



**OFFICE OF THE COUNTY AUDITOR
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MEMORANDUM

TO: Honorable Members of the Jackson County Legislature

FROM: Troy Thomas – County Auditor 

DATE: April 10, 2023

SUBJ: Ordinance No.5727

I am concerned about the source of funding for the total project as full funding has not been secured. The Ordinance is requesting approval of \$99,017,979 for Component #2 (\$31,506,535 for site demolition, site development and earthwork) and Component #2a (\$67,511,444 for engineering, detailing, mock-ups and early procurements).

According to Ordinance No. 5727, the \$99,017,979 authorization request consists of \$22,000,000 from the County Improvement Fund Undesignated Fund Balance and \$77,017,979 in Bond Proceeds. There is only \$17,619,420 in the fund balance of the County Improvement Fund and **No Bonds Have Been Sold to recognize Bond Proceeds of \$77,017,979.**

Page one of the “The Request For Legislative Action” acknowledges this, “....Anticipates The Sale Of \$77,017,979 in Bond Proceeds to provide sufficient funds to fully encumber Component #2 and Component #2a”. Although, on page 6 the Ordinance states “Funds [Money that is readily available] sufficient for the appropriation are available from the sources...New Detention Center Capital Project Fund Balance \$99,017,979”, this statement is misleading.

A Fiscal Note and contract would state: There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.

Prescribed in 31 U.S.C. § 1341-1342, and 31 U.S.C. §1517, prohibits obligations and expenditures in excess of an appropriation or before an appropriation is available.

In conclusion, reading Ordinance No. 5727, and the related “Request for Legislative Action”, it’s apparent that insufficient funds are available to appropriate \$99,017,979 for J.E. Dunn/Axiom’s Components 2 and 2a. There has not been a sale of bonds, whereas, in accordance with County Code Section 535.3 “all receipts from the sale of bonds for any purpose shall be credited to the bond fund created for the purpose...” furthermore the Undesignated Fund Balance in the Capital Improvement Fund is \$17,619,420 and not \$22,000,000.