000, Series 2012 Note, payable in semi-annual installments of \$54,793 to \$55,845 through 2021, interest at 2.04%. Collateralized by pledged revenue generated from certain gas tax revenues. \$ 263,000

Total notes payable \$ 263,000

Capital Leases

\$2,933,650, Energy Retro-fit Lease, payable in annual installments of \$198,411 to \$276,050 through 2031, interest at 2.28%. Total assets acquired through the capital lease in the amount of \$2,933,650 are included in depreciable assets in the Statement of Net Position at September 30, 2017. \$ 2,794,508

Total capital leases \$ 2,794,508

Business-Type Activities

Revenue Bonds

\$3,910,000, Water and Sewer Revenue Bonds, Series 2015, payable in semi-annual installments of \$73,910 to \$126,096 through 2035, interest at 2.7583%. Collateralized by pledged revenue derived from the operation of the system. \$ 3,611,443

Total revenue bonds \$ 3,611,443

Total interest expense for the year ended September 30, 2017 was \$103,428 for the business-type activities and \$254,350 for the governmental activities. Interest paid during the year ended September 30, 2017 was \$386,742.

NOTE 9 - LONG-TERM DEBT (CONTINUED)

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, 2017 was \$1,424,447.

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

NOTE 10 - RISK MANAGEMENT

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

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

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

- General liability
- Automobiles
- Money and securities coverage

The Sheriff provides for workers' compensation coverage through the Board. A separate insurance policy is carried for the aircraft.

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

NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

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

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

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

Benefits Provided

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

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

Jackson County, Florida
Notes to Financial Statements

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2016, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	6.26%	1.66%
Senior Management Service Class	21.05%	1.66%
Elected county officials' class	43.84%	1.66%
Special Risk	21.61%	1.66%
DROP	11.60%	1.66%

The employer's contributions for the year ended September 30, 2017, were \$1,687,077 to the FRS and \$221,719 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2017, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2017, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2017. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2017	\$ 18,913,624	\$ 4,442,972
Proportion at:		
Current measurement date	0.0639000	0.0416000
Prior measurement date	0.0650000	0.0430000
Pension expense (benefit)	\$ 3,211,613	\$ 316,499

Jackson County, Florida
Notes to Financial Statements

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

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,735,816	\$ (104,772)	\$ -	\$ (9,251)
Changes of assumptions	6,356,313	-	624,529	(384,189)
Net difference between projected and actual earnings on pension plan investments	-	(468,727)	2,464	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	730,800	(486,509)	56,303	(181,880)
County contributions subsequent to the measurement date	479,759	-	60,186	-
Total	\$ 9,302,688	\$ (1,060,008)	\$ 743,482	\$ (575,320)

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

Fiscal Year Ending June 30,	FRS	HIS
2018	\$ 1,038,851	\$ 50,961
2019	2,692,950	50,961
2020	1,869,477	50,961
2021	435,036	33,596
2022	1,285,507	2,619
Thereafter	441,100	(81,124)
Total	\$ 7,762,921	\$ 107,974

Jackson County, Florida
Notes to Financial Statements

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

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2017, was determined by an actuarial valuation dated July 1, 2017, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.10%	N/A
Discount rate	7.10%	3.58%

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

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

The following changes in key actuarial assumptions occurred in 2017:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.60% to 7.10%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.85% to 3.58%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation. The reduced investment return assumption of 7.60 percent, which was adopted by the Florida Retirement System Actuarial Assumption Conference, conflicts with the consulting actuary's judgment of a reasonable assumption as defined by Actuarial Standards of Practice No. 27.

Jackson County, Florida
Notes to Financial Statements

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.0%	3.0%	1.8%
Fixed Income	18.0%	4.7%	4.6%	4.2%
Global Equity	53.0%	8.1%	6.8%	17.0%
Real Estate (Property)	10.0%	6.4%	5.8%	12.8%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	9.7%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.10%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.58% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS Net Pension Liability		
	Current		
	1% Decrease (6.10%)	Discount Rate (7.10%)	1% Increase (8.10%)
Governmental Employer's proportionate share of the net pension liability	\$ 33,719,029	\$ 18,629,920	\$ 6,102,502
Business-Type Employer's proportionate share of the net pension liability	\$ 513,488	\$ 283,704	\$ 92,931

Jackson County, Florida
Notes to Financial Statements

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

	HIS Net Pension Liability		
	Current		
	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Governmental Employer's proportionate share of the net pension liability	\$ 4,993,969	\$ 4,376,327	\$ 3,861,866
Business-Type Employer's proportionate share of the net pension liability	\$ 76,050	\$ 66,645	\$ 58,810

Pension Plans' Fiduciary Net Position

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

NOTE 12 - OTHER LIABILITIES

At September 30, 2017, other liabilities in the Statement of Net Position include \$270,000 associated with the settlement of an outstanding workers' compensation claim and \$318,649 associated with a settlement agreement related to a lawsuit with Compass Lake in the Hills Property Owners Association. The workers' compensation settlement will be paid in annual installments of \$75,000 a year for three years with a remaining installment of \$45,000 in the final year. The agreement with the Compass Lake in the Hills Property Owners Association to maintain the roads and provide fire protection has been terminated as a result of the settlement.

NOTE 13 - GRANTS

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2017, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

Jackson County, Florida
Notes to Financial Statements

NOTE 14 - FUND BALANCE

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2017, the County reports net position as restricted, committed, assigned and unassigned. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed net position has amounts constrained by a specific purpose by the Board of County Commissioners. Assigned net position has constraints placed on the use of resources by the County's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Restricted Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Vessel fees	\$ 103,792	
	Total General Fund		\$ 103,792
Special Revenue Fund	Nonmajor governmental funds		
	Gas Tax Bond Series 2014	1,962,912	
	Local Law Enforcement	100,459	
	Drug Court	34,238	
	Crime prevention	113,140	
	Courts Facility	1,227,293	
	JCDC tax	2,030,011	
	Anti-drug abuse	26,517	
	Inmate Welfare Fund	113,929	
	Additional court costs	336,894	
	Contraband forfeitures	61,050	
	Modernization of public records	282,748	
	Total nonmajor governmental funds		6,289,191
	Total Restricted Fund Balance		\$ 6,392,983

Jackson County, Florida
Notes to Financial Statements

NOTE 14 - FUND BALANCE (CONTINUED)

Committed Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Sick Leave	\$ 279,758	
	Prior year Improvements	825,739	
	Total General Fund		\$ 1,105,497
Special Revenue Fund	Funding for:		
	Transportation Trust		225,860
	Road Construction		2,700,427
	Nonmajor governmental funds		
	Compass Lake MSTU	552,814	
	Court construction improvement	37,503	
	Law library	17,148	
	Law enforcement	16,444	
	Mosquito control	47,782	
	West Jackson County Dev. Authority	299,007	
	Total nonmajor governmental funds		970,698
	Total Committed Fund Balance		\$ 5,002,482

Jackson County, Florida
Notes to Financial Statements

NOTE 14 - FUND BALANCE (CONTINUED)

Assigned Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Administration Building Fund	\$ 2,424,168	
	BP settlement funds	306,036	
	Tax Deeds	60,857	
	Wellness funds	32,748	
	Technology Escrow	103,042	
	Library donations	59,136	
	Total General Fund		\$ 2,985,987
Special Revenue Fund	Funding for:		
	Fines and Forfeitures		1,130,992
	Transportation Trust		4,865,447
	Utility Fee Fund		245,587
	Nonmajor governmental funds		
	Local Option Gas Tax	836,581	
	Jackson County Ag Complex	223,030	
	Other Debt Service	103,173	
	E911	160,631	
	Sheriff Aviation	62,710	
	Emergency Management Grant	3,735	
	Contraband forfeitures	11,074	
	Crime prevention	50	
	Solid Waste Recycling Grant	403	
	Total nonmajor governmental funds		1,401,387
	Total Assigned Fund Balance		\$ 10,629,400

Jackson County, Florida
Notes to Financial Statements

NOTE 15 - LITIGATION AND CONTINGENT LIABILITIES

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

NOTE 16 - RECLASSIFICATION

Certain 2016 amounts have been reclassified to conform with 2017 classifications. Such reclassification had no effect on reported net income.

NOTE 17 - LANDFILL CLOSURE/LONG-TERM CARE ESCROW

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

The Board has adopted GASB Statement No. 18, which requires recognition of landfill post-closure care costs in the Board's long-term debt. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions after closure. At September 30, 2017, the amount of \$292,161 in long-term debt recognizes the estimated cost to continue ground water monitoring until FDEP releases the site from further monitoring. The above estimate is based on current prices; actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

Contractual Commitments

At September 30, 2017, 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, 2017:

FDOT SCRAP Salem Church Road	\$ 1,190,276
FDOT SCOP CR 276 Park Road	65,818
Old Spanish Trail Paving	76,301
Miscellaneous road repairs	101,110
Circle Hill Improvements	944,361
Topaz Road Improvements	612,182
District One Improvements	918,161
Fire Station 22 Improvements	162,966

NOTE 18 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Workers Compensation Cases

There are two workers compensation cases outstanding at year end that are associated with the Governmental Risk Insurance Trust (GRIT). The future medical costs of these claims are estimated to be \$864,708 and \$96,697 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 & Assoc. and approved by the County. The landfill gas system was installed in 2010 with additional gas extraction wells installed in 2013. Since the landfill gas extraction system installation, the landfill gas in the waste has decreased and the groundwater contamination is decreasing.

In addition to the landfill gas system, part of the contamination remediation was to install replacement groundwater monitoring wells at the site as it appears, from discrepancies in measured well depths, that six wells were damaged. FDEP required the wells to be replaced at a schedule of two wells per year for three years until all of the landfill monitoring wells have been replaced.

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 19 - SUBSEQUENT EVENTS

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

Subsequent to year end, the County has entered into contracts for various construction projects totaling in excess of \$6.5 million.

NOTE 19 - SUBSEQUENT EVENTS (CONTINUED)

Compass Lake in the Hills

Subsequent to year end, Jackson County entered into a settlement agreement related to the Compass Lake in the Hills Property Owners Association vs. Jackson County litigation. The amount to be paid by the County will be \$318,649. See Note 12.

Russ House

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. In April 2016, the Board approved phase one of the Russ House renovations in the amount of \$268,549. As of September 30, 2017, the renovation project was approximately 93% complete.

Equipment Purchases

Subsequent to year end, the Board purchased various fixed assets including vehicles and other equipment costing approximately \$561,520.

NOTE 20 - BUDGET

Budgets were not prepared for the Sheriff's special revenue funds.

NOTE 21 - COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$113,014.

Jackson County, Florida
Notes to Financial Statements

NOTE 22 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

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

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

Membership – At September 30, 2017, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	321
Retirees and beneficiaries currently receiving benefits	34
<u>Total membership</u>	<u>355</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 2017 was \$235,741. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

Jackson County, Florida
Notes to Financial Statements

NOTE 22 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

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,	2017
Annual required contribution	\$ 378,000
Interest on prior year net OPEB obligation	59,000
Adjustments to annual required contribution	(111,000)
Annual OPEB costs	326,000
Estimated employer contribution made	(146,000)
Increase (decrease) in net OPEB obligation	180,000
Net OPEB obligation, beginning of year	1,477,000
Estimated net OPEB obligation, end of year	\$ 1,657,000

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2017 and the prior two (2) years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2015	\$ 233,000	39.7%	\$ 1,371,000
9/30/2016	\$ 242,000	46.9%	\$ 1,477,000
9/30/2017	\$ 326,000	38.6%	\$ 1,657,000

Jackson County, Florida
Notes to Financial Statements

NOTE 22 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Funded Status and Funding Progress – As of September 30, 2017, the actuarial accrued liability of \$3,037,000 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, 2016, for the fiscal date of October 1, 2016 to September 30, 2017, 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, 2017 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, 2017 was 15 years.

Post-Employment Benefits Plan Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
10/1/2012	\$ -	\$ 2,326,000	\$ 2,326,000	0.00%	N/A	N/A
10/1/2014	\$ -	\$ 1,980,000	\$ 1,980,000	0.00%	N/A	N/A
10/1/2016	\$ -	\$ 3,037,000	\$ 3,037,000	0.00%	N/A	N/A

Jackson County, Florida
Notes to Financial Statements

NOTE 23 - OPERATING LEASES

The County leases various buildings and equipment under operating leases with yearly lease terms. Rental expense under operating leases for the year ended September 30, 2017 was \$208,334.

Minimum future lease payments under operating leases as of September 30, 2017 and for each year until expiration are:

2018	\$ 323,623
2019	321,822
2020	256,238
2021	256,238
2022	121,850
Thereafter	-
Total minimum future lease payments	\$ 1,279,771

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

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

2018	\$ 79,134
2019	51,545
2020	67,326
2021	67,326
2022	67,326
Thereafter	84,158
Total	\$ 416,815

NOTE 24 – DEFICIT FUND BALANCES

The County had one non-major special revenue fund with a deficit fund balance at September 30, 2017. The Russ House fund had a deficit fund balance of \$5,402. The deficit will be funded by future revenues in the next fiscal year.



**COMBINING FINANCIAL
STATEMENTS**

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2017

	Special Revenue Funds						
	Local Option Gas Tax	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax	MSTU	Bond Series 2014
Assets							
Cash and cash equivalents	\$ 38,060	\$ 64,153	\$ 715,138	\$ -	\$ -	\$ 93,653	\$ 1,693,696
Investments	-	-	-	-	1,578,032	-	-
Equity in pooled investments	7,103	88,598	-	-	197	-	-
Restricted cash and cash equivalents	-	-	-	1,206,948	374,811	-	269,414
Accounts receivable	-	-	-	-	-	355,922	-
Prepaid expenses	-	-	-	-	-	103,239	-
Due from other funds	1,312,188	18,448	-	-	36,590	-	43,931
Due from other governmental units	461,432	19,129	-	21,154	55,484	-	-
Total assets	\$ 1,818,783	\$ 190,328	\$ 715,138	\$ 1,228,102	\$ 2,045,114	\$ 552,814	\$ 2,007,041
Liabilities							
Accounts payable and accrued expenses	\$ 191,446	\$ 29,697	\$ 9,876	\$ 809	\$ 15,103	\$ -	\$ 44,129
Due to other funds	790,756	-	13,002	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-
Unearned revenue	-	-	692,260	-	-	-	-
Total liabilities	982,202	29,697	715,138	809	15,103	-	44,129
Fund balances							
Restricted	-	-	-	1,227,293	2,030,011	-	1,962,912
Committed	-	-	-	-	-	552,814	-
Assigned	836,581	160,631	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	836,581	160,631	-	1,227,293	2,030,011	552,814	1,962,912
Total liabilities and fund balances	\$ 1,818,783	\$ 190,328	\$ 715,138	\$ 1,228,102	\$ 2,045,114	\$ 552,814	\$ 2,007,041

See Independent Auditors' Report

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2017

	Special Revenue Funds						
	Law Library Fund	Local Law Enforcement	Drug Court	Alcohol and Drug Abuse Fund	Library Grant Fund	Contraband Forfeitures Fund	Mosquito Control
Assets							
Cash and cash equivalents	\$ 18,019	\$ -	\$ -	\$ -	\$ -	\$ 11,074	\$ 101,039
Investments	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	94,876	33,613	2,003	46,804	-	-
Accounts receivable	-	5,583	-	56	303,783	-	279
Prepaid expenses	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governmental units	-	-	625	-	-	-	-
Total assets	\$ 18,019	\$ 100,459	\$ 34,238	\$ 2,059	\$ 350,587	\$ 11,074	\$ 101,318
Liabilities							
Accounts payable and accrued expenses	\$ 871	\$ -	\$ -	\$ -	\$ 132,085	\$ -	\$ 6,279
Due to other funds	-	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	218,503	-	47,257
Total liabilities	871	-	-	-	350,588	-	53,536
Fund balances							
Restricted	-	100,459	34,238	2,059	-	-	-
Committed	17,148	-	-	-	-	-	47,782
Assigned	-	-	-	-	-	11,074	-
Unassigned	-	-	-	-	(1)	-	-
Total fund balances	17,148	100,459	34,238	2,059	(1)	11,074	47,782
Total liabilities and fund balances	\$ 18,019	\$ 100,459	\$ 34,238	\$ 2,059	\$ 350,587	\$ 11,074	\$ 101,318

See Independent Auditors' Report

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2017

	Special Revenue Funds						
	Compass Lake Foreclosure	Equitable Sharing	Crime Prevention	Article V Technology	Jackson County Agriculture Complex	JCAC Operation and Maintenance Fund	EMS County Award Grant
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 622	\$ 212,471	\$ 18,885	\$ 34,349
Investments	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	133,656	74,587	35,590	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Due from other funds	-	1	-	18,589	11,499	-	-
Due from other governmental units	-	-	903	3,424	75	-	-
Total assets	\$ 133,656	\$ 74,588	\$ 36,493	\$ 22,635	\$ 224,045	\$ 18,885	\$ 34,349
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 22,634	\$ 415	\$ 7,231	\$ 163
Due to other funds	-	-	-	-	-	11,654	-
Due to other governmental units	133,606	-	-	-	-	-	-
Unearned revenue	-	-	-	-	600	-	30,451
Total liabilities	133,606	-	-	22,634	1,015	18,885	30,614
Fund balances							
Restricted	-	74,588	36,493	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	50	-	-	-	223,030	-	3,735
Unassigned	-	-	-	1	-	-	-
Total fund balances	50	74,588	36,493	1	223,030	-	3,735
Total liabilities and fund balances	\$ 133,656	\$ 74,588	\$ 36,493	\$ 22,635	\$ 224,045	\$ 18,885	\$ 34,349

See Independent Auditors' Report

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2017

	Special Revenue Funds						
	Hazardous Material Grant	Emergency Management Grant	Solid Waste Recycling Grant	Court Construction Improvements	Russ House Fund	Sheriff Aviation Fund	West Jackson County Development Authority
Assets							
Cash and cash equivalents	\$ 53	\$ 8,063	\$ 772	\$ 37,580	\$ 16,208	\$ 62,710	\$ 299,007
Investments	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	390	-	-
Prepaid expenses	-	-	-	-	-	-	-
Due from other funds	-	-	156	-	-	-	-
Due from other governmental units	-	33,990	24,468	-	-	-	-
Total assets	\$ 53	\$ 42,053	\$ 25,396	\$ 37,580	\$ 16,598	\$ 62,710	\$ 299,007
Liabilities							
Accounts payable and accrued expenses	-	7,805	2,881	77	21,725	-	-
Due to other funds	53	34,249	22,112	-	75	-	-
Due to other governmental units	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	200	-	-
Total liabilities	53	42,054	24,993	77	22,000	-	-
Fund balances							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	37,503	-	-	299,007
Assigned	-	-	403	-	-	62,710	-
Unassigned	-	(1)	-	-	(5,402)	-	-
Total fund balances	-	(1)	403	37,503	(5,402)	62,710	299,007
Total liabilities and fund balances	\$ 53	\$ 42,053	\$ 25,396	\$ 37,580	\$ 16,598	\$ 62,710	\$ 299,007

See Independent Auditors' Report

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2017

	Special Revenue Funds				
	Jackson County Agriculture Center	Additional Court Cost Fund	Energy Retrofit Fund	Accounts Payable Clearing Fund	Drug Task Force Operating
Assets					
Cash and cash equivalents	\$ 15,779	\$ -	\$ -	\$ 125,159	\$ -
Investments	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-
Restricted cash and cash equivalents	-	337,323	-	-	2,116
Accounts receivable	1,060	-	-	210	-
Prepaid expenses	-	-	-	-	-
Due from other funds	-	-	-	13,000	-
Due from other governmental units	-	3,880	-	-	24,692
Total assets	\$ 16,839	\$ 341,203	\$ -	\$ 138,369	\$ 26,808
Liabilities					
Accounts payable and accrued expenses	\$ 10,093	\$ 4,309	\$ -	\$ 134,430	\$ 219
Due to other funds	4,846	-	-	3,939	72
Due to other governmental units	-	-	-	-	-
Unearned revenue	1,900	-	-	-	-
Total liabilities	16,839	4,309	-	138,369	291
Fund balances					
Restricted	-	336,894	-	-	26,517
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	336,894	-	-	26,517
Total liabilities and fund balances	\$ 16,839	\$ 341,203	\$ -	\$ 138,369	\$ 26,808

See Independent Auditors' Report

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2017

	Special Revenue Funds				
	JCSO Posse	JCSO Reserve Fund	JCSO Auxiliary Fund	Local Law Enforcement Fund	Clerk Modernization Trust Fund
Assets					
Cash and cash equivalents	\$ 743	\$ 2,403	\$ 13,298	\$ -	\$ -
Investments	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	282,748
Accounts receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Total assets	\$ 743	\$ 2,403	\$ 13,298	\$ -	\$ 282,748
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund balances					
Restricted	-	-	-	-	282,748
Committed	743	2,403	13,298	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	743	2,403	13,298	-	282,748
Total liabilities and fund balances	\$ 743	\$ 2,403	\$ 13,298	\$ -	\$ 282,748

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2017

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Debt Service Fund		
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -		\$ 3,582,934
Investments	-	-	-		1,578,032
Equity in pooled investments	-	-	103,173		199,071
Restricted cash and cash equivalents	105,017	60,978	-		3,060,484
Accounts receivable	14,700	-	-		681,983
Prepaid expenses	-	-	-		103,239
Due from other funds	-	72	-		1,454,474
Due from other governmental units	-	-	-		649,256
Total assets	\$ 119,717	\$ 61,050	\$ 103,173		\$ 11,309,473
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -		\$ 642,277
Due to other funds	5,788	-	-		886,546
Due to other governmental units	-	-	-		133,606
Unearned revenue	-	-	-		991,171
Total liabilities	5,788	-	-		2,653,600
Fund balances					
Restricted	113,929	61,050	-		6,289,191
Committed	-	-	-		970,698
Assigned	-	-	103,173		1,401,387
Unassigned	-	-	-		(5,403)
Total fund balances	113,929	61,050	103,173		8,655,873
Total liabilities and fund balances	\$ 119,717	\$ 61,050	\$ 103,173		\$ 11,309,473

See Independent Auditors' Report

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Jackson County, Florida

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

For the year ended September 30, 2017

	Special Revenue Funds						
	Local Option Gas Tax	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax	MSTU	Gas Tax Bond Series 2014
Revenues							
Taxes	\$ 2,355,430	\$ -	\$ -	\$ -	\$ 347,949	\$ 664,228	\$ -
Intergovernmental	-	1,000	-	-	1,053	-	-
Charges for services	-	235,486	-	268,936	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	-	19,461	349,781	-	-	-	-
Investment earnings	76	951	75	-	12,876	-	544
Other fees and miscellaneous revenues	-	-	-	-	-	-	-
Total revenues	2,355,506	256,898	349,856	268,936	361,878	664,228	544
Expenditures							
Current:							
General government	-	-	-	-	-	655,237	-
Public health and safety	-	210,401	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	116,895	-	-	-	-	303,060	-
Economic environment	-	-	349,856	-	177,004	-	-
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	27,010	-	-	-
Capital outlay	101,802	-	-	-	-	6,700	1,639,504
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	881,000
Interest and other charges	-	-	-	-	-	-	185,665
Total expenditures	218,697	210,401	349,856	27,010	177,004	964,997	2,706,169
Excess (deficiency) of revenues over (under) expenditures	2,136,809	46,497	-	241,926	184,874	(300,769)	(2,705,625)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	1,066,709
Transfers out	(2,786,085)	-	-	(317,673)	-	-	-
Net other financing sources (uses)	(2,786,085)	-	-	(317,673)	-	-	1,066,709
Net change in fund balances	(649,276)	46,497	-	(75,747)	184,874	(300,769)	(1,638,916)
Fund balances - beginning	1,485,857	114,134	-	1,303,040	1,845,137	853,583	3,601,828
Fund balances - ending	\$ 836,581	\$ 160,631	\$ -	\$ 1,227,293	\$ 2,030,011	\$ 552,814	\$ 1,962,912

See Independent Auditors' Report

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

For the year ended September 30, 2017

	Special Revenue Funds						
	Law Library Fund	Local Law Enforcement	Drug Court	Alcohol and Drug Abuse Fund	Library Grant Fund	Contraband Forfeitures Fund	Mosquito Control
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	462	-	-	-
Fines and forfeitures	-	67,467	2,322	-	-	-	-
Grants	-	-	-	-	485,616	-	41,407
Investment earnings	55	232	-	-	17	-	3
Other fees and miscellaneous revenues	-	12,000	-	-	-	-	-
Total revenues	55	79,699	2,322	462	485,633	-	41,410
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public health and safety	-	46,706	-	-	-	3,000	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	48,826
Culture/recreation	-	-	-	-	129,349	-	-
Court related	1,955	-	242	-	-	-	-
Capital outlay	-	14,769	-	-	285,020	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	1,955	61,475	242	-	414,369	3,000	48,826
Excess (deficiency) of revenues over (under) expenditures	(1,900)	18,224	2,080	462	71,264	(3,000)	(7,416)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	20,000
Transfers out	-	-	-	-	(71,265)	-	-
Net other financing sources (uses)	-	-	-	-	(71,265)	-	20,000
Net change in fund balances	(1,900)	18,224	2,080	462	(1)	(3,000)	12,584
Fund balances - beginning	19,048	82,235	32,158	1,597	-	14,074	35,198
Fund balances - ending	\$ 17,148	\$ 100,459	\$ 34,238	\$ 2,059	\$ (1)	\$ 11,074	\$ 47,782

See Independent Auditors' Report

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

For the year ended September 30, 2017

	Special Revenue Funds						
	Compass Lake Forfeitures	Equitable Sharing	Crime Prevention	Article V Technology	Jackson County Agriculture Complex	JCAC Operation and Maintenance Fund	EMS County Award Grant
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	108,797	-	-	-	-	-
Charges for services	-	-	12,032	44,338	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	1,435
Investment earnings	13	13	5	1	-	-	-
Other fees and miscellaneous revenues	-	-	-	-	130,764	-	-
Total revenues	13	108,810	12,037	44,339	130,764	-	1,435
Expenditures							
Current:							
General government	-	-	-	-	-	63,347	-
Public health and safety	-	41,850	50,289	-	-	-	1,435
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	96,208	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	-	41,850	50,289	96,208	-	63,347	1,435
Excess (deficiency) of revenues over (under) expenditures	13	66,960	(38,252)	(51,869)	130,764	(63,347)	-
Other financing sources (uses)							
Transfers in	-	-	-	51,870	-	63,347	-
Transfers out	-	-	-	-	(63,347)	-	-
Net other financing sources (uses)	-	-	-	51,870	(63,347)	63,347	-
Net change in fund balances	13	66,960	(38,252)	1	67,417	-	-
Fund balances - beginning	37	7,628	74,745	-	155,613	-	3,735
Fund balances - ending	\$ 50	\$ 74,588	\$ 36,493	\$ 1	\$ 223,030	\$ -	\$ 3,735

See Independent Auditors' Report

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

For the year ended September 30, 2017

	Special Revenue Funds						
	Hazardous Material Grant	Emergency Management Grant	Solid Waste Recycling Grant	Court Construction Improvements	Russ House Fund	Sheriff Aviation Fund	West Jackson County Development Authority
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	6,000	-
Charges for services	-	-	-	-	12,359	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	3,388	158,211	82,846	-	-	-	-
Investment earnings	-	-	-	3	-	-	-
Other fees and miscellaneous revenues	-	-	-	-	4,552	-	13,688
Total revenues	3,388	158,211	82,846	3	16,911	6,000	13,688
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public health and safety	-	204,887	-	-	-	4,574	-
Physical environment	3,388	-	82,846	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	190,330	-	862
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	1,408	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	3,388	204,887	82,846	1,408	190,330	4,574	862
Excess (deficiency) of revenues over (under) expenditures	-	(46,676)	-	(1,405)	(173,419)	1,426	12,826
Other financing sources (uses)							
Transfers in	-	46,674	-	-	38,525	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	46,674	-	-	38,525	-	-
Net change in fund balances	-	(2)	-	(1,405)	(134,894)	1,426	12,826
Fund balances - beginning	-	1	403	38,908	129,492	61,284	286,181
Fund balances - ending	\$ -	\$ (1)	\$ 403	\$ 37,503	\$ (5,402)	\$ 62,710	\$ 299,007

See Independent Auditors' Report

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

For the year ended September 30, 2017

	Special Revenue Funds				
	Jackson County Agriculture Center	Additional Court Cost Fund	Energy Retrofit Fund	Accounts Payable Clearing Fund	Drug Task Force Operating
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	24,184	53,140	-	-	-
Fines and forfeitures	-	-	-	-	-
Grants	-	-	-	-	37,057
Investment earnings	-	33	-	-	-
Other fees and miscellaneous revenues	7,975	-	-	-	-
Total revenues	32,159	53,173	-	-	37,057
Expenditures					
Current:					
General government	-	-	-	-	-
Public health and safety	-	-	-	-	37,127
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture/recreation	147,829	-	-	-	-
Court related	-	44,529	-	-	-
Capital outlay	6,325	-	801,854	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	154,154	44,529	801,854	-	37,127
Excess (deficiency) of revenues over (under) expenditures	(121,995)	8,644	(801,854)	-	(70)
Other financing sources (uses)					
Transfers in	121,996	-	224,224	-	-
Transfers out	-	-	-	-	-
Net other financing sources (uses)	121,996	-	224,224	-	-
Net change in fund balances	1	8,644	(577,630)	-	(70)
Fund balances - beginning	(1)	328,250	577,630	-	26,587
Fund balances - ending	\$ -	\$ 336,894	\$ -	\$ -	\$ 26,517

See Independent Auditors' Report

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

For the year ended September 30, 2017

	Special Revenue Funds				
	JCSO Posse	JCSO Reserve Fund	JCSO Auxiliary Fund	Local Law Enforcement Fund	Clerk Modernization Trust Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	56,874
Fines and forfeitures	-	-	-	-	53,956
Grants	-	-	-	93	-
Investment earnings	-	-	-	-	-
Other fees and miscellaneous revenues	700	3,172	-	-	-
Total revenues	700	3,172	-	93	110,830
Expenditures					
Current:					
General government	-	-	-	-	2,925
Public health and safety	107	6,289	-	95	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture/recreation	-	-	-	-	-
Court related	-	-	-	-	53,956
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	107	6,289	-	95	56,881
Excess (deficiency) of revenues over (under) expenditures	593	(3,117)	-	(2)	53,949
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-
Net change in fund balances	593	(3,117)	-	(2)	53,949
Fund balances - beginning	150	5,520	13,298	2	228,799
Fund balances - ending	\$ 743	\$ 2,403	\$ 13,298	\$ -	\$ 282,748

See Independent Auditors' Report

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

For the year ended September 30, 2017

	Special Revenue Funds		Debt Service Funds	Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Other Debt Service Funds	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 3,367,607
Intergovernmental	-	-	-	116,850
Charges for services	133,347	-	-	841,158
Fines and forfeitures	-	21,140	-	144,885
Grants	-	-	-	1,179,295
Investment earnings	-	91	1,109	16,097
Other fees and miscellaneous revenues	4	-	-	172,855
Total revenues	133,351	21,231	1,109	5,838,747
Expenditures				
Current:				
General government	-	-	-	721,509
Public health and safety	54,774	9,634	-	671,168
Physical environment	-	-	-	86,234
Transportation	-	-	-	419,955
Economic environment	-	-	-	718,052
Human service	-	-	-	48,826
Culture/recreation	-	-	-	277,178
Court related	-	-	-	225,308
Capital outlay	110,637	-	-	2,966,611
Debt service	-	-	-	-
Principal	-	-	-	881,000
Interest and other charges	-	-	-	185,665
Total expenditures	165,411	9,634	-	7,201,506
Excess (deficiency) of revenues over (under) expenditures	(32,060)	11,597	1,109	(1,362,759)
Other financing sources (uses)				
Transfers in	-	-	-	1,633,345
Transfers out	(52,138)	-	-	(3,290,508)
Net other financing sources (uses)	(52,138)	-	-	(1,657,163)
Net change in fund balances	(84,198)	11,597	1,109	(3,019,922)
Fund balances - beginning	198,127	49,453	102,064	11,675,795
Fund balances - ending	\$ 113,929	\$ 61,050	\$ 103,173	\$ 8,655,873

See Independent Auditors' Report

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

September 30, 2017

	Parks and Recreation	Jackson Recycling	Total Nonmajor Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 7,143	\$ 47,462	\$ 54,605
Accounts receivable, net	8,276	5,093	13,369
Due from other funds	-	85,067	85,067
Total current assets	15,419	137,622	153,041
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	6,020	-	6,020
Capital assets			
Nondepreciable	-	41,641	41,641
Depreciable, net	737,139	41,652	778,791
Total noncurrent assets	743,159	83,293	826,452
Total assets	758,578	220,915	979,493
Deferred outflows of resources			
Pensions	54,250	10,046	64,296
Total deferred outflows of resources	54,250	10,046	64,296
Liabilities			
Current liabilities			
Accounts payable	\$ 16,636	\$ 13,347	\$ 29,983
Due to other funds	23,766	156	23,922
Liabilities payable from restricted assets	6,020	-	6,020
Total current liabilities	46,422	13,503	59,925
Noncurrent liabilities			
Net pension liability	126,125	23,356	149,481
Total noncurrent liabilities	126,125	23,356	149,481
Total liabilities	172,547	36,859	209,406
Deferred Inflows of resources			
Pensions	8,831	1,635	10,466
Total deferred inflows of resources	8,831	1,635	10,466
Net position			
Net investment in capital assets	737,139	83,293	820,432
Restricted for			
Unrestricted (deficit)	(105,689)	109,174	3,485
Total net position	\$ 631,450	\$ 192,467	\$ 823,917

See Independent Auditors' Report

Jackson County, Florida

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

For the year ended September 30, 2017

	Parks and Recreation	Jackson Recycling	Total Nonmajor Enterprise Total
Operating revenues			
Charges for services	163,435	81,855	245,290
Total operating revenues	163,435	81,855	245,290
Operating expenses			
Personal services	269,497	69,237	338,734
Utilities	17,039	-	17,039
Services and supplies	61,130	44,288	105,418
Repairs and maintenance	17,554	27,901	45,455
Other operating expenses	7,245	1,618	8,863
Depreciation	71,654	14,070	85,724
Total operating expenses	444,119	157,114	601,233
Net operating income (loss)	(280,684)	(75,259)	(355,943)
Nonoperating revenues (expenses)			
Interest income	2	-	2
Miscellaneous revenue	4,939	-	4,939
Total nonoperating revenues (expenses)	4,941	-	4,941
Income (loss) before contributions and transfers	(275,743)	(75,259)	(351,002)
Transfers, net	206,330	85,067	291,397
Change in net position	(69,413)	9,808	(59,605)
Total net position - beginning	700,863	182,659	883,522
Total net position - ending	\$ 631,450	\$ 192,467	\$ 823,917

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

For the year ended September 30, 2017

	Parks and Recreation	Jackson Recycling	Total
Operating activities			
Receipts from customers and users	\$ 175,866	\$ 81,635	\$ 257,501
Payments to suppliers	(95,820)	(69,076)	(164,896)
Payments to employees	(260,753)	(67,618)	(328,371)
Net cash provided (used) by operating activities	(180,707)	(55,059)	(235,766)
Noncapital financing activities			
Transfers to/from other funds	206,330	85,067	291,397
Advance from/to other funds	(3,568)	(39,636)	(43,204)
Net cash provided (used) by noncapital financing activities	202,762	45,431	248,193
Capital and related financing activities			
Purchase of capital assets	(24,828)	(25,496)	(50,324)
Other receipts	4,939	-	4,939
Net cash (used) provided by capital and related financing activities	(19,889)	(25,496)	(45,385)
Investing activities			
Interest and dividends	2	-	2
Net cash provided by investing activities	2	-	2
Net increase (decrease) in cash and cash equivalents	2,168	(35,124)	(32,956)
Cash - beginning of the year	10,995	82,586	93,581
Cash - ending of the year	\$ 13,163	\$ 47,462	\$ 60,625
Reconciliation of net operating income to net cash (used) provided by operating activities			
Net operating income (loss)	\$ (280,684)	\$ (75,259)	\$ (355,943)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	71,654	14,070	85,724
(Increase) decrease in accounts receivable	10,071	(220)	9,851
(Increase) decrease in deposits	2,360	-	2,360
Increase (decrease) in accounts payable	15,892	6,350	22,242
Net cash provided (used) by operating activities	\$ (180,707)	\$ (55,059)	\$ (235,766)

See Independent Auditors' Report

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

September 30, 2017

	<i>Clerk of the Circuit Court</i>					<i>Board</i>
	Fine and Forfeiture	Jury and Witness	Suspense	Cash Bonds	Registry	Inmate Welfare
Assets						
Cash and cash equivalents	\$ 300,308	\$ 15,403	\$ 379	\$ 107,699	\$ 166,927	\$ 89,032
Total assets	\$ 300,308	\$ 15,403	\$ 379	\$ 107,699	\$ 166,927	\$ 89,032
Liabilities						
Due to others	\$ 300,308	\$ 15,403	\$ 379	\$ 107,699	\$ 166,927	\$ 34,698
Due to the Board	-	-	-	-	-	54,334
Due to other governments	-	-	-	-	-	-
Total liabilities	\$ 300,308	\$ 15,403	\$ 379	\$ 107,699	\$ 166,927	\$ 89,032

See Independent Auditors' Report

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

September 30, 2017

	<i>Tax Collector</i>					<i>Sheriff</i>	Total Agency Funds
	Credit Cards	License and Boat	Tag	Tax	Driver's License	Trust Account	
Assets							
Cash and cash equivalents	\$ 9,738	\$ 1,463	\$ 65,998	\$ 331,796	\$ 8,816	\$ 39,436	\$ 1,136,995
Total assets	\$ 9,738	\$ 1,463	\$ 65,998	\$ 331,796	\$ 8,816	\$ 39,436	\$ 1,136,995
Liabilities							
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,436	\$ 664,850
Due to the Board	-	-	-	-	-	-	54,334
Due to other governments	9,738	1,463	65,998	331,796	8,816	-	417,811
Total liabilities	\$ 9,738	\$ 1,463	\$ 65,998	\$ 331,796	\$ 8,816	\$ 39,436	\$ 1,136,995

See Independent Auditors' Report



**REQUIRED SUPPLEMENTARY
INFORMATION**

Jackson County, Florida
Schedule of Proportional Share of Net Pension Liability
Florida Retirement System (Last 5 Fiscal Years)

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

Notes to schedules:

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

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

See Independent Auditors' Report

Jackson County, Florida
Schedule of Contributions
Florida Retirement System (Last 5 Fiscal Years)

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

Notes to schedules:

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

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

Jackson County, Florida
Schedule of Proportional Share of Net Pension Liability
Health Insurance Subsidy (Last 5 Fiscal Years)

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

Notes to schedules:

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

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

See Independent Auditors' Report

Jackson County, Florida
Schedule of Contributions
Health Insurance Subsidy (Last 5 Fiscal Years)

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

Notes to schedules:

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

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

See Independent Auditors' Report



SUPPLEMENTARY INFORMATION

Jackson County, Florida
Schedule of Receipts and Expenditures Related to the
Deepwater Horizon Oil Spill
Year Ended September 30, 2017

Source	Amount Received in the 2016-17 Fiscal Year	Amount Expended in the 2016-17 Fiscal Year
British Petroleum	\$ -	\$ 128,520

Note: This schedule does not include funds related to the Deepwater Horizon oil spill that are considered federal awards or state financial assistance. No such funds were received in the 2016-17 fiscal year.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Jackson County, Florida (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Jackson County, Florida's basic financial statements and have issued our report dated June 25, 2018.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We considered the deficiency described in the accompanying schedule of findings and questioned costs as item SH2006-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the deficiencies described in the accompanying schedule of findings and questioned costs as items 2017-01 and PA2006-01 to be significant deficiencies.

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

Compliance and Other Matters

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

County's Response to Findings

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

Purpose of this Report

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

Cary Riggs & Ingram, L.L.C.

June 25, 2018

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

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

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

We have audited Jackson County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2017. The County's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of *Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and Major State Project

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2017.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General and which is described in the accompanying schedule of findings and questioned costs as item 2017-002.

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-002, which we consider to be a significant deficiency.

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

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

Casey Riggs & Ingram, L.L.C.

June 25, 2018

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

For the year ended September 30, 2017

Federal Agency Pass through entity Federal Program	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
US Department of Homeland Security, Federal Emergency Management Agency			
Pass through Florida Executive Office of Governor			
Emergency Management Performance Grants FY 16-17	97.042	17-FG-P9-02-41-01-105	37,761
Emergency Management Performance Grants FY 15-16	97.042	18-FG-7A-02-41-01-114	13,598
			51,359
Pass through Florida Executive Office of Governor			
Disaster Grants - Public Assistance (Presidentially Declared Disaster) FEMA DR4177	97.036	15-SP-8Z-02-42-02-526	3,165,426
Pass through Florida Executive Office of Governor			
Hazard Mitigation Grant (HMGP) - DR-4177-31-R	97.039	16HM-H4-02-41-01-212	58,336
Hazard Mitigation Grant (HMGP) - DR-4177-14-R	97.039	16HM-H4-01-41-01-234	33,661
			91,997
Total US Department of Homeland Security			3,308,782
US Department of Housing and Urban Development			
Pass through Florida Department of Economic Opportunity			
Community Development Block Grant - Economic Development-Urgent Care Facility	14.228	17DB-OH-02-41-01-E04	542,110
Total Department of Housing and Urban Development			542,110
US Department of Justice			
Pass through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant - Anti-Drug Abuse Act Funds	16.738	2011-DJ-BX-3435	93
Edward Byrne Memorial Justice Assistance Grant - Anti-Drug Abuse Act Funds	16.738	2016-JAGC-JACK-1-HR-137	3,256
Edward Byrne Memorial Justice Assistance Grant - Anti-Drug Abuse Act Funds	16.738	2017-JAGC-JACK-1-F9-118	33,801
Edward Byrne Memorial Justice Assistance Grant - Anti-Drug Abuse Act Funds	16.738	2017-JAGD-JACK-1-F8-073	5,236
Total US Department of Agriculture			42,386
US Department of Transportation, Federal Highway Administration			
Pass through Florida Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction Federal Aid Highway Program -			
Panhandle/Pelt Sidewalk Construction	20.205	G0817	82,657
Jackson Road Sidewalk Construction	20.205	G0879	41,000
Florida Baptist College Sidewalk Construction	20.205	GOK09	8,500
Total US Department of Transportation, Federal Highway Administration			132,157
US Department of Health and Human Services, Administration for Children & Families			
Pass through Florida Agency for Children & Families, Office of Child Support Enforcement			
Child Support Enforcement	93.563	CD332	113,014
Total US Department of Health and Human Services, Administration for Children & Families			113,014
Total Expenditures of Federal Awards			\$ 4,138,449

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

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

For the year ended September 30, 2017

State Agency State Program Title State Financial Assistance Projects	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
Florida Department of Transportation			
Highway Operations Program			
Small County Outreach Program (SCOP) - Magnolia	55.009	GO301	\$ 1,255,154
Small County Outreach Program (SCOP) - Park	55.009	GO300	799,013
Small County Outreach Program (SCOP) - Hunter Fish Camp	55.009	GOJ30	19,173
Total Small County Outreach Program			2,073,340
Small County Road Assistance Program (SCRAP) - Spruce	55.016	GO340	129,063
Small County Road Assistance Program (SCRAP) - Salem Church	55.016	GOE00	679,990
Small County Road Assistance Program (SCRAP) - Hummingbird	55.016	GOD99	1,510,449
Small County Road Assistance Program (SCRAP) - Jackson Road	55.016	GOJ31	34,898
Total Small County Road Assistance Program			2,354,400
Total Florida Department of Transportation			4,427,740
Florida Housing Finance Corporation			
Florida Housing Finance Corporation Program			
State Housing Initiatives Partnership Program (SHIP)	40.901	n/a	349,781
Total Florida Housing Finance Corporation			349,781
Florida Department of Environmental Protection			
Waste Management Program			
Small County Consolidated Grant	37.012	718SC	82,846
Water Resource Management Program			
Statewide Surface Water Restoration and Wastewater Projects - Indian Springs Sewer Extension Phase I	37.039	S0854	95,886
Total Florida Department of Environmental Protection			178,732
Florida Department of State and Secretary of State			
Library and Information Services Program			
Public Library Construction Program	45.020	16-PLC-03	285,020
State Aid to Libraries	45.030	15-ST-69	161,754
State Aid to Libraries	45.030	16-ST-68	38,841
Total State Aid to Libraries			200,595
Total Florida Department of State and Secretary of State			485,615
Florida Executive Office of the Governor			
Emergency Management Program			
Emergency Management Projects - Florida Hazardous Materials Planning and Prevention	31.067	17-CP-11-02-41-01-174	3,388
Emergency Management Program - Radiological Emergency Preparedness	31.069	17-PP-U9-02-41-01-226	5,000
Emergency Management Program - FEMA DR 4177 (2014 Spring Flood)	31.063	15-SP-8Z-02-42-02-526	1,055,143
Emergency Management Program	31.063	17-BG-83-02-41-01-038	86,459
Emergency Management Program - Emergency Management Assistance (EMPA)	31.063	18-BG-W9-02-41-01-113	20,393
Total Emergency Management Program			1,161,995
Total Florida Executive Office of the Governor			1,170,383

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

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

For the year ended September 30, 2017

State Agency State Program Title State Financial Assistance Projects	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
Florida Department of Health			
Emergency Medical Services Program			
County Grant Awards	64.005	C4032	1,435
Total Florida Department of Health			1,435
Florida Department of Agriculture and Consumer Services			
Consumer Protection Program			
Mosquito Control	42.003	22239	11,497
Mosquito Control - ZIKA	42.003	N/A	29,910
Total Florida Department of Agriculture and Consumer Services			41,407
Florida Department of Management Services			
Technology Program			
Wireless 911 Emergency Telephone System - Spring Maintenance	72.001	17-04-12	19,461
Total Florida Department of Management Services			19,461
Florida Department of Economic Opportunity			
Community Development/Division of Strategic Business Development			
Local Economic Development Initiatives - Fire Station	40.012	HL055	344,209
Local Economic Development Initiatives - Rural Infrastructure Fund	40.012	D0086	145,600
Total Florida Department of Economic Opportunity			489,809
Florida Department of Highway Safety and Motor Vehicles			
Motorist Services Program			
Florida Arts License Plate Project	76.041	n/a	217
Total Florida Department of Highway Safety and Motor Vehicles			217
Total Expenditures of State Financial Assistance			7,164,580
Total Federal Awards and State Financial Assistance			\$ 11,303,029

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

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

Jackson County, Florida
Notes to Schedule of Expenditures of Federal Awards
And State Financial Assistance
For the year ended September 30, 2017

NOTE 1 - BASIS OF ACCOUNTING

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of Jackson County, Florida (the "County"). Federal and state expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - REPORTING ENTITY

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

NOTE 3 - PASS-THROUGH AWARDS

The County receives certain federal awards from pass-through awards of the State. The total amount of such pass-through awards is included on the supplementary schedule of expenditures of federal award programs and state financial assistance projects.

NOTE 4 – INDIRECT COST

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

NOTE 5 – RECAPTURED FUNDS

Expenses included in State Housing Initiatives Partnership program (SHIP) include \$17,209 of loan funds recaptured due to applicant noncompliance. These recaptured funds were spent in the current year on SHIP program projects.

NOTE 6 – OTHER TYPES OF FINANCIAL ASSISTANCE

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

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2017

A. SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of Jackson County, Florida (the County).
2. Significant deficiencies disclosed during the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." We believe the significant deficiency listed as item SH2006-01 to be a material weakness.
3. We noted no instances of noncompliance material to the financial statements of the County which were disclosed during the audit.
4. Significant deficiencies relating to the audit of the major federal programs and state projects are reported in the "Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General."
5. The "Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General" for Jackson County, Florida expresses an unmodified opinion.
6. Audit findings relative to the major federal awards and state financial assistance projects for Jackson County, Florida are reported in this schedule.
7. The programs/projects tested as major programs/projects included the following:

Federal Program	CFDA No.
US Department of Homeland Security	
Disaster Grants – Public Assistance (Presidentially Declared Disaster) FEMA DR4177	97.036
State Projects	CSFA No.
Florida Department of Transportation	
Small County Outreach Program (SCOP)	55.009
Florida Executive Office of the Governor	
Emergency Management Program	31.063
Florida Housing Finance Corporation	
State Housing Initiatives Partnership Program (SHIP)	40.901
Florida Department of Economic Opportunity	
Local Economic Development Initiatives	40.012

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2017

A. SUMMARY OF AUDIT RESULTS (CONTINUED)

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

B. FINDINGS - FINANCIAL STATEMENT AUDIT

BOARD – DUE FROM AGENCY FUND – 2017-01

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

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

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

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

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

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

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2017

B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)

SHERIFF - SEGREGATION OF DUTIES, FINDING SH2006-01

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

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

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

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

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

STATUS: This condition continues to exist.

PROPERTY APPRAISER - SEGREGATION OF DUTIES, FINDING PA2006-01

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

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

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

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2017

B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)

PROPERTY APPRAISER - SEGREGATION OF DUTIES, FINDING PA2006-01 (CONTINUED)

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

STATUS: This condition continues to exist.

C. FINDINGS – MAJOR FEDERAL PROGRAMS AND STATE PROJECTS

2017-002 – REPORTING – COMPLIANCE AND CONTROLS

STATE AGENCY: FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY

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

FINDING TYPE: SIGNIFICANT DEFICIENCY

QUESTIONED COST: NONE

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

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

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

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

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

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

Jackson County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2017

D. PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT AUDIT

SHERIFF - GENERAL REPORTING – REVENUES – SH2016-01

CRITERIA: Revenues and expenses are to be classified separately.

CONDITION: Certain grant revenue and other reimbursements were recorded as a reduction of equipment expenditures instead of revenue.

CAUSE: The trial balance did not include proper revenue categories.

EFFECT: Expenses and revenues were understated.

RECOMMENDATION: We recommend that any income received be recorded in a separate account and that all purchases and related income be recorded in a governmental fund.

STATUS: This condition has been resolved.

SHERIFF - BANK ACCOUNT – SH2016-02

CRITERIA: All bank accounts should be recorded in the general ledger.

CONDITION: One bank account and related transactions had not been recorded on the Sheriff's books.

CAUSE: The Sheriff staff maintained small accounts for specific purpose using manual books that were not included in the general ledger.

EFFECT: The trial balance was incomplete.

RECOMMENDATION: We recommend that all transactions and bank accounts be recorded in the special-purpose financial statements.

STATUS: This condition has been resolved.

Jackson County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2017

D. PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)

FINANCIAL STATEMENT AUDIT (CONTINUED)

SHERIFF - FINANCIAL REPORTING SOFTWARE, FINDING SH2015-01

CRITERIA: All financial transactions should be reflected in the trial balance.

CONDITION: Some transactions recorded in the financial reporting software were not reflected in the trial balance schedules.

CAUSE: All transactions were not classified in a manner that lead to inclusion in the trial balance.

EFFECT: The trial balance was incomplete.

RECOMMENDATION: We recommend the Sheriff consider updating the software used for financial reporting purposes to a product which can provide better results. Consistent and understandable reports will provide better information for management and financial reporting purposes.

STATUS: This condition has been resolved.

TAX COLLECTOR - SEGREGATION OF DUTIES, FINDING TC2006-01

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

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

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

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

STATUS: This condition has been resolved.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

We have audited the financial statements of Jackson County, Florida (the "County") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 25, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements of Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and audit requirements of Chapter 10.550, Rules of the Florida Auditor General.

Other 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 the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 25, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Schedule of Findings and Questioned Costs."

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

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

BOARD OF COUNTY COMMISSIONERS

Fire & Rescue 2006-01

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

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

CAUSE: The County has limited personnel in this department.

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

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

STATUS: This item has not been corrected.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

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

Supervisor of Elections - Salary SOE2017-001

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

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

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

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

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

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charges with governance. See finding 2017-002 in the Schedule of Findings and Questioned Costs.

Purpose of this Letter

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

Carly Riggs & Ingram, L.L.C.

June 25, 2018



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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, 2017. Management is responsible for the Jackson County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Jackson County, Florida's compliance based on our examination.

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

In our opinion, the Jackson County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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 25, 2018



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www.cricpa.com

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

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

We have examined Jackson County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2017. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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 25, 2018

Jackson County, Florida
Management's Response



BOARD of COUNTY COMMISSIONERS

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

Administration Building
2864 Madison Street
Marianna, Florida 32448-4021

State of Florida
Auditor General

We are in receipt of the audit report for the Board of County Commissioners, Jackson County, Florida, for the fiscal year ending September 30, 2017. We have reviewed the internal control and compliance letters, the schedule of findings and questioned costs and the management letter included in the report.

INTERNAL CONTROL COMMENTS

- | | |
|---------|---|
| 2017-01 | The Board's Finance Department is in the process of developing procedures to record the transactions of the Inmate Welfare Fund and the Inmate Trust Fund into the Board's accounting software. The Board's finance department will receive the bank statements and reconcile them to the accounting records. |
| 2017-02 | The County will implement additional controls to insure that reports are prepared and filed timely. |

MANAGEMENT LETTER COMMENTS

- | | |
|---------|---|
| 2016-01 | 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. |
|---------|---|

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

Sincerely,

Clint Pate,
Vice-Chairman

Commissioners

Dr. Willie E. Spires
District 1

Clint Pate
District 2

Chuck Lockey
District 3

Eric Hill
District 4

Jim Peacock
District 5

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



Certified Florida Appraiser

Rebecca Morris-Haid, CFA
Jackson County Property Appraiser

Post Office Box 1526
Marianna, Florida 32447

"We are here to serve you"

PHONE: (850) 482-9646
FAX: (850) 482-9036
jcpa@earthlink.net

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

To Whom It May Concern:

We are in receipt of the Jackson County Property Appraiser's audit for the fiscal year ending September 30, 2017. In response to the internal control and compliance report the following applies:

Segregation of duties- The Property Appraiser acknowledges the segregation of duties issue will always be of concern; however, I will continue to be involved in the day to day operation and separate duties as much as possible.

Thank you so much for the assistance during the audit.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Morris-Haid".

Rebecca Morris-Haid, CFA
Jackson County Property Appraiser

RMH

Appraiser Responsibility - By state law, it is the responsibility of the Appraiser to locate, identify, and appraise, based upon current market value, all property subject to ad valorem taxes, maintain tax roll equity and process allowable exemptions. The appraiser has no jurisdiction or responsibility for area budgets, tax rates, special assessments or amounts of taxes paid. These matters are handled by the various taxing authorities performing services, such as the County Commission, City Councils, School Board and other taxing districts.

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



LOUIS S. ROBERTS III
Sheriff
Jackson County



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

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

Dear Auditor General Norman,

We have received the audit report for the Office of the Sheriff, Jackson County, Florida, for the fiscal year ending September 30, 2017. We have reviewed the Management Letter included in the report. Please see our response below concerning the items noted in the Management Letter.

1. Need for Segregation of Duties

This has been a deficiency for several years due to constant budget constraints by the County. The Board of County Commissioners would not award another administrative position to the Sheriff for accounting and payroll services. As such, we have had to operate with what we have to the best of our abilities. To help remedy this problem in previous years, the Sheriff assigned the task of approving all bills to the Major before they are paid. Sheriff Roberts receives a copy of our Budget Position Analysis at the end of each month. Sheriff Roberts opens our bank statements then signs them. Commanders Scott Edwards and Virgil Watson approve purchases. No new administrative staff positions are expected to be granted by the Board of County Commissioners in the near future. However, the Sheriff's Office is now in a position to pull from another division to help with accounting and payroll duties. Training for that employee will commence around July of 2018 to meet the demands of the upcoming fiscal year.

2. Trust Account

In previous years all money that was not part of our approved budget was put into our Trust account. Funds deposited into the Trust account included money that we requested from the Board of County Commissioners from accounts the Board held on behalf of the Sheriff, such as Equitable Sharing Funds and Local Law Enforcement Automation Funds. Checks were issued to the appropriate vendors from the Trust account. They were recorded appropriately and are able to be tracked accordingly. Depositing these monies into the Trust account allowed us to better track monies that were received that were not part of our approved Budget. We have since been made aware of the limitations imposed on Trust accounts and have been given guidance on how to correct the issue.

Sincerely,

Louis S. Roberts III, Sheriff
Jackson County Florida

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

cc: Carr, Riggs, and Ingram, LLC

Jackson County, Florida
Management's Response



Sylvia D. Stephens

Supervisor of Elections
Jackson County, Florida

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, 2017. We have reviewed the Management Letter included in the report. Concerning the item included in the Management Report, please accept the following response:

COMMENT: The Supervisor of Election's salary exceeded the salary allowed by the State of Florida's Legislature.

RESPONSE: This overpayment was due to an oversight in the Board's Finance Department who processes the Supervisor of Elections' transactions and payroll. Two extra payments were made to the Supervisor of Elections. The amount was discovered by the Board's Finance Department and repaid by the Supervisor of Elections.

If additional information is required, please contact Sylvia Stephens, Supervisor of Elections at (850) 482-9652.

Sincerely,

Sylvia Stephens
Supervisor of Elections

2851 Jefferson Street • P.O. Box 6046 • Marianna, FL 32447-6046
(850) 482-9652 • FAX (850) 482-9102
email@jacksoncountysoe.org • www.jacksoncountysoe.org



**SPECIAL-PURPOSE
FINANCIAL
STATEMENTS**

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

Special-Purpose Financial Statements

September 30, 2017



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

**Jackson County, Florida
Clerk of the Circuit Court
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September 30, 2017**

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REPORT



INDEPENDENT AUDITORS' REPORT

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

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund and the aggregate remaining fund information of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Clerk's special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special-Purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 *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 special-purpose 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 Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 Clayton O. Rooks, III
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Public Records Modernization Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special-purpose financial statements, the Clerk's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Clerk. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of 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 Clerk.

Other Matters

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2018 on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

June 15, 2018



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

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

September 30, 2017

	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 401,352	\$ -	\$ 401,352
Restricted cash and cash equivalents	-	282,748	282,748
Accounts receivable	9,804	-	9,804
Due from other governmental units	34,111	-	34,111
Total assets	\$ 445,267	\$ 282,748	\$ 728,015
Liabilities			
Accounts payable and accrued expenses	\$ 52,247	\$ -	\$ 52,247
Due to Board of County Commissioners	163,133	-	163,133
Due to other governmental units	229,887	-	229,887
Total liabilities	445,267	-	445,267
Fund balances			
Restricted	-	282,748	282,748
Total liabilities and fund balances	\$ 445,267	\$ 282,748	\$ 728,015

The accompanying notes are an integral part of these special-purpose financial statements

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

For the year ended September 30, 2017

	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Revenues			
Intergovernmental	\$ 167,992	\$ -	\$ 167,992
Charges for services	848,937	56,874	905,811
Fines and forfeitures	177,667	53,956	231,623
Grants	113,014	-	113,014
Interest	333	-	333
Total revenues	1,307,943	110,830	1,418,773
Expenditures			
Current:			
General government	646,752	2,925	649,677
Court-related	834,721	53,956	888,677
Total expenditures	1,481,473	56,881	1,538,354
Excess (deficiency) of revenues over (under) expenditures	(173,530)	53,949	(119,581)
Other financing sources (uses)			
Transfers in	503,679	-	503,679
Transfers out	(163,133)	-	(163,133)
Transfers to State of Florida	(167,016)	-	(167,016)
Net other financing sources (uses)	173,530	-	173,530
Net change in fund balances	-	53,949	53,949
Fund balances - beginning	-	228,799	228,799
Fund balances - ending	\$ -	\$ 282,748	\$ 282,748

The accompanying notes are an integral part of these special-purpose financial statements

Jackson County, Florida
Clerk of the Circuit Court

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 160,152	\$ 160,152	\$ 167,992	\$ 7,840
Charges for services	782,031	782,031	848,937	66,906
Fines and forfeitures	166,185	166,185	177,667	11,482
Grants	106,097	106,097	113,014	6,917
Interest	100	100	333	233
Total revenues	1,214,565	1,214,565	1,307,943	93,378
Expenditures				
Current				
General government	677,673	677,673	646,752	30,921
Court-related	1,034,308	1,034,308	834,721	199,587
Reserve for contingency	6,263	6,263	-	6,263
Total expenditures	1,718,244	1,718,244	1,481,473	236,771
Excess (deficiency) of revenues over (under) expenditures	(503,679)	(503,679)	(173,530)	330,149
Other financing sources (uses)				
Transfers in	503,679	503,679	503,679	-
Transfers out	-	-	(163,133)	(163,133)
Transfers to State of Florida	-	-	(167,016)	(167,016)
Net other financing sources (uses)	503,679	503,679	173,530	(330,149)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these special-purpose financial statements

Jackson County, Florida
Clerk of the Circuit Court

**Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Public Records Modernization Trust Fund**

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 55,000	\$ 55,000	\$ 56,874	\$ 1,874
Fines and forfeitures	76,500	76,500	53,956	(22,544)
Total revenues	131,500	131,500	110,830	(20,670)
Expenditures				
Current				
General government	9,500	9,500	2,925	6,575
Court-related	102,000	102,000	53,956	48,044
Capital outlay	20,000	20,000	-	20,000
Total expenditures	131,500	131,500	56,881	74,619
Net change in fund balance	\$ -	\$ -	\$ 53,949	\$ 53,949

The accompanying notes are an integral part of these special-purpose financial statements

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

September 30, 2017

	Agency Funds
Assets	
Cash and cash equivalents	\$ 590,716
Total assets	\$ 590,716
Liabilities	
Due to others	\$ 590,716
Total liabilities	\$ 590,716

The accompanying notes are an integral part of these special-purpose financial statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

These 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 GASB No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

These special-purpose 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 Clerk, were prepared in conformity with accounting principles generally accepted (GAAP) in the United States.

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

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

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

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

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

Measurement Focus

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

Basis of Accounting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Budgetary Requirements

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

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

Cash and Cash Equivalents

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

Capital Assets

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Compensated Absences

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

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

Fund Balance Reporting and Governmental Fund-Type Definitions

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

Due to Others

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

Risk Management

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

Management Estimates and Assumptions

The preparation of special-purpose 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 special-purpose financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Subsequent Events

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

New Accounting Standards

In fiscal year 2017, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board. See the County-wide financial statements for a list of newly implemented standards and those recently issued but not yet effective.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2017, the carrying amount of the Clerk's deposits was \$1,274,816 and the bank balance was \$1,578,069. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

The Clerk's investment practices are governed by Chapter 218.415 of the Florida Statutes. The Clerk is authorized to invest in certificates of deposit, money market certificates, obligations of the US Treasury, mutual funds and repurchase agreements collateralized by U.S. Government securities, and the Local Government Surplus Trust Fund. The Clerk did not have any investments at September 30, 2017.

Credit Risk

At September 30, 2017, the Clerk did not hold any investments.

Interest Rate Risk

At September 30, 2017, the Clerk did not hold any investments.

Custodial Credit Risk

As of September 30, 2017, the Clerk did not hold any deposits that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2017, the Clerk did not hold any investments.

NOTE 3 - EMPLOYEE PENSION PLAN

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

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

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. FRS also provides death and disability benefits and cost-of-living adjustments.

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

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

	10/01/16 Through 06/30/17	07/01/17 Through 09/30/17
Regular employees	7.52%	7.92%
Senior management	21.77%	22.71%
Elected county officials' class	42.47%	45.50%
DROP	12.99%	13.26%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2016 through September 30, 2017, the total payroll for all employees was \$1,080,276. The retirement contributions for all employees covered by the System for the years ended September 30, 2017, 2016 and 2015 were \$136,375, \$107,776 and \$119,315 which were the required contributions. For the year ended September 30, 2017, retirement contributions represented 12.62% of covered payroll.

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

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

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

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

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

NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

NOTE 5 - COURT RELATED FEES

Based on the legal opinion provided by the Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governmental Units. As of September 30, 2017, excess court-related funds were \$229,887.

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

NOTE 6 - FUND EQUITY

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable net assets at September 30, 2017.

Spendable fund balances are classified based on a hierarchy of the Clerk’s ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2017, the Clerk reports net assets as restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

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

Funds	Purpose	
Public Records Modernization Trust Fund	Funding for:	
	Modernization of Public Records	\$ 33,503
	Court-related technology	249,245
	Total restricted fund equity	\$ 282,748

NOTE 7 - COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk’s child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$113,014.

NOTE 8 - EXCESS REVENUES

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were recorded as a transfer out to the Board of County Commissioners in the amount of \$163,133 as of September 30, 2017.

NOTE 9 - LITIGATION AND CONTINGENT LIABILITIES

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



SUPPLEMENTARY INFORMATION

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

September 30, 2017

	Fine and Forfeiture	Jury and Witness	Suspense	Cash Bonds	Registry	Total
Assets						
Cash and cash equivalents	\$ 300,308	\$ 15,403	\$ 379	\$ 107,699	\$ 166,927	\$ 590,716
Total assets	\$ 300,308	\$ 15,403	\$ 379	\$ 107,699	\$ 166,927	\$ 590,716
Liabilities						
Due to others	\$ 300,308	\$ 15,403	\$ 379	\$ 107,699	\$ 166,927	\$ 590,716
Total liabilities	\$ 300,308	\$ 15,403	\$ 379	\$ 107,699	\$ 166,927	\$ 590,716

See Independent Auditors' Report

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Clerk's basic special-purpose financial statements and have issued our report thereon dated June 15, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's special-purpose financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Carly Riggs & Ingram, L.L.C.

June 15, 2018



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

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

We have examined Jackson County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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 15, 2018



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

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

We have examined the office of the Jackson County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2017. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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 15, 2018



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

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

We have examined the office of the Jackson County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees* during the year ended September 30, 2017. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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 15, 2018



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2017, and have issued our report thereon dated June 15, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 15, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. No significant findings and recommendations were made in the preceding annual financial audit report.

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

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the special-purpose financial statements.

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Carly Riggs & Ingram, L.L.C.

June 15, 2018

**Jackson County, Florida
Property Appraiser**

Special-Purpose Financial Statements

September 30, 2017



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RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Jackson County, Florida
Property Appraiser
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September 30, 2017

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REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Rebecca Morris-Haid
Property Appraiser of Jackson County, Florida
Marianna, Florida

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund of the office of the Jackson County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Property Appraiser's basic special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special-Purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 *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 special-purpose 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 Property Appraiser's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

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

To the Honorable Rebecca Morris-Haid
Property Appraiser of Jackson County, Florida
Marianna, Florida

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Property Appraiser as of September 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special-purpose financial statements, the Property Appraiser's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Property Appraiser. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of 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 Property Appraiser.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2018 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

June 7, 2018



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

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

September 30, 2017

	General Fund
Assets	
Cash	\$ 63,977
Accounts receivable	100
Total assets	\$ 64,077
Liabilities	
Accounts payable and accrued expenses	\$ 63,190
Due to Board of County Commissioners	887
Total liabilities	64,077
Fund balance	
Total liabilities and fund balance	\$ 64,077

The accompanying notes are an integral part of these special-purpose financial statements

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

For the year ended September 30, 2017

	General Fund
<hr/>	
Revenues	
Charges for services	\$ 4,767
<hr/>	
Total revenues	4,767
<hr/>	
Expenditures	
Current:	
General government	877,119
Capital Outlay	73,161
<hr/>	
Total expenditures	950,280
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(945,513)
<hr/>	
Other financing sources (uses)	
Transfers in	946,400
Transfers out	(887)
<hr/>	
Net other financing sources (uses)	945,513
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance - beginning	-
<hr/>	
Fund balance - ending	\$ -
<hr/> <hr/>	

The accompanying notes are an integral part of these special-purpose financial statements

Jackson County, Florida
Property Appraiser

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance Final Budget Favorable
Expenditures				
Current:				
General government	\$ 940,404	\$ 903,276	\$ 872,352	\$ 30,924
Capital outlay	-	43,124	73,161	(30,037)
Total expenditures	940,404	946,400	945,513	887
Excess (deficiency) of revenues over (under) expenditures	(940,404)	(946,400)	(945,513)	887
Other financing sources (uses)				
Transfer in	940,404	946,400	946,400	-
Transfer out	-	-	(887)	(887)
Net other financing sources (uses)	940,404	946,400	945,513	(887)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these special-purpose financial statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Jackson County Property Appraiser's office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying special-purpose financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County Property Appraiser's Office.

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

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

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 GASB No. 34, and do not include presentations of *government-wide* financial statements of the Property Appraiser.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

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

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

Measurement Focus

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

Basis of Accounting

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

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

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

	Total Expenditures	Total Revenue
GAAP basis	\$ 950,280	\$ 950,280
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(4,767)	(4,767)
Budgetary basis	\$ 945,513	\$ 945,513

Cash and Cash Equivalents

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

Capital Assets and Depreciation

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Compensated Absences

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

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

Risk Management and Insurance

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

Management Estimates and Assumptions

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

Subsequent Events

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

New Accounting Standards

In fiscal year 2017, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board. See the County-wide financial statements for a list of newly implemented standards and those recently issued but not yet effective.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2017, the carrying amount of the Property Appraiser's cash and cash equivalents was \$63,977 and the bank balance was \$87,306. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Act. Provisions of the Act require that public deposit may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

Credit Risk

At September 30, 2017, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2017, the Property Appraiser did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2017, the Property Appraiser did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2017, the Property Appraiser did not hold any investments that were considered to have concentration of credit risk.

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

NOTE 3 - EMPLOYEE PENSION PLAN

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

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

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

	10/01/16 Through 06/30/17	07/01/17 Through 09/30/17
Regular employees	7.52%	7.92%
Senior management	21.77%	22.71%
DROP	12.99%	13.26%
Elected county officials' class -DROP	42.47%	45.50%

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

NOTE 3- EMPLOYEE PENSION PLAN (CONTINUED)

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Property Appraiser employees covered by the Florida Retirement System was \$547,528 at September 30, 2017. The Property Appraiser's contribution to the plan for the years ended September 30, 2017, 2016, and 2015 was \$80,526, \$68,542, and \$69,203, which were the required contributions. For the year ended September 30, 2017 retirement contributions represent 14.71% of covered payroll.

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

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

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Property Appraiser's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

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

NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

NOTE 5 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures of \$887 are accrued and reported as a reversion to the Board of County Commissioners.



SUPPLEMENTARY INFORMATION

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

To the Honorable Rebecca Morris-Haid
Property Appraiser of Jackson County, Florida
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated June 7, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described below as finding PA2006-001, that we consider to be a significant deficiency.

To the Honorable Rebecca Morris-Haid
Property Appraiser of Jackson County, Florida
Marianna, Florida

PRIOR YEAR FINDING AND RECOMMENDATION

Need for Segregation of Duties PA2006-001

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

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

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

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

STATUS: This condition continues to exist.

Compliance and Other Matters

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

Property Appraiser's Response to Findings

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

To the Honorable Rebecca Morris-Haid
Property Appraiser of Jackson County, Florida
Marianna, Florida

Purpose of this Report

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

Carly Riggs & Ingram, L.L.C.

June 7, 2018

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

To the Honorable Rebecca Morris-Haid
Property Appraiser of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida, Property Appraiser (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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 7, 2018

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Rebecca Morris-Haid
Property Appraiser of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2017, and have issued our report thereon dated June 7, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 7, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted in the Independent Auditor's 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*, specifically finding number PA2006-001.

To the Honorable Rebecca Morris-Haid
Property Appraiser of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the special-purpose financial statements.

The Jackson County, Florida, Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Property Appraiser.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Carri Riggs & Ingram, L.L.C.

June 7, 2018

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



Certified Florida Appraiser

Rebecca Morris-Haid, CFA
Jackson County Property Appraiser

Post Office Box 1526
Marianna, Florida 32447

"We are here to serve you"

PHONE: (850) 482-9646
FAX: (850) 482-9036
jcpa@earthlink.net

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

To Whom It May Concern:

We are in receipt of the Jackson County Property Appraiser's audit for the fiscal year ending September 30, 2017. In response to the internal control and compliance report the following applies:

Segregation of duties- The Property Appraiser acknowledges the segregation of duties issue will always be of concern; however, I will continue to be involved in the day to day operation and separate duties as much as possible.

Thank you so much for the assistance during the audit.

Sincerely,

Rebecca Morris-Haid, CFA
Jackson County Property Appraiser

RMH

Appraiser Responsibility - By state law, it is the responsibility of the Appraiser to locate, identify, and appraise, based upon current market value, all property subject to ad valorem taxes, maintain tax roll equity and process allowable exemptions. The appraiser has no jurisdiction or responsibility for area budgets, tax rates, special assessments or amounts of taxes paid. These matters are handled by the various taxing authorities performing services, such as the County Commission, City Councils, School Board and other taxing districts.

**Jackson County, Florida
Sheriff**

Special-Purpose Financial Statements

September 30, 2017



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

**Jackson County, Florida
Sheriff
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September 30, 2017**

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REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund and the aggregate remaining fund information of the Jackson County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Sheriff's basic special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special-Purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 *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 special-purpose 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 Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

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

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special-purpose financial statements, the Sheriff's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Sheriff. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of 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 Sheriff.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements that collectively comprise the Sheriff's basic special-purpose financial statements. The combining and individual nonmajor fund special-purpose financial statements are presented for purposes of additional analysis and are not a required part of the basic special-purpose financial statements. The combining and individual nonmajor fund special-purpose financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic special-purpose 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 special-purpose financial statements or to the basic special-purpose 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 special-purpose financial statements are fairly stated in all material respects in relation to the basic special-purpose financial statements as a whole.

To the Honorable Louis S. Roberts, III
Sheriff 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 19, 2018 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

June 19, 2018



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

**Jackson County, Florida
Sheriff
Special-Purpose Balance Sheet
Governmental Funds**

September 30, 2017

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 321,407	\$ -	\$ 16,444	\$ 337,851
Restricted cash and cash equivalents	-	60,978	2,116	63,094
Due from other funds	-	72	-	72
Due from other governmental units	6,597	-	24,692	31,289
Total assets	\$ 328,004	\$ 61,050	\$ 43,252	\$ 432,306
Liabilities				
Accounts payable and accrued expenses	\$ 183,583	\$ -	\$ 219	\$ 183,802
Due to Board of County Commissioners	144,421	-	-	144,421
Due to other funds	-	-	72	72
Total liabilities	328,004	-	291	328,295
Fund balances				
Restricted	-	61,050	26,517	87,567
Committed	-	-	16,444	16,444
Total fund balances	-	61,050	42,961	104,011
Total liabilities and fund balances	\$ 328,004	\$ 61,050	\$ 43,252	\$ 432,306

The accompanying notes are an integral part of these special-purpose financial statements

**Jackson County, Florida
Sheriff**

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

For the year ended September 30, 2017

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
Revenues				
Fines and forfeitures	\$ -	\$ 21,140	\$ -	\$ 21,140
Grants	5,236	-	37,150	42,386
Investment earnings	-	91	-	91
Other fees and miscellaneous revenues	126,498	-	3,872	130,370
Total revenues	131,734	21,231	41,022	193,987
Expenditures				
Current:				
Public safety	4,559,423	9,634	43,618	4,612,675
Capital outlay	209,648	-	-	209,648
Total expenditures	4,769,071	9,634	43,618	4,822,323
Excess (deficiency) of revenues over (under) expenditures	(4,637,337)	11,597	(2,596)	(4,628,336)
Other financing sources (uses)				
Transfers in	4,781,758	-	-	4,781,758
Transfers out	(144,421)	-	-	(144,421)
Net other financing sources (uses)	4,637,337	-	-	4,637,337
Net change in fund balances	-	11,597	(2,596)	9,001
Fund balances - beginning	-	49,453	45,557	95,010
Fund balances - ending	\$ -	\$ 61,050	\$ 42,961	\$ 104,011

The accompanying notes are an integral part of these special-purpose financial statements

Jackson County, Florida
Sheriff

Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Grants	\$ -	\$ -	\$ 5,236	\$ 5,236
Other fees and miscellaneous revenues	-	-	126,498	126,498
Total revenues	-	-	131,734	131,734
Expenditures				
Current:				
Public safety	4,604,258	4,604,258	4,559,423	44,835
Capital outlay	177,500	177,500	209,648	(32,148)
Total expenditures	4,781,758	4,781,758	4,769,071	12,687
Excess (deficiency) of revenues over (under) expenditures	(4,781,758)	(4,781,758)	(4,637,337)	144,421
Other financing sources (uses)				
Transfers in	4,781,758	4,781,758	4,781,758	-
Transfers out	-	-	(144,421)	(144,421)
Total other financing sources	4,781,758	4,781,758	4,637,337	(144,421)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these special-purpose financial statements

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

September 30, 2017

	Agency
Assets	
Cash	\$ 39,436
<hr/>	
Total assets	\$ 39,436
<hr/>	
Liabilities	
Due to others	\$ 39,436
<hr/>	
Total liabilities	\$ 39,436
<hr/>	

The accompanying notes are an integral part of these special-purpose financial statements

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Jackson County Sheriff's office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collectors, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying special-purpose financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County, Florida Sheriff's Office.

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

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

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(5), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

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

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

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

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

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the special-purpose financial statements under the title "Other Governmental Funds."

Anti-Drug Abuse Grant - Accounts for revenues and expenditures of the drug task force grant.

Local Law Enforcement Fund - Accounts for revenues and expenditures relating to various equipment grants.

Reserve Fund - Accounts for revenues and expenditures relating to community grants, honor guard donations and summer camp donations.

Sheriff's Auxiliary - Accounts for revenues and expenditures relating to the Sheriff's auxiliary unit.

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

The Sheriff also reported the following fund type:

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

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

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

Basis of Accounting

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

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

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

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

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

Budgetary Requirements

Florida Statutes, Chapter 30.49 and 129.03(2), details the preparation, adoption and administration of the Sheriff’s annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Capital Assets and Depreciation

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

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

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

Accumulated Compensated Absences

Permanent full-time employees of the Sheriff are entitled to earn vacation and sick time depending on the length of employment. Upon separation of employment, employees can be paid up to 280 hours vacation time and portion of unused sick time, with the payment of unused sick time being subject to various criteria.

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

Due to Others

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

Risk Management and Insurance

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs includes general liability, automobiles and money and securities coverage. The Sheriff provides for workers' compensation coverage through the Board. A separate insurance policy is carried for the aircraft.

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

Management Estimates and Assumptions

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

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reporting and Governmental Fund-Type Definitions

The Sheriff adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 10.

Subsequent Events

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

New Accounting Standards

In fiscal year 2017, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board. See the County-wide financial statements for a list of newly implemented standards and those recently issued but not yet effective.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2017, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$440,381 and the bank balance was \$623,306. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis. Florida Statutes authorize the Sheriff to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Sheriff to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2017, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2017, the Sheriff did not hold any investments that were considered to have interest rate risk.

Notes to Special-Purpose Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

At September 30, 2017, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2017, the Sheriff did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of amounts due from the State of Florida earned but not received as of September 30, 2017.

NOTE 4 - EMPLOYEE PENSION PLAN

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

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

Notes to Special-Purpose Financial Statements

NOTE 4 - EMPLOYEE PENSION PLAN – (CONTINUED)

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

	10/01/16 Through 06/30/17	07/01/17 Through 9/30/17
Regular employees	7.52%	7.92%
Senior management	21.77%	22.71%
Elected county officials	42.47%	45.50%
Special risk employees	22.57%	23.27%
DROP participants	12.99%	13.26%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2016 through September 30, 2017, the total payroll for all employees was \$3,025,224. The retirement contributions for all employees covered by the System for the years ended September 30, 2017, 2016 and 2015 were \$538,106, \$506,366 and \$ 485,658 which were the required contributions. For the year ended September 30, 2017 retirement contributions represented 17.79% of covered payroll.

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

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

Notes to Special-Purpose Financial Statements

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Sheriff's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

NOTE 5 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 6 - GRANTS

The Sheriff participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2017, as well as prior years, have not been yet been accepted/approved by the grantors. Accordingly, the final determination of the Sheriff's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

NOTE 7 - LITIGATION AND CONTINGENT LIABILITIES

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

NOTE 8 - BUDGET

Budgets were not prepared for the various special revenue funds.

NOTE 9 - EXCESS REVENUES

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. For the year ended September 30, 2017, excess revenues over expenditures of \$144,421 are accrued and reported as transfers out to the Board of County Commissioners.

Jackson County, Florida
Sheriff
Notes to Special-Purpose Financial Statements

NOTE 10 - FUND EQUITY

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable net assets at September 30, 2017.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2017, the Sheriff reports fund balances as restricted. Restricted fund balance has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balance has constraints placed on the use of resources by the Sheriff's intent to use the resources for specific purposes. Unassigned fund balance has not been restricted, committed or assigned to specific purposes within the general fund.

Restricted fund balances at September 30, 2017 are as follows:

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total
Restricted for:				
Public safety grants	\$ -	\$ -	\$ 26,517	\$ 26,517
Crime prevention	-	61,050	-	61,050
Total fund balances - Restricted	\$ -	\$ 61,050	\$ 26,517	\$ 87,567

Committed fund balances at September 30, 2017 are as follows:

	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total
Committed				
Community activities	\$ 2,403	\$ -	\$ -	\$ 2,403
Auxiliary unit	-	13,298	-	13,298
Sheriff's posse unit	-	-	743	743
Total fund balances - Committed	\$ 2,403	\$ 13,298	\$ 743	\$ 16,444



SUPPLEMENTARY INFORMATION

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

September 30, 2017

	Anti-Drug Abuse Grant	Local Law Enforcement	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 2,403	\$ 13,298	\$ 743	\$ 16,444
Restricted cash and cash equivalents	2,116	-	-	-	-	2,116
Due from other governmental units	24,692	-	-	-	-	24,692
Total assets	\$ 26,808	\$ -	\$ 2,403	\$ 13,298	\$ 743	\$ 43,252
Liabilities						
Accounts payable and accrued expenses	\$ 219	\$ -	\$ -	\$ -	\$ -	\$ 219
Due to other funds	72	-	-	-	-	72
Total liabilities	291	-	-	-	-	291
Fund balances						
Restricted	26,517	-	-	-	-	26,517
Committed	-	-	2,403	13,298	743	16,444
Total fund balances	26,517	-	2,403	13,298	743	42,961
Total liabilities and fund balances	\$ 26,808	\$ -	\$ 2,403	\$ 13,298	\$ 743	\$ 43,252

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

For the year ended September 30, 2017

	Anti-Drug Abuse Grant	Local Law Enforcement	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total Nonmajor Governmental Funds
Revenues						
Grants	\$ 37,057	\$ 93	\$ -	\$ -	\$ -	\$ 37,150
Other fees and miscellaneous revenues	-	-	3,172	-	700	3,872
Total revenues	37,057	93	3,172	-	700	41,022
Expenditures						
Current:						
Public safety	37,127	95	6,289	-	107	43,618
Total expenditures	37,127	95	6,289	-	107	43,618
Excess (deficiency) of revenues (under) expenditures	(70)	(2)	(3,117)	-	593	(2,596)
Net change in fund balances	(70)	(2)	(3,117)	-	593	(2,596)
Fund balances - beginning	26,587	2	5,520	13,298	150	45,557
Fund balances - ending	\$ 26,517	\$ -	\$ 2,403	\$ 13,298	\$ 743	\$ 42,961

See Independent Auditors' Report

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

To the Honorable Louis S. Roberts, III
Sheriff 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 special-purpose financial statements of the Jackson County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Sheriff's basic special-purpose financial statements and have issued our report thereon dated June 19, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described below as SH2006-01 that we consider to be a material weakness.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Prior Year Comments

Need for Segregation of Duties – SH2006-01

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

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

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

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

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

STATUS: This condition continues to exist.

Financial Reporting Software – SH2015-01 - RESOLVED

CRITERIA: All financial transactions should be reflected in the trial balance.

CONDITION: Some transactions recorded in the financial reporting software were not reflected in the trial balance schedules.

CAUSE: All transactions were not classified in a manner that lead to inclusion in the trial balance.

EFFECT: The trial balance was incomplete.

RECOMMENDATION: We recommend the Sheriff consider updating the software used for financial reporting purposes to a product which can provide better results. Consistent and understandable reports will provide better information for management and financial reporting purposes.

STATUS: This condition has been resolved.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

General Reporting – Revenues – SH2016-01 - RESOLVED

CRITERIA: Revenues and expenses are to be classified separately.

CONDITION: Certain grant revenue and other reimbursements were recorded as a reduction of equipment expenditures instead of revenue.

CAUSE: The trial balance did not include proper revenue categories.

EFFECT: Expenses and revenues were understated.

RECOMMENDATION: We recommend that any income received be recorded in a separate account and that all purchases and related income be recorded in a governmental fund.

STATUS: This condition has been resolved.

Bank Account – SH2016-02 - RESOLVED

CRITERIA: All bank accounts should be recorded in the general ledger.

CONDITION: One bank account and related transactions had not been recorded on the Sheriff's books.

CAUSE: The Sheriff staff maintained small accounts for specific purpose using manual books that were not included in the general ledger.

EFFECT: The trial balance was incomplete.

RECOMMENDATION: We recommend that all transactions and bank accounts be recorded in the special-purpose financial statements.

STATUS: This condition has been resolved.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's special-purpose 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 special-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Sheriff's Response to Findings

The Sheriff's response to the findings identified in our audit is described in the accompanying Management's Response. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

June 19, 2018

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

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida, Sheriff (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

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

June 19, 2018

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Sheriff (the "Sheriff"), as of and for the year ended September 30, 2017, and have issued our report thereon dated June 19, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 19, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading Prior Year Comments.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida Sheriff.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Financial Management

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

SH2017-01 – Trust Account

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

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

Cause: Sheriff employees were not aware of the Trust account's required limitations.

Effect: Unbudgeted items received from the Board of County Commissioners were deposited into the Trust Account.

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

Additional Matters

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

Purpose of this Letter

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

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

June 19, 2018

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



LOUIS S. ROBERTS III
Sheriff
Jackson County



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

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

Dear Auditor General Norman,

We have received the audit report for the Office of the Sheriff, Jackson County, Florida, for the fiscal year ending September 30, 2017. We have reviewed the Management Letter included in the report. Please see our response below concerning the items noted in the Management Letter.

1. Need for Segregation of Duties

This has been a deficiency for several years due to constant budget constraints by the County. The Board of County Commissioners would not award another administrative position to the Sheriff for accounting and payroll services. As such, we have had to operate with what we have to the best of our abilities. To help remedy this problem in previous years, the Sheriff assigned the task of approving all bills to the Major before they are paid. Sheriff Roberts receives a copy of our Budget Position Analysis at the end of each month. Sheriff Roberts opens our bank statements then signs them. Commanders Scott Edwards and Virgil Watson approve purchases. No new administrative staff positions are expected to be granted by the Board of County Commissioners in the near future. However, the Sheriff's Office is now in a position to pull from another division to help with accounting and payroll duties. Training for that employee will commence around July of 2018 to meet the demands of the upcoming fiscal year.

2. Trust Account

In previous years all money that was not part of our approved budget was put into our Trust account. Funds deposited into the Trust account included money that we requested from the Board of County Commissioners from accounts the Board held on behalf of the Sheriff, such as Equitable Sharing Funds and Local Law Enforcement Automation Funds. Checks were issued to the appropriate vendors from the Trust account. They were recorded appropriately and are able to be tracked accordingly. Depositing these monies into the Trust account allowed us to better track monies that were received that were not part of our approved Budget. We have since been made aware of the limitations imposed on Trust accounts and have been given guidance on how to correct the issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Louis S. Roberts III".

Louis S. Roberts III, Sheriff
Jackson County Florida

A handwritten signature in blue ink, appearing to read "Sarah K. Sun".

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

cc: Carr, Riggs, and Ingram, LLC

**Jackson County, Florida
Supervisor of Elections**

Special-Purpose Financial Statements

September 30, 2017



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Jackson County, Florida
Supervisor of Elections
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September 30, 2017

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REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund of the office of the Jackson County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Supervisor of Elections' basic special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special-Purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 *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 special-purpose 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 Supervisor of Elections' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

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

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Supervisor of Elections as of September 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special-purpose financial statements, the Supervisor of Elections financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Supervisor of Elections. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of 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 Supervisor of Elections.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2018 on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

June 7, 2018



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

Jackson County, Florida
Supervisor of Elections
Special-Purpose Balance Sheet
Governmental Funds

September 30, 2017

	General Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 300
Restricted cash and cash equivalents	8,035
Due from other governments	26,276
<hr/>	
Total assets	\$ 34,611
<hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 10,868
Due to Board of County Commissioners	16,756
Unearned revenue	6,987
<hr/>	
Total liabilities	34,611
<hr/>	
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 34,611
<hr/>	

The accompanying notes are an integral part of these special-purpose financial statements

Jackson County, Florida
Supervisor of Elections

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

For the year ended September 30, 2017

	General Fund
<hr/>	
Revenues	
Grants	\$ 52,392
Investment earnings	2
Other fees and miscellaneous revenue	2,711
<hr/>	
Total revenues	55,105
<hr/>	
Expenditures	
Current:	
General government	593,400
<hr/>	
Total expenditures	593,400
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(538,295)
<hr/>	
Other financing sources (uses)	
Transfers in	538,295
<hr/>	
Net other financing sources (uses)	538,295
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance, beginning	-
<hr/>	
Fund balance, ending	\$ -
<hr/> <hr/>	

The accompanying notes are an integral part of these special-purpose financial statements

Jackson County, Florida
Supervisor of Elections

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Fund Budget Favorable (Unfavorable)
Revenues				
Grants	\$ -	\$ 33,500	\$ 52,392	\$ 18,892
Investment earnings	25	25	2	(23)
Other fees and miscellaneous revenues	3,500	3,500	2,711	(789)
Total revenues	3,525	37,025	55,105	18,080
Expenditures				
Current:				
General government	582,829	616,329	593,400	22,929
Total expenditures	582,829	616,329	593,400	22,929
Excess (deficiency) of revenues over (under) expenditures	(579,304)	(579,304)	(538,295)	41,009
Other financing sources (uses)				
Transfer in	579,304	579,304	538,295	(41,009)
Net other financing sources (uses)	579,304	579,304	538,295	(41,009)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these special-purpose financial statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Jackson County Supervisor of Elections' office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying special-purpose financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County Supervisor of Elections' Office.

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

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

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(5), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

These special-purpose 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 Supervisor of Elections, were prepared in conformity with GAAP accepted in the United States.

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

General Fund - The general fund is the general operating fund and grant activity of the Supervisor of Elections. It is used to account for all financial resources, except those required to be accounted for in another fund.

Measurement Focus

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

Basis of Accounting

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

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

When both restricted and unrestricted resources are available for use, it is the Supervisor of Election’s policy to use restricted resources first, then unrestricted resources as needed.

Cash and Cash Equivalents

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

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

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

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

Accumulated Compensated Absences

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

The Supervisor of Elections' compensated absences are accrued and reported in the government-wide financial statements of the County's financial statements.

Budgetary Requirements

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

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

Budget to actual comparisons are provided in the special-purpose financial statements for the general fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Risk Management and Insurance

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

Jackson County, Florida
Supervisor of Elections
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 special-purpose financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Subsequent Events

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

New Accounting Standards

In fiscal year 2017, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board. See the County-wide financial statements for a list of newly implemented standards and those recently issued but not yet effective.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2017, the carrying amount of the Supervisor of Elections' cash and cash equivalents was \$8,335 and the bank balance was \$18,524. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

Credit Risk

At September 30, 2017, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2017, the Supervisor of Elections did not hold any investments that were considered to have interest rate risk.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

At September 30, 2017, the Supervisor of Elections did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2017, the Supervisor of Elections did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - EMPLOYEE BENEFITS

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

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

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

	10/01/16 Through 6/30/17	07/01/17 Through 09/30/17
Regular class	7.52%	7.92%
Senior management	21.77%	22.71%
Elected county officials' class	42.47%	45.50%

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

NOTE 3 - EMPLOYEE BENEFITS (CONTINUED)

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Supervisor of Elections' employees covered by the Florida Retirement System was \$251,766 for the year ended September 30, 2017. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2017, 2016 and 2015 was \$68,581, \$56,010 and \$56,725. These contributions represent 27.24% of covered payroll for the year ended September 30, 2017.

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

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

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Supervisor of Elections' governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

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

NOTE 5- GRANTS

The Supervisor of Elections participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2017, as well as prior years, have not been yet been accepted/approved by the grantors. Accordingly, the final determination of the Supervisor or Elections' compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Supervisor of Elections expects such amounts, if any, to be immaterial.

The Supervisor of Elections is a recipient of a \$130,979 Help America Vote Act (HAVA) grant as a reimbursement for the purchase of hardware, software and elections services for voting system equipment. This equipment was purchased during the FY 2015-16. For each fiscal year, FY 2015-16 through FY 2019-20, the Supervisor of Elections will receive an annual payment of \$26,196. Based on the modified accrual basis of accounting, revenues will be recorded once they are measurable and available.

NOTE 6 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. There was no excess revenue in the current year.



SUPPLEMENTARY INFORMATION

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

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Supervisor of Elections' basic financial statements and have issued our report thereon dated June 7, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Supervisor of Election's special-purpose financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Compliance and Other Matters

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

Purpose of this Report

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

Carly Riggs & Ingram, L.L.C.

June 7, 2018

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

The Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida, Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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 7, 2018

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2017, and have issued our report thereon dated June 7, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 7, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. No significant findings and recommendations were made in the preceding annual financial audit report.

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the special-purpose financial statements. The Jackson County, Florida, Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Supervisor of Elections.

Financial Management

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we have the following recommendation:

SUPERVISOR OF ELECTIONS SALARY 2017-001

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

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

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

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

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

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

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Additional Matters

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

Purpose of this Letter

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

Caru Riggs & Ingram, L.L.C.

June 7, 2018

Jackson County, Florida
Supervisor of Elections' Response



Sylvia D. Stephens



Supervisor of Elections
Jackson County, Florida

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, 2017. We have reviewed the Management Letter included in the report. Concerning the item included in the Management Report, please accept the following response:

COMMENT: The Supervisor of Election's salary exceeded the salary allowed by the State of Florida's Legislature.

RESPONSE: This overpayment was due to an oversight in the Board's Finance Department who processes the Supervisor of Elections' transactions and payroll. Two extra payments were made to the Supervisor of Elections. The amount was discovered by the Board's Finance Department and repaid by the Supervisor of Elections.

If additional information is required, please contact Sylvia Stephens, Supervisor of Elections at (850) 482-9652.

Sincerely,

A handwritten signature in cursive script that reads "Sylvia D. Stephens".

Sylvia Stephens
Supervisor of Elections

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**Jackson County, Florida
Tax Collector**

Special-Purpose Financial Statements

September 30, 2017



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Jackson County, Florida
Tax Collector
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INDEPENDENT AUDITORS' REPORT

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

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund and the aggregate remaining fund information of the Jackson County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Tax Collector's basic special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special-Purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 *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 special-purpose 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 Tax Collector's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

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

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

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special-purpose financial statements, the Tax Collector's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Tax Collector. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of 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 Tax Collector.

Other Matters

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2018 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

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

June 8, 2018



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

Jackson County, Florida
Tax Collector
Special-Purpose Balance Sheet
Governmental Funds

September 30, 2017

	General Fund
Assets	
Cash	\$ 135,372
<hr/>	
Total assets	\$ 135,372
<hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 32,726
Unearned revenue	13,978
Due to Board of County Commissioners	86,468
<hr/>	
Total liabilities	133,172
<hr/>	
Fund balance	2,200
<hr/>	
Total liabilities and fund balance	\$ 135,372
<hr/>	

The accompanying notes are an integral part of these special-purpose financial statements

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

For the year ended September 30, 2017

	General Fund
<hr/>	
Revenues	
Charges for services	\$ 550,404
<hr/>	
Total revenues	550,404
<hr/>	
Expenditures	
Current:	
General government	1,214,679
Capital outlay	11,000
<hr/>	
Total expenditures	1,225,679
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(675,275)
<hr/>	
Other financing sources (uses)	
Transfers in	761,743
Transfers out	(86,468)
<hr/>	
Net other financing sources (uses)	675,275
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance - beginning	2,200
<hr/>	
Fund balance - ending	\$ 2,200
<hr/> <hr/>	

The accompanying notes are an integral part of these special-purpose financial statements

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

For the year ended September 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 567,007	\$ 575,680	\$ 550,404	\$ (25,276)
Total revenues	567,007	575,680	550,404	(25,276)
Expenditures				
Current:				
General government	1,309,950	1,301,612	1,214,679	86,933
Capital outlay	-	17,011	11,000	6,011
Total expenditures	1,309,950	1,318,623	1,225,679	92,944
Excess (deficiency) of revenues over (under) expenditures	(742,943)	(742,943)	(675,275)	67,668
Other financing sources (uses)				
Transfers in	742,943	742,943	761,743	18,800
Transfers out	-	-	(86,468)	(86,468)
Net other financing sources (uses)	742,943	742,943	675,275	(67,668)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these special-purpose financial statements

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

September 30, 2017

	Agency Funds
Assets	
Cash	\$ 417,811
Total assets	\$ 417,811
Liabilities	
Due to others	\$ 417,811
Total liabilities	\$ 417,811

The accompanying notes are an integral part of these special-purpose financial statements

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Jackson County Tax Collector's office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying special-purpose financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County Tax Collector's Office.

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

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

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 GASB No. 34, and do not include presentations of *government-wide* financial statements of the Tax Collector.

The Tax Collector operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and are recorded as other financing sources on the Tax Collector's special-purpose financial statements and as other financing uses on the Board's financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board of County Commissioners after the end of the fiscal year.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

These special-purpose 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 Tax Collector, were prepared in conformity with generally accepted accounting principles in the United States of America.

In preparing these special-purpose financial statements the following is reported as a major governmental fund:

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

The Tax Collector also reported the following fund type:

Agency Funds - The agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position. The Tax Collector reports the License and Boat, Tag, Tax, Driver's License and Credit Cards as agency funds.

Measurement Focus

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

Basis of Accounting

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

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

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting - continued

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

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

Cash and Cash Equivalents

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

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector's assets are reported in the Statement of Net Assets in the County's financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by her office.

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

Furniture, machinery, and equipment 3-30 years

Accumulated Compensated Absences

Permanent full-time employees of the Tax Collector are entitled to personal leave based on length of employment and up to 400 hours may be carried forward to future years. Upon separation from employment, employees can be paid for unused personal leave in accordance with personnel policy.

The Tax Collector's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Tax Collectors' annual budget. The Tax Collector establishes an annual balanced budget for her office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying special-purpose financial statements reflect all amendments approved by the Department of Revenue and the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

Current Taxes

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

Unpaid Taxes - Sale of Tax Certificates

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

Tax Deeds

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

Due to Others

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

Risk Management and Insurance

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

Management Estimates and Assumptions

The preparation of special-purpose 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 special-purpose financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

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

Government Fund Balances

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

New Accounting Standards

In fiscal year 2017, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board. See the County-wide financial statements for a list of newly implemented standards and those recently issued but not yet effective.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2017, the carrying amount of the Tax Collector's cash and cash equivalents was \$553,183 and the bank balance was \$1,096,062. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

Credit Risk

At September 30, 2017, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

Notes to Special-Purpose Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

At September 30, 2017, the Tax Collector did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2017, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2017, the Tax Collector did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - EMPLOYEE PENSION PLAN

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

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

**Jackson County, Florida
Tax Collector**

Notes to Special-Purpose Financial Statements

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

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

	10/01/16 Through 06/30/17	07/01/17 Through 09/30/17
Regular employees	7.52%	7.92%
Senior management	21.77%	22.71%
Elected county officials' class	42.47%	45.50%
DROP plan participants	12.99%	13.26%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Tax Collector employees covered by the Florida Retirement System was \$751,623 for the year ended September 30, 2017. The Tax Collector's contribution to the plan for the years ended September 30, 2017, 2016, and 2015 totaled \$87,600, \$83,191, and \$83,735. These contributions represented 11.65% of covered payroll for the year ended September 30, 2017.

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

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

Notes to Special-Purpose Financial Statements

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Tax Collector’s governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

NOTE 4 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, “...is returned to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector.” For the year ended September 30, 2017, excess revenues over expenditures of \$86,468 are accrued and reported as a transfer out.

NOTE 5 - OPERATING LEASES

The Tax Collector leases various buildings under operating leases with yearly lease terms. Rental expense under operating leases for the year ended September 30, 2017 was \$20,040. The minimum future lease payments under operating leases as of September 30, 2017 and for each year until expiration are:

2018	\$	12,540
2019		12,540
2020		12,540
2021		12,540
<hr/>		
Total minimum future lease payments	\$	50,160

NOTE 6 - GOVERNMENTAL FUND BALANCE

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

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

Restricted – Amounts that can be spent only for purposes stipulated by external parties, constitution provision or enabling legislation.

Committed – Amounts constrained for a specific purpose by the Board of County Commissioners.

Notes to Special-Purpose Financial Statements

NOTE 6 - GOVERNMENTAL FUND BALANCE (CONTINUED)

Assigned – For the general fund, amounts constrained for the intent to be used for a specific purpose by the Board of County Commissioners. For all governmental funds other than the general fund, any positive remaining amounts not classified as nonspendable, restricted or committed.

Unassigned – All amounts not included in other spendable classifications.

At September 30, 2017, all of the Tax Collector’s fund balance is classified as unassigned.

NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

NOTE 8 – LITIGATION AND CONTINGENT LIABILITIES

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

During the current year, investigators with the Florida Highway Patrol’s criminal investigation unit advised that at the Snead’s Branch office location there was an ongoing investigation into certain motor vehicle transactions. A grand jury returned an indictment on June 22, 2017 between the State of Florida (Plaintiff) and the two former employees (Defendants Case No. 17-423CF and Case No. 17-424CF). The Tax Collector’s office has been fully cooperative with the investigating unit.



SUPPLEMENTARY INFORMATION

Jackson County, Florida
Tax Collector
Combining Special-Purpose Statement of Fiduciary Net Position
Agency Funds

September 30, 2017

	License and Boat	Tag	Tax	Driver's License	Credit Cards	Total
Assets						
Cash	\$ 1,463	\$ 65,998	\$ 331,796	\$ 8,816	\$ 9,738	\$ 417,811
Total assets	\$ 1,463	\$ 65,998	\$ 331,796	\$ 8,816	\$ 9,738	\$ 417,811
Liabilities						
Due to others	\$ 1,463	\$ 65,998	\$ 331,796	\$ 8,816	\$ 9,738	\$ 417,811
Total liabilities	\$ 1,463	\$ 65,998	\$ 331,796	\$ 8,816	\$ 9,738	\$ 417,811

See Independent Auditors' Report

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2017, and the related notes to the special-purpose financial statements, which collectively comprise the Tax Collector's basic special-purpose financial statements and have issued our report thereon dated June 8, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's special-purpose financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

Need for Segregation of Duties TC2006-001 - RESOLVED

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

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

CAUSE: The Tax Collector has limited personnel in the accounting department.

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

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

STATUS: This condition has been resolved.

Compliance and Other Matters

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

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

Purpose of this Report

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

Casey Riggs & Ingram, L.L.C.

June 8, 2018

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

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

We have examined Jackson County, Florida, Tax Collector (the “Tax Collector”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Tax Collector’s compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector’s compliance based on our examination.

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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 8, 2018

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2017, and have issued our report thereon dated June 8, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 8, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Finding TC2006-001 found in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* has been corrected.

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

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the special-purpose financial statements. The Jackson County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Tax Collector.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Carly Riggs & Ingram, L.L.C.

June 8, 2018