

Jackson County, Florida

Financial Statements

September 30, 2014



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**Jackson County, Florida
FINANCIAL STATEMENTS
September 30, 2014**

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Michelle Blankenship Jordan, Esq.**

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

Jackson County, Florida
Table of Contents
September 30, 2014

REPORT

Independent Auditors' Report 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis 4

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position 5

Statement of Activities 6

Fund Financial Statements

Balance Sheet - Governmental Funds 7

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

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

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

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

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

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

Statement of Revenues, Expenditures and Changes in Fund Balance -
Local Option Gas Tax - Budget and Actual 14



Jackson County, Florida
Table of Contents
September 30, 2014

Statement of Revenues, Expenditures and Changes in Fund Balance - Road Construction - Budget and Actual	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Utility Fee fund - Budget and Actual	16
Statement of Net Position - Proprietary Funds	17
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Statement of Fiduciary Net Position - Agency Funds	20
Notes to Financial Statements	21
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	53
Combining Statement of Fiduciary Net Position - Agency Funds	55
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	57



Jackson County, Florida
Table of Contents
September 30, 2014

Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General	59
Schedule of Expenditures of Federal Awards and State Financial Assistance	61
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Projects	64
Schedule of Findings and Questioned Costs	65
Summary Schedule of Prior Audit Findings	67
Independent Auditors' Management Letter	69
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	73
Management's Response	74
SPECIAL-PURPOSE FINANCIAL STATEMENTS	
Board of County Commissioners	
Clerk of the Circuit Court	
Property Appraiser	
Sheriff	
Supervisor of Elections	
Tax Collector	



REPORT



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and fiduciary fund type of Jackson County, Florida, (the "County") as of and for the year ended September 30, 2014, 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.

To the Honorable Board of County Commissioners
and Constitutional Officers 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, and fiduciary fund type of Jackson County, Florida as of September 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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 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.

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 the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and Chapter 10.550 of the Rules of the Auditor General State of Florida and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 2015, 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.

Carly Riggs & Ingram, L.L.C.

June 11, 2015



**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 50.

As of October 1, 2002, the County implemented Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis.

This discussion and analysis reflects the County's financial performance for the year and its financial position at fiscal year-end September 30, 2014. This is the twelfth year for reporting in accordance with GASB Statement 34.

One of the key changes in financial presentation is the requirement to capitalize infrastructure assets and record depreciation. Consequently, significant changes have resulted in the reporting of fixed assets, long term liabilities, and fund balances.

HIGHLIGHTS OF SIGNIFICANT FINANCIAL ATTRIBUTES

Key financial highlights for the 2013-2014 fiscal year are as follows:

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$75,531,123.
- The County's total net position increased by \$202,730, which represents a 0.27 percent increase from the 2013 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balance of \$14,090,150, which is a decrease of \$111,589 in comparison with the prior year.
- During the current year, General Fund expenditures and transfers exceeded revenues by \$373,269. General Fund revenue decreased by \$60,875, or 0.39% over the prior fiscal year.

OVERVIEW OF FINANCIAL ACTIVITIES AND STATEMENTS

The basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements



Jackson County, Florida Management's Discussion and Analysis

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the County's overall financial condition in a manner similar to those of a private-sector business. The statements include a Statement of Net Position that is designed to provide consolidated financial information about the governmental activities of the County presented on the accrual basis of accounting. The Statement of Net Position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the County. The Statement of Activities presents information about the change in the County's net position, the results of operations, during the fiscal year. An increase or decrease in net position may be an indication of whether the County's financial health is improving or deteriorating.

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 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.

Jackson County, Florida Management's Discussion and Analysis

Governmental Funds 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.

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 & Forfeiture, Transportation Trust, Local Option Gas Tax, Road Construction and Utility Fee Fund, 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 21 through 50 of this report.

Jackson County, Florida Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the County's net assets as of September 30, 2013 and September 30, 2014:

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 18,150,808	\$ 17,733,599	\$ 1,066,269	\$ 1,122,908	\$ 19,217,077	\$ 18,856,507
Non-current assets	63,119,002	63,464,266	11,386,282	11,742,509	74,505,284	75,206,775
Total assets	81,269,810	81,197,865	12,452,551	12,865,417	93,722,361	94,063,282
Current liabilities	5,167,054	4,602,087	189,492	254,601	5,356,546	4,856,688
Non-current liabilities	8,435,692	9,395,201	4,399,000	4,483,000	12,834,692	13,878,201
Total liabilities	13,602,746	13,997,288	4,588,492	4,737,601	18,191,238	18,734,889
Invested in capital assets, net of related debt	56,304,538	55,663,155	6,903,282	7,179,509	63,207,820	62,842,664
Restricted	3,108,603	3,082,671	599,491	551,817	3,708,094	3,634,488
Unrestricted	8,253,923	8,454,751	361,286	396,490	8,615,209	8,851,241
Total net position	\$ 67,667,064	\$ 67,200,577	\$ 7,864,059	\$ 8,127,816	\$ 75,531,123	\$ 75,328,393

Jackson County, Florida Management's Discussion and Analysis

Statement of Activities for the year ended

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 7,042,280	\$ 6,324,272	\$ 1,191,602	\$ 1,133,287	\$ 8,233,882	\$ 7,457,559
Operating grants and contributions	3,270,862	3,203,291	-	-	3,270,862	3,203,291
Capital grants and contributions	85,125	150,604	-	393,104	85,125	543,708
Total program revenues	10,398,267	9,678,167	1,191,602	1,526,391	11,589,869	11,204,558
General Revenues						
Property taxes	10,689,082	10,405,785	-	-	10,689,082	10,405,785
Other taxes, intergovernmental and shared revenue	16,845,556	17,124,600	-	-	16,845,556	17,124,600
Investment earnings	9,753	37,076	10,436	11,129	20,189	48,205
Miscellaneous	848,374	1,093,965	2,975	2,372	851,349	1,096,337
Transfers	(193,947)	(194,450)	193,947	194,450	-	-
Transfers to State of FL	(87,581)	(194,848)	-	-	(87,581)	(194,848)
Total general revenues	28,111,237	28,272,128	207,358	207,951	28,318,595	28,480,079
Total revenues	38,509,504	37,950,295	1,398,960	1,734,342	39,908,464	39,684,637
Expenses						
Program activities						
Governmental activities:						
General government	8,482,931	8,552,668	-	-	8,482,931	8,552,668
Public safety	13,159,000	12,796,159	-	-	13,159,000	12,796,159
Physical environment	512,746	488,723	-	-	512,746	488,723
Transportation	10,977,165	11,330,646	-	-	10,977,165	11,330,646
Economic environment	689,708	811,346	-	-	689,708	811,346
Human services	1,521,263	1,591,748	-	-	1,521,263	1,591,748
Culture and recreation	1,140,456	1,146,021	-	-	1,140,456	1,146,021
Court related	1,299,955	1,248,186	-	-	1,299,955	1,248,186
Interest on long-term debt	259,793	297,950	-	-	259,793	297,950
Business-type activities	-	-	1,662,717	1,704,452	1,662,717	1,704,452
Total expenses	38,043,017	38,263,447	1,662,717	1,704,452	39,705,734	39,967,899
Change in net position	466,487	(313,152)	(263,757)	29,890	202,730	(283,262)
Net position – beginning	67,200,577	67,513,729	8,127,816	8,097,926	75,328,393	75,611,655
Net position – ending	\$ 67,667,064	\$ 67,200,577	\$ 7,864,059	\$ 8,127,816	\$ 75,531,123	\$ 75,328,393

Jackson County, Florida Management's Discussion and Analysis

The largest portion of the County's net position (83.68%) 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.

An additional portion of the County's net position (4.91%) represent resources that are dedicated or subject to restrictions on how they may be used. The remaining balance of unrestricted net position (\$8,615,209 or 11.41%) may be used to meet the government's 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, 2014 are contained on the Statement of Activities on Page 5 of this report.

Governmental activities increased the County's net position by \$466,487.

FUND BUDGETS: DEVIATIONS AND SIGNIFICANT ATTRIBUTES

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 \$2,265,083 while the total fund balance was \$4,286,960. 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 10.93% of total General Fund expenditures, while total fund balance represents 20.70% of that same amount. The fund balance decreased by \$373,269 during the 2013-2014 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 \$121,653 which is assigned. The fund balance decreased by \$2,544 during the 2013-2014 fiscal year.

The Transportation Trust fund accounts for the operation cost of the Public Works Department. At the end of the current fiscal year, the fund balance was \$952,710. The fund balance increased by \$103,387 during the 2013-2014 fiscal year.

The Local Option Gas Tax fund accounts for receipts and disbursements of the County gas tax funds distributed from the State. At the end of the current fiscal year, the fund balance was \$850,787. The fund balance increased by \$166,226 during the 2013-2014 fiscal year.

The Road Construction fund accounts for revenues that improve roads throughout the County. At the end of the current fiscal year, the fund balance was \$2,004,420. The fund balance increased by \$359,095 during the 2013-2014 fiscal year.

Jackson County, Florida Management's Discussion and Analysis

The Utility Fee fund accounts for utility fee tax revenues. At the end of the current fiscal year, the fund balance was \$283,100. The fund balance decreased by \$180,495 during the 2013-2014 fiscal year.

Proprietary Funds

The County's proprietary funds reported net position of \$7,864,059 which includes \$6,936,276 from the operation of the Water/Sewer System.

Total unassigned fund balances for all governmental funds totaled \$2,265,083 at September 30, 2014, compared to total governmental fund balances of \$14,090,150 at the same date. The restricted fund balance was \$3,108,603 which included funds for Building department, vessel fees, tax deeds and other special revenue funds.

The unassigned Governmental Fund balance of \$2,265,083 is different from the Unrestricted Net Position amount on the Statement of Net Position of \$8,615,209 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 2013-2014 fiscal year, the County amended its General Fund budget on November 18, 2014. The County received unanticipated revenues and determined actual cash balance forward dollars in excess of the original budget figures in the amount of \$3,176,565.

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of September 30, 2014 amounted to \$74,505,284 (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.

LONG-TERM DEBT

At the end of fiscal year ended September 30, 2014, the County had a long-term debt amounting to \$14,025,088. Of this amount, notes payable and revenue bond outstanding was \$11,297,464, with \$1,187,463 to meet compensated absences obligations, and the remainder for landfill closure and post-closure costs and other post-employment benefit obligation.

Jackson County, Florida Management's Discussion and Analysis

ECONOMIC FACTORS – JACKSON COUNTY, FLORIDA

- The unemployment rate for the County was 6.3% percent at September 30, 2014, this is an increase of 16.7 percent from the prior year.
- Population increased to approximately 42,447
- The taxable value for personal and real property in the County at September 30, 2014 is \$1,433,709,457 a increase of less than 1 percent from the previous year.
- The general ad valorem tax millage rate was 7.3200 for the year ended September 30, 2014.
- The budget for the next fiscal year ending September 30, 2015 represents a 5 percent increase over the 2013-2014 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, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 9,941,868	\$ 318,406	\$ 10,260,274
Restricted cash and cash equivalents	3,370,739	631,780	4,002,519
Accounts receivable	1,251,357	128,373	1,379,730
Inventory	21,099	-	21,099
Internal balances	12,290	(12,290)	-
Due from other governmental units	3,553,152	-	3,553,152
Prepays	303	-	303
Capital assets, net			
Nondepreciable capital assets	4,619,511	21,145	4,640,656
Depreciable capital assets, net	58,499,491	11,365,137	69,864,628
Total assets	81,269,810	12,452,551	93,722,361
Liabilities			
Accounts payable and accrued expenses	2,401,399	56,449	2,457,848
Accrued interest payable	58,619	16,754	75,373
Due to other governmental units	788,807	-	788,807
Deferred revenue	811,833	-	811,833
Liabilities payable from restricted assets	-	32,289	32,289
Long-term liabilities			
Portion due or payable within one year			
Notes payable	48,000	-	48,000
Bonds payable	974,815	84,000	1,058,815
Landfill closure liability	83,581	-	83,581
Portion due or payable after one year			
Notes payable	360,000	-	360,000
Bonds payable	5,431,649	4,399,000	9,830,649
Compensated absences	1,187,463	-	1,187,463
Other post-employment benefit obligation	1,248,000	-	1,248,000
Landfill closure liability	208,580	-	208,580
Total liabilities	13,602,746	4,588,492	18,191,238
Net position			
Invested in capital assets, net of related debt	56,304,538	6,903,282	63,207,820
Restricted	3,108,603	599,491	3,708,094
Unrestricted	8,253,923	361,286	8,615,209
Total net position	\$ 67,667,064	\$ 7,864,059	\$ 75,531,123

See accompanying notes to financial statements

Jackson County, Florida Statement of Activities

For the year ended September 30, 2014

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-type Activities	Primary Government	
							Total	Total
Primary government								
Governmental activities								
General government	\$ 8,482,931	\$ 6,387,699	\$ 312,463	\$ 61,225	\$ (1,721,544)	\$ -	\$ (1,721,544)	
Public safety	13,159,000	511,702	295,317	-	(12,351,981)	-	(12,351,981)	
Physical environment	512,746	-	91,290	-	(421,456)	-	(421,456)	
Transportation	10,977,165	16	2,310,248	23,900	(8,643,001)	-	(8,643,001)	
Economic environment	689,708	-	76,114	-	(613,594)	-	(613,594)	
Human services	1,521,263	-	24,474	-	(1,496,789)	-	(1,496,789)	
Culture and recreation	1,140,456	-	160,956	-	(979,500)	-	(979,500)	
Court related	1,299,955	142,863	-	-	(1,157,092)	-	(1,157,092)	
Interest on long-term debt	259,793	-	-	-	(259,793)	-	(259,793)	
Total governmental activities	38,043,017	7,042,280	3,270,862	85,125	(27,644,750)	-	(27,644,750)	
Business-type activities								
Water and sewer	895,354	961,748	-	-	-	66,394	66,394	
Parks and recreation	416,074	151,005	-	-	-	(265,069)	(265,069)	
Recycling	146,933	78,849	-	-	-	(68,084)	(68,084)	
Interest on long-term debt	204,356	-	-	-	-	(204,356)	(204,356)	
Total business-type activities	1,662,717	1,191,602	-	-	-	(471,115)	(471,115)	
Total primary government	\$ 39,705,734	\$ 8,233,882	\$ 3,270,862	\$ 85,125	(27,644,750)	(471,115)	(28,115,865)	
General revenues								
Taxes								
Property taxes					10,689,082	-	10,689,082	
Local option taxes					6,071,097	-	6,071,097	
Sales tax and other taxes					3,112,259	-	3,112,259	
Intergovernmental and shared revenue					7,662,200	-	7,662,200	
Investment earnings					9,753	10,436	20,189	
Miscellaneous					848,374	2,975	851,349	
Transfer to State of Florida					(87,581)	-	(87,581)	
Transfers					(193,947)	193,947	-	
Total general revenues					28,111,237	207,358	28,318,595	
Change in net position					466,487	(263,757)	202,730	
Net position, beginning					67,200,577	8,127,816	75,328,393	
Net position, ending					\$ 67,667,064	\$ 7,864,059	\$ 75,531,123	

See accompanying notes to financial statements

Jackson County, Florida
Balance Sheet – Governmental Funds

September 30, 2014

	General Fund	Fines and Forfeitures	Transportation Trust	Local Option Gas Tax	Road Construction	Utility Fee Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 3,669,779	\$ 117,284	\$ 110,430	\$ 1,027,821	\$ 161,155	\$ 597,703	\$ 3,799,674	\$ 9,483,846
Restricted cash and cash equivalents	440,967	-	221,370	-	-	-	3,166,424	3,828,761
Accounts receivable	890,233	-	-	-	-	279,966	81,158	1,251,357
Inventory	-	-	-	21,099	-	-	-	21,099
Due from other funds	1,465,459	794,581	1,734,418	697,830	2,021,153	733,431	139,048	7,585,920
Due from other governmental units	656,891	106,511	1,072,268	427,466	1,061,907	-	228,109	3,553,152
Prepaid expenses	303	-	-	-	-	-	-	303
Total assets	\$ 7,123,632	\$ 1,018,376	\$ 3,138,486	\$ 2,174,216	\$ 3,244,215	\$ 1,611,100	\$ 7,414,413	\$ 25,724,438
Liabilities								
Accounts payable and accrued expenses	\$ 831,873	\$ 158,487	\$ 328,899	\$ -	\$ 418,936	\$ -	\$ 663,204	\$ 2,401,399
Accrued interest payable	-	-	-	-	58,619	-	-	58,619
Due to other funds	1,417,302	733,431	1,856,877	1,323,429	762,240	1,328,000	152,351	7,573,630
Due to other governmental units	567,850	-	-	-	-	-	220,957	788,807
Deferred revenue	19,647	4,805	-	-	-	-	787,381	811,833
Total liabilities	2,836,672	896,723	2,185,776	1,323,429	1,239,795	1,328,000	1,823,893	11,634,288
Fund balances								
Restricted	247,228	-	-	-	-	-	2,861,375	3,108,603
Committed	497,356	-	221,370	-	-	-	575,034	1,293,760
Assigned	1,277,293	121,653	731,340	850,787	2,004,420	283,100	2,154,111	7,422,704
Unassigned	2,265,083	-	-	-	-	-	-	2,265,083
Total fund balances	4,286,960	121,653	952,710	850,787	2,004,420	283,100	5,590,520	14,090,150
Total liabilities and fund balances	\$ 7,123,632	\$ 1,018,376	\$ 3,138,486	\$ 2,174,216	\$ 3,244,215	\$ 1,611,100	\$ 7,414,413	\$ 25,724,438

See accompanying notes to financial statements

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

September 30, 2014

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

Total fund balances – governmental funds	\$ 14,090,150
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Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	63,119,002
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Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	(9,542,088)
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Net position of governmental activities	\$ 67,667,064
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See accompanying notes to financial statements

Jackson County, Florida

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

For the year ended September 30, 2014

	General Fund	Fines and Forfeitures	Transportation Trust	Local Option Gas Tax	Road Construction	Utility Fee Fund	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 3,545,034	\$ 6,651,295	\$ 3,178,066	\$ 2,100,335	\$ 509,764	\$ 2,869,421	\$ 1,018,523	\$ 19,872,438
Licenses and permits	1,439,865	-	-	-	-	-	-	1,439,865
Intergovernmental	5,396,517	187,395	20,120	-	2,046,497	-	11,671	7,662,200
Charges for services	4,184,387	284,230	-	-	-	-	726,052	5,194,669
Fines and forfeitures	182,193	45,341	16	-	-	-	180,196	407,746
Grants	373,688	-	488,966	-	1,845,182	-	648,151	3,355,987
Investment earnings	(2,969)	319	140	80	125	84	11,974	9,753
Other fees and miscellaneous revenues	326,160	213,637	92,658	-	18,005	-	161,367	811,827
Total revenues	15,444,875	7,382,217	3,779,966	2,100,415	4,419,573	2,869,505	2,757,934	38,754,485
Expenditures								
Current:								
General government	7,898,987	-	-	-	-	-	277,336	8,176,323
Public health and safety	8,784,660	2,872,135	-	-	-	-	766,410	12,423,205
Physical environment	421,457	-	-	-	-	-	91,289	512,746
Transportation	194,055	-	5,747,762	-	2,289,227	-	350,020	8,581,064
Economic environment	435,432	-	-	-	-	-	248,571	684,003
Human services	1,051,987	-	-	-	-	-	43,296	1,095,283
Culture/recreation	409,189	-	-	-	-	-	587,705	996,894
Court related	936,509	-	-	-	-	-	275,732	1,212,241
Capital outlay	527,133	153,140	1,010,037	173,000	1,334,322	-	458,715	3,656,347
Debt service:								
Principal	46,000	-	-	-	940,647	-	-	986,647
Interest and other charges	8,714	-	-	-	251,079	-	-	259,793
Total expenditures	20,714,123	3,025,275	6,757,799	173,000	4,815,275	-	3,099,074	38,584,546
Excess (deficiency) of revenues over (under) expenditures	(5,269,248)	4,356,942	(2,977,833)	1,927,415	(395,702)	2,869,505	(341,140)	169,939
Other financing sources (uses)								
Transfers in	7,567,533	137,348	3,830,603	250,000	754,797	-	711,243	13,251,524
Transfers out	(2,583,973)	(4,496,834)	(749,383)	(2,011,189)	-	(3,050,000)	(554,092)	(13,445,471)
Transfer to State of Florida	(87,581)	-	-	-	-	-	-	(87,581)
Net other financing sources (uses)	4,895,979	(4,359,486)	3,081,220	(1,761,189)	754,797	(3,050,000)	157,151	(281,528)
Net changes in fund balances	(373,269)	(2,544)	103,387	166,226	359,095	(180,495)	(183,989)	(111,589)
Fund balances - beginning	4,660,229	124,197	849,323	684,561	1,645,325	463,595	5,774,509	14,201,739
Fund balances - ending	\$ 4,286,960	\$ 121,653	\$ 952,710	\$ 850,787	\$ 2,004,420	\$ 283,100	\$ 5,590,520	\$ 14,090,150

See accompanying notes to 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, 2014

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

Net change in fund balances - total governmental funds	\$ (111,589)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of activities.	3,656,347
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(4,038,157)
The net effect of transactions involving capital assets (i.e. sales, transfers and donations) included in the governmental activities in the statement of activities.	36,545
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.	986,647
Accrued other post-employment benefits do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(172,000)
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:	
Compensated absences	108,694
	\$ 466,487

See accompanying notes to 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, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 3,515,228	\$ 3,565,228	\$ 3,545,034	\$ (20,194)
Licenses and permits	1,241,000	1,434,000	1,439,865	5,865
Intergovernmental	5,126,181	5,335,746	5,396,517	60,771
Charges for services	4,048,077	4,291,142	4,178,755	(112,387)
Fines and forfeitures	204,800	200,700	182,193	(18,507)
Grants	90,000	485,790	373,688	(112,102)
Investment earnings	5,110	2,210	(2,969)	(5,179)
Other fees and miscellaneous revenues	143,916	384,170	326,160	(58,010)
Total revenues	14,374,312	15,698,986	15,439,243	(259,743)
Expenditures				
Current:				
General government	8,297,365	8,541,908	7,893,355	648,553
Public health and safety	8,510,770	8,961,155	8,784,660	176,495
Physical environment	385,322	425,272	421,457	3,815
Transportation	191,904	197,104	194,055	3,049
Economic environment	438,229	415,929	435,432	(19,503)
Human services	1,165,162	1,144,396	1,051,987	92,409
Culture and recreation	447,601	473,567	409,189	64,378
Court related	1,140,711	1,140,653	936,509	204,144
Capital outlay	546,029	1,576,658	527,133	1,049,525
Debt service	54,793	54,793	54,714	79
Total expenditures	21,177,886	22,931,435	20,708,491	2,222,944
Excess (deficiency) of revenues over (under) expenditures	(6,803,574)	(7,232,449)	(5,269,248)	1,963,201
Other financing sources (uses)				
Transfers in	9,935,588	10,146,682	7,567,533	(2,579,149)
Transfers out	(4,795,944)	(5,193,759)	(2,583,973)	2,609,786
Transfer to State of Florida	-	-	(87,581)	(87,581)
Net other financing sources (uses)	5,139,644	4,952,923	4,895,979	(56,944)
Net change in fund balance	(1,663,930)	(2,279,526)	(373,269)	1,906,257
Fund balance - beginning	4,660,229	4,660,229	4,660,229	-
Fund balance - ending	\$ 2,996,299	\$ 2,380,703	\$ 4,286,960	\$ 1,906,257

See accompanying notes to 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, 2014

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

See accompanying notes to 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, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to 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, 2014

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

See accompanying notes to 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, 2014

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

See accompanying notes to financial statements

Jackson County, Florida
Statement of Net Position
Proprietary Funds

September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

Jackson County, Florida
Statement of Cash Flows
Proprietary Funds

For the year ended September 30, 2014

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	Jackson Water/Sewer	NON-MAJOR FUNDS		Total
		Parks and Recreation	Jackson Recycling	
Operating activities				
Receipts from customers and users	\$ 1,025,318	\$ 150,166	\$ 79,928	\$ 1,255,412
Payments to suppliers	(467,927)	(95,741)	(68,658)	(632,326)
Payments to employees	(213,920)	(256,788)	(60,565)	(531,273)
Net cash provided (used) by operating activities	343,471	(202,363)	(49,295)	91,813
Noncapital financing activities				
Transfers to/from other funds	-	193,947	-	193,947
Advance from/to other funds	(142)	26,583	144	26,585
Net cash provided (used) by noncapital financing activities	(142)	220,530	144	220,532
Capital and related financing activities				
Purchase of capital assets	-	(9,643)	-	(9,643)
Principal payments on capital debt	(80,000)	-	-	(80,000)
Interest payments on capital debt	(204,657)	-	-	(204,657)
Other receipts	-	2,965	11	2,976
Net cash (used) provided by capital and related financing activities	(284,657)	(6,678)	11	(291,324)
Investing activities				
Interest and dividends	10,334	2	100	10,436
Net cash provided by investing activities	10,334	2	100	10,436
Net increase (decrease) in cash and cash equivalents	69,006	11,491	(49,040)	31,457
Cash - beginning of the year	753,385	1,224	164,120	918,729
Cash - ending of the year	\$ 822,391	\$ 12,715	\$ 115,080	\$ 950,186
Reconciliation of net operating income to net cash (used) provided by operating activities				
Net operating income (loss)	\$ 66,394	\$ (265,069)	\$ (68,084)	\$ (266,759)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	282,328	66,444	17,098	365,870
(Increase) decrease in accounts receivable	(1,590)	(839)	1,079	(1,350)
(Increase) decrease in due from other governments	62,860	-	-	62,860
(Increase) decrease in deposits	2,300	-	-	2,300
Increase (decrease) in accounts payable	(68,821)	(2,899)	612	(71,108)
Net cash provided (used) by operating activities	\$ 343,471	\$ (202,363)	\$ (49,295)	\$ 91,813

See accompanying notes to financial statements

Jackson County, Florida
Statement of Fiduciary Net Position
Agency Funds

September 30, 2014

	Agency Funds
Assets	
Cash and cash equivalents	\$ 843,718
Due from other governmental units	54
Total assets	\$ 843,772
Liabilities	
Due to others	\$ 427,393
Due to other governments	416,379
Total liabilities	\$ 843,772

See accompanying notes to 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, 2014.

Reporting Entity

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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

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

Utility Fee Fund – This fund accounts for 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 only budgeted 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:

Property Appraiser	Total Expenditures	Total Revenue
GAAP basis	\$ 913,749	\$ 913,749
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(5,632)	(5,632)
Budgetary basis	\$ 908,117	\$ 908,117

Cash and Cash Equivalents

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

Investments

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

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."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Prepaid Expenses

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

Capital Assets

The 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:

Assets	Years
Buildings	5-50
Improvements, other than buildings	2-50
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.

Deferred Revenues

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 13.

Net Position

For the year ending September 30, 2014, the County reports net position as restricted or unrestricted. Restricted net position 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. Unrestricted net position is comprised of all other balances, including committed, assigned and unassigned.

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.

NOTE 2 - PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2014 millage rate assessed by the County was 7.3200 mills.

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

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

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$15,106,511 and the bank balance was \$16,345,717. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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.

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2014, the market value and the carrying value of these funds was \$2,221,702. The funds are carried as a cash equivalent on the balance sheet at September 30, 2014 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note.

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

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, 2014, 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, 2014, is 39 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM.

Custodial Credit Risk

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

Concentration of Credit Risk

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

Jackson County, Florida
Notes to Financial Statements

NOTE 4 - RESTRICTED ASSETS

The General Fund's cash is restricted as follows:

	Amount
Technology Escrow	\$ 162,045
Federal election activities	4,652
Sick leave buyback program	274,270
Total	\$ 440,967

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

The Nonmajor Governmental funds' cash is restricted for other programs in the amount of \$3,166,424.

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	\$ 324,747
Investment extension and improvements	307,033
Total	\$ 631,780

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 \$1,083,149 and are shown net of the allowance for doubtful accounts and contractual adjustments of \$826,526. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

Accounts receivable for the General fund includes \$340,149 from franchise fees and royalties related to private landfills.

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

NOTE 6 - INTERFUND BALANCES

Balances due to/from other funds at September 30, 2014 are as follows:

Receivable Fund	Payable Fund	
General fund	Utility Fee fund	\$ 1,328,000
	Nonmajor governmental funds:	
	Other special revenue funds	125,022
	Proprietary funds:	
	Parks and Recreation	12,422
	Jackson Water/Sewer	15
Fine and Forfeitures	General fund	28,546
	Road Construction	762,240
	Nonmajor governmental funds:	
	Other special revenue funds	3,795
Transportation Trust	Local Option Gas Tax	1,323,429
	General fund	410,989
Local Option Gas Tax	General fund	697,830
Utility Fee Fund	Fines and Forfeiture	733,431
Road Construction	Transportation	1,856,877
	General fund	158,862
	Nonmajor governmental funds:	
	Other special revenue funds	5,414
Jackson Water/Sewer	General fund	157
Nonmajor governmental funds	General fund	120,918
	Proprietary funds:	
	Jackson recycling	10
	Other special revenue funds	18,120
Total		\$ 7,586,077

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, 2014, consisted of the following:

Transfers to General Fund from:		
Fines and Forfeitures	\$ 4,496,834	
Utility Fee fund	3,050,000	
Nonmajor Governmental fund	20,699	
Total		\$ 7,567,533
Transfers to Fines and Forfeiture from:		
General Fund	28,546	
Nonmajor Governmental fund	108,802	
Total		137,348
Transfers to Transportation Trust from:		
Local Option Gas Tax	2,011,189	
General fund	1,819,414	
Total		3,830,603
Transfers to Local Option Gas Tax:		
General fund		250,000
Transfers to Road Construction from:		
Transportation Trust	749,383	
Nonmajor Governmental fund	5,414	
Total		754,797
Transfers to Nonmajor Governmental Funds from:		
General fund	292,066	
Nonmajor Governmental funds	419,177	
Total		711,243
Subtotal		13,251,524
Transfers to Proprietary funds from:		
General fund		193,947
Total interfund transfers		\$ 13,445,471

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 personal 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 raving expenditures in local option gas tax fund, (5) use local option gas tax to cover road construction projects, (6) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in other funds, (7) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in the proprietary funds.

NOTE 7 - DUE FROM OTHER GOVERNMENTS

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

NOTE 8 - CAPITAL ASSETS

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

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,538,157	\$ 93,189	\$ -	\$ 2,631,346
Construction in progress	833,643	2,500,605	1,346,083	1,988,165
Total capital assets, not being depreciated	3,371,800	2,593,794	1,346,083	4,619,511
Capital assets, being depreciated:				
Buildings and improvements	33,421,691	1,494,934	-	34,916,625
Equipment	17,665,864	950,248	827,553	17,788,559
Roads	45,978,501	-	-	45,978,501
Infrastructure - Sidewalks	1,099,712	-	-	1,099,712
Total capital assets, being depreciated	98,165,768	2,445,182	827,553	99,783,397
Less: Total accumulated depreciation	38,073,302	4,038,157	827,553	41,283,906
Total capital assets, being depreciated, net	60,092,466	(1,592,975)	-	58,499,491
Governmental activities capital assets, net	\$ 63,464,266	\$ 1,000,819	\$ 1,346,083	\$ 63,119,002

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

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 250,669
Public safety	728,426
Transportation	2,396,101
Economic environment	5,705
Culture and recreation	143,562
Human services	425,980
Court related	87,714
Total depreciation expense-governmental activities	\$ 4,038,157

Jackson County, Florida
Notes to Financial Statements

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Business-type activities

Water and sewer	\$ 282,328
Recycling	17,098
Parks and recreation	66,444
Total depreciation expense-business-type activities	\$ 365,870

NOTE 9 - LONG-TERM LIABILITIES

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

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Revenue bonds	\$ 7,347,111	\$ -	\$ 940,647	\$ 6,406,464	\$ 974,815
Notes payable	454,000	-	46,000	408,000	48,000
Other post-employment benefits	1,076,000	172,000	-	1,248,000	-
Compensated absences	1,296,157	18,072	126,766	1,187,463	-
Landfill closure and post-closure costs	292,161	-	-	292,161	83,581
Total governmental activities:	10,465,429	190,072	1,113,413	9,542,088	1,106,396
Business-type activities:					
Revenue bonds	4,563,000	-	80,000	4,483,000	84,000
Total	\$ 15,028,429	\$ 190,072	\$ 1,193,413	\$ 14,025,088	\$ 1,190,396

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

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.

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

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

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

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Revenue Bonds

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

Notes Payable

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

Business-type activities

Revenue Bonds

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

NOTE 9 - LONG-TERM LIABILITIES (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, 2014 was \$1,187,463.

Long-term landfill closure and post-closure liability – this obligation relates to long-term landfill post-closure costs. See also Note 16.

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.

Jackson County, Florida Notes to Financial Statements

NOTE 11 - EMPLOYEE BENEFITS

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

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

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

	10/1/2013 - 6/30/2014	7/1/2014 - 9/30/2014
Regular class	6.95%	7.37%
Senior management	18.31%	21.14%
Elected county officials' class	33.03%	43.24%
Special risk class	19.06%	19.82%
DROP program participants	12.84%	12.28%

Jackson County, Florida
Notes to Financial Statements

NOTE 11 - EMPLOYEE BENEFITS (CONTINUED)

For the period October 1, 2013 through September 30, 2014, the total payroll for all employees and the retirement contributions for all employees covered by FRS were as follows:

	Payroll Expense	Retirement Contributions
Board of County Commissioners	\$ 7,496,881	\$ 918,161
Clerk of the Circuit Court	1,211,387	116,400
Sheriff	2,937,278	433,177
Property Appraiser	576,730	49,387
Tax Collector	755,746	78,155
Supervisor of Elections	224,938	48,628
Total	\$ 13,202,960	\$ 1,643,908

The County's contributions to the Plan for the years ended September 30, 2014, 2013 and 2012 were \$1,643,908, \$1,200,464 and \$1,037,151 respectively, which equal the required contributions. For the year ended September 30, 2014, retirement contributions represent 12.45% of County's total covered payroll.

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

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

NOTE 12 - GRANTS

The 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, 2014, 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 13 - FUND EQUITY

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, 2014, 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:		
	Building Department	\$	42,282
	Vessel fees		100,217
	Tax Deeds		104,729
	Total general fund	\$	247,228
Special Revenue Fund	Nonmajor governmental funds		
	Law Library		25,293
	Local Law Enforcement		126,933
	Drug Court		28,492
	Contraband forfeitures		14,195
	Crime prevention		84,538
	Courts facility fund		1,527,780
	Court construction improvement		49,375
	Anti-drug abuse		27,429
	Inmate Welfare Fund		209,168
	Additional court costs		322,433
	Contraband forfeitures		166,063
Modernization of public records		279,676	
	Total nonmajor governmental funds		2,861,375
	Total restricted fund balance	\$	3,108,603

Jackson County, Florida
Notes to Financial Statements

NOTE 13 - FUND EQUITY (CONTINUED)

Committed Fund Balance:

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

Jackson County, Florida
Notes to Financial Statements

NOTE 13 - FUND EQUITY (CONTINUED)

Assigned Fund Balance:

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

NOTE 14 - 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 15 - RECLASSIFICATION

Certain 2013 amounts have been reclassified to conform with 2014 classifications. Such reclassification had no effect on reported net income.

NOTE 16 - 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 17.

The Board has adopted GASB Statement No. 18, which requires recognition of landfill post-closure care costs in the Board's long-term debt. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions after closure. At September 30, 2014, the amount of \$292,161 in long-term debt recognizes the remaining year of long-term care period. The above estimate is based on current prices; actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Contractual Commitments

At September 30, 2014, the Board had contractual commitments for construction projects, equipment purchases and leases in excess of amounts recognized in the financial statements.

Balances remaining on uncompleted contracts at September 30, 2014:

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

NOTE 17 - 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 \$580,226 and \$97,539 over ten years.

Jackson County East Landfill—Remedial Action Plan

Jones, Edmunds & Assoc. have been working with the County and the Florida Department of Environmental Protection (FDEP) to remediate contamination detected in the groundwater at the Jackson County East Landfill. The contamination is caused by migrating landfill gas in contact with the groundwater. FDEP evaluated the site and agreed that landfill gas was a problem and approved the installation of a landfill gas extraction system that was proposed by Jones Edmunds and approved by the County. The landfill gas system was installed in 2010 with additional gas extraction wells installed in 2013. Since system installation the landfill gas in the waste has decreased. In addition to the landfill gas system, part of the contamination remediation was to install replacement wells at the site as it appeared, from discrepancies in measured well depths, that six wells were damaged. FDEP required the wells to be replaced at a schedule of 2 wells per year for 3 years.

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

Due to the contamination, FDEP is requiring continued groundwater monitoring past the end of long-term care at the landfill. The annual groundwater monitoring and reporting to FDEP will be approximately \$50,000 per year. This includes:

- Quarterly monitoring of 3 off-site potable wells.
- Semiannual monitoring of 6 on-site groundwater wells.
- Quarterly landfill gas monitoring and trend analyses showing that the gas extraction system is working.

NOTE 18 - SUBSEQUENT EVENTS

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

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

NOTE 18 - SUBSEQUENT EVENTS (CONTINUED)

Russ House

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

Revenue Bonds

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

Equipment Purchases

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

NOTE 19 - BUDGET

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

NOTE 20 - COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$99,486.

Jackson County, Florida
Notes to Financial Statements

NOTE 21 - 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, 2014, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

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

Funding Policy – A qualifying trust or agency fund has not been authorized by the Board. The Board negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2014 was \$137,994. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

Jackson County, Florida
Notes to Financial Statements

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

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

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

The County has chosen to apply GASB No. 45 requirements prospectively in this transition year. The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2013 and the prior two (2) years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of OPEB Cost Contributed
9/30/2012	\$ 422,000	46.4%
9/30/2013	\$ 295,000	35.9%
9/30/2014	\$ 305,000	38.8%

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

Actuarial Method and Assumptions – The valuation dated October 1, 2012, for the fiscal date of October 1, 2013 to September 30, 2014, was prepared using generally accepted accrual principles and practices, and relied on unaudited census data and medical claims data reported by the Board. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

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
10/1/2008	\$ -	\$ 2,106,000	\$ 2,106,000	0.00%	N/A
10/1/2010	\$ -	\$ 3,037,000	\$ 3,037,000	0.00%	N/A
10/1/2012	\$ -	\$ 2,326,000	\$ 2,326,000	0.00%	N/A

Jackson County, Florida
Notes to Financial Statements

NOTE 22 - 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, 2014 was \$20,040.

Minimum future lease payments under operating leases as of September 30, 2014 and for each year until expiration are:

2015	\$	12,540
2016		12,540
<u>Total minimum future lease payments</u>		<u>\$ 25,080</u>



SUPPLEMENTARY INFORMATION

Page 1 of 2
Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2014

	Special Revenue Funds						MSTU
	Gas Tax Bond Series 2010	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax		
Assets							
Cash and cash equivalents	\$ -	\$ 125,429	\$ 656,570	\$ -	\$ 1,605,951	\$ 224,658	
Restricted cash and cash equivalents	5,414	-	-	1,516,140	-	-	
Accounts receivable	-	-	-	-	-	67,628	
Due from other funds	-	26,300	10,014	-	-	-	
Due from other governmental units	-	13,410	-	23,320	42,168	-	
Total assets	\$ 5,414	\$ 165,139	\$ 666,584	\$ 1,539,460	\$ 1,648,119	\$ 292,286	
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 48,352	\$ 160	\$ 11,680	\$ 8,012	\$ -	
Due to other funds	5,414	-	-	-	39	-	
Due to other governmental units	-	-	-	-	-	-	
Deferred revenue	-	2,654	666,424	-	-	-	
Total liabilities	5,414	51,006	666,584	11,680	8,051	-	
Fund balances							
Restricted	-	-	-	1,527,780	-	-	
Committed	-	-	-	-	-	292,286	
Assigned	-	114,133	-	-	1,640,068	-	
Total fund balances	-	114,133	-	1,527,780	1,640,068	292,286	
Total liabilities and fund balances	\$ 5,414	\$ 165,139	\$ 666,584	\$ 1,539,460	\$ 1,648,119	\$ 292,286	

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

September 30, 2014

	Special Revenue Funds			Debt Service Funds		Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Other Special Revenue Funds	Other Debt Service Funds		
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 1,085,909	\$ 101,157	\$ 3,799,674	
Restricted cash and cash equivalents	205,469	165,991	1,273,410	-	3,166,424	
Accounts receivable	7,495	-	6,035	-	81,158	
Due from other funds	-	72	102,662	-	139,048	
Due from other governmental units	-	-	149,211	-	228,109	
Total assets	\$ 212,964	\$ 166,063	\$ 2,617,227	\$ 101,157	\$ 7,414,413	
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ -	\$ 595,000	\$ -	\$ 663,204	
Due to other funds	3,796	-	143,102	-	152,351	
Due to other governmental units	-	-	220,957	-	220,957	
Deferred revenue	-	-	118,303	-	787,381	
Total liabilities	3,796	-	1,077,362	-	1,823,893	
Fund balances						
Restricted	209,168	166,063	958,364	-	2,861,375	
Committed	-	-	282,748	-	575,034	
Assigned	-	-	298,753	101,157	2,154,111	
Total fund balances	209,168	166,063	1,539,865	101,157	5,590,520	
Total liabilities and fund balances	\$ 212,964	\$ 166,063	\$ 2,617,227	\$ 101,157	\$ 7,414,413	

Page 1 of 2
Jackson County, Florida

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

For the year ended September 30, 2014

	Special Revenue Funds					
	Gas Tax Bond Series 2010	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax	MSTU
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 282,932	\$ 735,591
Intergovernmental	-	-	-	-	3,171	-
Charges for services	-	165,790	-	265,838	-	-
Fines and forfeitures	-	-	-	-	-	-
Grants	-	51,609	76,114	-	-	-
Investment earnings	1	57	44	638	10,113	131
Other fees and miscellaneous revenues	-	151	-	-	5,972	-
Total revenues	1	217,607	76,158	266,476	302,188	735,722
Expenditures						
Current:						
General government	-	-	-	-	-	186,525
Public health and safety	-	243,907	-	-	-	66,890
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	350,020
Economic environment	-	-	76,157	-	170,926	-
Human services	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	244,886
Court related	-	-	-	20,819	-	-
Capital outlay	-	-	-	40,791	-	-
Total expenditures	-	243,907	76,157	61,610	170,926	848,321
Excess (deficiency) of revenues over (under) expenditures	1	(26,300)	1	204,866	131,262	(112,599)
Other financing sources (uses)						
Transfers in	-	26,300	-	-	-	-
Transfers out	(5,414)	-	-	(64,887)	(174,546)	-
Net other financing sources (uses)	(5,414)	26,300	-	(64,887)	(174,546)	-
Net change in fund balances	(5,413)	-	1	139,979	(43,284)	(112,599)
Fund balances - beginning	5,413	114,133	(1)	1,387,801	1,683,352	404,885
Fund balances - ending	\$ -	\$ 114,133	\$ -	\$ 1,527,780	\$ 1,640,068	\$ 292,286

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

For the year ended September 30, 2014

	Special Revenue Funds			Debt Service Funds	Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Other Special Revenue Funds	Other Debt Service Funds	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,018,523
Intergovernmental	-	-	8,500	-	11,671
Charges for services	94,083	-	200,341	-	726,052
Fines and forfeitures	-	37,253	142,943	-	180,196
Grants	-	-	520,428	-	648,151
Investment earnings	-	211	707	72	11,974
Other fees and miscellaneous revenues	312	-	154,932	-	161,367
Total revenues	94,395	37,464	1,027,851	72	2,757,934
Expenditures					
Current:					
General government	-	-	90,809	2	277,336
Public health and safety	69,450	888	385,275	-	766,410
Physical environment	-	-	91,289	-	91,289
Transportation	-	-	-	-	350,020
Economic environment	-	-	1,488	-	248,571
Human service	-	-	43,296	-	43,296
Culture/recreation	-	-	342,819	-	587,705
Court related	-	-	254,913	-	275,732
Capital outlay	-	147,156	270,768	-	458,715
Total expenditures	69,450	148,044	1,480,657	2	3,099,074
Excess (deficiency) of revenues over (under) expenditures	24,945	(110,580)	(452,806)	70	(341,140)
Other financing sources (uses)					
Transfers in	-	-	684,943	-	711,243
Transfers out	(43,915)	-	(265,330)	-	(554,092)
Net other financing sources (uses)	(43,915)	-	419,613	-	157,151
Net change in fund balances	(18,970)	(110,580)	(33,193)	70	(183,989)
Fund balances - beginning	228,138	276,643	1,573,058	101,087	5,774,509
Fund balances - ending	\$ 209,168	\$ 166,063	\$ 1,539,865	\$ 101,157	\$ 5,590,520

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

September 30, 2014

	<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	\$ 139,836	\$ 25,574	\$ 21,600	\$ 51,802	\$ 92,314	\$ 61,753
Due from other governmental units	-	-	54	-	-	-
Total assets	\$ 139,836	\$ 25,574	\$ 21,654	\$ 51,802	\$ 92,314	\$ 61,753
Liabilities						
Due to others	\$ 139,836	\$ 25,574	\$ 21,654	\$ 51,802	\$ 92,314	\$ 61,753
Due to other governments	-	-	-	-	-	-
Total liabilities	\$ 139,836	\$ 25,574	\$ 21,654	\$ 51,802	\$ 92,314	\$ 61,753

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

September 30, 2014

	<i>Tax Collector</i>					<i>Sheriff</i>	Total Agency Funds
	Credit Cards	License and Boat	Tag	Tax	Driver's License		
Assets							
Cash and cash equivalents	\$ 6,705	\$ 241	\$ 72,779	\$ 331,688	\$ 4,966	\$ 34,460	\$ 843,718
Due from other governmental units	-	-	-	-	-	-	54
Total assets	\$ 6,705	\$ 241	\$ 72,779	\$ 331,688	\$ 4,966	\$ 34,460	\$ 843,772
Liabilities							
Due to others	-	-	-	-	-	\$ 34,460	\$ 427,393
Due to other governments	6,705	241	72,779	331,688	4,966	-	416,379
Total liabilities	\$ 6,705	\$ 241	\$ 72,779	\$ 331,688	\$ 4,966	\$ 34,460	\$ 843,772

**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, 2014, 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 11, 2015.

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 SH06-01 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 PA06-01 and TC06-01 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.

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

June 11, 2015

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

To the Honorable Board of County Commissioners
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 Circular A-133 Compliance Supplement* and Chapter 10.550, State of Florida Rules of the Auditor General (Auditor General) that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the 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.

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

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, 2014.

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 OMB Circular A-133 and 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Car, Riggs & Ingram, L.L.C

June 11, 2015

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

For the year ended September 30, 2014

Federal Agency Pass through entity Federal Program	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
US Department of Homeland Security			
Pass through Florida Executive Office of Governor			
Homeland Security Grant Program - Cert Grant	97.067	12-CI-24-02-41-01-481	\$ 2,023
Homeland Security Grant Program - Citizens Corp	97.067	12-CC-24-01-41-01-438	2,135
Homeland Security Grant Program	97.067	14-DS-L5-01-41-01-391	13,674
			17,832
Pass through Florida Executive Office of Governor			
Emergency Management Performance Grants FY 13-14	97.042	14-FG-1M-02-41-01-032	37,827
Emergency Management Performance Grants FY 14-15	97.042	15-FG-4D-02-41-01-099	12,722
			50,549
Pass through Florida Executive Office of Governor			
Disaster Grants - Public Assistance (Presidentially Declared Disaster) FEMA DR4177	97.036	15-SP-82-02-42-02-526	366,725
Total US Department of Homeland Security			435,106
US Department of the Interior, Office of Fish and Wildlife Services			
Pass through Florida Fish and Wildlife Commission			
Sport Fish Program - Florida Boating Improvement	15.605	FL-F-F13AP01253	61,225
Total US Department of the Interior, Office of Fish and Wildlife Services			61,225
US Department of Justice			
Pass through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance (JAG)	16.738	2013-DJ-BX-0462	12,209
Edward Byrne Memorial Justice Assistance Grant - Anti-Drug Abuse Act Funds	16.738	2014-JAGC-JACK-1-E5-083	35,150
Total US Department of Agriculture			47,359
US Department of Transportation, Federal Highway Administration			
Pass through Florida Department of Transportation			
Highway Planning and Construction (LAP) Reddoch Road	20.205	AQ036	1,208,629
Highway Planning and Construction (LAP) Panhandle Pelt Sidewalk Design	20.205	AQX09	23,900
Highway Planning and Construction (LAP) CR 162	20.205	AR500	282,493
Total US Department of Transportation, Federal Highway Administration			1,515,022
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	99,486
Total US Department of Health and Human Services, Administration for Children & Families			99,486
US Election Assistance Commission			
Pass through Florida Department of State			
Help America Vote Act Requirement Payments - Federal Election Activities	90.401	MOA 2012-2013-0001	882
Help America Vote Act Requirement Payments - Federal Election Activities	90.401	MOA 2013-2014-0001	6,990
Help America Vote Act Requirement Payments - HHS Grant Polling Place	90.401	MOA 2014-2015-0002	6,315
Help America Vote Act Requirement Payments - HHS Grant Polling Place	90.401	MOA 2013-2014-0003	2,015
Total US Election Assistance Commission			16,202
Total Expenditures of Federal Awards			\$ 2,174,400

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

For the year ended September 30, 2014

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

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

Florida Department of Agriculture & Consumer Services

Consumer Protection Program

Mosquito Control	42.003	18787	18,500
Mosquito Control	42.003	20295	5,974

Total Florida Department of Agriculture & Consumer Services			24,474
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Florida Department of Management Services

Technology Program

Wireless 911 Emergency Telephone System - Spring Maintenance	72.001	13-4-13	2,159
Wireless 911 Emergency Telephone System - Spring Maintenance	72.001	14-4-14	49,450

Total Florida Department of Management Services			51,609
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Florida Department of Economic Opportunity

Bureau of Economic Development

Rural Infrastructure Fund	40.013	D0041	178,943
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Total Florida Department of Economic Opportunity			178,943
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Florida Department of Law Enforcement

Drug/Control Money Laundering Investigations

Drug/Control Money Laundering Investigations	71.005	109701	1,912
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Total Florida Department of Law Enforcement			1,912
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Total Expenditures of State Financial Assistance			1,181,587
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Total Federal Awards and State Financial Assistance			\$ 3,355,987
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Jackson County, Florida
Notes to Schedule of Expenditures of Federal Awards
And State Financial Assistance
For the year ended September 30, 2014

NOTE 1 - BASIS OF ACCOUNTING

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of Jackson County, 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 OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - REPORTING ENTITY

The 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.

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

A. SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of Jackson County, Florida (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 SH06-01 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. No 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 OMB Circular A-133 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 OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General for Jackson County, Florida expresses an unmodified opinion.
6. No audit findings relative to the major federal awards and state financial assistance projects for 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
US Department of Transportation, Federal Highway Administration	
Highway Planning and Construction	20.205
State Projects	CSFA No.
Florida Department of Transportation	
Small County Outreach Program (SCOP)	50.009
Florida Executive Office of the Governor	
Division of Emergency Management	31.067
Division of Emergency Management	31.063
Florida Department of Economic Opportunity	
Rural Infrastructure Fund	40.013



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

A. SUMMARY OF AUDIT RESULTS (CONTINUED)

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

B. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no current year audit findings.

C. FINDINGS – MAJOR FEDERAL PROGRAMS AND STATE PROJECTS

There were no current year audit findings.

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

PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT AUDIT

BOARD OF COUNTY COMMISSIONERS

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

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

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

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

SHERIFF

SEGREGATION OF DUTIES, FINDING SH06-01 – NOT RESOLVED

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

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. At a minimum, we recommend the Sheriff receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

PROPERTY APPRAISER

SEGREGATION OF DUTIES, FINDING PA06-01 - NOT RESOLVED

COMMENT: The size of the Property Appraiser's staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Property Appraiser's assets.

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

PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)

FINANCIAL STATEMENT AUDIT (CONTINUED)

PROPERTY APPRAISER (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.

TAX COLLECTOR

NEED FOR SEGREGATION OF DUTIES, FINDING TC06-01- NOT RESOLVED

COMMENT: The size of the Tax Collector's staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Tax Collector's assets.

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 continues to exist.

SUPERVISOR OF ELECTIONS

GRANT FUND DEPOSITS, FINDING SOE13-01 - RESOLVED

COMMENT: During the audit, it was noted that grant funds received were not deposited timely.

RECOMMENDATION: We recommend that all funds collected be deposited intact in a timely manner.

STATUS: This condition was corrected in the current year.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

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

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program and State Project and on Internal Control over Compliance Required By OMB A-133 and Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Profession Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 11, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

BOARD OF COUNTY COMMISSIONERS

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

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

STATUS: This item has not been corrected.

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

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

STATUS: This item has not been corrected.

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

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

STATUS: This item has not been corrected.

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

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

STATUS: This item has not been corrected.

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

Official Title and Legal Authority

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

Financial Condition

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

Annual Financial Report

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

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we have the following recommendation:

Sheriff

COMMENT ML SH14-01: It was noted that a budget for the Contraband Forfeiture Fund was not prepared for the current year.

RECOMMENDATION: We recommend that a budget be prepared for all major funds. We also recommend that these budgets be amended as outlined by Florida Statutes.

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but, which warrants the attention of those charges with governance. In connection with our audit, we have the following finding:

Board of County Commissioners

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

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

Purpose of this Letter

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

Carri Riggs & Ingram, L.L.C.

June 11, 2015



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

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

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

We have examined Jackson County, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Jackson County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Jackson County, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Jackson County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Jackson County, Florida's compliance with specified requirements.

In our opinion, the Jackson County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

June 11, 2015

Jackson County, Florida
Management's Response



BOARD of COUNTY COMMISSIONERS

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

Administration Building
2864 Madison Street
Marianna, Florida 32448-4021

State of Florida
Auditor General

We are in receipt of the audit report for the Board of County Commissioners, Jackson County, Florida, for the fiscal year ending September 30, 2014. We have reviewed the internal control and compliance letters, the schedule of findings and questioned costs and the management letter included in the report.

MANAGEMENT LETTER COMMENTS

CURRENT YEAR FINDING

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

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

PRIOR YEAR FINDINGS

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

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

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

Commissioners

Dr. Willie E. Spires
District 1

Clint Pate
District 2

Chuck Lockey
District 3

Eric Hill
District 4

Kenneth Stephens
District 5

Ted Lakey, County Administrator

Jackson County, Florida Management's Response

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

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

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

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

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

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

Sincerely,



Kenneth Stephens
Chairman

Jackson County, Florida
Management's Response



Certified Florida Appraiser

Sharon Cox, 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

*Carr., Riggs & Ingram
4267 Lafayette Street
Marianna, Florida 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, 2014. 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 operations and separate duties as much as possible.

Thank you so much for your assistance during the audit.

Sincerely,

*Sharon Cox, CFA
Property Appraiser
Jackson County*

SC

Appraiser's 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

May 27, 2015

Honorable David W. Martin
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Auditor General Martin,

We have received the audit report for the Office of Sheriff, Jackson County Florida for the fiscal year ending September 30, 2014. We have reviewed the Management Letter included in the report. Concerning the items noted in the Management letter, the following response is:

1. Need for Segregation of Duties.

In past years only one person held all responsibilities of the accounting and payroll for the Sheriff's Office. In 1997 we were awarded another person to segregate the duties more than in the past by the Board of Commissioners. The Sheriff has also assigned the task of approving all bills to the Major before they are paid. Both Sheriff Roberts and Major Branch receive a copy of our Budget Position Analysis at the end of each month, Sheriff Roberts's opens our bank statements then signs them, and Major Branch reviews all bank statements. Due to budgetary decreases no new administrative staff positions are expected to be granted by the Board of Commissioners.

2. Federal Contraband Forfeiture Budget

Our Auditors recommended a budget be prepared for our Drug Task Force Federal Contraband Forfeiture Funds. We have used this money for Capital Outlay expenditures, specifically vehicles since Fiscal Year 2011-2012 due to no Capital Outlay being awarded in our General Fund Operating Budget. Once vehicles are purchased for the current fiscal year, the majority of these funds will be depleted. The Auditor and I have spoken to the Drug Task Force and they are aware a budget needs to be prepared for these funds.

Sincerely,


Louis S. Roberts III, Sheriff
Jackson County Florida


Linda J. Cowan, Finance Officer
Jackson County Sheriff's Office

cc: Carr, Riggs, and Ingram, LLC

Jackson County, Florida
Management's Response

Sherry A. Brown, CFC

Tax Collector, Jackson County
Certified Florida Collector



Courthouse
P.O. Box 697
Marianna, Florida 32447
Phone 850-482-9653
Fax 850-526-3821

Graceville Agency
P.O. Box 655
Graceville, Florida 32440
Phone 850-263-3218
Fax 850-263-2637

Sneads Agency
P.O. Box 520
Sneads, Florida 32460
Phone 850-593-6737
Fax 850-593-5388

Driver License Agency
3613 Hwy 90
Marianna, FL 32446
Phone 850-482-9602
Fax 850-482-9603

Carr, Riggs and Ingram LLC
P.O. Box 1606
Marianna, FL 32447

Attention: Audit Department

I am in receipt of the audit report for the Jackson County Tax Collector's Office for the fiscal year ending September 30, 2014. Concerning the current year findings and recommendations, the following applies:

- Need for Segregation of Duties – The need for segregation of duties will always be a concern for my office due to the size of my staff. I am aware of internal control weaknesses this presents to my office, however we have implemented other internal controls to help compensate for this weakness. Although we do not require mandatory vacations of at least one week in duration for financial personnel, most employees do take a week's vacation as long as their personal leave balance permits. My staff is cross trained in various positions in order to cover the duties associated with those on leave. I will continue, as always, to be involved in the day-to-day tasks of running my office to help strengthen internal controls.

We will continue to strive to provide current, accurate and reliable financial information and serve the citizens of Jackson County, Florida in the most cost effective and efficient manner.

Sincerely,


Sherry A. Brown, CFC
Jackson County Tax Collector



**SPECIAL-PURPOSE
FINANCIAL
STATEMENTS**

Jackson County, Florida
Board of County Commissioners

Special-Purpose Financial Statements

September 30, 2014



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com | blog.cricpa.com

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

BOARD OF COUNTY COMMISSIONERS

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

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

**SHERIFF
Louis S. Roberts III**

**TAX COLLECTOR
Sherry Brown**

**PROPERTY APPRAISER
Sharon Cox**

**SUPERVISOR OF ELECTIONS
Sylvia Stephens**

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

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

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

REPORT

Independent Auditors' Report

SPECIAL-PURPOSE FINANCIAL STATEMENTS

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

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

SUPPLEMENTARY INFORMATION

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



REPORT





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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As discussed in Note 1 to the financial statements, the Board's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Board. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of government-wide financial statements of the Board.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information and the fiduciary fund type of the Board as of September 30, 2014, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparison for the General Fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2015 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

June 11, 2015



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

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

September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

Jackson County, Florida
Board of County Commissioners

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

For the year ended September 30, 2014

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

See accompanying notes to financial statements

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

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

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

See accompanying notes to financial statements

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

September 30, 2014

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

See accompanying notes to financial statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

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

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

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

The Board reports the following major governmental funds:

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Board reports the following major proprietary fund:

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

The Board also reports the following fund type:

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

The County reports the following blended component units:

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

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

Measurement Focus

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

Basis of Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Budgets and Budgetary Accounting

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

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

Cash and Cash Equivalents

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

Investments

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

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

Interfund Balances

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

Inventories

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

Prepaid Expenses

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

Capital Assets

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

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

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



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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deferred Revenues

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

Accumulated Compensated Absences

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

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

Long-term Debt

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

Encumbrances

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



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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates and Assumptions

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

Subsequent Events

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

Governmental Fund Balances

The Board adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 13.

NOTE 2 - PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2014 millage rate assessed by the Board was 7.3200 mills.

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

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

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

NOTE 2 - PROPERTY TAXES (CONTINUED)

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the Board's deposits was \$13,255,336 and the bank balance was \$13,728,439. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

The Board invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2014, the market value and the carrying value of these funds was \$2,221,702. The funds are carried as a cash equivalent on the balance sheet at September 30, 2014 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at www.sbafla.com/prime.

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



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

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

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

As of September 30, 2014, the Board's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAM.

Interest Rate Risk

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2014, is 39 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM.

Custodial Credit Risk

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

Concentration of Credit Risk

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

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

NOTE 4 - RESTRICTED ASSETS

The General Fund's cash is restricted as follows:

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

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

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

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

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

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable of the Fire/Rescue Department are accounted for in the Board's General Fund. Accounts receivable in the Fire/Rescue Department totaled \$1,083,149 and are shown net of allowance for doubtful accounts of \$826,526. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

Accounts receivable for the General fund includes \$340,149 from franchise fees and royalties related to private landfills.

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

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

NOTE 6 - INTERFUND BALANCES

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

Due to/from Other Funds:

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

The balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made. Amounts are generally repaid during the next fiscal year.

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

NOTE 6 - INTERFUND BALANCES (CONTINUED)

The general fund and fines and forfeitures have amounts due from constitutional officers, which represent the return of excess monies due at the end of the fiscal year, from either budget officers or fee officers.

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

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

NOTE 6 - INTERFUND BALANCES (CONTINUED)

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

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

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

NOTE 6 - INTERFUND BALANCES (CONTINUED)

Transfers are used to (1) use utility fees to finance general operating activities that are accounted for in general fund, (2) use revenue from inmate welfare fund to cover cost relating to inmate welfare expenses in another fund, (3) use local option gas tax to cover road and bridge operating expenses, (4) transfer fiscally constrained revenue to fund road raving expenditures in local option gas tax fund, (5) use local option gas tax to cover road construction projects, (6) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in other funds, (7) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in the proprietary funds.

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

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

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

NOTE 7 - DUE FROM OTHER GOVERNMENTS

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

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

NOTE 8 - CAPITAL ASSETS

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

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

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

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

NOTE 8 - CAPITAL ASSETS (CONTINUED)

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

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

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

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

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Business-type activities:

Water and Sewer	\$		282,328	
Recycling			17,098	
Parks and recreation			66,444	
Total depreciation expense-business-type activities	\$		365,870	

NOTE 9 - LONG-TERM LIABILITIES

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

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

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Revenue bonds	\$ 7,347,111	\$ -	\$ 940,647	\$ 6,406,464	\$ 974,815
Notes payable	454,000	-	46,000	408,000	48,000
Compensated absences	698,405	-	126,745	571,660	-
Landfill closure and post-closure costs	292,161	-	-	292,161	83,581
Total Governmental activities:	8,791,677	-	1,113,392	7,678,285	1,106,396
Business-type activities:					
Revenue bonds	4,563,000	-	80,000	4,483,000	84,000
Total	\$ 13,354,677	\$ -	\$ 1,193,392	\$ 12,161,285	\$ 1,190,396

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

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

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

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

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

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

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

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

Governmental activities

Revenue Bonds

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

Total revenue bonds \$ 6,406,464

Notes Payable

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

Total revenue bonds \$ 408,000

Compensated Absences

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

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

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

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

Business-type activities

Revenue Bonds

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

NOTE 10 - RISK MANAGEMENT

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

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

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

NOTE 11 - EMPLOYEE BENEFITS

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

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

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

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

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

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

NOTE 11 - EMPLOYEE BENEFITS (CONTINUED)

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

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

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

NOTE 12 - GRANTS

The Board participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2014, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Board's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the Board expects such amounts, if any, to be immaterial.

NOTE 13 - FUND EQUITY

Spendable fund balances are classified based on a hierarchy of the Board's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2014, the Board reports net position as restricted. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed net position has amounts constrained by a specific purpose by the Board of County Commissioners. Assigned net position has constraints placed on the use of resources by the Board's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

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

NOTE 13 - FUND EQUITY (CONTINUED)

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

Restricted Fund Balance:

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

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

NOTE 13 - FUND EQUITY (CONTINUED)

Committed Fund Balance:

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

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

NOTE 13 - FUND EQUITY (CONTINUED)

Assigned Fund Balance:

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

NOTE 14 - LITIGATION AND CONTINGENT LIABILITIES

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

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

NOTE 15 - LANDFILL CLOSURE/LONG-TERM CARE ESCROW

The County is no longer required to maintain the landfill management escrow account because the required long-term care period for the landfill has passed. Specific Condition 5.0 Financial Assurance of Permit No. 0077605-004-SF states that the financial assurance for the landfill is not required. The monitoring at the site is for the continued contamination assessment as discussed in Note 16.

The Board has adopted GASB Statement No. 18, which requires recognition of landfill post-closure care costs in the Board's long-term debt. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions after closure. At September 30, 2014, the amount of \$292,161 in long-term debt recognizes the remaining year of long-term care period. The above estimate is based on current prices; actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Contractual Commitments

At September 30, 2014, the Board had contractual commitments for construction projects, equipment purchases and leases in excess of amounts recognized in the financial statements.

Balances remaining on uncompleted contracts at September 30, 2014:

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

Workers Compensation Cases

There are two workers compensation cases outstanding at year end that are associated with the Governmental Risk Insurance Trust (GRIT). The future medical costs of these claims are estimated to be \$580,226 and \$97,539 over ten years.

Jackson County East Landfill—Remedial Action Plan

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

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

NOTE 16 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Jackson County East Landfill – Remedial Action Plan (Continued)

In addition to the landfill gas system, part of the contamination remediation was to install replacement wells at the site as it appeared, from discrepancies in measured well depths, that six wells were damaged. FDEP required the wells to be replaced at a schedule of 2 wells per year for 3 years.

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

Due to the contamination, FDEP is requiring continued groundwater monitoring past the end of long-term care at the landfill. The annual groundwater monitoring and reporting to FDEP will be approximately \$50,000 per year. This includes:

- Quarterly monitoring of 3 off-site potable wells.
- Semiannual monitoring of 6 on-site groundwater wells.
- Quarterly landfill gas monitoring and trend analyses showing that the gas extraction system is working.

NOTE 17 - RECLASSIFICATION

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

NOTE 18 - SUBSEQUENT EVENTS

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

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

Russ House

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

Revenue Bonds

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

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

NOTE 18 - SUBSEQUENT EVENTS (CONTINUED)

Equipment Purchases

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

NOTE 19 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

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

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

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

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

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

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

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

Funding Policy – A qualifying trust or agency fund has not been authorized by the Board. The Board negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2014 was \$137,994. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

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

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

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

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

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

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

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



SUPPLEMENTARY INFORMATION

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

September 30, 2014

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

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

September 30, 2014

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

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

For the year ended September 30, 2014

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

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

For the year ended September 30, 2014

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Florida, Board of County Commissioners (the "Board"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated June 11, 2015.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

The Board's Response to Findings

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

Purpose of this Report

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

Carri Riggs & Ingram, L.L.C.

June 11, 2015

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

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

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

We have audited Jackson County, Florida, Board of County Commissioner's (the "Board") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Chapter 10.550, State of Florida Rules of the Auditor General (Auditor General) that could have a direct and material effect on each of the Board's major federal programs and state projects for the year ended September 30, 2014. The Board's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board's major federal programs and major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Opinion on Each Major Federal Program and Major State Project

In our opinion, the Board, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the Board, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

June 11, 2015

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

For the year ended September 30, 2014

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

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

For the year ended September 30, 2014

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

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

Florida Department of Agriculture & Consumer Services

Consumer Protection Program

Mosquito Control	42.003	18787	18,500
Mosquito Control	42.003	20295	5,974
Total Florida Department of Agriculture & Consumer Services			24,474

Florida Department of Management Services

Technology Program

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

Florida Department of Economic Opportunity

Bureau of Economic Development

Rural Infrastructure Fund	40.013	D0041	178,943
Total Florida Department of Economic Opportunity			178,943

Total Expenditures of State Financial Assistance **1,179,675**

Total Federal Awards and State Financial Assistance **\$ 3,191,028**



**Jackson County, Florida
Board of County Commissioners
Notes to Schedule of Expenditures of Federal Awards
And State Financial Assistance
For the year ended September 30, 2014**

NOTE 1 - BASIS OF ACCOUNTING

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of Jackson County Board of County Commissioners (the "Board"). Federal and State expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - REPORTING ENTITY

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

NOTE 3 – PASS-THROUGH AWARDS

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

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

A. SUMMARY OF AUDIT RESULTS

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

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

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



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

A. SUMMARY OF AUDIT RESULTS (CONTINUED)

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

B. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no current year audit findings.

C. FINDINGS – FEDERAL PROGRAMS AND STATE PROJECTS

There were no current year audit findings.



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

PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT AUDIT

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

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

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

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

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

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

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program and State Project and on Internal Control over Compliance Required By OMB A-133 and Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; Independent Accountants' Report on Compliance with Section 218.415, Florida statutes, *Local Government Investment Policies*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Profession Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 11, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

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

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

STATUS: This item has not been corrected.

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

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

STATUS: This item has not been corrected.

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

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

STATUS: This item has not been corrected.

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

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

STATUS: This item has not been corrected.

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

Official Title and Legal Authority

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

Financial Condition

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

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

Annual Financial Report

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

Other Matters

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

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but, which warrants the attention of those charges with governance. In connection with our audit, we have the following finding:

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

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

Purpose of this Letter

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

Carri Riggs & Ingram, L.L.C.

June 11, 2015



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

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

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

We have examined Jackson County, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Jackson County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Jackson County, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Jackson County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Jackson County, Florida's compliance with specified requirements.

In our opinion, the Jackson County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

June 11, 2015

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



BOARD of COUNTY COMMISSIONERS

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

Administration Building
2864 Madison Street
Marianna, Florida 32448-4021

State of Florida
Auditor General

We are in receipt of the audit report for the Board of County Commissioners, Jackson County, Florida, for the fiscal year ending September 30, 2014. We have reviewed the internal control and compliance letters, the schedule of findings and questioned costs and the management letter included in the report.

MANAGEMENT LETTER COMMENTS

CURRENT YEAR FINDING

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

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

PRIOR YEAR FINDINGS

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

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

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

Commissioners

Dr. Willie E. Spires
District 1

Clint Pate
District 2

Chuck Lockey
District 3

Eric Hill
District 4

Kenneth Stephens
District 5

Ted Lakey, County Administrator

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

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

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

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

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

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

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

Sincerely,



Kenneth Stephens
Chairman

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

Special-Purpose Financial Statements

September 30, 2014



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RIGGS &
INGRAM

CPAs and Advisors

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**Jackson County, Florida
Clerk of the Circuit Court
Table of Contents
September 30, 2014**

REPORT

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

SPECIAL-PURPOSE FINANCIAL STATEMENTS

Special-Purpose Balance Sheet - Governmental Funds	3
--	---

Special-Purpose Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4
--	---

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

Special-Purpose Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public Records Modernization Trust Fund	6
--	---

Special-Purpose Statement of Fiduciary Net Position - Agency Funds	7
--	---

Notes to Special-Purpose Financial Statements	8
---	---

SUPPLEMENTARY INFORMATION

Combining Special-Purpose Statement of Fiduciary Net Position - Agency Funds	16
--	----

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
---	----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	19
---	----

Independent Accountants' Report on Compliance with Section 28.35, Florida Statutes, <i>Florida Clerks of Court Operations Corporation</i> , and Section 28.36, Florida Statutes, <i>Budget Procedure</i>	20
--	----

Independent Auditors' Management Letter	21
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REPORT



INDEPENDENT AUDITORS' REPORT

The Honorable Dale Rabon Guthrie
Clerk of Circuit Court 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, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinion.

The Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

As discussed in Note 1 to the 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.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fiduciary fund type of the Clerk as of September 30, 2014, 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.

Other Matters

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015 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.

Carri Riggs & Ingram, L.L.C.

March 30, 2015



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

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

September 30, 2014

	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 235,155	\$ 279,589	\$ 514,744
Accounts receivable	130	87	217
Total assets	\$ 235,285	\$ 279,676	\$ 514,961
Liabilities			
Accounts payable and accrued expenses	\$ 17,328	\$ -	\$ 17,328
Due to Board of County Commissioners	50,642	-	50,642
Due to other governmental units	167,315	-	167,315
Total liabilities	235,285	-	235,285
Fund balances			
Restricted	-	279,676	279,676
Total liabilities and fund balances	\$ 235,285	\$ 279,676	\$ 514,961

See accompanying notes to 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, 2014

	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Revenues			
Intergovernmental	\$ 96,477	\$ -	\$ 96,477
Charges for services	812,373	50,715	863,088
Fines and forfeitures	162,686	92,118	254,804
Grants	99,486	-	99,486
Interest	371	-	371
Total revenues	1,171,393	142,833	1,314,226
Expenditures			
Current:			
General government	721,036	21,327	742,363
Court-related	817,526	100,950	918,476
Total expenditures	1,538,562	122,277	1,660,839
Excess (deficiency) of revenues over (under) expenditures	(367,169)	20,556	(346,613)
Other financing sources (uses)			
Transfers in	505,392	-	505,392
Transfers out	(50,642)	-	(50,642)
Transfers to State of Florida	(87,581)	-	(87,581)
Net other financing sources (uses)	367,169	-	367,169
Net change in fund balances	-	20,556	20,556
Fund balances - beginning	-	259,120	259,120
Fund balances - ending	\$ -	\$ 279,676	\$ 279,676

See accompanying notes to 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, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 96,477	\$ 96,477	\$ 96,477	\$ -
Charges for services	905,111	905,111	812,373	(92,738)
Fines and forfeitures	181,500	181,500	162,686	(18,814)
Grants	90,000	90,000	99,486	9,486
Interest	85	85	371	286
Total revenues	1,273,173	1,273,173	1,171,393	(101,780)
Expenditures				
Current				
General government	715,893	715,893	721,036	(5,143)
Court-related	1,008,928	1,008,928	817,526	191,402
Reserve for contingency	53,744	53,744	-	53,744
Total expenditures	1,778,565	1,778,565	1,538,562	240,003
Excess (deficiency) of revenues over (under) expenditures	(505,392)	(505,392)	(367,169)	138,223
Other financing sources (uses)				
Transfers in	505,392	505,392	505,392	-
Transfers out	-	-	(50,642)	(50,642)
Transfers to State of Florida	-	-	(87,581)	(87,581)
Net other financing sources (uses)	505,392	505,392	367,169	(138,223)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

See accompanying notes to 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, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 60,000	\$ 60,000	\$ 50,715	\$ (9,285)
Fines and forfeitures	92,500	92,500	92,118	(382)
Total revenues	152,500	152,500	142,833	(9,667)
Expenditures				
Current				
General government	23,500	23,500	21,327	2,173
Court-related	129,000	129,000	100,950	28,050
Total expenditures	152,500	152,500	122,277	30,223
Net change in fund balance	\$ -	\$ -	\$ 20,556	\$ 20,556

See accompanying notes to financial statements

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

September 30, 2014

	Agency Funds
Assets	
Cash and cash equivalents	\$ 331,126
Due from other governmental units	54
Total assets	\$ 331,180
Liabilities	
Due to others	\$ 331,180
Total liabilities	\$ 331,180

See accompanying notes to 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 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 financial statements of the Clerk are included in Jackson County, Florida's basic financial statements. The Clerk operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and any unexpended appropriations are remitted to the Board of County Commissioners after the end of the fiscal year. The receipts from the Board are recorded as other financing sources on the Clerk's financial statements and as other financing uses on the Board's financial statements. Effective June 1, 2013, the Clerk was authorized to retain funds collected for court-related fines, fees and service charges. The Clerk will also receive a monthly appropriation from the State of Florida Clerk of Court Trust Fund for any shortage of revenues up to the approved budget. The receipts from the State are recorded as intergovernmental revenue on the Clerk's financial statements. As specified in Florida Senate Bill 1512, spending authority will continue to be provided by the State and will follow the county fiscal year (October 1 to September 30) and provide a transition budget for the three month period from July 2013 through September 2013. The excess revenues over expenditures for the transition budget are to be returned to the Trust Fund by January 2015. 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 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 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 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 her 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 financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Subsequent Events

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2014, the carrying amount of the Clerk's deposits was \$845,870 and the bank balance was \$1,164,412. 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, 2014.

Credit Risk

At September 30, 2014, the Clerk did not hold any investments.

Interest Rate Risk

At September 30, 2014, the Clerk did not hold any investments.

Custodial Credit Risk

As of September 30, 2014, the Clerk did not hold any deposits that were considered to have to custodial credit risk.

Concentration of Credit Risk

At September 30, 2014, the Clerk did not hold any investments.

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

NOTE 3 - LONG-TERM LIABILITIES

The Clerk's long-term liabilities are reported in the statement of net position in the County's financial statements.

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

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental					
activities:					
Compensated absences	\$ 51,251	\$ -	\$ 21	\$ 51,230	\$ -
Total	\$ 51,251	\$ -	\$ 21	\$ 51,230	\$ -

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Clerk's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

NOTE 4 - 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.

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.

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

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

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:

	10/01/13 Through <u>06/30/14</u>	07/01/14 Through <u>09/30/14</u>
Regular employees	6.95%	7.37%
Senior management	18.31%	21.14%
Elected county officials' class	33.03%	43.24%
DROP	12.84%	12.28%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2013 through September 30, 2014, the total payroll for all employees was \$1,211,387. The retirement contributions for all employees covered by the System for the years ended September 30, 2014, 2013 and 2012 were \$116,400, \$72,237 and \$56,654 which were the required contributions. For the year ended September 30, 2014, retirement contributions represented 9.61% of covered payroll.

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, 2014, excess court-related funds were \$167,315.

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

Notes to Special-Purpose Financial Statements

NOTE 6 - FUND EQUITY

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 ending September 30, 2014, 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	\$ 10,785
	Court-related technology	128,195
	Court-related operational needs and program enhancements	140,696
	Total restricted fund equity	\$ 279,676

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 \$99,486.

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 \$50,642 as of September 30, 2014.

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, 2014

	Fine and Forfeiture	Jury and Witness	Suspense	Cash Bonds	Registry	Total
Assets						
Cash and cash equivalents	\$ 139,836	\$ 25,574	\$ 21,600	\$ 51,802	\$ 92,314	\$ 331,126
Due from other governmental units	-	-	54	-	-	54
Total assets	\$ 139,836	\$ 25,574	\$ 21,654	\$ 51,802	\$ 92,314	\$ 331,180
Liabilities						
Due to others	\$ 139,836	\$ 25,574	\$ 21,654	\$ 51,802	\$ 92,314	\$ 331,180
Total liabilities	\$ 139,836	\$ 25,574	\$ 21,654	\$ 51,802	\$ 92,314	\$ 331,180



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

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

The Honorable Dale Rabon Guthrie
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, 2014, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated March 30, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Clerk'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. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

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.

The Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

Compliance and Other Matters

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

Purpose of this Report

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

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

March 30, 2015



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

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

The Honorable Dale Rabon Guthrie
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, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the 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, 2014.

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

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

March 30, 2015



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

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

The Honorable Dale Rabon Guthrie
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, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the 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, 2014.

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

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

March 30, 2015



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2014, and have issued our report thereon dated March 30, 2015.

Auditor's 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 and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 30, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

The Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Clerk of the Circuit Court was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Clerk of the Circuit Court.

Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida 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.

March 30, 2015

**Jackson County, Florida
Property Appraiser**

Special-Purpose Financial Statements

September 30, 2014



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**Jackson County, Florida
Property Appraiser
Table of Contents
September 30, 2014**

REPORT

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

SPECIAL-PURPOSE FINANCIAL STATEMENTS

Special-Purpose Balance Sheet - Governmental Funds	3
--	---

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

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

Notes to Special-Purpose Financial Statements	6
---	---

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 <i>Government Auditing Standards</i>	13
---	----

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	15
---	----

Independent Auditors' Management Letter	16
---	----

Management's Response	18
-----------------------	----



REPORT





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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Sharon Cox
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, 2014, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

As discussed in Note 1 to the 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.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Property Appraiser as of September 30, 2014, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2015 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

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

May 1, 2015



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

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

September 30, 2014

	General Fund
Assets	
Cash	\$ 21,561
Total assets	\$ 21,561
Liabilities	
Accounts payable and accrued expenses	\$ 21,561
Total liabilities	21,561
Fund balance	-
Total liabilities and fund balance	\$ 21,561

See accompanying notes to 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, 2014

	General Fund
<hr/>	
Revenues	
Charges for services	\$ 5,632
<hr/>	
Total revenues	5,632
<hr/>	
Expenditures	
Current:	
General government	893,293
Capital Outlay	20,456
<hr/>	
Total expenditures	913,749
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(908,117)
<hr/>	
Other financing sources (uses)	
Transfers in	908,117
<hr/>	
Net other financing sources (uses)	908,117
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance - beginning	-
<hr/>	
Fund balance - ending	\$ -
<hr/>	

See accompanying notes to 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, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance Final Budget Favorable
Expenditures				
Current:				
General government	\$ 897,010	\$ 905,354	\$ 887,661	\$ 17,693
Capital outlay	2,763	2,763	20,456	(17,693)
Total expenditures	899,773	908,117	908,117	-
Excess (deficiency) of revenues over (under) expenditures	(899,773)	(908,117)	(908,117)	-
Other financing sources (uses)				
Transfer in	899,773	908,117	908,117	-
Net other financing sources (uses)	899,773	908,117	908,117	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

See accompanying notes to 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 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 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 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 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 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 budgeted 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	\$ 913,749	\$ 913,749
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(5,632)	(5,632)
Budgetary basis	\$ 908,117	\$ 908,117

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 financial statements were available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2014, the carrying amount of the Property Appraiser's cash and cash equivalents was \$21,561 and the bank balance was \$32,121. 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.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2014, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2014, the Property Appraiser did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

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

Concentration of Credit Risk

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

NOTE 3 - LONG-TERM LIABILITIES

The Property Appraiser’s long-term liabilities are reported in the statement of net assets in the County’s financial statements.

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

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Compensated absences	\$ 17,902	\$ 1,125	\$ -	\$ 19,027	\$ -
Total	\$ 17,902	\$ 1,125	\$ -	\$ 19,027	\$ -

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

NOTE 3 - LONG-TERM LIABILITIES (CONTINUED)

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Property Appraiser’s policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

NOTE 4 - EMPLOYEE BENEFITS

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:

	10/01/13 Through 06/30/14	07/01/14 Through 09/30/14
Regular employees	6.95%	7.37%
Senior management	18.31%	21.14%
DROP	12.84%	12.28%
Elected county officials’ class	33.03%	43.24%



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

NOTE 4- EMPLOYEE BENEFITS (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 \$576,730 at September 30, 2014. The Property Appraiser's contribution to the plan for the years ended September 30, 2014, 2013, and 2012 was \$49,387, \$28,985, and \$25,634, which were the required contributions. For the year ended September 30, 2014 retirement contributions represent 8.56% of covered payroll.

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.



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 Sharon Cox
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, 2014, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated May 1, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below as finding PA06-01 that we consider to be significant deficiencies.

To the Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

PRIOR YEAR FINDING AND RECOMMENDATION

Need for Segregation of Duties PA06-01

COMMENT: The size of the Property Appraiser's staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Property Appraiser's assets.

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.

Purpose of this Report

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

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

May 1, 2015

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

The Honorable Sharon Cox
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, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the 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, 2014.

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

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

May 1, 2015

INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2014, and have issued our report thereon dated May 1, 2015.

Auditor's 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 and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 1, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Finding 06-01 found 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* has not been corrected.

The Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Property Appraiser.

Other Matters

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

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

Purpose of this Letter

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

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

May 1, 2015

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



Certified Florida Appraiser

Sharon Cox, 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

*Carr., Riggs & Ingram
4267 Lafayette Street
Marianna, Florida 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, 2014. 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 operations and separate duties as much as possible.

Thank you so much for your assistance during the audit.

Sincerely,

*Sharon Cox, CFA
Property Appraiser
Jackson County*

SC

Appraiser's 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, 2014



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INGRAM

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Jackson County, Florida
Sheriff
Table of Contents
September 30, 2014

REPORT

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

SPECIAL-PURPOSE FINANCIAL STATEMENTS

Special-Purpose Balance Sheet - Governmental Funds	3
--	---

Special-Purpose Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4
--	---

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

Special-Purpose Statement of Fiduciary Net Position - Agency Funds	6
--	---

Notes to Special-Purpose Financial Statements	7
---	---

SUPPLEMENTARY INFORMATION

Combining Special-Purpose Balance Sheet - Nonmajor Governmental Funds - All Special Funds	15
---	----

Combining Special-Purpose Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - All Special Revenue Funds	16
---	----

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
---	----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	19
---	----

Independent Auditors' Management Letter	20
---	----

Management's Response	22
-----------------------	----



REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Louis S. Roberts, III
Sheriff 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, Sheriff (the "Sheriff") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

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

As discussed in Note 1 to the 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.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and fiduciary fund type of the Sheriff as of September 30, 2014, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2015 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

May 27, 2015



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

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

September 30, 2014

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 305,276	\$ 165,991	\$ 12,442	\$ 483,709
Due from other funds	-	72	-	72
Due from other governmental units	-	-	15,371	15,371
Total assets	\$ 305,276	\$ 166,063	\$ 27,813	\$ 499,152
Liabilities				
Accounts payable and accrued expenses	\$ 276,730	\$ -	\$ 219	\$ 276,949
Due to Board of County Commissioners	28,546	-	-	28,546
Due to other funds	-	-	72	72
Deferred revenue	-	-	93	93
Total liabilities	305,276	-	384	305,660
Fund balances				
Restricted	-	166,063	27,429	193,492
Total liabilities and fund balances	\$ 305,276	\$ 166,063	\$ 27,813	\$ 499,152

See accompanying notes to 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, 2014

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
Revenues				
Fines and forfeitures	\$ -	\$ 37,253	\$ -	\$ 37,253
Grants	-	-	49,271	49,271
Investment earnings	-	211	1	212
Other fees and miscellaneous revenues	11,827	-	-	11,827
Total revenues	11,827	37,464	49,272	98,563
Expenditures				
Current:				
Public safety	4,426,654	888	36,835	4,464,377
Capital outlay	53,461	147,156	12,426	213,043
Total expenditures	4,480,115	148,044	49,261	4,677,420
Excess (deficiency) of revenues over (under) expenditures	(4,468,288)	(110,580)	11	(4,578,857)
Other financing sources (uses)				
Transfers in	4,496,834	-	-	4,496,834
Transfers out	(28,546)	-	-	(28,546)
Net other financing sources (uses)	4,468,288	-	-	4,468,288
Net change in fund balances	-	(110,580)	11	(110,569)
Fund balances - beginning	-	276,643	27,418	304,061
Fund balances - ending	\$ -	\$ 166,063	\$ 27,429	\$ 193,492

See accompanying notes to 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, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Other fees and miscellaneous revenues	\$ -	\$ -	\$ 11,827	\$ 11,827
Total revenues	-	-	11,827	11,827
Expenditures				
Current:				
Public safety	4,278,324	4,481,074	4,426,654	54,420
Capital outlay	-	-	53,461	(53,461)
Reserve for contingency	15,760	15,760	-	15,760
Total expenditures	4,294,084	4,496,834	4,480,115	16,719
Excess (deficiency) of revenues over (under) expenditures	(4,294,084)	(4,496,834)	(4,468,288)	28,546
Other financing sources (uses)				
Transfers in	4,294,084	4,496,834	4,496,834	-
Transfers out	-	-	(28,546)	(28,546)
Total other financing sources	4,294,084	4,496,834	4,468,288	(28,546)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

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

September 30, 2014

	Agency
Assets	
Cash	\$ 34,460
<hr/>	
Total assets	\$ 34,460
<hr/>	
Liabilities	
Due to others	\$ 34,460
<hr/>	
Total liabilities	\$ 34,460
<hr/>	

See accompanying notes to financial statements

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Jackson County 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 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 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.

Basis of Presentation

These 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Operation Undertaker Grant - Accounts for the reimbursement to the Sheriff's Department and other related departments for overtime and other investigative expenses. The grant was awarded for specific drug investigation.

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

The Sheriff also reported the following fund type:

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

Measurement Focus

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

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 Sheriff's annual budgets are 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 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.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance Reporting and Governmental Fund-Type Definitions

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

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 financial statements were available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2014, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$518,169 and the bank balance was \$582,191. 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, 2014, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2014, the Sheriff did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

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

Concentration of Credit Risk

At September 30, 2014, 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 State of Florida earned but not received as of September 30, 2014.

Notes to Special-Purpose Financial Statements

NOTE 4 - LONG-TERM LIABILITIES

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

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

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Compensated absences	\$ 463,176	\$ 7,368	\$ -	\$ 470,544	\$ -
Total	\$ 463,176	\$ 7,368	\$ -	\$ 470,544	\$ -

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See Note 1 for a summary of the Sheriff's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

NOTE 5 - 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 5 - 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:

	10/01/13 Through 06/30/14	07/01/14 Through 9/30/14
Regular employees	6.95%	7.37%
Senior management	18.31%	21.14%
Elected county officials	33.03%	43.24%
Special risk employees	19.06%	19.82%
DROP participants	12.84%	12.28%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2013 through September 30, 2014, the total payroll for all employees was \$2,937,278. The retirement contributions for all employees covered by the System for the years ended September 30, 2014, 2013 and 2012 were \$433,177, \$362,805 and \$ 316,380 which were the required contributions. For the year ended September 30, 2014 retirement contributions represented 14.75% of covered payroll.

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, 2014, 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.

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

NOTE 8 - BUDGET

Budgets were not prepared for the various special revenue funds or for the contraband forfeiture fund.

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, 2014, excess revenues over expenditures of \$28,546 are accrued and reported as transfers out to the Board of County Commissioners.

NOTE 10 - FUND EQUITY

Non-spendable fund balances include amounts that cannot be spent because they are not spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable net assets at September 30, 2014.

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, 2014, the Sheriff reports fund balance 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.

Balances of reported fund balance at September 30, 2014 are as follows:

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total
Restricted for:				
Public Safety grants	\$ -	\$ -	\$ 27,429	\$ 27,429
Crime prevention	-	166,063	-	166,063
Total fund balances	\$ -	\$ 166,063	\$ 27,429	\$ 193,492



SUPPLEMENTARY INFORMATION

Jackson County, Florida
Sheriff
Combining Special-Purpose Balance Sheet
Nonmajor Governmental Funds
All Special Revenue Funds

September 30, 2014

	Anti-Drug Abuse Grant	Operation Undertaker Grant	Local Law Enforcement	Total Nonmajor Governmental Funds
Assets				
Cash	\$ 12,347	\$ -	\$ 95	\$ 12,442
Due from other governmental units	15,371	-	-	15,371
Total assets	\$ 27,718	\$ -	\$ 95	\$ 27,813
Liabilities				
Accounts payable and accrued expenses	\$ 219	\$ -	\$ -	\$ 219
Due to other funds	72	-	-	72
Deferred revenue	-	-	93	93
Total liabilities	291	-	93	384
Fund balances				
Restricted	27,427	-	2	27,429
Total liabilities and fund balances	\$ 27,718	\$ -	\$ 95	\$ 27,813

See accompanying notes to financial statements

**Jackson County, Florida
Sheriff**

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

For the year ended September 30, 2014

	Anti-Drug Abuse Grant	Operation Undertaker Grant	Local Law Enforcement	Total Nonmajor Governmental Funds
Revenues				
Grants	\$ 35,150	\$ 1,912	\$ 12,209	\$ 49,271
Investment earnings	-	-	1	1
Total revenues	35,150	1,912	12,210	49,272
Expenditures				
Current:				
Public safety	31,614	1,912	3,309	36,835
Capital outlay	3,525	-	8,901	12,426
Total expenditures	35,139	1,912	12,210	49,261
Net change in fund balances	11	-	-	11
Fund balances - beginning	27,416	-	2	27,418
Fund balances - ending	\$ 27,427	\$ -	\$ 2	\$ 27,429

See accompanying notes to financial statements

**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 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, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated May 27, 2015.

Internal Control Over Financial Reporting

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

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 consider the deficiency SH06-01 described below 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.

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

Prior Year Comment

Need for Segregation of Duties – SH06-01

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

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. At a minimum, we recommend the Sheriff receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

Compliance and Other Matters

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

Sheriff's Response to Findings

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

Purpose of this Report

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

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

May 27, 2015



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

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

To the Honorable 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, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the 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, 2014.

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

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

May 27, 2015

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Sheriff (the "Sheriff"), as of and for the year ended September 30, 2014, and have issued our report thereon dated May 27, 2015.

Auditor's 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 and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 27, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address 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

Other Matters

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:

Contraband Forfeiture Budget – ML-SH14-01

COMMENT: It was noted that a budget for the Contraband Forfeiture Fund was not prepared for the current year.

RECOMMENDATION: We recommend that a budget be prepared for all major funds. We also recommend that these budgets be amended as outlined by Florida Statutes.

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Sheriff 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.

May 27, 2015

**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

May 27, 2015

Honorable David W. Martin
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Auditor General Martin,

We have received the audit report for the Office of Sheriff, Jackson County Florida for the fiscal year ending September 30, 2014. We have reviewed the Management Letter included in the report. Concerning the items noted in the Management letter, the following response is:

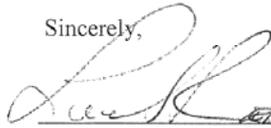
1. Need for Segregation of Duties.

In past years only one person held all responsibilities of the accounting and payroll for the Sheriff's Office. In 1997 we were awarded another person to segregate the duties more than in the past by the Board of Commissioners. The Sheriff has also assigned the task of approving all bills to the Major before they are paid. Both Sheriff Roberts and Major Branch receive a copy of our Budget Position Analysis at the end of each month, Sheriff Roberts's opens our bank statements then signs them, and Major Branch reviews all bank statements. Due to budgetary decreases no new administrative staff positions are expected to be granted by the Board of Commissioners.

2. Federal Contraband Forfeiture Budget

Our Auditors recommended a budget be prepared for our Drug Task Force Federal Contraband Forfeiture Funds. We have used this money for Capital Outlay expenditures, specifically vehicles since Fiscal Year 2011-2012 due to no Capital Outlay being awarded in our General Fund Operating Budget. Once vehicles are purchased for the current fiscal year, the majority of these funds will be depleted. The Auditor and I have spoken to the Drug Task Force and they are aware a budget needs to be prepared for these funds.

Sincerely,


Louis S. Roberts III, Sheriff
Jackson County Florida


Linda J. Cowan, 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, 2014



CRI CARR
RIGGS &
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CPAs and Advisors

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Jackson County, Florida
Supervisor of Elections
Table of Contents
September 30, 2014

REPORT

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

SPECIAL-PURPOSE FINANCIAL STATEMENTS

Special-Purpose Balance Sheet - Governmental Funds	3
--	---

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

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

Notes to Special-Purpose Financial Statements	6
---	---

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 <i>Government Auditing Standards</i>	13
---	----

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	15
---	----

Independent Auditors' Management Letter	16
---	----



REPORT





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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying 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, 2014, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinions.

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

As discussed in Note 1 to the 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.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Supervisor of Elections as of September 30, 2014, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 27, 2015 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.

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

May 27, 2015



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

Jackson County, Florida
Supervisor of Elections
Special-Purpose Balance Sheet
Governmental Funds

September 30, 2014

	General Fund
Assets	
Cash and cash equivalents	\$ 5,807
Restricted cash and cash equivalents	4,652
Accounts receivable	6,346
Total assets	\$ 16,805
Liabilities	
Accounts payable and accrued expenses	\$ 6,606
Due to Board of County Commissioners	4,811
Deferred revenue	5,388
Total liabilities	16,805
Fund balance	-
Total liabilities and fund balance	\$ 16,805

See accompanying notes to 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, 2014

	General Fund
<hr/>	
Revenues	
Grants	\$ 16,202
Investment earnings	5
Other fees and miscellaneous revenue	49,573
<hr/>	
Total revenues	65,780
<hr/>	
Expenditures	
Current:	
General government	522,772
Capital Outlay	25,107
<hr/>	
Total expenditures	547,879
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(482,099)
<hr/>	
Other financing sources (uses)	
Transfers in	482,099
<hr/>	
Net other financing sources (uses)	482,099
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance, beginning	-
<hr/>	
Fund balance, ending	\$ -
<hr/> <hr/>	

See accompanying notes to 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, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Fund Budget Favorable (Unfavorable)
Revenues				
Grants	\$ -	\$ 16,730	\$ 16,202	\$ (528)
Investment earnings	25	25	5	(20)
Other fees and miscellaneous revenues	3,500	49,401	49,573	172
Total revenues	3,525	66,156	65,780	(376)
Expenditures				
Current:				
General government	497,412	538,525	522,772	15,753
Capital outlay	-	21,518	25,107	(3,589)
Total expenditures	497,412	560,043	547,879	12,164
Excess (deficiency) of revenues over (under) expenditures	(493,887)	(493,887)	(482,099)	11,788
Other financing sources (uses)				
Transfer in	493,887	493,887	482,099	(11,788)
Net other financing sources (uses)	493,887	493,887	482,099	(11,788)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

See accompanying notes to 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 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 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' 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 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 financial statements, the following is reported as a major governmental fund:

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

Measurement Focus

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

Basis of Accounting

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for 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
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Accumulated Compensated Absences

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

The Supervisor of Elections' compensated absences are accrued and reported in the government-wide financial statements of the County's financial statements.

Budgetary Requirements

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

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

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

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

Subsequent Events

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2014, the carrying amount of the Supervisor of Elections' cash and cash equivalents was \$10,459 and the bank balance was \$21,883. 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, 2014, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

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

NOTE 3 - LONG-TERM LIABILITIES

The Supervisor of Elections' long-term liabilities are reported in the statement of net position in the County's financial statements.

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

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Compensated absences	\$ 22,153	\$ 3,163	\$ -	\$ 25,316	\$ -
Total	\$ 25,316	\$ 3,163	\$ -	\$ 25,316	\$ -

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See Note 1 for a summary of the Supervisor of Elections' policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

**Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements**

NOTE 4 - 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:

	10/01/13 Through 6/30/14	07/01/14 Through 09/30/14
Regular class	6.95%	7.37%
Senior management	18.31%	21.14%
Elected county officials' class	33.03%	43.24%

Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements

NOTE 4 - 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 \$224,938 for the year ended September 30, 2014. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2014, 2013 and 2012 was \$48,628, \$23,088 and \$17,085. These contributions represent 22.62% of covered payroll for the year ended September 30, 2014.

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, 2014, as well as prior years, have not been yet been accepted/approved by the grantors. Accordingly, the final determination of the Supervisor or Elections' compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Supervisor of Elections expects such amounts, if any, to be immaterial.

NOTE 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 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, 2014, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements and have issued our report thereon dated May 27, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described below as finding SOE13-01 that we consider to be a significant deficiency.

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

PRIOR YEAR FINDING AND RECOMMENDATION:

Deposits - SOE13-01

COMMENT: During the audit, it was noted that grant funds received were not deposited timely.

RECOMMENDATION: We recommend that all funds collected be deposited intact in a timely manner.

STATUS: This condition has been corrected.

Compliance and Other Matters

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

Purpose of this Report

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

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

May 27, 2015

**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, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Supervisor of Elections' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the 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, 2014.

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

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

May 27, 2015



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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2014, and have issued our report thereon dated May 27, 2015.

Auditor's 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 and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 27, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Supervisor of Elections.

Other Matters

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

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

Purpose of this Letter

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

Carri Riggs & Ingram, L.L.C.

May 27, 2015

**Jackson County, Florida
Tax Collector**

Special-Purpose Financial Statements

September 30, 2014



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**Jackson County, Florida
Tax Collector
Table of Contents
September 30, 2014**

REPORT

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

SPECIAL-PURPOSE FINANCIAL STATEMENTS

Special-Purpose Balance Sheet - Governmental Funds	3
--	---

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

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

Special-Purpose Statement of Fiduciary Net Position - Agency Funds	6
--	---

Notes to Special-Purpose Financial Statements	7
---	---

SUPPLEMENTARY INFORMATION

Combining Special-Purpose Statement of Fiduciary Net Position - Agency Funds	15
--	----

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
---	----

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	19
---	----

Independent Auditors' Management Letter	20
---	----

Management's Response	22
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REPORT





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

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

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Sherry Brown
Tax Collector 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, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

As discussed in Note 1 to the 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.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and fiduciary fund type of the Tax Collector as of September 30, 2014, 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.

Other Matters

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2015 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.

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

April 28, 2015



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

Jackson County, Florida
Tax Collector
Special-Purpose Balance Sheet
Governmental Funds

September 30, 2014

	General Fund
Assets	
Cash	\$ 38,737
<hr/>	
Total assets	\$ 38,737
<hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 31,671
Deferred revenue	4,562
Due to Board of County Commissioners	304
<hr/>	
Total liabilities	36,537
<hr/>	
Fund balance	2,200
<hr/>	
Total liabilities and fund balance	\$ 38,737
<hr/>	

See accompanying notes to 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, 2014

	General Fund
Revenues	
Charges for services	\$ 518,310
Total revenues	518,310
Expenditures	
Current:	
General government	1,189,758
Total expenditures	1,189,758
Excess (deficiency) of revenues over (under) expenditures	(671,448)
Other financing sources (uses)	
Transfers in	671,752
Transfers out	(304)
Net other financing sources (uses)	671,448
Net change in fund balance	-
Fund balance - beginning	2,200
Fund balance - ending	\$ 2,200

See accompanying notes to 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, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 532,466	\$ 537,781	\$ 518,310	\$ (19,471)
Total revenues	532,466	537,781	518,310	(19,471)
Expenditures				
Current:				
General government	1,204,218	1,201,051	1,189,758	11,293
Capital outlay	-	8,482	-	8,482
Total expenditures	1,204,218	1,209,533	1,189,758	19,775
Excess (deficiency) of revenues over (under) expenditures	(671,752)	(671,752)	(671,448)	304
Other financing sources (uses)				
Transfers in	671,752	671,752	671,752	-
Transfers out	-	-	(304)	(304)
Net other financing sources (uses)	671,752	671,752	671,448	(304)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

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

September 30, 2014

	Agency Funds
Assets	
Cash	\$ 416,379
Total assets	\$ 416,379
Liabilities	
Due to other governments	\$ 416,379
Total liabilities	\$ 416,379

See accompanying notes to financial statements

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County Tax Collector's Office.

The Jackson County, Florida Tax Collector (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 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 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 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 Boats and Licenses, Tag, Tax, and Driver's License Transactions as agency funds.

Measurement Focus

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

Basis of Accounting

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

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

Subsequent Events

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

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 7.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2014, the carrying amount of the Tax Collector's cash and cash equivalents was \$455,116 and the bank balance was \$816,671. 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, 2014, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2014, the Tax Collector did not hold any investments that were considered to have interest rate risk

Custodial Credit Risk

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

Concentration of Credit Risk

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

**Jackson County, Florida
Tax Collector**

Notes to Special-Purpose Financial Statements

NOTE 3 - LONG-TERM LIABILITIES

The Tax Collector’s long-term liabilities are reported in the statement of net position in the County’s financial statements.

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

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental					
activities:					
Compensated absences	\$ 43,270	\$ 6,416	\$ -	\$ 49,686	\$ -
Total	\$ 43,270	\$ 6,416	\$ -	\$ 49,686	\$ -

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See Note 1 for a summary of the Tax Collector’s policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

NOTE 4 - EMPLOYEES 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.

Notes to Special-Purpose Financial Statements

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

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

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

	10/01/13 Through <u>06/30/14</u>	07/01/14 Through 09/30/14
Regular employees	6.95%	7.37%
Senior management	18.31%	21.14%
Elected county officials' class	33.03%	43.24%
DROP plan participants	12.84%	12.28%

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 \$755,746 for the year ended September 30, 2014. The Tax Collector's contribution to the plan for the years ended September 30, 2014, 2013, and 2012 totaled \$78,155, \$44,228, and \$39,008. These contributions represented 10.34% of covered payroll for the year ended September 30, 2014.

NOTE 5 - 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, 2014, excess revenues over expenditures of \$304 are accrued and reported as a transfer out.

Notes to Special-Purpose Financial Statements

NOTE 6 - 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, 2014 was \$20,040.

Minimum future lease payments under operating leases as of September 30, 2014 and for each year until expiration are:

2015	\$	12,540
2016		12,540
<hr/>		
<u>Total minimum future lease payments</u>	<u>\$</u>	<u>25,080</u>

NOTE 7 – 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.

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, 2014, the all of Tax Collector’s fund balance is classified as unassigned.



SUPPLEMENTARY INFORMATION

Jackson County, Florida
Tax Collector
Combining Special-Purpose Statement of Fiduciary Net Position
Agency Funds

September 30, 2014

	License and Boat	Tag	Tax	Driver's License	Credit Cards	Total
Assets						
Cash	\$ 241	\$ 72,779	\$ 331,688	\$ 4,966	\$ 6,705	\$ 416,379
Total assets	\$ 241	\$ 72,779	\$ 331,688	\$ 4,966	\$ 6,705	\$ 416,379
Liabilities						
Due to other governments	\$ 241	\$ 72,779	\$ 331,688	\$ 4,966	\$ 6,705	\$ 416,379
Total liabilities	\$ 241	\$ 72,779	\$ 331,688	\$ 4,966	\$ 6,705	\$ 416,379

**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 Sherry Brown
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, 2014, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated April 28, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. We did identify certain deficiencies in internal control, described below as finding TC06-01 that we consider to be significant deficiency.

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

Need for Segregation of Duties TC06-01

COMMENT: The size of the Tax Collector's staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Tax Collector's assets.

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 continues to exist.

Compliance and Other Matters

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

Tax Collector's Response to Findings

The Tax Collector's response to the findings identified in our audit is described in the accompanying letter. The Tax Collector'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.

To the Honorable Sherry Brown
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.

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

April 28, 2015

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

The Honorable Sherry Brown
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, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Tax Collector's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the 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, 2014.

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

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

April 28, 2015

INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2014, and have issued our report thereon dated April 28, 2015.

Auditor's 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 and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 28, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Finding TC06-01 found 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* has not been corrected.

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

The Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Tax Collector.

Other Matters

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

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

Purpose of this Letter

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

Carri Riggs & Ingram, L.L.C.

April 28, 2015

Jackson County, Florida
Tax Collector
Management's Response

Sherry A. Brown, CFC

Tax Collector, Jackson County
Certified Florida Collector



Courthouse
P.O. Box 697
Marianna, Florida 32447
Phone 850-482-9653
Fax 850-526-3821

Graceville Agency
P.O. Box 655
Graceville, Florida 32440
Phone 850-263-3218
Fax 850-263-2637

Sneads Agency
P.O. Box 520
Sneads, Florida 32460
Phone 850-593-6737
Fax 850-593-5388

Driver License Agency
3613 Hwy 90
Marianna, FL 32446
Phone 850-482-9602
Fax 850-482-9603

Carr, Riggs and Ingram LLC
P.O. Box 1606
Marianna, FL 32447

Attention: Audit Department

I am in receipt of the audit report for the Jackson County Tax Collector's Office for the fiscal year ending September 30, 2014. Concerning the current year findings and recommendations, the following applies:

- Need for Segregation of Duties – The need for segregation of duties will always be a concern for my office due to the size of my staff. I am aware of internal control weaknesses this presents to my office, however we have implemented other internal controls to help compensate for this weakness. Although we do not require mandatory vacations of at least one week in duration for financial personnel, most employees do take a week's vacation as long as their personal leave balance permits. My staff is cross trained in various positions in order to cover the duties associated with those on leave. I will continue, as always, to be involved in the day-to-day tasks of running my office to help strengthen internal controls.

We will continue to strive to provide current, accurate and reliable financial information and serve the citizens of Jackson County, Florida in the most cost effective and efficient manner.

Sincerely,

Handwritten signature of Sherry A. Brown in cursive.

Sherry A. Brown, CFC
JACKSON COUNTY TAX COLLECTOR
Jackson County Tax Collector