

**WAKULLA COUNTY,  
FLORIDA**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2010**

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**TABLE OF CONTENTS**

	PAGE NO.
<b>INTRODUCTORY SECTION</b>	
List of Principal Officials	6
<b>COUNTY-WIDE FINANCIAL REPORT</b>	
Independent Auditor's Report	8 - 9
Management's Discussion and Analysis	10 - 19
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Assets	21
Statement of Activities	22
Governmental Funds - Balance Sheet	23
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Assets - Proprietary Funds	26
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28
Statement of Fiduciary Net Assets - Agency Funds	29
Notes to Financial Statements	30 - 57
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	59
Road Department Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	60

**WAKULLA COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2010

**TABLE OF CONTENTS**

	PAGE NO.
State Housing Initiatives Partnership Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	61
Impact Fees Fund - Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	62
One Cent Sales Tax Fund - Statement of Revenues, Expenditures And Changes in Fund Balance - Budget and Actual	63
Road Paving Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	64
<b>COMBINING STATEMENTS</b>	
General Funds - Combining Balance Sheet	66
General Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	67
Nonmajor Governmental Funds - Combining Balance Sheet	68 - 73
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	74 - 79
Agency Funds - Combining Statement of Fiduciary Net Assets	80 - 82
<b>SINGLE AUDIT AND COMPLIANCE SECTION</b>	
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	84 - 85
Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Awards Program and State Financial Assistance Project	86 - 87
Schedule of Expenditures of Federal Awards and State Financial Assistance	88 - 91

**WAKULLA COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2010

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	92
Schedule of Findings	93 - 94
Summary Schedule of Prior Audit Findings	95
Management Letter	96 - 99

## **INTRODUCTORY SECTION**

**WAKULLA COUNTY, FLORIDA**  
**LIST OF PRINCIPAL OFFICIALS**

**Board of County Commissioners**

District I

Alan Brock

District II

George N. Green

District III

Mike Stewart

District IV

Howard Kessler

District V

Lynn Artz

**Clerk of Circuit Court**

Brent X. Thurmond

**Property Appraiser**

Donnie Sparkman

**Sheriff**

David F. Harvey

**Supervisor of Elections**

Henry Wells

**Tax Collector**

Cheryll Olah

**COUNTY-WIDE FINANCIAL REPORT**

## INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners  
and Constitutional Officers  
Wakulla County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wakulla County, Florida (the County), as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wakulla County, Florida, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 14, 2011, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or 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.

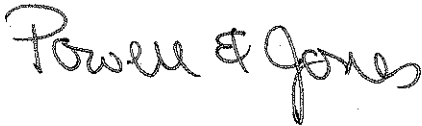
The budgetary comparison information presented for the general fund and the other major governmental funds is not a required part of the basic financial statements of the County, but is supplementary information required by accounting principles generally accepted in the United



States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Management's Discussion and Analysis on pages 10 through 19 is also not a required part of the basic financial statements of the County but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining nonmajor governmental fund financial statements and combining statement of fiduciary net assets listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.



**POWELL & JONES**  
Certified Public Accountants  
April 14, 2011

## Management's Discussion and Analysis

As management of Wakulla County, Florida (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal years ended September 30, 2010 and 2009.

### Financial Highlights

- While the assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$67,681,156 (net assets, page 21-22), there were no unrestricted net assets available to meet the County's ongoing obligations to its citizens and creditors.
- The County's total net assets increased by \$8,875 (page 22). This slight increase in net assets is a result of governmental activities net assets decreasing by \$294,793 which is essentially due to expenditures outpacing revenues. There was an increase in business type activities net assets of \$303,668 as a result of sewer net assets increasing \$601,259 due to grant related activity and increased operating revenues and landfill net assets loss of \$297,591 due to an operating loss related to increased operating costs (page 27).
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$6,937,798 (page 23). In comparison with the prior year, this is a decrease of \$4,932,841. Approximately thirteen percent (13%) of the total fund balance, or \$901,164 is available for spending at the County's discretion (unreserved, undesignated fund balance).
- At the end of the current fiscal year, the unreserved, undesignated fund balance for the general fund was \$283,195 (page 23) or two percent (2%) of total general fund expenditures. In the prior fiscal year, the unreserved, undesignated fund balance for the general fund was \$1,912,237 or nine percent (9%) of total general fund expenditures. An explanation of this year to year decrease is included later in this analysis.
- The County's total outstanding debt is \$10,978,422. Total outstanding debt increased by \$42,924 (see Note 10, page 50) during the current fiscal year. This increase is the net result of the governmental activities debt balances increasing by \$422,374 and the business-type activities debt balances decreasing by \$379,450. The County's debt will be discussed further on page 18.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary funds, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net

assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, court related, transportation, economic environment, human services, and culture and recreation. The business-type activities of the County include sewer and solid waste operations. The government-wide financial statements can be found on pages 21-22 of the report.

**Fund 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, like other county governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation (page 25) to facilitate this comparison between governmental funds and governmental activities.

As of the close of the current fiscal year, the Board and Constitutional Officers maintained sixty-five (65) individual governmental funds: one (1) general fund, four (4) capital project funds, and sixty (60) special revenue 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, the road department fund, the State Housing Initiatives Partnership Program (SHIP) fund, the impact fees fund, the one cent sales tax fund, and the road paving fund which are all considered to be major funds. The General Fund's Combining Statements can be found on page 66 and 67. Data from the other fifty-nine (59) governmental funds are combined into a single, aggregated presentation called "Other Governmental Funds" (pages 23-24) but the details of each fund are shown in the Combining Statements section beginning on page 68.

The County adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the County's major funds to demonstrate compliance with their respective budget (page 59-64). The basic governmental fund financial statements can be found on pages 23-24 of this report.

**Proprietary funds.** The County maintains two (2) proprietary funds, also called enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its sewer and solid waste operations, both of which are considered to be major funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 26- 28 of this report.

**Fiduciary funds.** Fiduciary funds or agency funds are used to account for resources held for the benefit of and payable to parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. For the current fiscal year, the Board and Constitutional Officers maintained seventeen (17) agency funds. Data from these fiduciary funds are combined into a single, aggregated presentation. The basic fiduciary fund financial statement can be found on page 29 of this report and the details of each fiduciary fund can be found on pages 80-82.

**Notes to the financial statements.** The notes provide additional information that is essential to 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 30–57 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary information for its major funds, detailed combining balance sheets for all non-major governmental funds, detailed combining statement of revenues, expenditures and changes in fund balance for all non-major governmental funds, and a combining statement of all agency fund net assets. Required supplementary information can be found on pages 58-64 of this report.

The County's principal leaders, five (5) elected county commissioners and five (5) elected constitutional officers are listed on page 6. A Schedule of Expenditures of Federal Awards and State Financial Assistance can be found on pages 88- 91. This schedule lists all federal and state grants awarded to the County and its elected officials and their related expenditures for fiscal year ended September 30, 2010.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$67,681,156 and \$67,672,283 at September 30, 2010 and 2009, respectively (page 13).

By far the largest portion of the County's net assets, 91.4% for 2010 and 85% for 2009, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The amount invested in capital assets, net of related debt is \$61,817,374 for 2010 and \$57,485,087 for 2009. 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.

<b>Wakulla County's Net Assets</b>						
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>ASSETS</b>						
Current and						
other assets	\$ 9,397,600	\$ 14,480,032	\$ 1,244,860	\$ 1,745,004	\$ 10,642,460	\$ 16,225,036
Capital assets	53,480,825	48,420,403	17,910,811	17,791,039	71,391,636	66,211,442
<b>Total Assets</b>	<b>\$ 62,878,425</b>	<b>\$ 62,900,435</b>	<b>\$ 19,155,671</b>	<b>\$ 19,536,043</b>	<b>\$ 82,034,096</b>	<b>\$ 82,436,478</b>
<b>LIABILITIES</b>						
Current and						
other liabilities	\$ 3,574,766	\$ 3,655,182	\$ 1,299,035	\$ 1,566,004	\$ 4,873,801	\$ 5,221,186
Long-term						
liabilities	6,193,035	5,839,834	3,286,104	3,703,175	9,479,139	9,543,009
<b>Total Liabilities</b>	<b>\$ 9,767,801</b>	<b>\$ 9,495,016</b>	<b>\$ 4,585,139</b>	<b>\$ 5,269,179</b>	<b>\$ 14,352,940</b>	<b>\$ 14,764,195</b>
<b>NET ASSETS</b>						
Invested in						
capital assets	\$ 47,576,985	\$ 43,743,921	\$ 14,240,388	\$ 13,741,166	\$ 61,817,373	\$ 57,485,087
Restricted	6,036,634	10,083,474	498,424	484,590	6,535,058	10,568,064
Unrestricted	(502,995)	(421,976)	(168,280)	41,108	(671,275)	(380,868)
<b>Total net assets</b>	<b>\$ 53,110,624</b>	<b>\$ 53,405,419</b>	<b>\$ 14,570,532</b>	<b>\$ 14,266,864</b>	<b>\$ 67,681,156</b>	<b>\$ 67,672,283</b>

An additional portion of the County's net assets (9.7% for 2010 and 14% for 2009) represents resources that are subject to restrictions (page 55, Note 13) on how they may be used. The restricted net assets are \$6,535,058 for 2010 and \$10,568,064 for 2009. These restrictions may be external such as restrictions imposed by grant agencies or internally self-imposed by ordinance, resolution or some other form of legislative action taken by the Board. The remaining balance of net assets are unrestricted net assets which may be used to meet the County's ongoing obligations to citizens and creditors. The unrestricted net assets were \$-671,275 or -1.1% for 2010 and \$-380,868 or -0.6% for 2009. There were no unrestricted net assets available to meet the County's ongoing obligations to its citizens and creditors. The County was not able to report positive balances in all three (3) categories of net assets for the government as a whole for the current or prior fiscal year.

In the County's governmental activities, the net assets worsened over the prior fiscal year by \$294,795. This decrease is the net result of assets invested in capital assets increasing by

\$3,833,064, restricted net assets decreasing by \$4,046,840, and unrestricted net assets decreasing by \$81,019.

In the business-type activities, there was a net decrease in the unrestricted net assets over the previous fiscal year in the amount of \$209,388. While the Sewer Fund made an operating profit of \$128,834 for the year, this overall decrease was due to an increase in operating expenses in the Solid Waste Fund which led to an operating loss of \$501,349 (page 27).

**Governmental activities.** Governmental activities decreased the County's net assets by \$294,793 in the current year (page 22). Key elements of this decrease are as follows:

- Total expenses increased \$2,495,573 over the prior year with increases in all governmental programs except Culture and Recreation. The majority of the increases occurred in General Government (\$520,862; 21%), Public Safety (\$491,864; 20%) and Economic Environment (\$964,101; 39%). Please refer to page 15 and 22.
- Total revenues increased over prior year revenues by \$1,222,339 but were outpaced by the growth of total expenses.
- The net change in assets and liabilities were minimal in total. Total assets decreased over the prior year by \$22,010 and total liabilities increased by \$272,785 thus the total net asset change of \$294,795. There were significant shifts in current assets to non-current assets which will be discussed under the Capital Assets section further below. The largest change in liabilities was in the Noncurrent liabilities and was due to an increase in compensated absences and other post-employment benefits (OPEB).

**Business-type activities.** Business-type activities increased the County's net assets by \$303,668 in the current year (page 22, 27), thereby accounting for overall net increase in assets of the County. Key elements of this increase are as follows:

- Total expenses increased \$494,262 over the prior year with increases in both the Sewer and Solid Waste Funds.
- Total revenues increased \$1,298,041 over the prior year with the majority (94%) of this increase occurring in the Sewer Fund.
- While total assets decreased over the prior year by \$163,358, total liabilities decreased even further by \$467,026 thus the total net asset increase of \$303,668. While both current and non-current liabilities decreased, the majority of the decrease was a result of paying down long-term notes payable which will be discussed further under the Long-term Debt section further below.

<b>Wakulla County's Changes In Net Assets</b>						
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 6,757,234	\$ 7,011,779	\$ 2,584,238	\$ 1,805,553	\$ 9,341,472	\$ 8,817,332
Operating grants and contributions	5,511,648	3,308,656	753,218	202,200	6,264,866	3,510,856
Capital grants and contributions	279,495	1,340,452	-	-	279,495	1,340,452
General Revenues:						
Property and other taxes	14,166,488	14,027,782	-	-	14,166,488	14,027,782
Licenses and permits	-	424,946	-	-	-	424,946
Intergovernmental and other	5,763,294	5,289,565	72,498	84,732	5,835,792	5,374,297
<b>Total Revenues</b>	<b>\$ 32,478,159</b>	<b>\$ 31,403,180</b>	<b>\$ 3,409,954</b>	<b>\$ 2,092,485</b>	<b>\$ 35,888,113</b>	<b>\$ 33,495,665</b>
<b>EXPENSES</b>						
General government	\$ 6,910,113	\$ 6,309,271		\$ -	\$ 6,910,113	\$ 6,309,271
Public Safety	16,190,629	15,608,465		-	16,190,629	15,608,465
Physical environment	556,681	315,973	3,086,858	2,592,596	3,643,539	2,908,569
Court related	1,104,252	984,766		-	1,104,252	984,766
Transportation	3,030,512	2,835,320		-	3,030,512	2,835,320
Economic environment	2,498,861	1,534,760		-	2,498,861	1,534,760
Human services	899,631	686,778		-	899,631	686,778
Culture and recreation	1,381,336	1,552,966		-	1,381,336	1,552,966
Interest on long term debt	220,365	210,508		-	220,365	210,508
<b>Total Liabilities</b>	<b>\$ 32,792,380</b>	<b>\$ 30,038,807</b>	<b>\$ 3,086,858</b>	<b>\$ 2,592,596</b>	<b>\$ 35,879,238</b>	<b>\$ 32,631,403</b>
<b>NET ASSETS</b>						
Increase in net assets before transfers	\$ (314,221)	\$ 1,364,373	\$ 323,096	\$ (500,111)	\$ 8,875	\$ 864,262
Net transfers	19,428	(127,932)	(19,428)		-	(127,932)
Increase in net assets	(294,793)	1,236,441	303,668	(500,111)	8,875	736,330
Net assets, beginning of year	53,405,417	51,626,660	14,266,864	14,766,975	67,672,281	66,393,635
Prior Period Adjustments	-	542,318	-	-	-	542,318
<b>Net assets, end of year</b>	<b>\$ 53,110,624</b>	<b>\$ 53,405,419</b>	<b>\$ 14,570,532</b>	<b>\$ 14,266,864</b>	<b>\$ 67,681,156</b>	<b>\$ 67,672,283</b>

### Financial Analysis of Wakulla County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the County's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$6,937,798 (page 23-24), a decrease of \$4,932,843 in comparison with the prior year's combined fund balance of \$11,870,641. Some of this total amount (\$901,164 or 13%) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed (i.e. accounts payable or compensated absences) or its use has been restricted (i.e. one cent sales tax or impact fees).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved and total fund balances of the general fund were \$283,195 and \$1,514,372 respectively. In the prior year, they were \$1,912,237 and \$2,534,692 respectively. There was a small reclassification of prior year fund balance of \$133,936 between the General Fund and the Other Governmental Funds due to a shift in funding and accounting for the Clerk's court-related activities.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The general fund's fund balance of \$1,514,372, represents 7% of total general fund expenditures of \$21,649,605, (page 24) while the total fund balance of \$6,937,798, represents 18% of all governmental funds expenditures of \$39,748,469.

The fund balance of the County's general fund decreased by \$1,020,320 (page 24) during the current fiscal year. Key factors in this reduction of the general fund's fund balance are as follows:

- The general fund's revenues decreased by \$609,245 as compared to the prior year.
- The general fund's expenses, while under budget and lower than prior year expenses, outpaced revenues by \$1,532,947. Inter-fund transfers reduced these excess expenditures over revenues to \$1,020,320.
- The County, via its FY 09/10 budget planned for a portion of this decrease by realizing \$848,000 in unrestricted, unreserved general fund balances as a revenue source to balance the budget.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Sewer and the Solid Waste funds at the end of the current year amounted to \$-168,280, compared to \$41,108 in the prior year (page 26).

The total change in net assets was a net profit in the current year of \$303,668 as compared to net loss in the prior year in the amount of and \$-500,111 (page 27). Prior to inter-fund transfers, the sewer fund finished the year with a profit of \$725,064 and the solid waste (landfill) fund operated at a loss of \$401,946, for a net profit in the proprietary funds of \$323,096 (page 27).

The key factors in this change were as follows:

- The sewer fund increased its operating revenues by \$783,154 over the prior year while its operating expenses were only \$165,788 higher than the prior year. The increase is substantially due to adjusting the fee schedules and re-negotiating the billing contracts with the local water suppliers.
- The landfill fund's revenues held steady with only a slight reduction of \$4,469 but its operating costs substantially increased over the prior year by \$336,470 which is a thirty-



five percent (35%) increase. This loss is due to the requirement placed upon the County by Department of Environmental Protection to close its landfill and no longer place garbage in the landfill which has required the County to transport all garbage to other facilities.

**General fund budgetary highlights.** The general fund beginning and ending budgets on page 56 represents the combined general fund budgets of the Board and five Constitutional Officers. The Board's General Fund is comprised of two funds: the General Fund and the Building Dept. Fund.

The Board's General Fund budget remained unchanged in total at \$21,147,170. The key differences between the original budget and the final amended budget for the General Fund as shown on page 56 is due to the presentation of budgeted cash forward and budgeted reserves which are not considered revenues or expenditures. The net use of cash forward less budgeted reserves (appropriated fund balance) is shown as a decrease to fund balance on page 56. Inter-fund transfers, transfers to Constitutional Officers and the use of budgeted reserves in the amount of \$200,257 account for the changes in the Board's General Fund.

**Capital assets.** The County's capital assets for its governmental and business type activities amounts to \$71,391,636 and \$66,211,442 (net of accumulated depreciation) for 2010 and 2009, respectively (page 43). This investment in capital assets includes land, buildings, systems and improvements, machinery, furniture and equipment, park facilities, and roads and bridges. The total increase in the County's investment in capital assets for the current fiscal year was \$5,180,194 (net of accumulated depreciation) or eight percent (8%) of beginning capital assets. Major capital asset events during the current and prior fiscal years included the following:

- **2010 – Governmental Activities:** The total increase in governmental capital assets net of related depreciation expense and deletions was \$5,060,422 or ninety-eight percent (98%) of the total increase in capital assets. This increase was the result of:
  - Land increased by \$1,876,159 due to the purchase of the Community Center and the Big Bend Maritime Center.
  - Construction in Progress increased by \$1,734,269 due to various grant projects, the Courthouse renovations and road paving projects such as Old Bethel, Shell Point and Like Oak Island roads.
  - Building and improvements increased by \$690,154 due to acquisition of the Community Center.
  - Furniture & Equipment increased by \$695,276 due to the purchase of new vehicles for the ambulance, fire, and road departments and the Sheriff's Office.
- **2010 – Business Activities:** The total increase in business-type capital assets net of related depreciation expense and deletions was \$119,772 or two percent (2%) of the total increase in capital assets. This increase was substantially the result of land purchases of \$106,567 due to the purchase of lots in Wakulla Gardens for storm water and sewer expansion.
- **2009 – Governmental Activities:** The total increase in governmental activity capital assets was \$1,586,400. Investment in road infrastructure constituted the majority of capital asset activity representing sixty-six percent (66%) of increase in these capital assets.
- **2009 – Business-type Activities:** There was little activity in the business-type capital assets for the year. Despite a few pieces of equipment being purchased and work on the Wakulla Gardens sewer expansion beginning, capital assets for business-type activities actually decreased by \$156,402 due to depreciation expenses.

**Long-term debt.** At the end of the 2010 and 2009 fiscal years, the County had total outstanding debt of \$10,978,422 and \$10,935,498. The notes payable are collateralized by equipment or a pledge of revenue from the gas taxes, one cent sales taxes, sewer charges and court surcharges.

The County's total debt of \$10,978,422 is comprised of five categories, two of which the County is required to make annual debt service payments on – notes payable and capital leases. The notes payable portion of the County's debt totals \$7,883,077 and represents seventy-two percent (72%) of the total debt (see next page and page 51). Of the \$7,883,077, \$4,212,654 or 54% is attributable to governmental activities and the other \$3,670,423 is attributable to business-type activities. The final three categories – compensated absences, other post-employment benefits and landfill closure liabilities are paid out as they become due and they are not based on a pre-defined payment schedule.

Rising annual long-term debt service payments (principal and interest payments) as a percentage of total expenses may be a good indicator of whether or not the County is reaching a level of inflexibility as it relates to changes in economic conditions and unforeseen events. The County's percentage of total debt service payments to total expenses for 2010 was 6% an increase of 1% over the prior year.

Within the notes payable, \$187,301 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment. Not included in the long-term debt is \$262,170 in which the County has guaranteed payment in the event the Senior Citizen's Center defaults on their loan. Additional information on the County's long-term debt can be found in Note 10 on pages 47-51 of this report.

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
	Capital leases	\$ 434,801	\$ 531,313			\$ 434,801
Note payable	4,212,654	4,145,169	3,670,423	4,049,873	7,883,077	8,195,042
Compensated Absences	1,146,159	886,399			1,146,159	886,399
OPEB Liability	258,000	-	-	-	258,000	-
Estimated landfill closure	1,256,385	1,322,744			1,256,385	1,322,744
<b>Total Liability</b>	<b>\$ 7,307,999</b>	<b>\$ 6,885,625</b>	<b>\$ 3,670,423</b>	<b>\$ 4,049,873</b>	<b>\$ 10,978,422</b>	<b>\$ 10,935,498</b>

**Economic Factors and Rates -**

- The County's estimated 2010 population is 30,776. The estimated growth rate for the next several years is approximately 2%. Wakulla County is 42nd on the U.S. Census Bureau's 2010 list of the 100 Fastest Growing Counties in the United States from 2000-2009.
- Property valuations have taken a major decline with the national slow down in the housing market. Property values have averaged a 9-10% decrease over the last 4 years. Building permits have had a steep decline over the last three years and are expected to continue declining in 2011. Commercial development has seen a significant decrease this year

over last year. Between 2007-2010 there was a 23% decrease in total taxable value and an 83% decrease in new construction in Wakulla County.

- The Tallahassee Metropolitan Area's unemployment rate averaged decreased from 7.7 % to 7.4% from April-2010-April-2011. In comparison, the State unemployment rate from March 2009-March 2010 decreased from 11.3% to 10.8% and the National unemployment rate was 9.0% as of April 2011.
- The average per capita personal income for a citizen of Wakulla County decreased 1.4% between 2008-2009. The per capita personal income for 2009 was \$27,308.

**Requests for Information.** This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: County Administrator, Wakulla County, P.O. Box 1263, Crawfordville, FL 32326.

## **BASIC FINANCIAL STATEMENTS**

WAKULLA COUNTY, FLORIDA

STATEMENT OF NET ASSETS  
September 30, 2010

	Governmental Activities	Business - type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,294,392	\$ 161,149	\$ 5,455,541
Accounts receivable - net	868,013	151,093	1,019,106
Due from agency funds	290,471	-	290,471
Due from other governmental units	2,277,469	416,036	2,693,505
Inventories	27,937	4,335	32,272
Investments	172,934	13,073	186,007
Prepaid expenses	466,384	-	466,384
Other current assets	-	750	750
<b>Total current assets</b>	<b>9,397,600</b>	<b>746,436</b>	<b>10,144,036</b>
Restricted assets:			
Cash	-	498,424	498,424
<b>Total restricted assets</b>	<b>-</b>	<b>498,424</b>	<b>498,424</b>
Noncurrent assets:			
Capital assets - net	53,480,825	17,910,811	71,391,636
<b>Total assets</b>	<b>\$ 62,878,425</b>	<b>\$ 19,155,671</b>	<b>\$ 82,034,096</b>
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Accounts payable	\$ 758,892	\$ 22,264	\$ 781,156
Accrued liabilities	625,862	1,383	627,245
Due to agency funds	1,338	-	1,338
Due to other governmental units	104,598	24,494	129,092
Deferred revenues	957,417	791,165	1,748,582
Deposits	-	75,410	75,410
Accrued compensated absences	171,924	-	171,924
Current portion landfill post-closure liability	86,783	-	86,783
Current portion capital leases payable	181,073	-	181,073
Current portion notes payable	675,184	384,319	1,059,503
Other current liabilities	11,695	-	11,695
<b>Total current liabilities (payable from current assets)</b>	<b>3,574,766</b>	<b>1,299,035</b>	<b>4,873,801</b>
Noncurrent liabilities			
Accrued compensated absences	974,235	-	974,235
OPEB liability	258,000	-	258,000
Landfill post-closure costs	1,169,602	-	1,169,602
Capital leases payable	253,728	-	253,728
Notes payable	3,537,470	3,286,104	6,823,574
<b>Total long-term liabilities</b>	<b>6,193,035</b>	<b>3,286,104</b>	<b>9,479,139</b>
<b>Total liabilities</b>	<b>9,767,801</b>	<b>4,585,139</b>	<b>14,352,940</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	47,576,985	14,240,388	61,817,373
Restricted for:			
Public safety	1,804,061	-	1,804,061
Road projects	193,932	-	193,932
Capital projects	2,195,730	-	2,195,730
Court-related	941,777	-	941,777
Other purposes	901,134	-	901,134
Landfill closure	-	498,424	498,424
Unrestricted	(502,995)	(168,280)	(671,275)
<b>Total net assets</b>	<b>\$ 53,110,624</b>	<b>\$ 14,570,532</b>	<b>\$ 67,681,156</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended September 30, 2010**

Functions/Programs	Program Services			Net (Expenses) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental Activities</b>						
General Government	\$ 6,910,113	\$ 1,118	\$ -	\$ (5,991,832)	\$ -	\$ (5,991,832)
Public Safety	16,190,629	897,692	-	(10,052,790)	-	(10,052,790)
Physical Environment	556,981	112,367	-	(444,314)	-	(444,314)
Transportation	3,030,512	64,708	224,103	(2,718,194)	-	(2,718,194)
Economic Environment	2,498,861	3,942,497	-	1,452,801	-	1,452,801
Human Services	899,631	80,531	-	(802,762)	-	(802,762)
Culture/recreation	1,381,336	412,735	58,392	(715,079)	-	(715,079)
Court related	1,104,252	-	-	(751,468)	-	(751,468)
Interest on long-term debt	220,365	-	-	(220,365)	-	(220,365)
Total governmental activities	32,792,380	5,511,648	279,495	(20,244,003)	-	(20,244,003)
<b>Business - type activities</b>						
Physical Environment	3,086,858	753,218	-	-	250,598	250,598
Sewer and solid waste	35,879,238	6,264,866	279,495	(20,244,003)	250,598	(19,993,405)
Total government						
General revenues				10,625,427	-	10,625,427
Ad valorem taxes				2,903,044	-	2,903,044
Sales and use taxes				309,218	-	309,218
Communications service tax				328,799	-	328,799
Federal payments in lieu of taxes				5,616,778	-	5,616,778
Shared revenues				190,371	72,498	262,869
Interest				73,676	-	73,676
Miscellaneous				(117,531)	-	(117,531)
Net loss on disposition of fixed assets				19,428	-	19,428
Transfers				19,949,210	53,070	20,002,280
Total general revenue				(294,793)	303,668	8,875
Change in net assets				53,405,417	14,266,864	67,672,281
Net assets - beginning				\$ 53,110,624	\$ 14,570,532	\$ 67,681,156
Net assets - ending						

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
September 30, 2010**

	Special Revenue Funds				Capital Projects Funds			Total Governmental Funds
	General Fund	Road Department	SHIP	Impact Fees	One Cent Sales Tax	Road Paving	Other Governmental Funds	
<b>ASSETS</b>								
Current assets								
Cash	\$ 195,760	\$ -	\$ 625,685	\$ 31,713	\$ 10,000	\$ -	\$ 4,431,234	\$ 5,294,392
Accounts receivable	677,100	186,613	-	-	-	-	4,300	868,013
Due from other funds	826,136	16,704	-	713,459	1,253,774	-	149,518	2,959,591
Due from other governmental units	190,727	149,456	-	-	117,980	216,410	1,602,896	2,277,469
Inventories	-	27,937	-	-	-	-	-	27,937
Investments	172,934	-	-	-	-	-	-	172,934
Prepaid expenses	456,416	-	-	-	-	-	9,968	466,384
<b>Total assets</b>	<b>\$ 2,519,073</b>	<b>\$ 380,710</b>	<b>\$ 625,685</b>	<b>\$ 745,172</b>	<b>\$ 1,381,754</b>	<b>\$ 216,410</b>	<b>\$ 6,197,916</b>	<b>\$ 12,066,720</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ 149,872	\$ 132,760	\$ 22,297	\$ -	\$ 1,914	\$ -	\$ 452,049	\$ 758,892
Accrued liabilities	566,353	-	2,017	-	-	-	57,492	625,862
Due to other funds	174,328	1,005,776	-	27,416	-	22,478	1,440,460	2,670,458
Due to other governmental units	94,884	-	-	-	-	-	9,714	104,598
Deferred revenues	7,569	-	565,705	-	-	-	384,143	957,417
Other current liabilities	11,695	-	-	-	-	-	-	11,695
<b>Total liabilities</b>	<b>1,004,701</b>	<b>1,138,536</b>	<b>590,019</b>	<b>27,416</b>	<b>1,914</b>	<b>22,478</b>	<b>2,343,858</b>	<b>5,128,922</b>
<b>FUND BALANCES</b>								
Unreserved fund balance	283,195	(757,826)	-	-	-	-	1,375,795	901,164
Reserved fund balance	1,231,177	-	35,666	717,756	1,379,840	193,932	2,478,263	6,036,634
<b>Total fund balances</b>	<b>1,514,372</b>	<b>(757,826)</b>	<b>35,666</b>	<b>717,756</b>	<b>1,379,840</b>	<b>193,932</b>	<b>3,854,058</b>	<b>6,937,798</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,519,073</b>	<b>\$ 380,710</b>	<b>\$ 625,685</b>	<b>\$ 745,172</b>	<b>\$ 1,381,754</b>	<b>\$ 216,410</b>	<b>\$ 6,197,916</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  
 Long-term liabilities, including notes and capital leases payable of (\$4,647,455), compensated absences of (\$1,146,159) OPEB payable (\$258,000) and estimated landfill closure and postclosure care costs of (\$1,256,385) are not due and payable and therefore are not reported in the funds.  
 Net assets of governmental activities

53,480,825  
  
(7,307,999)  
\$ 53,110,624

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended September 30, 2010**

	Special Revenue Funds				Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Road Department	SHIP	Impact Fees	Cent Sales Tax	Road Paving	One		
<b>REVENUES</b>									
Taxes	\$ 10,934,645	\$ 1,071,187	\$ -	\$ -	\$ 1,781,441	\$ -	\$ -	\$ 50,415	\$ 13,837,688
Licenses and permits	414,230	-	-	-	-	-	-	-	414,230
Intergovernmental	4,390,192	886,792	537,558	-	-	216,410	-	5,295,655	11,326,607
Charges for services	3,934,737	-	-	-	-	-	-	1,524,436	5,459,173
Fines and forfeitures	44,999	-	-	-	-	-	-	31,425	76,424
Miscellaneous	226,990	6,101	9,144	51,978	-	-	-	996,984	1,291,197
Interest	170,865	-	-	-	144	-	-	5,887	190,371
Total revenues	20,116,658	1,964,080	546,702	51,978	1,781,585	229,885	-	7,904,802	32,595,690
<b>EXPENDITURES</b>									
Current expenditures									
General government	6,388,600	-	-	-	-	-	-	109,474	6,498,074
Public safety	12,987,326	-	-	-	-	-	-	2,081,157	15,068,483
Physical environment	194,636	-	-	-	-	-	-	103,787	298,423
Transportation	18,503	1,932,526	-	-	22,468	-	-	69,401	2,042,898
Economic environment	38,484	-	640,435	-	-	-	-	1,746,396	2,425,315
Human services	823,806	-	-	-	-	-	-	12,804	836,610
Culture / recreation	817,365	-	-	-	-	-	-	254,293	1,071,658
Court related	54,966	-	-	-	-	-	-	1,040,151	1,095,117
Capital outlay									
General government	20,941	-	-	323,668	1,222,014	-	-	44,556	1,611,179
Public safety	281,250	-	-	-	125,000	-	-	864,357	1,270,607
Physical environment	-	-	-	-	-	-	-	340,491	340,491
Transportation	-	924,742	-	15,324	1,443,704	216,410	-	-	2,600,180
Economic environment	-	-	-	-	-	-	-	53,952	53,952
Culture / recreation	2,074	-	-	-	52,350	-	-	1,451,113	1,505,537
Court related	-	-	-	-	-	-	-	1,080,043	1,080,043
Debt service									
Principal	12,050	992,786	-	-	338,028	-	-	386,673	1,729,537
Interest	9,604	66,293	-	-	88,900	-	-	55,568	220,365
Total expenditures	21,649,605	3,916,347	640,435	338,992	3,292,464	216,410	-	9,694,216	39,748,469
Excess of revenues over expenditures	(1,532,947)	(1,952,267)	(93,733)	(287,014)	(1,510,879)	13,475	-	(1,789,414)	(7,152,779)
<b>OTHER FINANCING</b>									
SOURCES (USES)									
Sale of equipment	-	500,000	-	-	-	-	-	-	500,000
Debt proceeds	-	885,510	-	-	-	-	-	815,000	1,700,510
Interfund transfers in	668,546	79,427	-	59,815	-	-	-	752,321	1,560,109
Interfund transfers out	(155,919)	(145,427)	-	(298,127)	(153,109)	-	-	(788,099)	(1,540,681)
Total other financing	512,627	1,319,510	-	(238,312)	(153,109)	-	-	779,222	2,219,938
Net change in fund balances	(1,020,320)	(632,757)	(93,733)	(525,326)	(1,663,988)	13,475	-	(1,010,192)	(4,932,841)
Fund balances at beginning of year	2,534,692	(125,069)	129,399	1,243,082	3,043,828	180,457	-	4,864,250	11,870,639
Fund balances at end of year	\$ 1,514,372	\$ (757,826)	\$ 35,666	\$ 717,756	\$ 1,379,840	\$ 193,932	\$ -	\$ 3,854,058	\$ 6,937,798

See notes to financial statements.



WAKULLA COUNTY, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2010

Net change in fund balances - total governmental funds		\$ (4,932,841)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$ 8,461,989	
Less current year depreciation	<u>(2,784,036)</u>	
		5,677,953
The net loss recognized on dispositions of fixed assets		(617,531)
Debt proceeds provide current financial resources to governmental funds, but debt increases long-term liabilities in the statement of net assets.		
Capital lease		(1,700,510)
Repayments of debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Payments for loans	747,515	
Payments for capital leases	<u>982,022</u>	
		1,729,537
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Net change in compensated absences	(259,760)	
Increase in OPEB payable	(258,000)	
Net change in landfill postclosure liability	<u>66,359</u>	
		<u>(451,401)</u>
Change in net assets of governmental activities		<u>\$ (294,793)</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
September 30, 2010**

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 161,149	\$ -	\$ 161,149
Inventories	-	4,335	4,335
Investments	13,073	-	13,073
Accounts receivable, net of allowance for doubtful accounts	67,662	83,431	151,093
Due from other funds	1,228,668	-	1,228,668
Due from other governmental units	323,664	92,372	416,036
Other current assets	750	-	750
Total current assets	<u>1,794,966</u>	<u>180,138</u>	<u>1,975,104</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	498,424	498,424
Capital assets, net of accumulated depreciation	17,712,676	198,135	17,910,811
Total noncurrent assets	<u>17,712,676</u>	<u>696,559</u>	<u>18,409,235</u>
Total assets	<u>19,507,642</u>	<u>876,697</u>	<u>20,384,339</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	19,665	2,599	22,264
Accrued liabilities	1,383	-	1,383
Due to other funds	-	1,228,668	1,228,668
Due to other governmental units	-	24,494	24,494
Deposits	55,260	20,150	75,410
Deferred grant revenue	791,165	-	791,165
Notes payable, current portion	384,319	-	384,319
Noncurrent liabilities:			
Note payable, long-term portion	3,286,104	-	3,286,104
Total liabilities	<u>4,537,896</u>	<u>1,275,911</u>	<u>5,813,807</u>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	14,042,253	198,135	14,240,388
Restricted for future closure and post closure costs	-	498,424	498,424
Unrestricted	927,493	(1,095,773)	(168,280)
Total net assets	<u>\$ 14,969,746</u>	<u>\$ (399,214)</u>	<u>\$ 14,570,532</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
For the Fiscal Year Ended September 30, 2010**

	Sewer Fund	Solid Waste Fund	Total
Operating revenues			
Charges for services	\$ 1,792,812	\$ 791,426	\$ 2,584,238
Operating expenses			
Materials, supplies and other	1,181,712	1,226,981	2,408,693
Depreciation and amortization	482,266	65,794	548,060
Total operating expenses	<u>1,663,978</u>	<u>1,292,775</u>	<u>2,956,753</u>
Operating profit (loss)	<u>128,834</u>	<u>(501,349)</u>	<u>(372,515)</u>
Nonoperating revenues (expenses)			
Federal grant	25,477	-	25,477
State grant	635,369	92,372	727,741
Interest and other nonoperating	65,489	7,009	72,498
Interest expense	(130,105)	-	(130,105)
Total nonoperating revenues (expenses)	<u>596,230</u>	<u>99,381</u>	<u>695,611</u>
Net income (loss) before operating transfers	725,064	(401,968)	323,096
Operating transfers in	-	114,377	114,377
Operating transfers out	(123,805)	(10,000)	(133,805)
Change in net assets	601,259	(297,591)	303,668
Total net assets, beginning of year	14,368,487	(101,623)	14,266,864
Total net assets, end of year	<u>\$ 14,969,746</u>	<u>\$ (399,214)</u>	<u>\$ 14,570,532</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

**For the Fiscal Year Ended September 30, 2010**

	Sewer Fund	Solid Waste Fund	Total
<b>Cash flows from operating activities</b>			
Cash received from customers and others	\$ 1,774,503	\$ 753,525	\$ 2,528,028
Cash paid to suppliers	(1,187,486)	(1,294,337)	(2,481,823)
Net cash provided by (used in) operating activities	<u>587,017</u>	<u>(540,812)</u>	<u>46,205</u>
<b>Cash flows from noncapital financing activities</b>			
Cash operating loans from (to) other funds	(527,064)	527,064	-
Total cash provided by (used in) noncapital financing activities	<u>(527,064)</u>	<u>527,064</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>			
Intergovernmental grants	709,031	-	709,031
Principal payments on long-term debt	(379,450)	-	(379,450)
Acquisition and construction of capital assets	(667,833)	-	(667,833)
Net transfer of debt to / from other fund	(40,000)	20,573	(19,427)
Interest paid	(130,105)	-	(130,105)
Net cash provided by (used in) capital and related financing activities	<u>(508,357)</u>	<u>20,573</u>	<u>(487,784)</u>
<b>Cash flows from investing activities</b>			
Interest and other nonoperating revenues	65,489	7,009	72,498
Redemption of investments	463,123	-	463,123
Net cash provided by investing activities	<u>528,612</u>	<u>7,009</u>	<u>535,621</u>
<b>Net increase in cash and cash equivalents</b>	80,208	13,834	94,042
<b>Cash and cash equivalents, beginning of year</b>	<u>80,941</u>	<u>484,590</u>	<u>565,531</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 161,149</u>	<u>\$ 498,424</u>	<u>\$ 659,573</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities</b>			
Operating profit (loss)	\$ 128,834	\$ (501,349)	\$ (372,515)
Adjustments to reconcile operating profit (loss) to net cash provided by (used in) operating activities:			
Depreciation	482,266	65,794	548,060
(Increase) decrease in assets			
Accounts receivable	(4,964)	(36,801)	(41,765)
Inventories	-	1	1
Decrease in liabilities			
Accounts payable and accrued expenses	(5,774)	(67,357)	(73,131)
Deposits	(13,345)	(1,100)	(14,445)
Total adjustments	<u>458,183</u>	<u>(39,463)</u>	<u>418,720</u>
Net cash provided by (used in) operating activities	<u>\$ 587,017</u>	<u>\$ (540,812)</u>	<u>\$ 46,205</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET ASSETS**

**September 30, 2010**

**ASSETS**

Cash and cash equivalents	\$ 1,032,526
Due from other funds	1,338
Due from other governmental units	2,381
Total assets	<u>\$ 1,036,245</u>

**LIABILITIES AND NET ASSETS**

Due to individuals	\$ 104,329
Due to other funds	290,471
Due to other governmental units	473,300
Interest payable	2,418
Other current liabilities	165,727
Total liabilities	<u>1,036,245</u>
Total net assets	<u>-</u>
Total liabilities and net assets	<u>\$ 1,036,245</u>

**See notes to financial statements.**

**WAKULLA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

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

Wakulla County, Florida, (the County) is a political subdivision of the State pursuant to Article VIII, Section 1(a) of the Constitution of the State of Florida. The County is governed by the Board of County Commissioners and five elected constitutional officers (Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector) in accordance with State statutes and regulations. The constitutional officers maintain separate accounting records and budgets from the Board of County Commissioners. The Constitution of the State of Florida, Article VIII, Section 1(d) created the constitutional officers and Article VIII, Section 1(e), created the Board of County Commissioners.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund types in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement 34-Basic Financial Statement and Management's Discussion and Analysis - for State and Local Governments. This Statement provides for the most significant change in financial reporting in over twenty years and scheduled phased implementation (based on the size of government) starting with the fiscal year ending 2002. As part of this statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.). This requirement permitted an optional four-year further delay for implementation of the infrastructure related portion to the fiscal year ending in 2007. The County implemented the basic model in the FY 2002-2003, and fully implemented the infrastructure related portion in 2006.

**A. Reporting Entity**

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial

benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any, should be included in the County's financial statements. Management determined that there are no organizations that should be included in the County's financial statements as component units.

## **B. Measurement Focus and Basis of Accounting**

The basic financial statements of the County are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information

### **1. Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as any discreetly presented component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. As applicable, the County also chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect.

## **2. Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the County's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds, individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

### **Governmental Funds**

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be the measure of "available spendable resources." Governmental funds operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Any non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.



## Proprietary Funds

In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The County applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

### C. Basis of Presentation

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds which either had debt outstanding or specific community focus as major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

#### 1. Governmental Major Funds:

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

**Road Department Fund** - The Road Department Fund accounts for maintenance of county roads and bridges.

**State Housing Initiatives Partnership (SHIP) Fund** - The SHIP Fund accounts for down payment assistance and repairs and maintenance to eligible low-income housing individuals.

**One Cent Sales Tax Fund** - The One Cent Sales Tax Fund accounts for the resources accumulated and capital improvements financed with One Cent sales tax proceeds.

**Impact Fees Fund** - The Impact Fees Fund accounts for the financial transactions relating to impact fees collected in the County.

**Road Paving Fund** - The Road Paving Fund accounts for the expenditures related to road paving projects within the County. Funding is provided from grants and other resources.

## **2. Proprietary Major Funds:**

**Sewer Fund** – The Sewer Fund accounts for the financial transactions of the County's sewer operations.

**Solid Waste Fund** – The Solid Waste Fund accounts for the financial transactions of the County's solid waste collection and disposal services.

## **3. Receivables and Payables**

Activity 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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts.

## **4. Inventories**

Inventories are valued at cost, which approximates market, using the "first-in, first-out" method of accounting. Supplies and inventories of certain governmental funds are recorded as expenditures when consumed rather than when purchased.

## **5. Restricted Assets**

Certain net assets of the County are classified as restricted assets on the statement of net assets because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributions, or laws or regulations of other governments. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net assets and then from unrestricted net assets.

## **6. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to June 30, 1980, assets are recorded at historical cost or estimated historical cost. Roads and bridges constructed prior to June 30, 1980 are generally not reported. 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 not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The County holds legal title to the capital assets used in the operations of the Board, Clerk of the Circuit Court, Property Appraiser, Supervisor of Elections and Tax Collector, and is accountable for them under Florida Law.

The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the Board's governmental activities capital assets in the statement of net assets.

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	39
Machinery and equipment	5 - 10
Public domain infrastructure	30 - 50
System infrastructure	5 - 50

### **7. Capitalization of Interest**

Interest costs related to bond issues and related debt are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments.

### **8. Deferred Revenues**

Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year in which 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.

### **9. Accrued Compensated Absences**

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation.

### **10. Obligation for Bond Arbitrage Rebate**

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue reduction" approach in accounting to rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The County has no arbitrage liability outstanding as of September 30, 2010.

### **11. Landfill Closure Costs**

Under the terms of current state and federal regulations, the County was required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of twenty years after closure. The County recognizes these costs of post-closure maintenance annually. Required obligations for closure and post-closure costs are recognized in the General Landfill Funds.

## NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets.

“Total fund balances” of the County’s governmental funds (\$6,937,798) differs from “net assets” of governmental activities (\$53,110,624) reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheet.

#### Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net assets included those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 79,722,547
Accumulated depreciation	<u>(26,241,722)</u>
Total	<u>\$ 53,480,825</u>

#### Long-term debt transactions

Long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at September 30, 2010, were:

Notes payable	\$4,212,654
Landfill closure/Long-term care	1,256,385
Capital lease-purchase	434,801
Compensated absences	1,146,159
OPEB liability	<u>258,000</u>
Total	<u>\$7,307,999</u>

#### Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$2,669,120 between governmental funds must be eliminated for the statement of net assets.

WAKULLA COUNTY, FLORIDA

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Net Assets
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,294,392	\$ -	\$ -	\$ -	\$ 5,294,392
Accounts receivable - net	868,013	-	-	-	868,013
Due from other funds	2,959,591	-	-	(2,669,120)	290,471
Due from other governmental units	2,277,469	-	-	-	2,277,469
Inventories	27,937	-	-	-	27,937
Investments	172,934	-	-	-	172,934
Prepaid expenses	466,384	-	-	-	466,384
Capital assets - net	-	53,480,825	-	-	53,480,825
Total assets	\$ 12,066,720	\$ 53,480,825	\$ -	\$ (2,669,120)	\$ 62,878,425
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 758,892	\$ -	\$ -	\$ -	\$ 758,892
Accrued liabilities	625,862	-	-	-	625,862
Due to other funds	2,670,458	-	-	(2,669,120)	1,338
Due to other governmental units	104,598	-	-	-	104,598
Deferred revenues	957,417	-	-	-	957,417
Other current liabilities	11,695	-	-	-	11,695
Accrued compensated absences	-	-	1,146,159	-	1,146,159
OPEB liability	-	-	258,000	-	258,000
Capital leases payable	-	-	434,801	-	434,801
Notes payable	-	-	4,212,654	-	4,212,654
Estimated landfill closure and postclosure care	-	-	1,256,385	-	1,256,385
Total liabilities	5,128,922	-	7,307,999	(2,669,120)	9,767,801
Fund balances/net assets	6,937,798	53,480,825	(7,307,999)	-	53,110,624
Total liabilities and fund balance/net assets	\$ 12,066,720	\$ 53,480,825	\$ -	\$ (2,669,120)	\$ 62,878,425

## B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for governmental funds \$(4,932,841) differs from the "change in net assets" for governmental activities \$(294,793) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

### Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$8,461,989
Depreciation expense	(2,784,036)
Loss on disposition of fixed assets	(617,531)
Difference	<u>\$5,060,422</u>

In the statement of activities, debt proceeds increase long-term liabilities. However, in the governmental funds, debt proceeds are treated as other financing sources since they provide current financial resources to governmental funds.

Debt proceeds	<u>\$ (1,700,510)</u>
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Repayments of debt principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Debt principal payments made	<u>\$1,729,537</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	\$(259,760)
Increase in OPEB liability	(258,000)
Net change in landfill postclosure liability	66,359
	<u>\$(451,401)</u>

### Reclassification and Eliminations

Transfers in and transfers out in the amount of \$1,510,109 between governmental activities should be eliminated.

WAKULLA COUNTY, FLORIDA

NOTE 2. RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS  
 B. Explanation of Difference Between Government Fund Operating Statements and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Compensated Absences/OPEB	Reclassifications and Eliminations	Statement of Activities
<b>REVENUES</b>						
Taxes	\$ 13,837,688	\$ -	\$ -	\$ -	\$ -	\$ 13,837,688
Licenses and permits	414,230	-	-	-	-	414,230
Intergovernmental	11,326,607	-	-	-	-	11,326,607
Charges for services	5,459,173	-	-	-	-	5,459,173
Fines and forfeitures	76,424	-	-	-	-	76,424
Interest	190,371	-	-	-	-	190,371
Contributions and miscellaneous	1,291,197	-	-	-	-	1,291,197
Total revenues	32,595,690	-	-	-	-	32,595,690
<b>EXPENDITURES</b>						
Current Expenditures						
General government	6,498,074	259,967	-	152,072	-	6,910,113
Public safety	15,068,483	951,403	-	170,743	-	16,190,629
Physical environment	298,423	325,934	(66,359)	(1,317)	-	556,681
Transportation	2,042,898	987,614	-	-	-	3,030,512
Economic environment	2,425,315	63,937	-	9,609	-	2,498,861
Human services	836,610	52,695	-	10,326	-	899,631
Culture/recreation	1,071,658	142,486	-	167,192	-	1,381,336
Court related	1,095,117	-	-	9,135	-	1,104,252
Capital outlay						
General government	1,611,179	(1,611,179)	-	-	-	-
Public safety	1,270,607	(1,270,607)	-	-	-	-
Physical environment	340,491	(340,491)	-	-	-	-
Transportation	2,600,180	(2,600,180)	-	-	-	-
Economic environment	53,952	(53,952)	-	-	-	-
Culture/recreation	1,505,537	(1,505,537)	-	-	-	-
Court related	1,080,043	(1,080,043)	-	-	-	-
Debt Service						
Principal	1,729,537	-	(1,729,537)	-	-	-
Interest	220,365	-	-	-	-	220,365
Total expenditures	39,748,469	(5,677,953)	(1,795,896)	517,760	-	32,792,380
Excess of revenues over (under) expenditures	(7,152,779)	5,677,953	1,795,896	(517,760)	-	(196,690)
<b>OTHER FINANCING SOURCES (USES)</b>						
Loss on disposal of fixed assets	500,000	(617,531)	-	-	-	(117,531)
Debt proceeds	1,700,510	-	(1,700,510)	-	-	-
Transfers in	1,560,109	-	-	-	1,510,109	3,070,218
Transfers out	(1,540,681)	-	-	-	(1,510,109)	(3,050,790)
Total other financing sources (uses)	2,219,938	(617,531)	(1,700,510)	-	-	(98,103)
Net change in fund balance	(4,932,841)	5,060,422	95,386	(517,760)	-	(294,793)
Fund balances at beginning of year	11,870,639	48,420,403	(5,999,226)	(886,399)	-	53,405,417
Fund balances at end of year	6,937,798	\$ 53,480,825	\$ (5,903,840)	\$ (1,404,159)	\$ -	\$ 53,110,624

### NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### Budgets and Budgetary Accounting

The County uses the following procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 15, the Budget Officer submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Board of County Commissioners.
4. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.
5. Formal budgetary integration is employed as a management control device in all governmental funds.
6. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2010, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Fund budgets are adopted on the accrual basis.
7. Legal control of the budget is exercised pursuant to applicable provisions of *Florida Statutes*.
8. The following is a comparison of the appropriations to total expenses for the proprietary funds for the fiscal year ended September 30, 2010.

	<u>Appropriations</u>	<u>Expenses</u>	Variance <u>Positive (Negative)</u>
Enterprise Funds:			
Sewer Fund	\$2,007,212	\$1,917,888	\$ 89,324
Solid Waste Fund	907,595	1,302,775	(395,180)
	<u>\$2,914,807</u>	<u>\$3,220,663</u>	<u>\$ (305,856)</u>



## NOTE 4. CASH AND CASH EQUIVALENTS

The County maintains a cash pool that is available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions.

### 1. Deposits

At September 30, 2010, the carrying amount of the County's bank deposits was \$5,953,965. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Chief Financial Officer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

### 2. Investments

*Florida Statutes*, and various bond covenants authorize investments in certificates of deposit, money market accounts, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund, obligations by the Florida State Board of Administration, Florida Local Government Investment Trust Fund, obligations of the U.S. Government, obligations of government agencies unconditionally guaranteed by the U.S. Government, obligations of the Federal Farm Credit Banks, obligations of the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates, obligations of the Federal Home Loan Bank, obligations of the Government National Mortgage Association, obligations of the Federal National Mortgage Association and securities of any management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss.80a-1 et seq., provided the portfolio is limited to U.S. Government obligations and to repurchase agreements fully collateralized by U.S. Government obligations. The County invested in only these types of instruments during the fiscal year.

In accordance with generally accepted accounting principles, the County's investments are categorized in the following schedule to give an indication of the level of custodial credit risk assumed at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its agent in the County's name. Investments in the Local Government Surplus Funds Trust Fund and money market accounts are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund and the Fund B Surplus Fund Trust Fund investment pools created by Sections 218.405, *Florida Statutes*, and those made locally. On December 4, 2007, the State Board of Administration restructured the Local Government Surplus Funds Trust Fund (Pool) to also establish the Fund B Surplus Funds Trust Fund. The local investments operate under the guidelines established by Section 218.415, *Florida Statutes*. The County's investments in the Pool, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2010, are similar to money market funds in which shares are reported at fair value, which is amortized cost.

The County's investments in the Fund B, Surplus Funds Trust Fund, are accounted for as a fluctuating net asset value pool, with a fair value factor of .54915068 at September 30, 2010. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the State Board of Administration, are effected by transferring eligible cash or securities to the

Local Government Surplus Funds Trust Fund, consistent with the pro rata allocation of Pool Shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as a liquid balance within the Local Government Surplus Funds Trust Fund.

**Schedule of Investments at September 30, 2010**

Investment	Maturities	Fair Value
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool	33 Day Average	\$ 30
Fund B Surplus Funds Trust Fund	6.69 Year Average	185,977
		<u>\$ 186,007</u>

**Interest Rate Risk**

- Section 218.415(17), *Florida Statutes*, limits investment maturities to provide sufficient liquidity to pay obligations as they come due.
- The maturity of the State Board of Administration Local Government Investment Pool is based on the weighted average of days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. The maturity of the State Board of Administration Fund B Surplus Funds Trust Fund is based on the weighted average life (WAL). A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates as of September 30, 2010.

**Credit Risk**

- Section 218.415(17), *Florida Statutes*, limits investments to the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, *Florida Statutes*; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, *Florida Statutes*, and direct obligations to the United States Treasury. The County's investment policy limits investments to these types of securities.
- As of September 30, 2010, the County's investment in the Local Government Surplus Funds Trust Fund Investment Pool is AAAm by Standard & Poors. The Fund B Surplus Trust Fund is unrated.
- The County's investments in Certificates of Deposit and two money market funds are in qualified public depositories.

## Custodial Credit Risk

- Section 218.415(18), *Florida Statutes*, requires the County to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. All County investments complied with this provision of law.

There were no legal or contractual provisions regarding deposits and investments at year end, except as described in Note 17.

## NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2009-2010 fiscal year were levied in October 2009. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

## NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions/ Capital Outlay	Reclassifications/ Deletions	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets:</b>				
Land	\$ 3,693,299	\$ 1,876,159	\$ -	\$ 5,569,458
Construction in progress	650,283	1,965,593	(231,323)	2,384,553
Buildings and improvements	18,734,365	1,145,589	-	19,879,954
Furniture and equipment - County	6,551,520	1,620,673	(738,702)	7,433,491
Furniture and equipment - Sheriff	4,649,825	801,708	(501,020)	4,950,513
Infrastructure	38,452,311	1,052,267	-	39,504,578
<b>Total capital assets</b>	<b>72,731,603</b>	<b>8,461,989</b>	<b>(1,471,045)</b>	<b>79,722,547</b>
<b>Less accumulated depreciation</b>				
Buildings and improvements	(8,989,546)	(455,435)	-	(9,444,981)
Furniture and equipment - County	(4,739,022)	(985,382)	549,216	(5,175,188)
Furniture and equipment - Sheriff	(3,494,966)	(355,606)	304,299	(3,546,273)
Infrastructure	(7,087,666)	(987,614)	-	(8,075,280)
<b>Total accumulated depreciation</b>	<b>(24,311,200)</b>	<b>(2,784,037)</b>	<b>853,515</b>	<b>(26,241,722)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 48,420,403</b>	<b>\$ 5,677,952</b>	<b>\$ (617,530)</b>	<b>\$ 53,480,825</b>
<b>Business-type activities:</b>				
Land	\$ 245,354	\$ 106,567	\$ -	\$ 351,921
Construction in progress	627,673	53,459	-	681,132
Sewer system improvements	20,639,924	527,202	-	21,167,126
Water system	1,073,859	-	-	1,073,859
Buildings	81,087	-	-	81,087
Equipment	1,344,024	-	(139,976)	1,204,048
<b>Total capital assets</b>	<b>24,011,921</b>	<b>687,228</b>	<b>(139,976)</b>	<b>24,559,173</b>
<b>Less accumulated depreciation</b>	<b>(6,220,882)</b>	<b>(567,455)</b>	<b>139,975</b>	<b>(6,648,362)</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 17,791,039</b>	<b>\$ 119,773</b>	<b>\$ (1)</b>	<b>\$ 17,910,811</b>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General Government	\$ 259,967
Public Safety	951,403
Physical Environment	325,934
Transportation	987,614
Economic Environment	63,937
Human Services	52,695
Culture/Recreation	<u>142,486</u>
Total depreciation expense-governmental activities	<u>\$ 2,784,036</u>
Business-type activities:	
Sewer Services	\$ 567,455
Total depreciation expense-business-type activities	<u>\$ 567,455</u>

#### NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2010, were:

FUND	Interfund Receivables	Interfund Payables
General	\$ 826,136	\$ 174,328
Wakulla Airport	-	16,633
Road Department	16,704	1,005,776
Road Paving	-	22,478
Court Maintenance	11,254	13,817
Crime Prevention	6,649	37,378
Energy Assistance	-	55,563
Fire Department	11,653	-
Florida Boating Improvement	-	481,812
Impact Fee	713,459	27,416
Low Income Energy Assistance	-	2,955
Miscellaneous Grants	-	1,537
Mosquito Control	-	14,022
One Cent Sales Tax	1,253,774	-
Planning and Design Grant	-	135,410
Weatherization Grant	-	231,047
Clerk State Court	19	-
Clerk Child Support	325	-
Clerk Public Records Modernization Trust	6,141	-
Sheriff ARRA Technology	-	156,232
Sheriff ARRA Rural Crime	-	74,952
Sheriff Bullet Proof Vests	-	3,882
Sheriff Civil Citation	-	3,191
Sheriff Crime Prevention	13,817	13,385
Sheriff Donated Funds	-	250
Sheriff Housing Trust	22,867	-
Sheriff RMPA	-	41,618
Sheriff Inmate Welfare	11,998	-
Sheriff JAG Crime Investigator	-	223
Sheriff KWCB	-	4,008
Sheriff Law Enforcement Impact Fees	27,416	27,416
Sheriff Litter Control Parks and Recreation	-	2,584
Sheriff Moving Violation	26,418	26,418
Sheriff BP Oil Administration	-	50,267
Sheriff BP Oil Police Protective Services	-	2,919
Sheriff School Resource Officer	-	13,080
Sheriff \$2 Training	10,961	10,961
Sheriff U.S. Forestry	-	374
Sheriff U.S. Marshall	-	4,802
Sheriff VOCA	-	13,724
	<u>2,959,591</u>	<u>2,670,458</u>
Business - Type:		
Sewer	1,228,668	-
Solid Waste	-	1,228,668
	<u>1,228,668</u>	<u>1,228,668</u>
Agency:		
Clerk Agency	1,338	36,556
Sheriff Individual Depository	-	242,261
Tax Collector Delinquent	-	42
Tax Collector Tax	-	11,612
	<u>1,338</u>	<u>290,471</u>
	<u>\$ 4,189,597</u>	<u>\$ 4,189,597</u>

## NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2010, consisted of the following:

	Transfer In					Total
	General Fund	Road Department	Impact Fees	Nonmajor Governmental	Sewer Enterprise	
Transfers out						
General Fund	\$ -	\$ -	\$ 22,269	\$ 133,650	\$ -	\$ 155,919
Road Department	66,000	79,427	-	-	-	145,427
Impact Fee	233,165	-	-	64,962	-	298,127
One Cent Sales Tax	-	-	-	153,109	-	153,109
Nonmajor Governmental Funds	319,381	-	37,546	400,600	30,572	788,099
Solid Waste Enterprise	10,000	-	-	-	83,805	93,805
Sewer Enterprise	40,000	-	-	-	-	40,000
	<u>\$ 668,546</u>	<u>\$ 79,427</u>	<u>\$ 59,815</u>	<u>\$ 752,321</u>	<u>\$ 114,377</u>	<u>\$ 1,674,486</u>

Transfers are used to 1) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them, 2) provide matching funds for grants, and 3) use unrestricted general fund revenues to finance other activities which must be accounted for in another fund.

## NOTE 9. RECEIVABLE AND PAYABLE BALANCES

### Receivables

Receivables at September 30, 2010, were as follows:

	Accounts Receivable	Due from Other Governments	Total Receivables
Governmental Activities:			
Fund:			
General	\$ 677,100	\$ 190,727	\$ 867,827
Road Department	186,613	149,456	336,069
One-Cent Sales Tax	-	117,980	117,980
Road Paving	-	216,410	216,410
Court Maintenance	-	2,846	2,846
Disaster Relief	-	176,176	176,176
Fire Departments	-	9,739	9,739
Energy Assistance	-	40,295	40,295
Local Option Tourist Development	-	3,906	3,906
Florida Boating	-	526,466	526,466
Mosquito control	-	19,122	19,122
Wakulla Airport	-	16,633	16,633
Miscellaneous Grants	-	1,537	1,537
Planning and Design Grant	-	116,766	116,766
Weatherization LIHEAP	-	2,955	2,955
Weatherization Grant	-	242,261	242,261
Capital Projects	-	32,915	32,915
Clerk State Court	-	1,702	1,702
Clerk Child Support Unit	-	8,718	8,718
Sheriff Bulletproof Vests	-	3,882	3,882
Sheriff BP Oil	-	53,350	53,350
Sheriff Civil Citation	-	4,545	4,545
Sheriff Crime Investigation	-	223	223
Sheriff EMPA	-	46,287	46,287
Sheriff ARRA	-	244,247	244,247
Sheriff KWCB	-	4,563	4,563
Sheriff Litter Control	-	4,072	4,072
Sheriff School Resource Officer	-	15,400	15,400
Sheriff Inmate Welfare	4,300	-	4,300
Sheriff U.S. Forestry	-	486	486
Sheriff VOCA	-	18,506	18,506
Sheriff U.S. Marshall	-	5,298	5,298
	<u>\$ 868,013</u>	<u>\$ 2,277,469</u>	<u>\$ 3,145,482</u>
Business-type Activities:			
Sewer Fund	\$ 67,662	\$ 323,664	\$ 391,326
Solid Waste Fund	83,431	-	83,431
	<u>\$ 151,093</u>	<u>\$ 323,664</u>	<u>\$ 474,757</u>

## Payables

Payables at September 30, 2010, were as follows:

	Vendors	Payroll and Other Liabilities	Total
Governmental Activities:			
Fund:			
General Fund	\$ 149,872	\$ 578,048	\$ 727,920
Road Department	132,760	-	132,760
SHIP	22,297	2,017	24,314
One-Cent Sales Tax	1,914	-	1,914
County Awards	824	-	824
Court Maintenance	1,918	12,541	14,459
Disaster Relief	11,037	-	11,037
Energy Assistance	-	4,709	4,709
Fire Department	15,872	-	15,872
Housing Assistance	-	13,356	13,356
Local Option Tourist Tax	2,781	-	2,781
Mosquito Control	5,100	-	5,100
Planning Grant	20,641	-	20,641
Recreation	5,229	-	5,229
Sheriff KWCB	555	-	555
Sheriff BP Oil	164	-	164
Sheriff EMPA	4,669	-	4,669
Sheriff Litter Control	1,488	-	1,488
Sheriff School Resource Officer	1,517	-	1,517
Sheriff VOCA	4,782	4,474	9,256
Sheriff Civil Citations	1,354	-	1,354
Sheriff Crime Prevention	321	-	321
Sheriff Recovery Act	13,065	-	13,065
Sheriff U.S. Forestry	112	-	112
Sheriff U.S. Marshal	496	-	496
Weatherization LIHEAP	-	3,736	3,736
Capital Projects	355,668	-	355,668
Clerk State Court	3,234	17,887	21,121
Clerk Public Records	1,113	789	1,902
	<u>\$ 758,783</u>	<u>\$ 637,557</u>	<u>\$1,396,340</u>

**NOTE 10. LONG-TERM LIABILITIES**

Governmental Activities

**Notes Payable**

- A. The County has a note with Bank of America, which was utilized for road improvements. This loan is secured by proceeds of the constitutional gas tax and all other non-ad valorem revenues of the County. The loan is payable in monthly installments of \$29,091, including interest at 3.61% through 2014.

The scheduled payment of principal and interest on this note payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2011	\$ 314,637	\$ 34,454	\$ 349,091
2012	326,185	22,906	349,091
2013	338,157	10,934	349,091
2014	118,698	918	119,616
Total	<u>\$1,097,677</u>	<u>\$ 69,212</u>	<u>\$1,166,889</u>

- B. The County has another note with Bank of America which was also used for road improvements. This loan is collateralized by the County's proceeds of the Small County Surtax. This loan is payable in monthly principal installments of \$28,169 plus interest at 3.82%.

The scheduled payment of principal and interest on this note payable are as follows;

Year Ending September 30,	Principal	Interest	Total
2011	\$ 338,028	\$ 75,808	\$ 413,836
2012	338,028	62,890	400,918
2013	338,028	49,624	387,652
2014	338,028	36,532	374,560
2015	338,028	23,440	361,468
2016-2017	422,536	10,922	433,458
Total	<u>\$2,112,676</u>	<u>\$ 259,216</u>	<u>\$2,371,892</u>

- C. The County has another note with Wakulla Bank which was utilized for road improvements to be repaid from special assessments. The loan is payable in annual installments of \$34,694 including interest at 6.5% and is collateralized by special assessments charged to property owners.

The scheduled payments of principal and interest on this note payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2011	\$ 22,519	\$ 12,175	\$ 34,694
2012	23,983	10,711	34,694
2013	25,542	9,152	34,694
2014	27,202	7,492	34,694
2015	28,970	5,724	34,694
Thereafter	59,085	5,676	64,761
Total	<u>\$ 187,301</u>	<u>\$ 50,930</u>	<u>\$ 238,231</u>

- D. The County had a loan with Capital City Bank to purchase financial software. The loan in the original amount of \$100,000 was payable in quarterly installments of \$25,547 including interest at 3.42%. The loan was payable from General Fund non advalorem revenues. This loan was fully paid during the current year.
- E. The County entered into a loan with Hancock Bank to partially fund the Courthouse Renovation Project in July, 2010 in the total amount of \$1,500,000. The loan, if fully disbursed is payable in annual installments of \$242,994, including interest at 3.39% over seven years, beginning December 11, 2011.

\$815,000 had been drawn on this loan during the current year.

The scheduled payments of principal and interest on this loan are as follows:

Year Ending September 30	Principal	Interest	Total
2011	\$ 200,503	\$ 42,491	\$ 242,994
2012	198,941	44,053	242,994
2013	205,685	37,309	242,994
2014	212,658	30,336	242,994
2015	219,867	23,127	242,994
2016	227,320	15,674	242,994
2017	235,026	7,968	242,994
Total	<u>\$ 1,500,000</u>	<u>\$ 200,958</u>	<u>\$ 1,700,958</u>

### Capital Leases

#### Governmental activities

The County has entered into the following lease agreements as a lessee for financing various equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

- A. Purchase of an excavator costing \$221,850, with \$85,000 paid down. The terms of the agreement call for four annual payments of \$38,933 to John Deere Credit, including interest at 5.38%. This loan was fully paid in the current year.



interest at 5.38%. This loan was fully paid in the current year.

- B. Purchase of five motor graders costing a total of \$885,510 with \$500,000 paid down. The terms of the agreement call for annual payments of \$101,921 to John Deere Credit including interest at 2.95%.
- C. Purchase of fire apparatus costing \$181,989 payable in ten annual installments of \$23,443 to Oshkosh Capital including interest at 4.89%.
- D. Purchase of three fire trucks costing \$621,363 payable in nine annual installments of \$72,374 to Leasing 2, Inc., including interest at 3.87%. This lease was fully paid during the current year.
- E. Purchase of tractor and mower costing \$109,095, payable in five annual payments of \$24,026 to John Deere Credit, including interest at 4.95%.
- F. Purchase of computer equipment by the Sheriff costing \$114,006 payable in sixty monthly payments of \$2,201 to Motorola Credit including interest at 5.6%.
- G. Purchase of communications equipment by the Sheriff costing \$59,624 payable in sixty monthly installments of \$1,157 to Motorola Credit including interest at 6.5%.
- H. The Tax Collector leases software and a server under a lease purchase agreement expiring in 2011. The lease calls for monthly payments of \$648 including interest of 9.6%.

The future minimum lease obligations and the net present value of these minimum lease payments of September 30, 2010 were as follows:

Year Ending September 30,	Payments
2011	\$ 186,654
2012	154,017
2013	125,364
Total minimum lease payments	466,035
Less amounts representing interest	(31,234)
Total	<u>\$ 434,801</u>

Business-type activities

- A. The County has a note payable to Bank of America which was utilized for sewer system improvements. The loan is collateralized by sewer system revenues and is payable in monthly installments of \$35,461 including interest at 4.08%.

The scheduled payment of principal and interest on this loan is as follows:

Year Ending September 30,	Principal	Interest	Total
2011	\$ 320,388	\$ 105,144	\$ 425,532
2012	333,707	91,825	425,532
2013	347,580	77,952	425,532
2014	362,029	63,503	425,532
2015	377,080	48,452	425,532
2016-2018	982,038	50,708	1,032,746
Total	<u>\$2,722,822</u>	<u>\$ 437,584</u>	<u>\$3,160,406</u>

- B. The County has a note payable to Capital Truck, Inc. which was utilized to purchase a transfer truck for the wastewater service. The loan is collateralized by the vehicle and is payable in annual installments of \$31,060 including interest at 7.5%.

The scheduled payment of principal and interest on this loan is as follows:

Year Ending September 30,	Principal	Interest	Total
2011	\$ 26,656	\$ 4,405	\$ 31,061
2012	28,655	2,406	31,061
2013	3,418	256	3,674
Total	<u>\$ 58,729</u>	<u>\$ 7,067</u>	<u>\$ 65,796</u>

- C. The County also has a note payable to the State of Florida which is being utilized for sewer system expansion. The loan is collateralized by sewer system revenues and is payable in semi-annual installments of \$43,200 including interest at 2.47% beginning February 15, 2010. The loan is for a maximum of \$1,256,650, including capitalized interest. \$888,872 was outstanding on the loan at September 30, 2010. This loan was fully paid in January, 2011.

#### Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2010 was as follows:

	Beginning				Ending Balance	Due Within One Year
	Balance	Additions	Reductions	Adjustments		
<b>Governmental Activities</b>						
Capital leases	\$ 531,313	\$ 885,510	\$ (982,022)	\$ -	\$ 434,801	\$ 181,073
Notes payable	4,145,169	815,000	(747,515)	-	4,212,654	675,184
Compensated absences	886,399	259,760	-	-	1,146,159	171,924
OPEB payable	-	258,000	-	-	258,000	-
<b>Estimated liability for Landfill</b>						
closure and postclosure cost	1,322,744	-	(66,359)	-	1,256,385	86,783
<b>Total governmental activities</b>	<b>\$ 6,885,625</b>	<b>\$2,218,270</b>	<b>\$(1,795,896)</b>	<b>\$ -</b>	<b>\$ 7,307,999</b>	<b>\$ 1,114,964</b>
<b>Business-type Activities</b>						
Notes payable	\$ 4,049,873	\$ -	\$ (379,450)	\$ -	\$ 3,670,423	\$ 384,318

**NOTE 11. OPERATING LEASES**

The County leases office space and equipment under various long-term operating lease commitments with noncancellable terms. A schedule of minimum rental payments for succeeding fiscal years is as follows:

Year Ending September 30,	
2011	\$ 2,881
<b>Total</b>	<b>\$ 2,881</b>

**NOTE 12. DEFINED BENEFIT PENSION PLAN**

Florida Retirement System

**Plan Description** - The County employees participate in the Florida Retirement System (FRS), a cost-sharing multiple-employer public employee retirement system, administered by the Florida Department of Administration. The FRS is noncontributory for all members; all contributions are made by the employer. The FRS provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a five percent reduction in benefits for each year prior to the normal retirement age. Retirement benefits are based on age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

*Florida Statutes Chapter 121*, as may be amended from time to time by the state legislature, determines contribution rates for the various membership classes of the FRS. The FRS issues a publicly available financial report that includes financial statements, ten-year historical trend information and other required supplementary information. That report may be obtained by writing to the Department of Administration, Division of Retirement, Cedars Executive Center, Building C, 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

**Funding Policy** - The FRS has the following classes of membership applicable to the County with descriptions and contribution rates in effect during the period ended September 30, 2010, as follows (contribution rates are in agreement with the actuarially determined rates):

	July 1, 2009 - June 30, 2010	July 1, 2010 - June 30, 2011
<u>Regular Class</u> - Members not qualifying for other classes	9.85%	10.77%
<u>Senior Management Service Class</u> - Members of senior management who do not elect the optional annuity management system.	13.12%	14.57%
<u>Special Risk Class</u> - Members employed as law enforcement officers, firefighters, correctional officers, or emergency services and meet the criteria set to qualify for this class.	20.92%	23.25%
<u>Special Risk Administrative Support Class</u> Special risk members who are transferred or reassigned to non-special risk and meet the criteria.	12.55%	13.24%
<u>Elected County Officer's Class</u> - Certain elected county officials.	16.53%	18.64%
<u>Deferred Retirement Option Program</u> - Members who are eligible for normal retirement that have elected to participate in the deferred retirement option program.	10.91%	12.25%

Contributions to the FRS for the fiscal year ended September 30, 2010, were equal to 14% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2008, 2009, and 2010, were \$1,607,113, \$1,756,595, and \$1,791,299, respectively, which are equal to 100% of the required contribution for each year.

**NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Pursuant to Section 112.0801, *Florida Statutes*, The County is required to permit participation in the single-employer health insurance program (the "Plan") by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees.

Based on Governmental Accounting Standards Board (GASB) approval of Statement Nos. 43 and 45 which set for the guidelines and a future implementation timetable for reporting and disclosure of Other Post-Employment Benefits (OPEB), the County had an actuary calculate future funding requirements using an appropriate actuarial cost method. The valuation was performed as of October 1, 2010 and covers the subsidies for medical benefits. The County has elected to implement the provisions of GASB Statement No. 45 prospectively. The County's annual OPEB cost for the Plan is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The projected unit credit cost method was used to determine all liabilities, with the liability for each active employee assumed to accrue over the working lifetime based on elapsed time from the date of hire until retirement.

**Plan Description.** The County provides optional post-employment benefits to all eligible individuals including lifetime healthcare coverage. Eligible individuals include all regular employees of the County who retire from active service under the Florida Retirement System. Under certain conditions, eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

**Funding Policy.** The Board of County Commissioners is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. The Board of County Commissioners establishes the contributions requirements of plan members and the County. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost.

Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on whether the retiree elects single, single plus spouse, single plus dependents, or family coverage.

Currently, the County's subsidy to OPEB benefits is unfunded. There are no separate Trust Funds or equivalent arrangements into which the County makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The County's cost of the OPEB benefits, funded on a pay-as-you-go basis, was \$258,000 for the year ended September 30, 2010.

The ultimate implicit and explicit subsidies which are provided over time are financed directly by general assets of the County, which are invested in short-term fixed available income instruments according to its current investment policy. The County selected an interest discount rate of 4.00% per annum, which is the long-range expected return on such short-term fixed income instruments, to calculate the present values and costs of the OPEB. This is consistent with GASB Statement No. 45 guidelines.

Significant Actuarial Assumptions and methods used to estimate the OPEB liability are as follows:

- Valuation date..... October 1, 2010
- Actuarial cost method..... Projected Unit Credit Cost Method
- Amortization method..... Level Dollar Payment
- Amortization period..... 15-Year
- Assumed rate of return on investments..... 4.00% per annum

Assumed healthcare cost trend rates:

Fiscal Year Ending	Percent Increase
2010	10.00%
2011	0.00%
2012-thereafter	6.00%

**Actuarial Methods.** The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and 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. Actuarial calculations reflect a long-term perspective and the methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**Annual OPEB cost and Net OPEB Obligation.** The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 the actuarial liabilities (or funding excess) over a period not to exceed 20 years. The County's annual OPEB cost for the fiscal year was \$286,000.

The County's annual OPEB cost and the net OPEB obligation for the fiscal year ended September 30, 2010 is as follows:

Annual required contribution (ARC).....	\$286,000
Interest on the net OPEB obligation.....	-
Adjustment to the ARC.....	-
	286,000
Employee contributions.....	(27,000)
Interest on employer contributions.....	(1,000)
	(28,000)
Net OPEB obligation - beginning of year.....	-
Net OPEB obligation - end of year.....	\$258,000

The County's percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended September 30, 2010 is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	\$ 286,000	9.8%	\$ 258,000

The 2010 contribution represented 9.8% of the annual required contribution. The actuarial valuation for the Plan was done as of October 1, 2010. Thereafter, actuarial valuations will be done bi-annually.

As of October 1, 2010, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits was \$1,350,000, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,350,000.

The following Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) EAN (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a% of Covered Payroll ((b-1)/c)
10/01/2010	0	\$1,350,000	\$1,350,000	0.0%	not provided	N/A
10/01/2011	N/A	N/A	N/A	N/A	N/A	N/A
10/01/2012	N/A	N/A	N/A	N/A	N/A	N/A

#### NOTE 14. RESTRICTED FUND BALANCES

The balance of restricted fund balances is as follows:

	One Cent		SHIP	Impact	Road	Other	Solid	Total
	General	Sales Tax		Fee	Paving	Governmental	Waste	
Capital improvements	\$ -	\$1,379,840	\$ -	\$ 717,756	\$ -	\$ 98,134	\$ -	\$ 2,195,730
Court related	29,812	-	-	-	-	911,965	-	941,777
Landfill closure	-	-	-	-	-	-	498,424	498,424
Public safety	434,875	-	-	-	-	1,369,186	-	1,804,061
Road projects	-	-	-	-	193,932	-	-	193,932
Other purposes	766,490	-	35,666	-	-	98,978	-	901,134
Total reserved fund balances	\$ 1,231,177	\$1,379,840	\$ 35,666	\$ 717,756	\$193,932	\$2,478,263	\$498,424	\$ 6,535,058

#### NOTE 15. CONTINGENT LIABILITIES

##### Pending Litigation

The County is involved in various litigation matters arising from the normal operations of a local government. It is the opinion of management that none of those matters will have a material impact on the basic financial statements of the County. The County will continue to incur legal expenses regarding defending certain of these actions.

In the prior year, the County was the defendant for special assessments for emergency medical services. This type of special assessment has been found to be an invalid tax by the Florida Supreme Court. The case involves assessments and requests a refund of the assessments. The potential damages to the County could have been several million dollars if a class was certified and the County did not prevail on the equitable considerations defense it raised. In December, 2009, a court order was issued to settle this case. In this order, the County was required to make pro-rated payments to the plaintiffs and pay certain attorney's fees and costs. The County subsequently paid approximately \$41,321 to the class of plaintiffs and \$64,648 in plaintiff attorney's fees and costs. Management believes that this represents the substantial financial liability under this court order. No additional accrual for costs has been made in the financial statements as of September 30, 2010.

### **Grant Programs**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects amounts, if any, to be immaterial.

### **Guarantee of Debt for Others**

The County has agreed to guarantee a \$350,000 loan for a local non-profit. The balance of the loan at September 30, 2010 was approximately \$262,170.

### **NOTE 16. RISK MANAGEMENT**

The County participates in various public entity risk pools for certain of its insurance coverages. Under these insurance risk pools, the County's entity risk pool pays annual premiums to the pools for its insurance coverages. The agreements for formation of the pools provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts.

The County continues to carry commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreements allow for the pools to make additional assessments to make the pools self-sustaining. It is not possible to estimate the amount of such additional assessments, which might have to be paid by the County.

The pooling agreements require the pool to be self-sustaining. It is not possible to estimate the amount of losses, which might have to be borne by the County.

### **NOTE 17. CONSTRUCTION COMMITMENTS**

During the year, the County had in progress several construction projects including road improvements and facilities renovations. At year end, the significant portion of these related



construction commitments were completed and existing funds had been earmarked for any incomplete projects.

**NOTE 18. LANDFILL CLOSURE AND POSTCLOSURE COSTS**

The County has obtained engineering estimates of closure construction costs and future costs to monitor sanitary landfill sites as required by U.S. Environmental Protection Agency regulations and the related provisions of Governmental Accounting Standards Board Statement No 18. A long-term liability for accrued landfill closure and postclosure costs at September 30, 2010, has been recorded in the statement of net assets in the amount of \$1,256,385; representing the County's estimated liabilities for such costs (in 2010 dollars). At September 30, 2010, \$498,242 was held in a separate cash account to fund future closure and postclosure costs.

**NOTE 19. FUND EQUITY DEFICITS**

The following governmental funds had deficit fund balances at September 30, 2010:

Energy Assistance	\$ (19,977)
Road Department	(757,826)
Planning and Design Grant	(39,285)
Weatherization LIHEAP	(3,736)
Total	<u><u>\$(820,824)</u></u>

The deficits of these funds will be funded by grant revenues or interfund transfers received in the ensuing year.

**NOTE 20. FUND BALANCES RECLASSIFICATIONS**

Based upon research regarding legal restrictions on use of governmental funds, the following fund balances have been reclassified in the financial statements:

<u>Fund</u>	<u>Change to</u>	<u>Fund Balance</u>
Building Department	Reserved	\$ 766,440
Sheriff Housing Trust	Unreserved	1,375,795

Additionally, the following reserved fund balance of the General Fund of the Clerk of Circuit Court have been reclassified to separate special revenue funds:

State Court	\$ 28,754
Child Support Grant	66,071
Public Records Modernization Trust	39,106
	<u><u>\$133,931</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**WAKULLA COUNTY, FLORIDA**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 10,898,523	\$ 10,898,523	\$ 10,934,645	\$ 36,122
Licenses and permits	444,830	444,830	414,230	(30,600)
Intergovernmental	4,264,140	4,264,140	4,390,192	126,052
Charges for services	4,602,674	4,637,499	3,934,737	(702,762)
Fines and forfeitures	27,000	27,000	44,999	17,999
Miscellaneous	243,000	243,000	226,990	(16,010)
Interest	3,000	3,000	170,865	167,865
<b>Total revenues</b>	<b>20,483,167</b>	<b>20,517,992</b>	<b>20,116,658</b>	<b>(401,334)</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	6,165,816	6,418,021	6,388,600	29,421
Public safety	13,656,053	13,656,053	12,987,326	668,727
Physical environment	177,865	177,865	194,636	(16,771)
Transportation	22,334	22,334	18,503	3,831
Economic environment	45,749	45,749	38,484	7,265
Human services	913,432	878,432	823,806	54,626
Culture/recreation	874,011	874,011	817,365	56,646
Court related	55,000	55,000	54,966	34
<b>Capital outlay</b>				
General government	14,762	14,762	20,941	(6,179)
Public safety	8,300	8,300	281,250	(272,950)
Economic environment	1,800	1,800	-	1,800
Culture/recreation	10,900	10,900	2,074	8,826
<b>Debt service</b>				
Principal	12,384	12,384	12,050	334
Interest	1,499	1,499	9,604	(8,105)
<b>Total expenditures</b>	<b>21,959,905</b>	<b>22,177,110</b>	<b>21,649,605</b>	<b>527,505</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,476,738)</b>	<b>(1,659,118)</b>	<b>(1,532,947)</b>	<b>126,171</b>
<b>Other financing sources (uses)</b>				
Transfers in	636,288	614,796	668,546	53,750
Transfers out	(83,947)	(243,947)	(155,919)	88,028
<b>Total other financing sources (uses)</b>	<b>552,341</b>	<b>370,849</b>	<b>512,627</b>	<b>141,778</b>
<b>Net change in fund balances</b>	<b>(924,397)</b>	<b>(1,288,269)</b>	<b>(1,020,320)</b>	<b>267,949</b>
<b>Fund balances, beginning of year</b>	<b>2,534,692</b>	<b>2,534,692</b>	<b>2,534,692</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 1,610,295</b>	<b>\$ 1,246,423</b>	<b>\$ 1,514,372</b>	<b>\$ 267,949</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**ROAD DEPARTMENT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,070,476	\$ 1,070,476	\$ 1,071,187	\$ 711
Intergovernmental	1,012,985	1,012,985	886,792	(126,193)
Charges for services	52,000	52,000	-	(52,000)
Miscellaneous	51,000	51,000	6,101	(44,899)
<b>Total revenues</b>	<b>2,186,461</b>	<b>2,186,461</b>	<b>1,964,080</b>	<b>(222,381)</b>
<b>EXPENDITURES</b>				
Current				
Transportation	1,665,636	1,685,636	1,932,526	(246,890)
Capital outlay				
Transportation	356,760	390,578	924,742	(534,164)
Debt service				
Principal	300,735	300,735	992,786	(692,051)
Interest	84,227	84,227	66,293	17,934
<b>Total expenditures</b>	<b>2,407,358</b>	<b>2,461,176</b>	<b>3,916,347</b>	<b>(1,455,171)</b>
Excess (deficiency) of revenues over (under) expenditures	(220,897)	(274,715)	(1,952,267)	(1,677,552)
Other financing sources (uses)				
Sale of fixed assets	-	-	500,000	500,000
Debt proceeds	-	-	885,510	885,510
Transfers in	-	86,000	79,427	(6,573)
Transfers out	(66,000)	(66,000)	(145,427)	(79,427)
<b>Total other financing sources (uses)</b>	<b>(66,000)</b>	<b>20,000</b>	<b>1,319,510</b>	<b>1,299,510</b>
<b>Net change in fund balance</b>	<b>(286,897)</b>	<b>(254,715)</b>	<b>(632,757)</b>	<b>(378,042)</b>
Fund balance, beginning of year	(125,069)	(125,069)	(125,069)	-
<b>Fund balance, end of year</b>	<b>\$ (411,966)</b>	<b>\$ (379,784)</b>	<b>\$ (757,826)</b>	<b>\$ (378,042)</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 850,000	\$ 918,029	\$ 537,558	\$ (380,471)
Miscellaneous	-	-	9,144	9,144
<b>Total revenues</b>	<b>850,000</b>	<b>918,029</b>	<b>546,702</b>	<b>(371,327)</b>
<b>EXPENDITURES</b>				
Current				
Economic environment	904,500	972,529	640,435	332,094
<b>Total expenditures</b>	<b>904,500</b>	<b>972,529</b>	<b>640,435</b>	<b>332,094</b>
<b>Net change in fund balance</b>	<b>(54,500)</b>	<b>(54,500)</b>	<b>(93,733)</b>	<b>(39,233)</b>
Fund balance, beginning of year	129,399	129,399	129,399	-
<b>Fund balance, end of year</b>	<b>\$ 74,899</b>	<b>\$ 74,899</b>	<b>\$ 35,666</b>	<b>\$ (39,233)</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**IMPACT FEES FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Miscellaneous	3,300	3,300	51,978	48,678
<b>Total revenues</b>	<b>203,300</b>	<b>203,300</b>	<b>51,978</b>	<b>(151,322)</b>
<b>EXPENDITURES</b>				
Capital outlay				
General government	245,000	245,000	323,668	(78,668)
Transportation	434,704	434,704	15,324	419,380
<b>Total expenditures</b>	<b>679,704</b>	<b>679,704</b>	<b>338,992</b>	<b>340,712</b>
Excess (deficiency) of revenues over (under) expenditures	(476,404)	(476,404)	(287,014)	189,390
<b>Other financing sources (uses)</b>				
Transfers in	-	-	59,815	59,815
Transfers out	(50,000)	(50,000)	(298,127)	(248,127)
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(238,312)</b>	<b>(188,312)</b>
Net change in fund balances	(526,404)	(526,404)	(525,326)	1,078
Fund balance, beginning of year	1,243,083	1,243,082	1,243,082	-
<b>Fund balance, end of year</b>	<b>\$ 716,679</b>	<b>\$ 716,678</b>	<b>\$ 717,756</b>	<b>\$ 1,078</b>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

ONE CENT SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,706,928	\$ 1,706,928	\$ 1,781,441	\$ 74,513
Intergovernmental	603,418	603,418	-	(603,418)
Miscellaneous	14,308	14,308	144	(14,164)
Total revenues	<u>2,324,654</u>	<u>2,324,654</u>	<u>1,781,585</u>	<u>(543,069)</u>
<b>EXPENDITURES</b>				
Current expenditures				
Transportation	-	-	22,468	(22,468)
Capital outlay				
General government	-	-	1,222,014	(1,222,014)
Public safety	-	-	125,000	(125,000)
Transportation	1,963,961	1,963,961	1,443,704	520,257
Culture/recreation	1,472,305	1,456,420	52,350	1,404,070
Debt service				
Principal	338,028	338,028	338,028	-
Interest	128,176	128,176	88,900	39,276
Total expenditures	<u>3,902,470</u>	<u>3,886,585</u>	<u>3,292,464</u>	<u>594,121</u>
Excess of revenues over expenditures	(1,577,816)	(1,561,931)	(1,510,879)	51,052
Other financing sources (uses)				
Transfers out	(295,524)	(295,524)	(153,109)	142,415
	<u>(295,524)</u>	<u>(295,524)</u>	<u>(153,109)</u>	<u>142,415</u>
Net change in fund balance	(1,873,340)	(1,857,455)	(1,663,988)	193,467
Fund balance, beginning of year	<u>3,043,828</u>	<u>3,043,828</u>	<u>3,043,828</u>	-
Fund balance, end of year	<u>\$ 1,170,488</u>	<u>\$ 1,186,373</u>	<u>\$ 1,379,840</u>	<u>\$ 193,467</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**ROAD PAVING FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 1,600,000	\$ 1,991,222	\$ 216,410	\$ (1,774,812)
Interest	-	-	13,475	13,475
<b>Total revenues</b>	<b>1,600,000</b>	<b>1,991,222</b>	<b>229,885</b>	<b>(1,761,337)</b>
<b>EXPENDITURES</b>				
Capital outlay				
Transportation	1,600,000	1,991,222	216,410	1,774,812
<b>Total expenditures</b>	<b>1,600,000</b>	<b>1,991,222</b>	<b>216,410</b>	<b>1,774,812</b>
Net change in fund balance	-	-	13,475	13,475
Fund balance, beginning of year	180,457	180,457	180,457	-
<b>Fund balance, end of year</b>	<b>\$ 180,457</b>	<b>\$ 180,457</b>	<b>\$ 193,932</b>	<b>\$ 13,475</b>

See notes to financial statements.



**COMBINING STATEMENTS**

**WAKULLA COUNTY, FLORIDA  
GENERAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

	BCC General	Building Department	Clerk	Sheriff	Property Appraiser	Tax Collector	Supervisor	Total General Funds
<b>ASSETS</b>								
Current assets								
Cash	\$ (551,872)	\$ 784,370	\$ 39,917	\$ 16,511	\$ 50,179	\$ 4,654	\$ 24,935	\$ 368,694
Accounts receivable	651,903	-	720	17,678	6,799	-	-	677,100
Due from other funds	364,186	-	13,599	448,351	-	-	-	826,136
Due from other governmental units	190,727	-	-	-	-	-	-	190,727
Inventories	-	-	-	-	-	-	-	-
Prepaid expenses	21,541	-	-	434,875	-	-	-	456,416
<b>Total assets</b>	<b>\$ 676,485</b>	<b>\$ 784,370</b>	<b>\$ 54,236</b>	<b>\$ 917,415</b>	<b>\$ 56,978</b>	<b>\$ 4,654</b>	<b>\$ 24,935</b>	<b>\$ 2,519,073</b>
<b>LIABILITIES AND FUND</b>								
<b>BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ 2,380	\$ -	\$ 4,456	\$ 130,936	\$ 3,933	\$ -	\$ 8,167	\$ 149,872
Accrued liabilities	289,029	17,200	17,953	232,972	-	-	9,199	566,353
Due to other funds	1,430	-	1,338	118,632	52,928	-	-	174,328
Due to other governmental units	90,335	185	627	-	117	3,620	-	94,884
Deferred revenues	-	-	-	-	-	-	7,569	7,569
Other current liabilities	10,116	545	-	-	-	1,034	-	11,695
<b>Total liabilities</b>	<b>\$ 393,290</b>	<b>\$ 17,930</b>	<b>\$ 24,374</b>	<b>\$ 482,540</b>	<b>\$ 56,978</b>	<b>\$ 4,654</b>	<b>\$ 24,935</b>	<b>\$ 1,004,701</b>
<b>FUND BALANCES</b>								
Unreserved fund balance	283,195	-	-	-	-	-	-	283,195
Reserved fund balance	-	766,440	29,862	434,875	-	-	-	1,231,177
<b>Total fund balances</b>	<b>\$ 283,195</b>	<b>\$ 766,440</b>	<b>\$ 29,862</b>	<b>\$ 434,875</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,514,372</b>
<b>Total liabilities and fund balances</b>	<b>\$ 676,485</b>	<b>\$ 784,370</b>	<b>\$ 54,236</b>	<b>\$ 917,415</b>	<b>\$ 56,978</b>	<b>\$ 4,654</b>	<b>\$ 24,935</b>	<b>\$ 2,519,073</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA  
GENERAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended September 30, 2010**

	BCC General	Building Department	Sheriff	Clerk	Tax Collector	Supervisor	Property Appraiser	Total General Funds
<b>REVENUES</b>								
Taxes	\$ 10,934,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,934,645
Licenses and permits	42,646	371,584	-	-	-	-	-	414,230
Intergovernmental	4,389,074	-	-	-	-	1,118	-	4,390,192
Charges for services	3,674,344	16,669	76,739	123,898	41,206	-	1,881	3,934,737
Fines and forfeitures	44,999	-	-	-	-	-	-	44,999
Miscellaneous	190,188	1,632	-	30,337	-	658	4,175	226,990
Interest	68,249	-	-	102,364	-	36	216	170,865
Total revenues	<u>19,344,145</u>	<u>389,885</u>	<u>76,739</u>	<u>256,599</u>	<u>41,206</u>	<u>1,812</u>	<u>6,272</u>	<u>20,116,658</u>
<b>EXPENDITURES</b>								
Current								
General government	3,754,239	-	-	695,506	688,725	305,156	944,974	6,388,600
Public safety	2,438,017	392,275	10,157,034	-	-	-	-	12,987,326
Physical environment	194,636	-	-	-	-	-	-	194,636
Transportation	18,503	-	-	-	-	-	-	18,503
Economic environment	38,484	-	-	-	-	-	-	38,484
Human services	823,806	-	-	-	-	-	-	823,806
Culture/recreation	817,365	-	-	-	-	-	-	817,365
Court related	54,966	-	-	-	-	-	-	54,966
Capital outlay								
General government	13,519	-	-	274	7,148	-	-	20,941
Public safety	-	4,237	277,013	-	-	-	-	281,250
Culture/recreation	2,074	-	-	-	-	-	-	2,074
Debt service								
Principal	-	-	12,050	-	-	-	-	12,050
Interest	-	-	1,833	-	7,771	-	-	9,604
Total expenditures	<u>8,155,609</u>	<u>396,512</u>	<u>10,447,930</u>	<u>695,780</u>	<u>703,644</u>	<u>305,156</u>	<u>944,974</u>	<u>21,649,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,188,536</u>	<u>(6,627)</u>	<u>(10,371,191)</u>	<u>(439,181)</u>	<u>(662,438)</u>	<u>(303,344)</u>	<u>(938,702)</u>	<u>(1,532,947)</u>
Other financing sources (uses)								
Transfers in	801,494	-	10,451,435	439,181	662,438	327,415	938,702	13,620,665
Transfers out	(12,976,746)	(15,000)	(80,244)	-	-	(36,048)	-	(13,108,038)
Total other financing sources (uses)	<u>(12,175,252)</u>	<u>(15,000)</u>	<u>10,371,191</u>	<u>439,181</u>	<u>662,438</u>	<u>291,367</u>	<u>938,702</u>	<u>512,627</u>
Net change in fund balances	<u>(986,716)</u>	<u>(21,627)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,977)</u>	<u>-</u>	<u>(1,020,320)</u>
Fund balances, beginning of year	1,269,911	788,067	434,875	29,862	-	11,977	-	2,534,692
Fund balances, end of year	<u>\$ 283,195</u>	<u>\$ 766,440</u>	<u>\$ 434,875</u>	<u>\$ 29,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,514,372</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

Board of County Commissioners

Special Revenue Funds												
County Awards	Court Maintenance	Crime Prevention	Disaster Relief	E-911 Surchage	Energy Assistance	Fire Departments	Florida Boating	Housing Assistance	Law Education			
<b>ASSETS</b>												
\$ 94,886	\$ 731,463	\$ 195,654	\$ 59,726	\$ 98,695	\$ -	\$ 480,462	\$ -	\$ 222,459	\$ -			
-	-	-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-	-	-			
-	11,254	6,649	-	-	11,653	-	-	-	-			
-	2,846	-	176,176	-	40,295	9,739	526,466	-	-			2,955
-	-	-	-	-	-	-	-	-	-			
\$ 94,886	\$ 745,563	\$ 202,303	\$ 235,902	\$ 98,695	\$ 40,295	\$ 501,854	\$ 526,466	\$ 222,459	\$ 2,955			
<b>LIABILITIES AND FUND BALANCES</b>												
<b>Liabilities</b>												
\$ 824	\$ 1,918	\$ -	\$ 11,037	\$ -	\$ -	\$ 15,872	\$ -	\$ -	\$ -			
-	12,541	-	-	-	4,709	-	-	13,356	-			
-	13,817	37,378	-	-	55,563	-	481,812	-	-			2,955
-	-	7,550	-	-	-	-	-	-	-			
94,062	-	-	59,726	-	-	-	-	161,711	-			
-	-	-	-	-	-	-	-	-	-			
\$ 94,886	\$ 28,276	\$ 44,928	\$ 70,763	\$ -	\$ 60,272	\$ 15,872	\$ 481,812	\$ 175,067	\$ 2,955			
<b>Fund balances</b>												
-	-	-	-	-	-	-	-	-	-			
-	717,287	157,375	165,139	98,695	(19,977)	485,982	44,654	47,392	-			
-	717,287	157,375	165,139	98,695	(19,977)	485,982	44,654	47,392	-			
\$ 94,886	\$ 745,563	\$ 202,303	\$ 235,902	\$ 98,695	\$ 40,295	\$ 501,854	\$ 526,466	\$ 222,459	\$ 2,955			

(Continued)

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

Board of County Commissioners

	Special Revenue Funds																			
	Local Option Tourist Development Tax	Miscellaneous Grants	Mosquito Control	Panacea Vision Grant	Planning and Design Grant	Recreation Program	Solid Waste Grants	Wakulla Airport	Weatherization LIHEAP											
<b>ASSETS</b>																				
Cash and cash equivalents	\$ -	\$ 50,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	3,906	-	-	116,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,633
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 54,801	\$ 1,537	\$ 19,122	\$ 116,766	\$ 44,675	\$ 16,633	\$ -	\$ -	\$ 16,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCES</b>																				
Liabilities																				
Accounts payable	\$ -	\$ 2,781	\$ -	\$ 5,100	\$ 20,641	\$ 5,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,736
Due to other funds	-	-	1,537	14,022	135,410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,633
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	2,781	1,537	19,122	156,051	5,229	16,633	-	-	16,633	-	-	-	-	-	-	-	-	-	3,736
Fund balances																				
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserved	-	52,020	-	-	(39,285)	39,446	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,736)
Total fund balances	-	52,020	-	-	(39,285)	39,446	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,736)
Total liabilities and fund balances	\$ -	\$ 54,801	\$ 1,537	\$ 19,122	\$ 116,766	\$ 44,675	\$ 16,633	\$ -	\$ -	\$ 16,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

	Board of County Commissioners		Clerk of Circuit Court										Sheriff						
	Special Revenue Fund	Capital Projects Fund	Special Revenue Funds										BP Oil Administration	BP Oil Off Duty Detail - Bevis	BP Oil Off Duty Detail - Wolfey	Police Protective Services	Bullet Proof Vest		
			Weatherization Grant	State Court	Child Support Grant	Public Records Modernization Trust	BP Oil Administration	BP Oil Off Duty Detail - Bevis	BP Oil Off Duty Detail - Wolfey	Police Protective Services	Bullet Proof Vest								
<b>ASSETS</b>																			
Cash and cash equivalents	\$ -	\$ 451,460	\$ 77,618	\$ 74,351	\$ 50,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	19	325	6,141	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	242,261	32,915	1,702	8,718	-	50,431	-	-	-	-	-	-	-	-	-	-	-	-	3,882
Prepaid expenses	-	9,968	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 242,261	\$ 494,343	\$ 79,339	\$ 83,394	\$ 56,156	\$ 50,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,882
<b>LIABILITIES AND FUND BALANCES</b>																			
Liabilities																			
Accounts payable	\$ -	\$ 355,668	\$ 3,234	\$ -	\$ 1,113	\$ 164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	4,474	-	17,887	-	789	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	231,047	-	-	-	-	50,267	-	-	-	-	-	-	-	-	-	-	-	-	3,882
Due to other governmental units	-	-	1,361	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	40,541	28,103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	235,521	396,209	50,585	83,394	1,902	50,431	-	-	-	-	-	-	-	-	-	-	-	-	3,882
Fund balances																			
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserved	6,740	98,134	28,754	83,394	54,254	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	6,740	98,134	28,754	83,394	54,254	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 242,261	\$ 494,343	\$ 79,339	\$ 83,394	\$ 56,156	\$ 50,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,882

(Continued)

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

Sheriff

Special Revenue Funds

	Civil Citation	Crime Investigator	Crime Prevention	Donated Funds	EMPA	Federal		Firing Range	Homeland Security	Housing Trust	Inmate Welfare
						Forfeiture Trust					
<b>ASSETS</b>											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 12,636	\$ -	\$ -	\$ 1,797	\$ 8,600	\$ -	\$ 1,352,928	\$ 371,282
Investments	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	4,300
Due from other funds	-	-	13,817	-	-	-	-	-	-	22,867	11,998
Due from other governmental units	4,545	223	-	-	46,287	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 4,545	\$ 223	\$ 13,817	\$ 12,636	\$ 46,287	\$ 1,797	\$ 8,600	\$ -	\$ -	\$ 1,375,795	\$ 387,580

**LIABILITIES AND FUND BALANCES**

Liabilities											
Accounts payable	\$ 1,354	\$ -	\$ 432	\$ -	\$ -	\$ 4,669	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	3,191	223	13,385	250	41,618	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	\$ 4,545	\$ 223	\$ 13,817	\$ 250	\$ 46,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances											
Unreserved	-	-	-	12,386	-	-	1,797	8,600	-	1,375,795	387,580
Reserved	-	-	-	12,386	-	-	1,797	8,600	-	1,375,795	387,580
Total fund balances	-	-	-	24,772	-	-	3,594	17,200	-	2,751,590	775,160
Total liabilities and fund balances	\$ 4,545	\$ 223	\$ 13,817	\$ 12,636	\$ 46,287	\$ 1,797	\$ 8,600	\$ -	\$ -	\$ 1,375,795	\$ 387,580

(Continued)

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

Sheriff

Special Revenue Funds

	JAG/AVL	JAG/Meeth Lab	KWCB	Law		Litter Control		Litter Control VMS	Moving Violation	One Cent		Recovery Act Rural Crime
				Enforcement Impact Fees	Enforcement Trust	Parks and Recreation	Sales Tax					
<b>ASSETS</b>												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 51,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	27,416	-	-	-	-	26,418	-	-	-
Due from other governmental units	-	-	4,563	-	-	4,072	-	-	-	-	-	85,596
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ 4,563	\$ 27,416	\$ 51,632	\$ 4,072	\$ -	\$ 26,418	\$ -	\$ -	\$ -	\$ 85,596

**LIABILITIES AND FUND BALANCES**

Liabilities												
Accounts payable	\$ -	\$ -	\$ 555	\$ -	\$ -	\$ 1,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,644
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	4,008	27,416	-	2,884	-	-	26,418	-	-	74,952
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	\$ 4,563	\$ 27,416	\$ -	\$ 4,072	\$ -	\$ 26,418	\$ -	\$ -	\$ -	\$ 85,596
Fund balances												
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	51,632	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	51,632	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ -	\$ -	\$ 4,563	\$ 27,416	\$ 51,632	\$ 4,072	\$ -	\$ 26,418	\$ -	\$ -	\$ -	\$ 85,596

(Continued)



**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2010**

Sheriff

	Special Revenue Funds										Totals
	Recovery Act Technology	Recovery Act Vehicles	SARG/WCCY	School Resource Officer	Training	U.S. Forestry	U.S. Marshall	VOCA			
<b>ASSETS</b>											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,431,234
Investments	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	4,300
Due from other funds	-	-	-	-	10,961	-	-	-	-	-	149,518
Due from other governmental units	-	-	-	15,400	-	486	5,298	18,506	-	-	1,602,896
Prepaid expenses	158,651	-	-	-	-	-	-	-	-	-	9,968
Total assets	\$ 158,651	\$ -	\$ -	\$ 15,400	\$ 10,961	\$ 486	\$ 5,298	\$ 18,506	\$ -	\$ -	\$ 6,197,916
<b>LIABILITIES AND FUND BALANCES</b>											
<b>Liabilities</b>											
Accounts payable	\$ 2,419	\$ -	\$ -	\$ 1,517	\$ -	\$ 112	\$ 496	\$ 4,782	\$ -	\$ -	\$ 452,049
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	57,492
Due to other funds	156,232	-	-	13,080	10,961	374	4,802	13,724	-	-	1,440,460
Due to other governmental units	-	-	-	803	-	-	-	-	-	-	9,714
Deferred revenue	-	-	-	-	-	-	-	-	-	-	384,143
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	158,651	-	-	15,400	10,961	486	5,298	18,506	-	-	2,343,858
<b>Fund balances</b>											
Unreserved	-	-	-	-	-	-	-	-	-	-	1,375,795
Reserved	-	-	-	-	-	-	-	-	-	-	2,478,263
Total fund balances	-	-	-	-	-	-	-	-	-	-	3,854,058
Total liabilities and fund balances	\$ 158,651	\$ -	\$ -	\$ 15,400	\$ 10,961	\$ 486	\$ 5,298	\$ 18,506	\$ -	\$ -	\$ 6,197,916

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended September 30, 2010**

Board of County Commissioners											
Special Revenue Funds											
County Awards	Court Maintenance	Crime Prevention	Disaster Relief	E-911 Surcharge	Energy Assistance	Fire Departments	Florida Boating	Housing Assistance	Law Education		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
2,492	-	-	222,644	24,864	199,714	-	58,392	999,708	266,508		
-	273,931	54,025	-	158,864	20,444	-	17,712	37,121	-		
-	-	-	-	-	-	-	-	-	-		
-	400	-	-	-	-	-	-	137	-		
31	-	-	-	-	-	-	-	-	-		
2,523	273,931	54,025	222,644	183,718	220,158	-	76,104	1,036,965	266,508		
<b>REVENUES</b>											
Taxes											
Intergovernmental											
Charges for services											
Fines											
Miscellaneous											
Interest											
Total revenues	273,931	54,025	222,644	183,718	220,158	-	76,104	1,036,965	266,508		
<b>EXPENDITURES</b>											
Current operating											
General government											
Public safety		21,103	282,629	24,864	-	545,289	-	-	-		
Physical environment											
Transportation											
Economic environment					192,637			1,054,016			
Human services											
Culture/recreation							68,116				
Court-related	232,228										
Capital outlay											
General government											
Public safety						333,400					
Physical environment											
Economic environment											
Culture/recreation								22,129			
Court-related	2,961										
Debt service						286,875					
Principal						52,310					
Interest						1,217,874					
Total expenditures	235,189	21,103	282,629	24,864	192,637	1,217,874	68,116	1,076,145	-		
327	38,742	32,922	(59,985)	158,854	27,521	(252,727)	7,988	(39,179)	266,508		
<b>OTHER FINANCING SOURCES (USES)</b>											
Debt proceeds											
Transfers from other funds		1,077									
Transfers to other funds	(13,817)	(26,458)	(1,735)	(229,175)		(23,000)			(266,508)		
Total other financing sources (uses)	(13,817)	(25,381)	(1,735)	(229,175)		(23,000)			(266,508)		
327	24,925	7,581	(61,720)	(70,321)	27,521	(275,727)	61,394	(39,179)	-		
(327)	692,362	149,794	226,859	169,016	(47,498)	764,709	(16,740)	86,571	-		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
-	717,287	157,375	165,139	98,695	(19,977)	485,982	44,654	47,392	-		

(continued)

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended September 30, 2010**

	Board of County Commissioners									
	Local Option	Special Revenue Funds				Solid Waste Grants	Wakulla Airport	Weatherization LIHEAP		
Litter Grant	Tourist Development Tax	Miscellaneous Grants	Mosquito Control	Panacea Vision Grant	Planning and Design Grant				Recreation Program	
<b>REVENUES</b>										
Taxes	\$ 60,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental										
Charges for services	14,988	1,494,689	-	19,122	43,990	-	4,893	-	22,056	-
Fines	-	-	-	-	-	128,384	-	-	-	-
Miscellaneous	-	3,039	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>14,988</b>	<b>1,548,113</b>	<b>-</b>	<b>19,122</b>	<b>43,990</b>	<b>128,384</b>	<b>4,893</b>	<b>-</b>	<b>22,056</b>	<b>-</b>
<b>EXPENDITURES</b>										
Current operating										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Physical environment	14,988	-	-	-	-	-	4,893	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic environment	-	41,720	-	-	-	-	-	-	-	24,556
Human services	-	-	-	12,804	-	-	-	-	-	-
Culture/recreation	-	50,000	-	-	43,990	91,507	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	1,444,689	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>14,988</b>	<b>1,536,379</b>	<b>-</b>	<b>12,804</b>	<b>43,990</b>	<b>91,507</b>	<b>4,893</b>	<b>-</b>	<b>24,556</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	-	11,734	-	6,318	-	36,877	-	-	(2,500)	-
<b>OTHER FINANCING SOURCES (USES)</b>										
Debt proceeds	-	-	-	-	-	-	-	-	-	-
Transfers from other funds	3,265	-	-	-	4,092	-	-	-	-	-
Transfers to other funds	-	-	-	-	(7,324)	-	-	-	(6,308)	-
<b>Total other financing sources (uses)</b>	<b>3,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,232)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,308)</b>	<b>-</b>
Net change in fund balances	3,265	11,734	-	6,318	(3,232)	36,877	-	-	(8,808)	-
Fund balance, beginning of year	(3,265)	40,286	-	(6,318)	3,232	2,569	-	-	5,072	-
<b>Fund balance, end of year</b>	<b>-</b>	<b>52,020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,446</b>	<b>-</b>	<b>-</b>	<b>(3,736)</b>	<b>-</b>

(continued)

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended September 30, 2010**

	Board of County Commissioners				Clerk of Courts				Sheriff					
	Special Revenue Funds		Capital Projects		Special Revenue Funds		Public Records		Special Revenue Funds		BP Oil		BP Oil	
	Weatherization Grant	Capital Projects	State Court	Child Support Grant	Modernization Trust	Administration	Off Duty Detail	Off Duty Detail	Police Protective Services	Bullet Proof Vest				
<b>REVENUES</b>														
Taxes														
Intergovernmental	411,583	96,442	676,186	61,409										8,126
Charges for services					93,976	50,431	20,566	22,096	4,757					
Fines	364			1,252	1,108									
Miscellaneous														
Interest														
Total revenues	411,947	96,442	676,186	62,661	95,084	50,431	20,566	22,096	4,757					8,126
<b>EXPENDITURES</b>														
Current operating														
General government				42,198	67,276									18,451
Public safety						50,431	20,566	22,096	4,757					
Physical environment		25,000												
Transportation		64,708												
Economic environment	433,467													
Human services														
Culture/recreation		680												
Court-related		136,631	671,292											
Capital outlay														
General government		28,756		3,140	12,660									
Public safety														
Physical environment		340,491												
Economic environment	31,823													
Culture/recreation		6,454	4,894											
Court-related		1,072,188												
Debt service														
Principal		75,327												
Interest		1,311												
Total expenditures	465,290	1,751,546	676,186	45,338	79,936	50,431	20,566	22,096	4,757					18,451
Excess (deficiency) of revenues over (under) expenditures	(53,343)	(1,655,104)		17,323	15,148									(30,325)
<b>OTHER FINANCING SOURCES (USES)</b>														
Debt proceeds		815,000												
Transfers from other funds	6,308													10,325
Transfers to other funds														
Total other financing sources (uses)	6,308	815,000												10,325
Net change in fund balances	(47,035)	(840,104)		17,323	15,148									
Fund balance, beginning of year	53,775	938,238	28,754	66,071	39,106									
Fund balance, end of year	6,740	98,134	28,754	83,394	54,254									

(continued)

**WAKULLA COUNTY, FLORIDA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended September 30, 2010**

	Civil Citation	Special Revenue Funds										Inmate Welfare	
		Crime Investigator	Crime Prevention	Donated Funds	EMPA	Federal Forfeiture Trust	Firing Range	Homeland Security	Housing Trust				
<b>REVENUES</b>													
Taxes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	34,611	-	-	-	119,909	-	-	-	49,519	-	-	-	-
Charges for services		-	-	4,096	2,498	-	36,191	-	-	-	212,762	-	107,291
Fines		-	-	25,636	-	-	-	-	-	-	-	-	-
Miscellaneous		-	-	1	-	5	19	-	-	-	23,344	-	5,980
Interest		-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	34,611	-	-	29,733	122,407	5	36,210	49,519	236,106	49,519	-	-	113,261
<b>EXPENDITURES</b>													
Current operating													
General government													
Public safety	34,611	20,223	13,817	29,027	127,922	100	24,686	49,519	-	-	-	-	30,976
Physical environment													
Transportation													
Economic environment													
Human services													
Culture/recreation													
Court-related													
Capital outlay													
General government													
Public safety		31,567	-	-	19,137	-	5,688	-	-	-	-	-	-
Physical environment													
Economic environment													
Culture/recreation													
Court-related													
Debt service													
Principal													
Interest													
Total expenditures	34,611	51,790	13,817	29,027	147,059	100	30,374	49,519	-	-	-	-	30,976
Excess (deficiency) of revenues over (under) expenditures	-	(51,790)	(13,817)	706	(24,652)	(95)	5,836	-	236,106	-	-	-	82,305
<b>OTHER FINANCING SOURCES (USES)</b>													
Debt proceeds													
Transfers from other funds		51,790	13,817	-	24,652	-	-	-	-	-	-	-	-
Transfers to other funds													
Total other financing sources (uses)		51,790	13,817	-	24,652	-	-	-	-	-	(150,000)	-	-
Net change in fund balances		-	-	706	-	(95)	5,836	-	86,106	-	-	-	82,305
Fund balance, beginning of year				11,660	-	1,892	2,764	-	1,289,689	-	-	-	305,275
Fund balance, end of year				\$ 12,366	\$ -	\$ 1,797	\$ 8,600	\$ -	\$ 1,375,795	\$ -	\$ -	\$ -	\$ 387,580

(continued)

**WAKULLA COUNTY, FLORIDA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended September 30, 2010**

	Sheriff									
	JAG/AVL	JAG/Meth Lab	KWCB	Law Enforcement Impact Fees	Law Enforcement Trust	Litter Control Parks and Recreation	Litter Control VMS	Moving Violation	One Cent Sales Tax	Recovery Act Rural Crime
<b>REVENUES</b>										
Taxes										
Intergovernmental Charges for services			18,942			52,493	35,336			256,400
Fines	178				5,789					
Miscellaneous					1,856					
Interest										
Total revenues	178		18,942		7,645	52,493	35,336			256,400
<b>EXPENDITURES</b>										
Current operating										
General government		1,877	18,942	1,180	3,748	52,493	88,420		8,066	256,400
Public safety										
Physical environment										
Transportation										
Economic environment										
Human services										
Culture/recreation										
Court-related										
Capital outlay										
General government	16,650	8,949		26,256					145,043	
Public safety										
Physical environment										
Economic environment										
Culture/recreation										
Court-related										
Debt service										
Principal										
Interest										
Total expenditures	16,650	10,786	18,942	27,416	3,748	52,493	88,420		153,109	256,400
Excess (deficiency) of revenues over (under) expenditures	(16,472)	(10,786)		(27,416)	3,897		(53,084)		(153,109)	
<b>OTHER FINANCING SOURCES (USES)</b>										
Debt proceeds										
Transfers from other funds	16,472	10,786		27,416			53,084		153,109	
Transfers to other funds										
Total other financing sources (uses)	16,472	10,786		27,416			53,084		153,109	
Net change in fund balances										
Fund balance, beginning of year										
Fund balance, end of year										
(continued)										

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended September 30, 2010**

	Sheriff									
	Recovery Act Technology	Recovery Act Vehicles	SARC/WCCY Youth Coalition	Special Revenue Funds School Resource Officer	2\$ Training	U.S. Forestry	U.S. Marshall	VOCA	Totals	
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,415	
Intergovernmental	-	-	34,890	-	-	-	-	100,371	5,295,655	
Charges for services	-	-	-	154,000	-	3,000	15,930	-	1,524,436	
Fines	-	-	-	-	-	-	-	-	31,425	
Miscellaneous	-	-	-	-	-	-	-	-	996,984	
Interest	-	-	-	-	-	-	-	-	5,887	
Total revenues	-	-	34,890	154,000	-	3,000	15,930	100,371	7,904,802	
<b>EXPENDITURES</b>										
Current operating										
General government	-	-	-	-	-	-	-	-	109,474	
Public safety	-	1,023	34,890	157,172	10,961	3,074	12,938	106,730	2,081,157	
Physical environment	-	-	-	-	-	-	-	-	103,787	
Transportation	-	-	-	-	-	-	-	-	69,401	
Economic environment	-	-	-	-	-	-	-	-	1,746,396	
Human services	-	-	-	-	-	-	-	-	12,804	
Culture/recreation	-	-	-	-	-	-	-	-	254,293	
Court-related	-	-	-	-	-	-	-	-	1,040,151	
Capital outlay	-	-	-	-	-	-	-	-	44,556	
General government	231,333	43,372	-	-	-	-	2,992	-	864,357	
Public safety	-	-	-	-	-	-	-	-	340,491	
Physical environment	-	-	-	-	-	-	-	-	53,952	
Economic environment	-	-	-	-	-	-	-	-	1,451,113	
Culture/recreation	-	-	-	-	-	-	-	-	1,080,043	
Court-related	-	-	-	-	-	-	-	-	386,673	
Debt service	-	-	-	-	-	-	-	-	55,568	
Principal	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
Total expenditures	231,333	44,395	34,890	157,172	10,961	3,074	15,930	106,730	9,694,216	
Excess (deficiency) of revenues over (under) expenditures	(231,333)	(44,395)	-	(3,172)	(10,961)	(74)	-	(6,359)	(1,789,414)	
<b>OTHER FINANCING SOURCES (USES)</b>										
Debt proceeds	-	-	-	-	-	-	-	-	815,000	
Transfers from other funds	231,333	44,395	-	3,172	10,961	74	-	6,359	752,321	
Transfers to other funds	-	-	-	-	-	-	-	-	(788,099)	
Total other financing sources (uses)	231,333	44,395	-	3,172	10,961	74	-	6,359	719,222	
Net change in fund balances	-	-	-	-	-	-	-	-	(1,010,192)	
Fund balance, beginning of year	-	-	-	-	-	-	-	-	4,864,250	
Fund balance, end of year	-	-	-	-	-	-	-	-	\$ 3,854,058	

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**September 30, 2010**

	Board of		Clerk		Sheriff		
	County	Commissioners	Court	Agency	Inmate	Forfeitures	
	Wilderness	Coast	Library	Individual	Trust	Held in Trust	Suspense
Cash and cash equivalents	\$ 83,258	\$ 368,071	\$ 242,261	\$ 14,878	\$ 31,093	\$ 2,895	
Due from other funds	-	1,338	-	-	-	-	
Due from other governmental units	1,921	440	-	-	-	-	
Total assets	\$ 85,179	\$ 369,849	\$ 242,261	\$ 14,878	\$ 31,093	\$ 2,895	

**ASSETS**

**LIABILITIES AND NET ASSETS**

Liabilities							
Due to individuals	\$ -	\$ 86,556	\$ -	\$ 14,878	\$ -	\$ 2,895	
Due to other funds	-	36,556	242,261	-	-	-	
Due to other governmental units	19	246,737	-	-	-	-	
Interest payable	-	-	-	-	-	-	
Other current liabilities	85,160	-	-	-	31,093	-	
Total liabilities	85,179	369,849	242,261	14,878	31,093	2,895	
Net assets	-	-	-	-	-	-	
Total liabilities and net assets	\$ 85,179	\$ 369,849	\$ 242,261	\$ 14,878	\$ 31,093	\$ 2,895	

(Continued)



**WAKULLA COUNTY, FLORIDA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**September 30, 2010**

	Tax Collector					
	Bankruptcy	Boating	Delinquent Tax	Hunting and Fishing	Litigation	MSBU
<b>ASSETS</b>						
Cash and cash equivalents	\$ 19,130	\$ -	\$ 10,022	\$ 327	\$ 21,380	\$ -
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	19	-	-	-	-
<b>Total assets</b>	<b>\$ 19,130</b>	<b>\$ 19</b>	<b>\$ 10,022</b>	<b>\$ 327</b>	<b>\$ 21,380</b>	<b>\$ -</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Liabilities</b>						
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	42	-	-	-
Due to other governmental units	-	19	-	327	-	-
Interest payable	-	-	580	-	459	-
Other current liabilities	19,130	-	9,400	-	20,921	-
<b>Total liabilities</b>	<b>19,130</b>	<b>19</b>	<b>10,022</b>	<b>327</b>	<b>21,380</b>	<b>-</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ 19,130</b>	<b>\$ 19</b>	<b>\$ 10,022</b>	<b>\$ 327</b>	<b>\$ 21,380</b>	<b>\$ -</b>

(Continued)

**WAKULLA COUNTY, FLORIDA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**September 30, 2010**

		Tax Collector				
	Old	Tag	Tax	Tax	Escrow	Totals
	Delinquent					
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,757	\$ 11,612	\$ -	\$ 224,841	\$ 1	\$ 1,032,526
Due from other funds	-	-	-	-	-	1,338
Due from other governmental units	-	-	-	1	-	2,381
Total assets	\$ 2,757	\$ 11,612	\$ -	\$ 224,842	\$ 1	\$ 1,036,245
<b>LIABILITIES AND NET ASSETS</b>						
Liabilities						
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,329
Due to other funds	-	11,612	-	-	-	290,471
Due to other governmental units	1,684	-	-	224,514	-	473,300
Interest payable	1,073	-	-	306	-	2,418
Other current liabilities	-	-	-	22	1	165,727
Total liabilities	2,757	11,612	-	224,842	1	1,036,245
Net assets	-	-	-	-	-	-
Total liabilities and net assets	\$ 2,757	\$ 11,612	\$ -	\$ 224,842	\$ 1	\$ 1,036,245

See notes to financial statements.

**SINGLE AUDIT AND COMPLIANCE SECTION**

**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**

To the Board of County Commissioners  
and Constitutional Officers  
Wakulla County, Florida

We have audited the basic financial statements of Wakulla County, Florida (the County), as of and for the year ended September 30, 2010, and have issued our report thereon dated April 14, 2011. 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.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered Wakulla County, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wakulla County, Florida's, internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

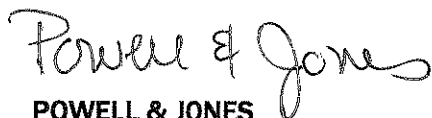
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether Wakulla County, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

However, we noted certain matters that we reported to management of Wakulla County in a separate letter dated April 14, 2011, on pages 96 - 99.

This report is intended solely for the information and use of management, the Wakulla County Board of County Commissioners and Constitutional Officers, federal and state awarding agencies and pass-through entities, and the Auditor General of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
Certified Public Accountants  
April 14, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL  
CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR  
FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT**

Honorable Board of County Commissioners  
and Constitutional Officers  
Wakulla County, Florida

Compliance

We have audited the compliance of Wakulla County, Florida with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2010. Wakulla County, Florida's major federal awards programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal awards programs and state financial assistance projects is the responsibility of Wakulla County, Florida's management. Our responsibility is to express an opinion on Wakulla County, Florida's compliance based on our audit.

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 awards program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about Wakulla County, Florida'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. Our audit does not provide a legal determination of Wakulla County, Florida's compliance with those requirements.

In our opinion, Wakulla County, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2010.

Internal Control Over Compliance

The management of Wakulla County, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs and state financial assistance projects. In planning and performing our audit, we considered Wakulla County, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal awards program or state financial assistance project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal and control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal awards program or state financial assistance project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Expenditures of Federal Awards and State Financial Assistance**

We have audited the basic financial statements of Wakulla County, Florida as of and for the year ended September 30, 2010, and have issued our report thereon dated April 14, 2011. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, Constitutional Officers, management, and federal and state awarding agencies, pass-through entities, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



**POWELL & JONES**  
Certified Public Accountants  
April 14, 2011

**WAKULLA COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Fiscal Year Ended September 30, 2010**

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
<b>FEDERAL AWARDS</b>						
<b>MAJOR PROGRAMS</b>						
US Department of Housing and Urban Development Housing Choice Voucher Grant	14.871	FL096	\$ 999,708	\$ -	\$ 1,036,967	\$ 1,076,146
US Department of Energy passed through Florida Department of Community Affairs Weatherization Assistance Program (WAP) Grant (ARRA)	81.042	10WX-7X-02-75-01-736	\$ 664,887	48,907	\$ 298,446	\$ 298,446
Weatherization Assistance Program (WAP) Grant	81.042	09WX-7W-02-75-01-036	279,929	3,844	111,780	165,124
Weatherization Assistance Program (WAP) Grant/ARRA	81.042	10WX-7X-02-75-01-336	12,735	-	1,720	1,720
Total major programs			1,957,259	52,751	411,946	465,290
			1,957,259	52,751	1,448,913	1,541,436
<b>NONMAJOR PROGRAMS</b>						
US Department of Commerce National Oceanic and Atmospheric Administration Mashes Sands Beach Erosion Control Grant	11.419	NA170Z2144	81,411	29,891	-	-
US Department of Housing and Urban Development Community Center Grant	14.251	B-06-SP-FL-0230	396,000	3,632	-	-
Passed through the Florida Department of Community Affairs Community Development Block Grant-Buckhorn Village	435	06-DB-3K-02-75-01-E01	750,000	434,214	25,476	25,476
US Department of Interior Fish and Wildlife Service Land and Water Conservation Fund Grant	15.916	4018146209	228,580	118,456	32,219	32,219
Bureau of Justice Assistance/Office of Criminal Justice Grants passed through Florida Office of the Attorney General Victims of Crime Act (VOCA) Grant	16.575	V8021	103,133	-	100,784	100,784
Bureau of Justice Assistance/Office of Criminal Justice Grants Bulletproof Vest Grant	16.607	FY2005	8,959	7,065	1,894	1,894
Bulletproof Vest Grant	16.607	FY2006	2,690	-	2,543	2,543
Bulletproof Vest Grant	16.607	FY2008	4,097	-	-	-
passed through Florida Department of Law Enforcement			15,746	7,065	4,437	4,437
E. Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-0982	10,787	-	10,787	10,787
E. Byrne Memorial Justice Assistance Grant	16.738	2009-SB-B9-0726	44,388	-	44,388	44,388
			55,175	-	55,175	55,175
E. Byrne Memorial Justice Assistance Grant	16.803	2010-JACS-WAKU-1-W2-010	56,411	-	51,567	51,567
E. Byrne Memorial Justice Assistance Grant	16.803	2010-ARRC-WAKU-1-W7-278	231,555	-	159,767	159,767
Total Bureau of Justice Assistance/Office of Criminal Justice Grants			462,020	7,065	371,130	371,130
U.S. Department of Transportation passed through Florida Department of Transportation Ochlocknee Bay Trail Grant Phase II	20.205	ANR31	601,700	18,061	-	-
Ochlocknee Bay Trail Grant Phase I	20.205	A0783	78,798	33,795	11,771	11,771
Road Striping Project/ARRA	20.205	428102-18-01	120,000	-	-	-
		426718-1-58-01	101,708	-	64,708	64,708
			902,206	51,856	76,479	76,479
Federal Environmental Protection Agency passed through Florida Department of Environmental Protection Capitalization Grant for Clean Water State Revolving Funds	66.458	WW64206P	1,256,500	933,008	17,591	17,591

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.



**WAKULLA COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Fiscal Year Ended September 30, 2010**

Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
Federal and State Grantor/Pass Through Grantor						
US Department of Homeland Security						
passed through the Florida Department of Community Affairs						
Disaster Assistance Grant	97.036	06DN-02-75-01-586	589,641	63,873	220,909	220,909
Disaster Assistance Grant	97.036	09-SS-EB-02-75-13-549	40,664	-	-	-
Disaster Assistance Grant		PW Ref # 40330	9,978	-	1,735	1,735
			640,283	63,873	222,644	222,644
U.S. Elections Assistance Commission						
Help America Vote Act						
passed through State of Florida Division of Elections						
Election Reform Payments/ MOVE Act	90.401	FY09/10	3,832	-	1,024	1,024
Election Reform Payments/ HAVA	90.401	FY10/11	4,891	-	-	-
Voting Systems Assistance/ Pollworker Recruitment	90.401	FY07/08	3,207	1,130	2,207	2,207
			11,930	1,130	3,231	3,231
passed through Florida Department of Revenue						
Title IV-D Funds	93.563	CC365	61,299	-	61,299	61,299
passed through Florida Department of Community Affairs						
Low Income Home Energy Assistance Grant	93.568	10EA-8F-02-75-01-032	210,660	-	94,472	94,472
Low Income Home Energy Assistance Grant	93.568	09EA-7K-02-75-01-032	166,712	54,960	105,242	105,242
Low Income Home Energy Assistance Grant	93.568	08LH-7B-02-75-01-036	112,369	112,369	-	-
Low Income Home Energy Assistance Grant	93.568	09LH-7K-02-75-01-036	103,600	85,230	18,370	18,370
			654,640	252,559	279,383	279,383
			5,383,570	1,895,684	1,028,753	1,028,753
Total nonmajor programs			\$ 7,340,829	\$ 1,948,435	\$ 2,477,666	\$ 2,570,189
Total federal awards						

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**WAKULLA COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Fiscal Year Ended September 30, 2010**

Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
Federal and State Grantor/Pass Through Grantor						
<b>STATE FINANCIAL ASSISTANCE</b>						
<b>MAJOR PROGRAMS</b>						
Department of Community Affairs						
Florida Communities Trust-Big Bend Maritime Center	52.002	07-057-FF7	1,444,659	-	1,444,659	1,444,659
<b>State Housing Initiatives Program</b>						
SHIP Funds 2008-2009	52.901	2008-2009	350,000	229,908	120,092	120,092
SHIP Funds 2009-2010	52.901	2009-2010	350,000	-	-	-
Impact Fee Proviso	52.901	2009-2010	500,000	-	500,000	500,000
			1,200,000	229,908	620,092	620,092
<b>Total major programs</b>			<b>2,644,659</b>	<b>229,908</b>	<b>2,064,751</b>	<b>2,064,751</b>
<b>NONMAJOR PROGRAMS:</b>						
Office of State Courts Administration						
Small County Courthouse Facilities Grant	22.004		444,000	205,531	238,465	238,465
<b>Department of Environmental Protection</b>						
Recreation Development Assistance Program (FRDAP)						
Hickory Park	37.017	A8039	200,000	197,119	-	-
Medart Park	37.017	A9102	101,708	19,703	5,578	5,578
Recreation Development Assistance Program (FRDAP)						
Recreation Development Assistance Program (FRDAP)	37.017	A9103	135,611	2,845	1,156	1,156
Equestrian Center			437,319	219,667	6,734	6,734
<b>Sewer Extension-Wakulla Gardens</b>						
Wakulla Gardens Stormwater Control	37.039	LP6792	250,000	114,631	135,369	135,369
	37.039	09-051	50,000	-	25,000	25,000
			300,000	114,631	160,369	160,369
<b>Wakulla Co. Reclaimed Water System Construction/</b>						
<b>Total Department of Environmental Protection Grants</b>	37.066	08-034	500,000	-	500,000	500,000
			1,237,319	334,298	667,103	667,103
<b>Department of Agriculture and Consumer Services</b>						
Mosquito Control State Aid	42.003		39,000	-	19,122	12,804
<b>Department of State</b>						
Division of Library Information Services						
State Aid to Libraries Operating/Equalization Grant	45.030	10-ST-95	91,439	-	74,944	74,944
<b>Florida Department of Transportation</b>						
Small County Outreach Program / CR367A	55.009	42406615801	797,148	-	85,894	85,894
Small County Road Assistance Program (SCRAP)	55.016	42558915801	1,045,943	-	130,515	130,515
<b>Department of Environmental Protection</b>						
Small County Solid Waste Grant Agreement	37.012	0315C	78,787	-	78,787	78,787
<b>Florida Fish and Wildlife Conservation Commission</b>						
Rock Landing Boat Ramp Grant	77.006	FWC 07104	522,685	473,543	49,142	49,142

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**WAKULLA COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Fiscal Year Ended September 30, 2010**

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
Florida Department of Transportation Airport Improvement Grant	55.004	A0091	75,000	70,307	4,693	4,693
Department of Health Emergency Medical Services County Grant Program County Awards	64.005 64.003	C9065 R9017	5,680 77,252 82,932	-	2,492 2,492	2,492 2,492
Department of Management Services Wireless 911 Board Rural County E911 Grant- Back Up	72.001	9/10/2028	24,864	-	24,864	24,864
Florida Fish and Wildlife Conservation Commission Channel Markers Grant	77.006	FWC 06065	44,820	29,700	-	-
Florida Department of Juvenile Justice Civil Citation/Restorative Action Plan Grant Total State Nonmajor Programs Total State Financial Assistance	80.XXX	DP-606	29,061 4,512,998 \$ 7,157,657	22,654 1,136,033 \$ 1,365,941	1,376,021 \$ 3,440,772	1,369,703 \$ 3,434,454

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

## WAKULLA COUNTY, FLORIDA

### Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Fiscal Year Ended September 30, 2010

#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and presentation of the Single Audit Report of Wakulla, County, Florida, (the "County") have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget Circular A-133.

##### **A. Reporting Entity**

The reporting entity consists of Wakulla County, the primary government, and each of its component units. The County includes a Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance Section

##### **B. Basis of Accounting**

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

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**WAKULLA COUNTY, FLORIDA**

**SCHEDULE OF FINDINGS**

**For the Fiscal Year Ended September 30, 2010**

**Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting	
• Material weakness identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements	No

**Federal Awards**

Internal control over major programs:

• Material weaknesses identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported

Type of auditor's report issued on compliance for major programs	Unqualified
--	-------------

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No
--	----

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
14.871	U.S. Department of Housing and Urban Development Housing Choice Voucher Act
81.042	U.S. Department of Energy Weatherization Assistance Program Grant

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
--	-----------

Auditee qualified as low-risk auditee?	No
--	----

**Financial Statement Findings**

None

**Federal Award Findings and Questioned Costs**

None

**WAKULLA COUNTY, FLORIDA**

**SCHEDULE OF FINDINGS**

**For the Fiscal Year Ended September 30, 2010**

**State Financial Assistance**

Internal control over major projects:

- Material weakness identified? No
- Reportable condition identified not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major projects: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, *Rules of the Auditor General*? No

CFDA Number

Name of State Programs  
Department of Community Affairs  
Florida Communities Trust

52.002

52.901

State Housing Initiatives Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

**Financial Statement Findings** None

**State Financial Assistance Findings and Questioned Costs** None

**WAKULLA COUNTY, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Fiscal Year Ended September 30, 2010

**A. FINDINGS OF PRIOR AUDITOR**

**Reference Number 06-02: Purchase Orders**

**FINDING:** "Per discussion of Wakulla County personnel, purchase orders are not always used prior to an expenditure taking place as required by the County Purchasing Policy. We recommend that approved purchase orders only being used prior to an expenditure being incurred and not after."

**CURRENT STATUS:** During the current year, this finding was still present in isolated instances, but was substantially improved.

## MANAGEMENT LETTER

Honorable Board of County Commissioners  
and Constitutional Officers  
Wakulla County, Florida

We have audited the financial statements of Wakulla County, Florida (the County), as of and for the year ended September 30, 2010, and have issued our report thereon dated April 14, 2011.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project, and Schedule of Findings. Disclosures in those reports and schedule, which are dated April 14, 2011, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

### BOARD OF COUNTY COMMISSIONERS

#### PRIOR YEAR FINDINGS

Sewer Billing Services - The Panacea Area Water System, Inc. (PAWS) provides billing and collection services for the County's sewer system. Included in the agreement is the requirement that PAWS shall notify the County of sewer customers who are 30 days delinquent in paying their accounts, and the County will disconnect these accounts from the sewer system until the bills are paid in full.

In the prior years we found that PAWS did not regularly provide the County with a notice of delinquent accounts or disconnect accounts that are appropriately delinquent. The County also did not receive a monthly detail aging report of its sewer accounts receivable. Such a report is necessary to properly account for and administer accounts receivable balances by the County.

For proper accountability, we recommended that the Board take necessary actions to obtain the customer aging and delinquency reports monthly.

This finding was substantially corrected during the current year.

SHIP Grant Accounting - From our audit of selected transactions from the State Housing Initiatives Program (SHIP) in the prior and current years, we found the following deficiencies:

1. Revenues and expenditures in the Board's financial records for this program are not separately identified and tracked by grant program years. Due to the fact that up to three program years could be open at any given time, it is very important to properly track grant revenues and related expenditures by specific grant program year.
2. From our review of the SHIP Program Annual Reports filed by the Board, we could not precisely reconcile the reported funds expended and encumbered with the related financial records maintained for the SHIP Fund by the Board's Finance Office. Due to the fact that these reports filed with the Florida Housing Financial Corporation are utilized by that agency to document the County's compliance with SHIP Program funds, it is very important that these reports be fully reconciled with the Board's financial records prior to being submitted to the State.



We again recommend that the Board in cooperation with the Finance Office, establish a system whereby all SHIP financial transactions are identified as to specific grant program year and programmatic type. Prior to finalization of the annual grant reports, all financial information on the reports should be fully and formally reconciled with the related Board financial records. The reconciliations should be filed with the annual reports.

All other prior year findings were substantially corrected during the current year.

#### **CURRENT YEAR FINDINGS**

Housing Choice Voucher Grant - From our audit of selected participant files for the County's Housing Choice Voucher grant program, we found several files where the participant information was either not updated or did not contain required documentation to support the payments being made. Although the missing documentation did not constitute material noncompliance with the terms of the grant, we recommend that a system be established to assure that participant files are regularly reviewed to ascertain that current and valid documentation is maintained to support participant eligibility.

Grant Administration - From our audit of the various grant programs administered by Board departments, we found that generally it was difficult to document grant compliance and identify specific grant expenditures due to grant information being maintained in more than one location. This generally arises when grant administration and reporting is performed by the recipient department, but financial accounting is maintained in the Clerk's Finance Office. To improve overall grant administration and accountability, we recommend that the Board evaluate the feasibility of designating an appropriate employee for centralized management of the Board's grants. Such an employee would be responsible for monitoring grant applications, interim reporting and coordination between the Finance Office and the various recipient Board departments.

#### **CLERK OF THE CIRCUIT COURT**

##### **PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

##### **CURRENT YEAR FINDINGS**

There were no reportable findings in the current year.

#### **PROPERTY APPRAISER**

##### **PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

##### **CURRENT YEAR FINDINGS**

There were no reportable findings in the current year.

**SHERIFF**

**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

**CURRENT YEAR FINDINGS**

There were no reportable findings in the current year.

**SUPERVISOR OF ELECTIONS**

**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

**CURRENT YEAR FINDINGS**

There were no reportable findings in the current year.

**TAX COLLECTOR**

**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

**CURRENT YEAR FINDINGS**

There were no reportable findings during the current year.

**AUDITOR GENERAL COMPLIANCE MATTERS**

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial report of Wakulla County, Florida, for the year ended September 30, 2010.

Investment of Public Funds - The County complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

Financial Emergency Status - Nothing came to our attention that caused us to believe that the County had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Deteriorating Financial Conditions

During the current year the total fund balances of the Governmental Funds decreased by (\$4,932,841) which included a decrease in the General Fund of (\$1,020,320) and the Road Department Fund (\$632,757) for a total decrease of (\$1,653,077) for these major operating

funds. This continued a trend from the prior year when the net decrease in fund balances for these funds was (\$1,991,703) for a two year decrease of \$3,644,780. The unreserved fund balance of the County's governmental funds has decreased to \$901,164 at September 30, 2010, or only approximately 2% of governmental fund expenditures.

Likewise, unrestricted net assets of the Enterprise Funds decreased (\$209,388) to (\$168,280), a net deficit. This was substantially the result of the Solid Waste Fund incurring a net loss of (\$297,591) for the year. This again continued a downward trend for the prior year where the combined deficit was (\$500,111).

Due to the fact that corrective actions or other resources have not been identified to reverse these deficits through September 30, 2010, it is our conclusion that the County is experiencing deteriorating financial conditions as described in Section 10.556(7), *Rules of the Auditor General*. Continuation of these deficits will likely cause the County to meet a condition described in Section 218.503(1) *Florida Statutes*, that could result in a statutory financial emergency.

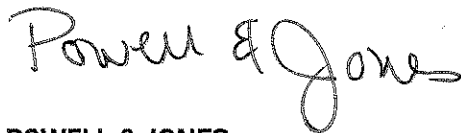
Requirements of Section 28.35, Florida Statutes - For the fiscal year ended September 30, 2010, the Clerk of the Circuit Court complied with the following:

1. The budget certified by the Florida Clerk of Courts Operations Corporation.
2. The performance standards developed and certified to Section 28.35, *Florida Statutes*.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

## CONCLUSION

We have reviewed information regarding our audit with appropriate County officials and management and have provided them with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the County. We look forward to a long and mutually beneficial relationship with the Board of County Commissioners and other County Officials and employees. We also appreciate the helpful assistance and courtesy afforded us by all County employees.



**POWELL & JONES**  
Certified Public Accountants  
April 14, 2011

**CLERK OF THE CIRCUIT COURT**

**WAKULLA COUNTY, FLORIDA**  
**CLERK OF THE CIRCUIT COURT**  
**ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended September 30, 2010

**TABLE OF CONTENTS**

	<b>PAGE</b>
Independent Auditor's Report	102
 <b>FINANCIAL STATEMENTS</b>	
General Fund Balance Sheet	104
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	105
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	106
State Court Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	107
Child Support Grant Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	108
Public Records Modernization Trust Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	109
Agency Fund Statement of Fiduciary Net Assets	110
Notes to Financial Statements	111 - 115
 <b>COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with <i>Government Auditing Standards</i>	117
Management Letter	118 - 119

## INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court  
Wakulla County, Florida

We have audited the accompanying special purpose fund financial statements of the Wakulla County Clerk of the Circuit Court (the Clerk) as of and for the year ended September 30, 2010, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Clerk. Our responsibility is to express an opinion 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 special purpose fund financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose fund financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Clerk, as well as evaluating the overall special purpose fund financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Clerk of the Circuit Court is part of the reporting entity, Wakulla County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Wakulla County Clerk of the Circuit Court, as of September 30, 2010, and the results of its operations and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 15, 2010, 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, 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 considered in assessing the results of our audit.



**POWELL & JONES**  
Certified Public Accountants  
April 11, 2011

**FINANCIAL STATEMENTS**

**WAKULLA COUNTY, FLORIDA**

**CLERK OF CIRCUIT COURT**

**GENERAL FUND  
BALANCE SHEET**

September 30, 2010

	General Revenue Fund	Special Revenue Funds			Total Governmental Funds
		State Court Fund	Child Support Grant Fund	Pubic Records Modernization Trust Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 39,917	\$ 77,617	\$ 74,351	\$ 50,015	\$ 241,900
Accounts receivable	720	-	-	-	720
Due from other funds	12,586	19	8	6,141	18,754
Due from Board of County Commissioners	1,013	-	317	-	1,330
Due from other governmental units	-	1,703	8,718	-	10,421
<b>Total assets</b>	<b>\$ 54,236</b>	<b>\$ 79,339</b>	<b>\$ 83,394</b>	<b>\$ 56,156</b>	<b>\$ 273,125</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ 4,455	\$ 3,234	\$ -	\$ 1,113	\$ 8,802
Accrued liabilities	17,953	17,887	-	789	36,629
Due to other funds	1,339	-	-	-	1,339
Due to other governmental units	627	1,361	-	-	1,988
Deferred revenue	-	28,103	-	-	28,103
<b>Total liabilities</b>	<b>24,374</b>	<b>50,585</b>	<b>-</b>	<b>1,902</b>	<b>76,861</b>
Fund balance					
Unreserved	29,862	28,754	-	-	58,616
Reserved	-	-	83,394	54,254	137,648
<b>Total fund balance</b>	<b>29,862</b>	<b>28,754</b>	<b>83,394</b>	<b>54,254</b>	<b>196,264</b>
<b>Total liabilities and fund balance</b>	<b>\$ 54,236</b>	<b>\$ 79,339</b>	<b>\$ 83,394</b>	<b>\$ 56,156</b>	<b>\$ 273,125</b>

See notes to financial statements.



**WAKULLA COUNTY, FLORIDA**

**CLERK OF CIRCUIT COURT**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

For the Fiscal Year Ended September 30, 2010

	General Revenue Fund	Special revenue funds			Total Governmental Funds
		State Court Fund	Child Support Grant Fund	Pubic Records Modernization Trust Fund	
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 676,186	\$ 61,409	\$ -	\$ 737,595
Charges for services					
General government	123,998	-	-	93,976	217,974
Miscellaneous	132,601	-	1,252	1,108	134,961
Total revenues	<u>256,599</u>	<u>676,186</u>	<u>62,661</u>	<u>95,084</u>	<u>1,090,530</u>
<b>EXPENDITURES</b>					
Current operating					
General government	695,506	-	42,198	67,276	804,980
Court related	-	671,292	-	-	671,292
Capital outlay					
General government	274	-	3,140	12,660	16,074
Court related	-	4,894	-	-	4,894
Total expenditures	<u>695,780</u>	<u>676,186</u>	<u>45,338</u>	<u>79,936</u>	<u>1,497,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(439,181)</u>	<u>-</u>	<u>17,323</u>	<u>15,148</u>	<u>(406,710)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from the Board of County Commissioners	439,181	-	-	-	439,181
Total other financing sources (uses)	<u>439,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>439,181</u>
Net change in fund balance	-	-	17,323	15,148	32,471
Fund balance, beginning of year	29,862	28,754	66,071	39,106	163,793
Fund balance, end of year	<u>\$ 29,862</u>	<u>\$ 28,754</u>	<u>\$ 83,394</u>	<u>\$ 54,254</u>	<u>\$ 196,264</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**CLERK OF CIRCUIT COURT  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE\  
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services				
General government	\$ 145,144	\$ 145,144	\$ 123,998	\$ (21,146)
Miscellaneous	195,000	195,000	132,601	(62,399)
Total revenues	<u>340,144</u>	<u>340,144</u>	<u>256,599</u>	<u>(83,545)</u>
<b>EXPENDITURES</b>				
Current operating				
General government	773,562	773,562	695,506	78,056
Capital outlay				
General government	<u>5,762</u>	<u>5,762</u>	<u>274</u>	<u>5,488</u>
Total expenditures	<u>779,324</u>	<u>779,324</u>	<u>695,780</u>	<u>83,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(439,180)</u>	<u>(439,180)</u>	<u>(439,181)</u>	<u>(1)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from the Board of County Commissioners	<u>439,180</u>	<u>439,180</u>	<u>439,181</u>	<u>(1)</u>
Total other financing sources (uses)	<u>439,180</u>	<u>439,180</u>	<u>439,181</u>	<u>(1)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>29,862</u>	<u>29,862</u>	<u>29,862</u>	-
Fund balance, end of year	<u>\$ 29,862</u>	<u>\$ 29,862</u>	<u>\$ 29,862</u>	<u>\$ -</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**CLERK OF CIRCUIT COURT  
STATE COURT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 674,484	\$ 674,484	\$ 676,186	\$ 1,702
Total revenues	<u>674,484</u>	<u>674,484</u>	<u>676,186</u>	<u>1,702</u>
<b>EXPENDITURES</b>				
Current operating				
Court related	674,234	674,234	671,292	2,942
Capital outlay				
Court related	250	250	4,894	(4,644)
Total expenditures	<u>674,484</u>	<u>674,484</u>	<u>676,186</u>	<u>(1,702)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	28,754	28,754	28,754	-
Fund balance, end of year	<u>\$ 28,754</u>	<u>\$ 28,754</u>	<u>\$ 28,754</u>	<u>\$ -</u>

See note to financial statements.

**WAKULLA COUNTY, FLORIDA**

**CLERK OF CIRCUIT COURT  
CHILD SUPPORT GRANT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 28,035	\$ 28,035	\$ 61,409	\$ 33,374
Miscellaneous	1,553	1,553	1,252	(301)
Total revenues	<u>29,588</u>	<u>29,588</u>	<u>62,661</u>	<u>33,073</u>
<b>EXPENDITURES</b>				
Current operating				
General government	29,787	29,787	42,198	(12,411)
Capital outlay				
General government	801	801	3,140	(2,339)
Total expenditures	<u>30,588</u>	<u>30,588</u>	<u>45,338</u>	<u>(14,750)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,000)	(1,000)	17,323	18,323
Fund balance, beginning of year	66,071	66,071	66,071	-
Fund balance, end of year	<u>\$ 65,071</u>	<u>\$ 65,071</u>	<u>\$ 83,394</u>	<u>\$ 18,323</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**CLERK OF CIRCUIT COURT  
PUBLIC RECORDS MODERNIZATION TRUST FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services				
General government	\$ 65,000	\$ 65,000	\$ 93,976	\$ 28,976
Miscellaneous	100	100	1,108	1,008
Total revenues	<u>65,100</u>	<u>65,100</u>	<u>95,084</u>	<u>29,984</u>
<b>EXPENDITURES</b>				
Current operating				
General government	36,150	36,150	67,276	(31,126)
Capital outlay				
General government	7,500	7,500	12,660	(5,160)
Total expenditures	<u>43,650</u>	<u>43,650</u>	<u>79,936</u>	<u>(36,286)</u>
Excess (deficiency) of revenues over (under) expenditures	21,450	21,450	15,148	(6,302)
Fund balance, beginning of year	39,106	39,106	39,106	-
Fund balance, end of year	<u>\$ 60,556</u>	<u>\$ 60,556</u>	<u>\$ 54,254</u>	<u>\$ (6,302)</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**CLERK OF CIRCUIT COURT**

**AGENCY FUND  
STATEMENT OF FIDUCIARY NET ASSETS  
September 30, 2010**

**ASSETS**

Cash and cash equivalents	\$	368,070
Due from other governmental units		440
Due from other funds		1,339
Total assets	\$	<u>369,849</u>

**LIABILITIES AND NET ASSETS**

Liabilities		
Due to individuals	\$	86,556
Due to other funds		18,754
Due to other governmental units		264,539
Total liabilities		<u>369,849</u>
Net assets		-
Total liabilities and net assets	\$	<u>369,849</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**CLERK OF THE CIRCUIT COURT**  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2010

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

The following is a summary of the more significant accounting policies of the Wakulla County Clerk of the Circuit Court (the Clerk).

**(a) Reporting Entity** - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," as amended by GASB 39 "Determining Whether Certain Organizations Are Component Units an Amendment of GASB Statement 14", establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Clerk, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Clerk's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as a part of the primary government of Wakulla County, Florida. The Clerk's special purpose financial statements do not purport to reflect the financial position or the results of operations of Wakulla County, Florida, taken as a whole.

These special purpose financial statements of the Clerk are issued separately to comply with Section 10.557(5), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 218.69, *Florida Statutes*. Section 10.557(5), *Rules of the Auditor General for Local Governmental Entity Audits*, requires the Clerk to present only fund financial statements. Accordingly, due to the omission of government-wide financial statements and certain financial statement disclosures including a management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position of the Clerk and the changes in its financial position for the year then ended in conformity with GASB Statement No. 34, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

The financial activities of the Clerk, as a constitutional officer, are included in the basic financial statements of Wakulla County, Florida.

The Clerk of the Circuit Court funds operations as a fee officer and a budget officer pursuant to *Florida Statutes*, Chapters 28, 218 and 129, respectively. As a fee officer, the Clerk collects fees and commissions from Circuit and County Court activities and from other County activities. As a Budget Officer, the operations of the Clerk of the Circuit Court relating to the Board of County Commissioners are approved and funded by the Board of County Commissioners. The budgeted receipts from the Board of County Commissioners are recorded as other financing sources in the Clerk of the Circuit Court's special purpose

financial statements and as other financing uses in the Board of County Commissioners' financial statements. Any excess of revenues and other financing sources received over expenditures are to be remitted to the Board of County Commissioners and the State of Florida at year end, except for unexpended records modernization monies and net child support reimbursements.

**(b) Measurement Focus, Basis of Accounting, and Basis of Presentation** – Fund financial statements report detailed information about the Clerk. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. For the year ended September 30, 2010, the Clerk reported its only governmental fund, the General Fund, as a major fund.

### **Governmental Funds**

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The Clerk reports the following governmental fund type:

**General Fund** – The General Fund of the Clerk is used to account for all financial resources which are generated from operations of the Clerk's Office, appropriations from the Board of County Commissioners, and any other resources not required to be accounted for in another fund.

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. As of September 30, 2010, the Clerk maintained the following special revenue funds:

State Court Fund  
Child Support Enforcement Reimbursement  
Public Records Modernization Trust

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured.

Interest income and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Approximately 20% of the Clerk's funding is appropriated by the Board of County Commissioners. In applying the susceptible to accrual concept to intergovernmental revenue, there are essentially two types of revenue. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Clerk; therefore, revenue is recognized based upon the expenditures incurred. Grant revenue is recorded in this manner. In the other, moneys are virtually unrestricted and are revocable only for



failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt, or earlier, if the "susceptible to accrual" criteria are met.

Additionally, the Clerk reports the following fund types:

**Agency Fund** – The agency fund of the Clerk is used to account for assets held by the Clerk as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**(c) Budgets and Budgetary Accounting** – The preparation, adoption, and amendment of the budget is governed by Chapter 129, *Florida Statutes*. The fund is the legal level of control.

Annual budgets are legally adopted for governmental fund types. The Wakulla Clerk of the Circuit Court operates as both a budget and fee officer.

An annual budget is legally adopted for the General Fund. Budget amendments were made to the budget during the fiscal year. Budgetary data presented in the accompanying special purpose financial statements represents the "original" and "final" budget data. Budget appropriations lapse at year-end. Additionally, the budget required certain adjustments to be consistent with generally accepted accounting principles.

**(d) Cash and Cash Equivalents** – The Clerk's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from acquisition date.

**(e) Compensated Absences** – Compensated absences are absences for which employees will be paid such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$66,678 is reported in the General Long-Term Debt Accounts of Wakulla County, Florida.

## **NOTE 2. PENSION PLANS**

*Plan Description:* The Clerk participates in the State of Florida Retirement System, a cost sharing multiple employer public employee retirement system administered by the State of Florida. The Florida Retirement System provides retirement and disability benefits. The Division of Retirement issues a publicly available financial report. That report may be obtained by writing to the Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560 or calling (850) 488-5760.

*Funding Policy:* The Clerk is required to contribute 10.77% for regular annually covered employees' salary, 14.57% for senior management annually covered employees' salary, 18.64% for elected County official's annual salary, and 12.25% for employees participating in the Deferred Retirement Option Program (DROP). Employees are not required to contribute to the Retirement System. The contribution requirements may be changed by the Florida Retirement System. For each of the three years ended September 30, 2010, 2009 and 2008, the Clerk contributed 100% of the required contribution to the Florida Retirement System. The Clerk contributions to the Florida Retirement System for the three years ended September 30, 2010, 2009 and 2008 were \$105,461, \$115,161, and \$114,558, respectively.

### **NOTE 3. DEPOSITS**

At year end, the carrying amount of the Clerk's deposits was \$609,971 and the bank balances were \$549,211. Of the bank balances, \$250,000 was covered by federal depository insurance. Any balance in excess of FDIC insurance is covered by collateral held by the Clerk's custodial banks which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, *Florida Statutes*.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Chief Financial Officer or, with the approval of the State Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the State Chief Financial Officer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

### **NOTE 4. RISK MANAGEMENT**

The Clerk 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 the public; and damage to property of others. The Clerk participates in the risk management program through the Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board of County Commissioners obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

Workers' compensation coverage is provided under a retrospectively rated policy. Premiums are accrued based on the ultimate cost-to-date of the Board of County Commissioners' experience for these types of risk.

The Board of County Commissioners participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

**NOTE 5. INTERFUND RECEIVABLES AND PAYABLES**

Balances at September 30, 2010 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 12,586	\$ 1,339
State Court Fund	19	-
Child Support Grant Fund	8	-
Public Records Modernization Trust Fund	6,141	-
Trust Agency Funds	1,339	18,754
	<u>\$ 20,093</u>	<u>\$ 20,093</u>

**COMPLIANCE SECTION**

**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**

To the Clerk of the Circuit Court  
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Clerk of the Circuit Court, as of and for the year ended September 30, 2010, and have issued our report thereon dated April 11, 2011. Our report included a paragraph stating that the Clerk of the Circuit Court is an integral part of Wakulla County, the primary government for financial reporting purposes. 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.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Wakulla County Clerk of the Circuit Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wakulla County Clerk of the Circuit Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the Wakulla County Clerk of the Circuit Court'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 and other matters with these 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*.

This report is intended solely for the information and use of management, the Clerk of the Circuit Court of Wakulla County, the Board of County Commissioners, and the Auditor General of Florida. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



**POWELL & JONES**  
Certified Public Accountants  
April 11, 2011

## MANAGEMENT LETTER

Honorable Clerk of the Circuit Court  
Wakulla County, Florida

We have audited the financial statements of the Wakulla County Clerk of the Circuit Court (Clerk), as of and for the year ended September 30, 2010, and have issued our report thereon dated April 11, 2011. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

### CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

### AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Wakulla County, Florida, for the year ended September 30, 2010. The financial statements of the Clerk of Circuit Court are combined with other County agencies in that report.

Investment of Public Funds - The Clerk complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

Financial Emergency Status - Nothing came to our attention that caused us to believe that the Clerk had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition

assessment was based in part on representations made by management and the review of financial information they provided.

Requirements of Section 28.35, Florida Statutes - For the fiscal year ended September 30, 2010, the Clerk complied with the following:

1. The budget certified by the Florida Clerk of Courts Operations Corporation
2. The performance standards developed and certified to Section 28.35, *Florida Statutes*

Our audit did not disclose any further items that would be required to be reported under *Rules of the Auditor General*, Chapter 10.550.

#### **CONCLUSION**

We have reviewed information regarding our audit with the Clerk and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Office. We appreciate the overall high quality of the financial records and personnel in the Clerk's Office. We also appreciate the helpful assistance and courtesy afforded us by these employees.



**POWELL & JONES**  
Certified Public Accountants  
April 11, 2011

**PROPERTY APPRAISER**



**WAKULLA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

For the Fiscal Year Ended September 30, 2010

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
Independent Auditor's Report	122
<b>FINANCIAL STATEMENTS</b>	
General Fund Balance Sheet	124
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	125
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	126
Notes to Financial Statements	127 - 129
<b>COMPLIANCE SECTION</b>	
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 <i>Government Auditing Standards</i>	131
Management Letter	132 - 133

## INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser  
Wakulla County, Florida

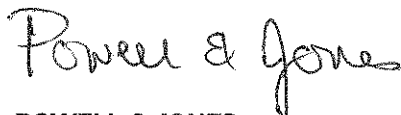
We have audited the accompanying special purpose fund financial statements of the Wakulla County Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Property Appraiser. Our responsibility is to express an opinion 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 special purpose fund financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Property Appraiser, as well as evaluating the overall special purpose fund financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Property Appraiser is part of the reporting entity, Wakulla County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Wakulla County Property Appraiser, as of September 30, 2010, and the results of its operations and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2011, 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, 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 considered in assessing the results of our audit.



**POWELL & JONES**  
Certified Public Accountants  
April 8, 2011

**COMBINED FINANCIAL STATEMENTS**

**WAKULLA COUNTY, FLORIDA**

**PROPERTY APPRAISER**

**GENERAL FUND  
BALANCE SHEET  
September 30, 2010**

**ASSETS**

Cash and cash equivalents	\$	50,179
Accounts receivable		6,798
Total assets	\$	<u>56,977</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:		
Accounts payable	\$	3,932
Due to Board of County Commissioners		52,928
Due to other governmental units		117
Total liabilities		<u>56,977</u>
Fund balance		-
Total liabilities and fund balance	\$	<u>56,977</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**PROPERTY APPRAISER**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Fiscal Year Ended September 30, 2010**

**REVENUES**

Charges for services	\$	1,881
Miscellaneous		
Interest		216
Other		4,175
Total revenue		<u>6,272</u>

**EXPENDITURES**

General government		
Current operating		944,974
Total expenditures		<u>944,974</u>

Dificiency of revenues over expenditures (938,702)

**OTHER FINANCING SOURCES (USES)**

Transfers from the Board of County Commissioners		991,630
Transfers to the Board of County Commissioners		(52,928)
Total other financing sources (uses)		<u>938,702</u>

Net change in fund balance		-
Fund balance, beginning of year		-
Fund balance, end of year	\$	<u><u>-</u></u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**PROPERTY APPRAISER**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2010**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ -	\$ 2,155	\$ 1,881	\$ (274)
Miscellaneous	-	-	4,391	4,391
<b>Total revenues</b>	<u>-</u>	<u>2,155</u>	<u>6,272</u>	<u>4,117</u>
<b>EXPENDITURES</b>				
General government				
Current operating	<u>1,011,622</u>	<u>993,785</u>	<u>944,974</u>	<u>48,811</u>
<b>Total expenditures</b>	<u>1,011,622</u>	<u>993,785</u>	<u>944,974</u>	<u>48,811</u>
Deficiency of revenues over expenditures	<u>(1,011,622)</u>	<u>(991,630)</u>	<u>(938,702)</u>	<u>52,928</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from the Board of County Commissioners	1,011,622	991,630	991,630	-
Transfers to the Board of County Commissioners	-	-	(52,928)	(52,928)
<b>Total other financing sources (uses)</b>	<u>1,011,622</u>	<u>991,630</u>	<u>938,702</u>	<u>(52,928)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**PROPERTY APPRAISER**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2010**

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

The following is a summary of the more significant accounting policies of the Wakulla County Property Appraiser (Property Appraiser).

**A. Reporting Entity**

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Property Appraiser, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Property Appraiser's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as a part of the primary government of Wakulla County, Florida. The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Wakulla County, Florida, taken as a whole.

These special purpose financial statements of the Property Appraiser are issued separately to comply with Section 10.557(5), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

**B. Fund Accounting**

Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund entity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund utilized by the Property Appraiser is as follows:

(i) **Governmental Fund**

**General Fund** - The General Fund of the Property Appraiser is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

**C. Basis of Accounting**

The "Basis of Accounting" refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounting records and reported in the financial statements. The Property Appraiser currently maintains his accounting records on the cash basis. However, for financial statement purposes appropriate adjustments are made to report the governmental fund type using the modified accrual basis of accounting. Under the modified accrual basis, revenues are generally recognized when they become measurable and available as net current assets.

Expenditures are reported when incurred with the exception of prepaid expenses and principal and interest on general long-term obligations.

#### **D. Budget**

Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriated budget, which includes the operating budget of the Property Appraiser. The Property Appraiser's budget is also subject to approval by the Florida Department of Revenue.

In the budgetary comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Property Appraiser.

#### **E. Cash and Investments**

Deposits are carried at cost which equals market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2010, the book balance of the Property Appraiser's deposits was \$50,179. The total bank balance was covered by federal depository insurance and pledged collateral.

#### **F. Inventories**

It is the policy of the Property Appraiser to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

#### **G. Fixed Assets**

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Group of Accounts. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. Property and equipment are depreciated using the straight-line method. Assets purchased by the Property Appraiser are reported in the Board of County Commissioners' Governmental Capital Assets Account.

#### **H. Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$35,373 is reported in the General Long-Term Debt Accounts of Wakulla County, Florida.



**I. Estimates**

The preparation of financial statements in conformity with generally 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.

**J. Risk Management**

The Property Appraiser 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 the public; or damage to property of others. The Property Appraiser directly purchases insurance and participates in the risk management program through the Wakulla County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

**NOTE 2. PENSION PLAN**

**Plan Description** - The Property Appraiser contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida, or by calling (850) 488-5706.

**Funding Policy** - The System is employee noncontributory. The Property Appraiser is required to contribute at an actuarially determined rate. The rates at September 30, 2010 were as follows: Regular Employees 10.77%; Senior Management 14.57%; Elected Officials 18.64%, and employees electing the DROP Program 12.25%. The contribution requirements of plan members and the Property Appraiser are established and may be amended by the Florida Legislature. The Property Appraiser's contributions to the System for the years ending September 30, 2010, 2009 and 2008 were \$40,297, \$40,126, and \$39,412, respectively, equal to the required contributions for each year.

**NOTE 3. LEASE COMMITMENTS**

The Property Appraiser has an operating lease agreement for copier equipment with Bennett's Business Systems for 36 months beginning April 29, 2009. Under the terms of this lease, the Property Appraiser is obligated to pay monthly payments of \$196. The future minimum lease payments at September 30, 2010, are as follows:

Year Ending September 30,	Minimum Lease Payments
2011	\$ 2,352
2012	1,372
	<u>\$ 3,724</u>

## **COMPLIANCE SECTION**

**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**

To the Property Appraiser  
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Property Appraiser, as of and for the year ended September 30, 2010, and have issued our report thereon dated April 8, 2011. Our report included a paragraph stating that the Property Appraiser is an integral part of Wakulla County, the primary government for financial reporting purposes. 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.

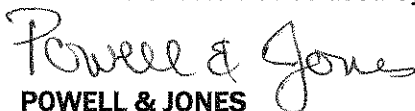
Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Wakulla County Property Appraiser's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wakulla County Property Appraiser's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the Wakulla County 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 and other matters with these 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*.

This report is intended solely for the information and use of the Property Appraiser of Wakulla County, the Board of County Commissioners, and the Auditor General of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



**POWELL & JONES**  
Certified Public Accountants  
April 8, 2011

## MANAGEMENT LETTER

Honorable Property Appraiser  
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Property Appraiser, as of and for the year ended September 30, 2010, and have issued our report thereon dated April 8, 2011. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

### CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

### AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the audited financial statements of Wakulla County, Florida, for the year ended September 30, 2010. The financial statements of the Property Appraiser are combined with other County agencies in that report.

Investment of Public Funds - The Property Appraiser complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

Financial Emergency Status - Nothing came to our attention that caused us to believe that the Property Appraiser had met any of the conditions of Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

## **CONCLUSION**

We have reviewed information regarding our audit with the Property Appraiser and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associate with this audit of the Office. We appreciate the overall high quality of the financial records and personnel in the Property Appraiser's Office. We also appreciate the helpful assistance and courtesy afforded us by these employees.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**

Certified Public Accountants

April 8, 2011

**SHERIFF**

**WAKULLA COUNTY, FLORIDA**

**SHERIFF**

**ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2010

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
Independent Auditor's Report	136 - 137
<b>BASIC FINANCIAL STATEMENTS</b>	
Combined Balance Sheet - All Fund Types	139
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	140
Notes to Financial Statements	141 - 146
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	148
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Funds	149
Combining Balances Sheet - All Special Revenue Funds	150
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds	151
Combining Balance Sheet - All Grants and Contracts	152 - 154
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Grants and Contracts	155 - 157
Combining Balance Sheet - All Agency Funds	158
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	159
<b>COMPLIANCE SECTION</b>	
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 <i>Government Auditing Standards</i>	161
Management Letter	162 - 163

## INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff  
Wakulla County, Florida

We have audited the accompanying special purpose fund financial statements of the Wakulla County Sheriff (the Sheriff), as of and for the year ended September 30, 2010, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Office of the Sheriff. Our responsibility is to express an opinion on these special purpose fund financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose fund financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose fund financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special purpose fund financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

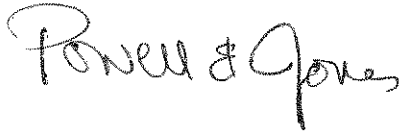
The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39, *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Sheriff is part of the reporting entity, Wakulla County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

In our opinion, the Sheriff's special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Wakulla County Sheriff, as of September 30, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2011, 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, 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Our audit was made for the purpose of forming an opinion on the special purpose fund financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the special purpose fund financial statements of the Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the special purpose fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
Certified Public Accountants  
April 19, 2011

## **BASIC FINANCIAL STATEMENTS**

**SHERIFF  
WAKULLA COUNTY, FLORIDA  
COMBINED BALANCE SHEET - ALL FUND TYPES  
SEPTEMBER 30, 2010**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	
<b>Assets</b>				
Current:				
Cash and cash equivalents	\$ 16,511	\$ 1,798,875	\$ 292,981	\$ 2,108,367
Accounts receivable	17,676	4,300	-	21,976
Due from other funds	448,352	34,865	-	483,217
Due from Board of County Commissioners	-	160,510	-	160,510
Due from other governmental units	-	318,961	-	318,961
Prepaid items	434,875	-	-	434,875
<b>Total Assets</b>	<u>\$ 917,414</u>	<u>\$ 2,317,511</u>	<u>\$ 292,981</u>	<u>\$ 3,527,906</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable and other accrued liabilities	\$ 364,710	\$ 28,632	\$ -	\$ 393,342
Due to Board of County Commissioners	117,829	803	209,330	327,962
Due to other funds	-	450,286	32,931	483,217
Other current liabilities	-	-	50,720	50,720
<b>Total Liabilities</b>	<u>482,539</u>	<u>479,721</u>	<u>292,981</u>	<u>1,255,241</u>
<b>Fund Balances</b>				
Fund balances:				
Reserved	434,875	1,837,790	-	2,272,665
<b>Total fund balances</b>	<u>434,875</u>	<u>1,837,790</u>	<u>-</u>	<u>2,272,665</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 917,414</u>	<u>\$ 2,317,511</u>	<u>\$ 292,981</u>	<u>\$ 3,527,906</u>

See notes to financial statements.

**SHERIFF  
WAKULLA COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 952,761	\$ 952,761
Charges for services	76,739	740,389	817,128
Fines	-	31,425	31,425
Miscellaneous	-	31,393	31,393
Total revenues	<u>76,739</u>	<u>1,755,968</u>	<u>1,832,707</u>
<b>Expenditures</b>			
Public safety			
Current	10,157,034	1,205,076	11,362,110
Capital outlay	277,013	530,957	807,970
Debt service			
Principal	12,384	24,471	36,855
Interest	1,499	1,947	3,446
Total expenditures	<u>10,447,930</u>	<u>1,762,451</u>	<u>12,210,381</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,371,191)</u>	<u>(6,483)</u>	<u>(10,377,674)</u>
<b>Other financing sources (uses)</b>			
Transfers from Board of County Commissioners	10,451,435	254,994	10,706,429
Transfers to Board of County Commissioners	-	(150,000)	(150,000)
Operating transfers in (out)	(80,244)	80,244	-
Total other financing sources	<u>10,371,191</u>	<u>185,238</u>	<u>10,556,429</u>
<b>Net change in fund balances</b>	-	178,755	178,755
<b>Fund balances, beginning of year</b>	434,875	1,659,035	2,093,910
<b>Fund balances, end of year</b>	<u>\$ 434,875</u>	<u>\$ 1,837,790</u>	<u>\$ 2,272,665</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2010**

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

The following is a summary of the more significant accounting policies of the Wakulla County Sheriff (Sheriff).

**A. Reporting Entity** - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Sheriff, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Sheriff's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as a part of the primary government of Wakulla County, Florida. The Sheriff's financial statements do not purport to reflect the financial position or results of operations of Wakulla County, Florida, taken as a whole.

These special purpose financial statements of the Sheriff are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 218.39(2), *Florida Statutes*.

**B. Fund Accounting** - Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds utilized by the Sheriff are as follows:

**(i) Governmental Funds**

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The Sheriff reports the following governmental fund types:

**General Fund** - The General Fund of the Sheriff is used to account for all financial resources, which are generated from operations of the Office or any other resources not required to be accounted for in another fund.

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. During the fiscal year end September 30, 2010, the Sheriff maintained the following special revenue funds:

- \$2 Training
- Crime Prevention
- Donated Funds
- Federal Forfeiture Trust
- Firing Range
- Housing Trust
- Inmate Welfare
- Law Enforcement Impact Fees
- Law Enforcement Trust
- Moving Violation
- One Cent Sales Tax
- BP Oil - Administration
- BP Oil - Off Duty Detail - Bovis
- BP Oil - Off Duty Detail - Worley
- BP Oil - Police Protective Services
- Bulletproof Vests
- Civil Citation
- Crime Investigator
- EMPA Grant
- Homeland Security
- JAG / Meth Lab
- JAG / AVL
- KWCB
- Litter Control - Parks and Recreation
- Litter Control - VMS
- Recovery Act / Rural Crime
- Recovery Act / Technology
- Recovery Act / Vehicles
- Youth Coalition
- School Resource Officer
- U.S. Forestry
- U.S. Marshall
- VOCA Grant

(ii) **Fiduciary Funds**

**Agency Funds** - Agency funds are required and used by the Sheriff to account for resources received from and disbursed to other governmental units, other funds of Wakulla County and individuals. The Sheriff functions purely as an agent for others in the maintenance of these funds. The following agency funds are maintained:

- Inmate Trust Fund
- Individual Depository Fund
- Suspense Fund
- Forfeitures Held in Trust

**C. Basis of Accounting** - The "Basis of Accounting" refers to when revenues and expenditures, and the related assets and liabilities, are recognized in the accounting records and reported in the financial statements. The Sheriff currently maintains his accounting records for all funds on the modified accrual basis.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured. Interest income and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Substantially all of the Sheriff's funding is appropriated by the Board of County Commissioners. In applying the susceptible to accrual concept to intergovernmental revenue, there are essentially two types of revenue. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Sheriff; therefore, revenue is recognized based upon the expenditures incurred. Grant revenue is recorded in this manner. In the other, moneys are virtually unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt, or earlier, if the "susceptible to accrual" criteria are not met.

**D. Budget** - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriated budget, which includes the operating budget of the Sheriff.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the amended budget of the Sheriff.

**E. Cash and Investments** - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2010, the book balance of the Sheriff's deposits was \$2,108,367. This balance was covered by federal depository insurance and collateral held at various qualified public depositories. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

The collateral for the Sheriff's deposits is categorized to give an indication of the level of risk assumed by the Sheriff at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the Sheriff or his agent in the Sheriff's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the Sheriff's name. Category 3 includes uninsured or unregistered deposits for which the securities are held by the counterparty's trust department or agent, but not in the Sheriff's name. All of the collateral covering the Sheriff's deposits was Category 1.

**F. Inventories** - It is the policy of the Sheriff to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

**G. Fixed Assets** - Capital asset activity for the year ended September 30, 2010, which is reported in the basic financial statements of Wakulla County, Florida is as follows:

	Balance	Board			Balance
	October 1, 2009	of County Commissioners Additions	Additions	Deletions	September 30, 2010
Equipment	\$ 4,649,825	\$ 50,385	\$ 751,323	\$ (501,020)	\$ 4,950,513
Accumulated depreciation	(3,494,966)	-	(355,606)	304,299	(3,546,273)
	<u>\$ 1,154,859</u>	<u>\$ 50,385</u>	<u>\$ 395,717</u>	<u>\$ (196,721)</u>	<u>\$ 1,404,240</u>

**H. Long-term Liabilities** – A summary of changes in the Sheriff’s long-term liabilities reported in the basic financial statements of Wakulla County, Florida is as follows:

	Balance	Additions	Deductions	Balance	Due in One Year
	October 1, 2009			September 30, 2010	
Compensated absences	\$ 536,830	\$ -	\$ -	\$ 536,830	\$ -
Capital lease payable	73,918	-	(36,855)	37,063	33,696
Equipment and vehicles	<u>\$ 610,748</u>	<u>\$ -</u>	<u>\$ (36,855)</u>	<u>\$ 573,893</u>	<u>\$ 33,696</u>

**I. Total Column on the Combined Statements** - The total column on the combined statements is captioned “Memorandum Only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

**NOTE 2. RETIREMENT PROGRAMS**

**Florida Retirement System**

The Sheriff participates in the State of Florida Retirement System (FRS). The FRS is primarily a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (Plan). FRS provisions are established by Chapter 121 and 122, *Florida Statutes*, Chapter 112, Part IV, *Florida Statutes*, Chapter 238, *Florida Statutes*, and Florida Retirement System Rules, Chapter 605, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Essentially, all regular employees of participating employers are eligible to enroll as members of the FRS.

A Deferred Retirement Option Program (DROP) subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.



The State of Florida establishes contribution rates for participating employers. Contribution rates during the 2009-10 fiscal year were as follows:

Class or Plan	Percent of Gross Salary (A)
Florida Retirement System, Regular	10.77
Florida Retirement System, Senior Management Services	14.57
Florida Retirement System, Special Risk	23.25
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plan	12.25
Florida Retirement System, Reemployed Retiree	(B)

Notes: (A) Employer rates include 1.11 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .05 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon retirement class or plan in which reemployed.

The Sheriff's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the Sheriff. The Sheriff's contributions for the fiscal years ended September 30, 2008, September 30, 2009, and September 30, 2010 totaled \$1,042,367, \$1,047,558, and \$1,089,801, respectively, which were equal to the required contributions for each fiscal year.

Financial statements and other supplementary information of the FRS are included in the State of Florida Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services. An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

**NOTE 3. UNEXPENDED BUDGET BALANCE**

The General Fund's unexpended budget balance at September 30, 2010, has subsequently been remitted to the Board of County Commissioners in accordance with Section 30.50, *Florida Statutes*. This balance has been recorded as due to the Board as reflected on the Governmental Fund Balance Sheet and consists of the following:

Actual transfers	\$ 10,551,712
Other revenues	76,739
Interest earned	1,651
Less: Operating transfers to other funds	(80,244)
Less: Expenditures	(10,447,930)
	<u>\$ 101,928</u>

**NOTE 4. RISK MANAGEMENT**

The Sheriff is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees and the public; or damage to the property of others. The Sheriff participates in an insurance program through the Florida Sheriffs' Association. The Sheriff has no responsibilities to provide monies in excess of premiums paid to fund losses incurred by the insurance program.

There are some pending legal actions that could eventually result in a liability for the Wakulla County Sheriff. The ultimate liability resulting from these actions cannot be determined at this time; however, in the opinion of the Sheriff's legal counsel, any claims not covered by insurance resulting from such litigation would not be material in relation to the Sheriff's financial condition.

**NOTE 5. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Sheriff and Board of County Commissioners expect such amounts, if any, to be immaterial.

**NOTE 6. CAPITAL LEASES**

The Sheriff has two capital leases for equipment purchases. Total payments made for the fiscal year including interest totaled \$40,301. The future minimum payments under these leases at September 30, 2010, are as follows:

Year Ending September 30,	Principal	Interest	Total
2011	\$ 32,494	\$ 1,202	\$ 33,696
2012	4,569	58	4,627
	<u>\$ 37,063</u>	<u>\$ 1,260</u>	<u>\$ 38,323</u>

**NOTE 7. RESERVED FUND BALANCE**

The Sheriff has a reserved fund balance in the General Fund of \$434,875, which is recorded to offset the \$434,875 prepaid items reflected as an asset on the fund's balance sheet.

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**SHERIFF  
WAKULLA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL - GENERAL FUND  
For the Fiscal Year Ended September 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 75,000	\$ 75,000	\$ 76,739	\$ 1,739
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>76,739</u>	<u>1,739</u>
<b>Expenditures</b>				
Public safety				
Current	10,512,830	10,512,830	10,157,034	355,796
Capital outlay	-	-	277,013	(277,013)
Debt service				
Principal	12,384	12,384	12,384	-
Interest	1,499	1,499	1,499	-
Total expenditures	<u>10,526,713</u>	<u>10,526,713</u>	<u>10,447,930</u>	<u>78,783</u>
<b>Deficiency of revenues over expenditures</b>	<u>(10,451,713)</u>	<u>(10,451,713)</u>	<u>(10,371,191)</u>	<u>80,522</u>
<b>Other financing sources (uses)</b>				
Transfers from Board of County Commissioners	10,551,713	10,551,713	10,451,435	(100,278)
Operating transfers in (out)	(100,000)	(100,000)	(80,244)	19,756
Total other financing sources (uses)	<u>10,451,713</u>	<u>10,451,713</u>	<u>10,371,191</u>	<u>(80,522)</u>
<b>Net change in fund balance</b>	-	-	-	-
<b>Fund balance, beginning of year</b>	<u>434,875</u>	<u>434,875</u>	<u>434,875</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 434,875</u>	<u>\$ 434,875</u>	<u>\$ 434,875</u>	<u>\$ -</u>

See notes to financial statements.

**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**- BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended September 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 952,761	\$ 952,761	\$ 952,761	\$ -
Charges for services	740,389	740,389	740,389	-
Fines	31,425	31,425	31,425	-
Miscellaneous	31,393	31,393	31,393	-
<b>Total revenues</b>	<u>1,755,968</u>	<u>1,755,968</u>	<u>1,755,968</u>	<u>-</u>
<b>Expenditures</b>				
Public safety				
Current	1,205,076	1,205,076	1,205,076	-
Capital outlay	530,957	530,957	530,957	-
Debt service				
Principal	24,471	24,471	24,471	-
Interest	1,947	1,947	1,947	-
<b>Total expenditures</b>	<u>1,762,451</u>	<u>1,762,451</u>	<u>1,762,451</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(6,483)</u>	<u>(6,483)</u>	<u>(6,483)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers from Board of County Commissioners	254,994	254,994	254,994	-
Transfers to Board of County Commissioners	(150,000)	(150,000)	(150,000)	-
Operating transfers in	80,244	80,244	80,244	-
<b>Total other financing sources (uses)</b>	<u>185,238</u>	<u>185,238</u>	<u>185,238</u>	<u>-</u>
<b>Net change in fund balance</b>	178,755	178,755	178,755	-
<b>Fund balance, beginning of year</b>	<u>1,659,035</u>	<u>1,659,035</u>	<u>1,659,035</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,837,790</u></u>	<u><u>\$ 1,837,790</u></u>	<u><u>\$ 1,837,790</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

**SHERIFF  
WAKULLA COUNTY, FLORIDA  
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS  
September 30, 2010**

	Grants and Contracts	\$2 Training	Crime Prevention	Donated Funds	Federal			Law Enforcement			Law Enforcement Trust	Moving Violation	One Cent Sales Tax	Totals
					Forfeiture Trust	Firing Range	Housing Trust	Inmate Welfare	Impact Fees					
<b>Assets</b>														
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 12,636	\$ 1,797	\$ 8,600	\$ 1,352,928	\$ 371,282	\$ -	\$ 51,632	\$ -	\$ -	\$ 1,798,871	
Accounts receivable	-	-	-	-	-	-	4,300	-	-	-	-	-	4,301	
Due from other funds	-	-	-	-	-	-	11,998	-	-	-	-	-	34,861	
Due from Board of County Commissioners	81,898	10,961	13,817	-	-	-	-	-	27,416	-	26,418	-	160,511	
Due from other governmental units	318,961	-	-	-	-	-	-	-	-	-	-	-	318,961	
<b>Total Assets</b>	<b>\$ 400,859</b>	<b>\$ 10,961</b>	<b>\$ 13,817</b>	<b>\$ 12,636</b>	<b>\$ 1,797</b>	<b>\$ 8,600</b>	<b>\$ 1,375,795</b>	<b>\$ 387,580</b>	<b>\$ 27,416</b>	<b>\$ 51,632</b>	<b>\$ 26,418</b>	<b>\$ -</b>	<b>\$ 2,317,511</b>	
<b>Liabilities and Fund Balances</b>														
<b>Liabilities</b>														
Accounts payable and accrued expenses	\$ 28,200	\$ -	\$ 432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,632	
Due to Board of County Commissioners	803	-	-	-	-	-	-	-	-	-	-	-	803	
Due to other funds	371,856	10,961	13,385	250	-	-	-	-	27,416	-	26,418	-	450,281	
<b>Total Liabilities</b>	<b>400,859</b>	<b>10,961</b>	<b>13,817</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,416</b>	<b>-</b>	<b>26,418</b>	<b>-</b>	<b>479,721</b>	
<b>Fund Balances</b>														
Fund Balances:														
Reserved	-	-	-	12,386	1,797	8,600	1,375,795	387,580	-	51,632	-	-	1,837,791	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 400,859</b>	<b>\$ 10,961</b>	<b>\$ 13,817</b>	<b>\$ 12,636</b>	<b>\$ 1,797</b>	<b>\$ 8,600</b>	<b>\$ 1,375,795</b>	<b>\$ 387,580</b>	<b>\$ 27,416</b>	<b>\$ 51,632</b>	<b>\$ 26,418</b>	<b>\$ -</b>	<b>\$ 2,317,511</b>	

See notes to financial statements.

**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended September 30, 2010**

	Grants and Contracts	\$2 Training	Crime Prevention	Donated Funds	Federal Forfeiture Trust	Firing Range	Housing Trust	Inmate Welfare	Law Enforcement			Moving Violation	One Cent Sales Tax	Totals	
									Impact Fees	Enforcement Trust	Law Trust				
<b>Revenues</b>															
Intergovernmental	\$ 952,761	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 952,761
Charges for services	380,049	-	-	4,096	-	36,191	212,762	107,291	-	-	-	-	-	-	740,389
Fines	-	-	-	25,636	-	-	-	-	-	-	-	-	-	-	31,425
Miscellaneous	178	-	-	1	5	19	23,344	5,990	-	-	-	-	-	-	31,393
Total revenues	1,332,988	-	-	29,733	5	36,210	236,106	113,281	-	-	-	-	-	-	1,755,968
<b>Expenditures</b>															
Current															
Public safety	1,082,535	10,961	13,817	29,027	100	24,686	-	30,976	1,160	3,748	-	8,066	-	-	1,205,076
Capital outlay	-	-	-	-	-	-	-	-	26,256	-	-	145,043	-	-	530,957
Public safety	353,970	-	-	-	-	5,688	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,436,505	10,961	13,817	29,027	100	30,374	-	30,976	27,416	3,748	26,418	153,109	-	-	1,762,451
Excess (deficiency) of revenues over expenditures	(103,517)	(10,961)	(13,817)	706	(95)	5,836	236,106	82,305	(27,416)	3,897	(26,418)	(153,109)	-	-	(6,483)
<b>Other financing sources (uses)</b>															
Transfers from Board of County Commissioners	23,273	10,961	13,817	-	-	-	-	-	27,416	-	26,418	153,109	-	-	254,984
Transfers to Board of County Commissioners	-	-	-	-	-	-	(150,000)	-	-	-	-	-	-	-	(150,000)
Operating transfers in (out)	80,244	-	-	-	-	-	-	-	-	-	-	-	-	-	80,244
Total other financing sources (uses)	103,517	10,961	13,817	-	-	-	(150,000)	-	27,416	-	26,418	153,109	-	-	185,238
Net change in fund balances	-	-	-	706	(95)	5,836	86,106	82,305	-	3,897	-	-	-	-	178,755
Fund balances, beginning of year	-	-	-	11,680	1,892	2,764	1,289,689	305,275	-	47,735	-	-	-	-	1,659,035
Fund balances, end of year	\$ -	\$ -	\$ -	\$ 12,386	\$ 1,797	\$ 8,600	\$ 1,375,795	\$ 387,580	\$ -	\$ 51,632	\$ -	\$ -	\$ -	\$ -	\$ 1,837,790

See notes to financial statements.

**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET - ALL GRANTS AND CONTRACTS**  
**September 30, 2010**

	BP Oil Admini- stration	BP Oil Off Duty Detail - Bovis	BP Oil Off Duty Detail - Worley	BP Oil Police Protective Services	Bullet Proof Vest	Civil Citation	Crime Investigator
<b>Assets</b>							
Due from Board of County Commissioners	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governmental units	50,431	-	-	2,919	3,882	4,545	223
<b>Total Assets</b>	<b>\$ 50,431</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,919</b>	<b>\$ 3,882</b>	<b>\$ 4,545</b>	<b>\$ 223</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 164	\$ -	\$ -	\$ -	\$ -	\$ 1,354	\$ -
Due to Board of County Commissioners	-	-	-	-	-	-	-
Due to other funds	50,267	-	-	2,919	3,882	3,191	223
<b>Total Liabilities</b>	<b>50,431</b>	<b>-</b>	<b>-</b>	<b>2,919</b>	<b>3,882</b>	<b>4,545</b>	<b>223</b>
<b>Fund Balances</b>							
Fund Balances:							
Unreserved, undesignated	-	-	-	-	-	-	-
<b>Total Liabilities and Fund Balances</b>	<b>\$ 50,431</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,919</b>	<b>\$ 3,882</b>	<b>\$ 4,545</b>	<b>\$ 223</b>

(Continued)

See notes to financial statements.



**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET – ALL GRANTS AND CONTRACTS**  
September 30, 2010

	EMPA	Homeland Security		JAG / Meth	JAG / AVL	KWCB	Litter			Recovery	
				Lab			Control	Parks and Recreation	Litter Control	Act Rural	Crime
Due from Board of County Commissioners	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governmental units	46,287	-	-	-	-	4,563	4,072	-	-	-	85,596
<b>Total Assets</b>	<b>\$ 46,287</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,563</b>	<b>\$ 4,072</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 85,596</b>

**Assets**

Due from Board of County Commissioners  
Due from other governmental units  
**Total Assets**

**Liabilities and Fund Balances**

**Liabilities**

Accounts payable and accrued liabilities  
Due to Board of County Commissioners  
Due to other funds

**Total Liabilities**

**Fund Balances**

Fund Balances:

Unreserved, undesignated

**Total Liabilities and Fund Balances**

(Continued)

Accounts payable and accrued liabilities	\$ 4,669	\$ -	\$ -	\$ -	\$ -	\$ 555	\$ 1,488	\$ -	\$ -	\$ -	\$ 10,644
Due to Board of County Commissioners	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	41,618	-	-	-	-	4,008	2,584	-	-	-	74,952
<b>Total Liabilities</b>	<b>46,287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,563</b>	<b>4,072</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,596</b>
<b>Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:											
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities and Fund Balances</b>	<b>\$ 46,287</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,563</b>	<b>\$ 4,072</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 85,596</b>

See notes to financial statements.

**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET - ALL GRANTS AND CONTRACTS**  
**September 30, 2010**

	Recovery Act / Technology	Recovery Act / Vehicles	Youth Coalition	School Resource Officer	U.S. Forestry	U.S. Marshall	VOCA	TOTALS
<b>Assets</b>								
Due from Board of County Commissioners	\$ 81,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,898
Due from other governmental units	76,753	-	-	15,400	486	5,298	18,506	318,961
<b>Total Assets</b>	<b>\$ 158,651</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,400</b>	<b>\$ 486</b>	<b>\$ 5,298</b>	<b>\$ 18,506</b>	<b>\$ 400,859</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 2,419	\$ -	\$ -	\$ 1,517	\$ 112	\$ 496	\$ 4,782	\$ 28,200
Due to Board of County Commissioners	-	-	-	803	-	-	-	803
Due to other funds	156,232	-	-	13,080	374	4,802	13,724	371,856
<b>Total Liabilities</b>	<b>158,651</b>	<b>-</b>	<b>-</b>	<b>15,400</b>	<b>486</b>	<b>5,298</b>	<b>18,506</b>	<b>400,859</b>
<b>Fund Balances</b>								
Fund Balances:								
Unreserved, undesignated	-	-	-	-	-	-	-	-
<b>Total Liabilities and Fund Balances</b>	<b>\$ 158,651</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,400</b>	<b>\$ 486</b>	<b>\$ 5,298</b>	<b>\$ 18,506</b>	<b>\$ 400,859</b>

See notes to financial statements.

**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - ALL GRANTS AND CONTRACTS**  
**For the Fiscal Year Ended September 30, 2010**

	BP Oil Administration	BP Oil Off Duty Detail - Bovis	BP Oil Off Duty Detail - Worley	BP Oil Police Protective Services	Bullet Proof Vest	Civil Citation	Crime Investigator
<b>Revenues</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 8,126	\$ 34,611	\$ 51,790
Charges for services	50,431	20,566	22,096	4,757	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>50,431</b>	<b>20,566</b>	<b>22,096</b>	<b>4,757</b>	<b>8,126</b>	<b>34,611</b>	<b>51,790</b>
<b>Expenditures</b>							
Current							
Public safety	50,431	20,566	22,096	4,757	18,451	34,611	20,223
Capital outlay	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	31,567
<b>Total expenditures</b>	<b>50,431</b>	<b>20,566</b>	<b>22,096</b>	<b>4,757</b>	<b>18,451</b>	<b>34,611</b>	<b>51,790</b>
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	-	-	<b>(10,325)</b>	-	-
<b>Other financing sources (uses)</b>							
Transfers from Board of County Commissioners	-	-	-	-	-	-	-
Operating transfers in (out)	-	-	-	-	10,325	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	<b>10,325</b>	-	-
<b>Net change in fund balances</b>	-	-	-	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – ALL GRANTS AND CONTRACTS**  
**For the Fiscal Year Ended September 30, 2010**

	EMPA	Homeland Security	JAG / Meth		JAG / AVL	KWCB	Litter Control		Recovery Act Rural Crime
			Lab				Parks and Recreation	VMS	
<b>Revenues</b>									
Intergovernmental	\$ 119,909	\$ 49,519	\$ 10,787	\$ 10,636	\$ -	\$ -	\$ -	\$ -	\$ 256,400
Charges for services	2,488	-	-	-	18,942	52,493	35,336	-	-
Miscellaneous	-	-	-	178	-	-	-	-	-
<b>Total revenues</b>	<b>122,407</b>	<b>49,519</b>	<b>10,787</b>	<b>10,814</b>	<b>18,942</b>	<b>52,493</b>	<b>35,336</b>	<b>-</b>	<b>256,400</b>
<b>Expenditures</b>									
<b>Current</b>									
Public safety	127,922	49,519	1,877	-	18,942	52,493	88,420	-	256,400
Capital outlay	19,137	-	8,919	16,650	-	-	-	-	-
Public safety	147,059	49,519	10,796	16,650	18,942	52,493	88,420	-	256,400
<b>Total expenditures</b>	<b>(24,652)</b>	<b>-</b>	<b>(9)</b>	<b>(5,836)</b>	<b>-</b>	<b>-</b>	<b>(53,084)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>									
<b>Other financing sources (uses)</b>									
Transfers from Board of County Commissioners	23,273	-	-	-	-	-	-	-	-
Operating transfers in (out)	1,379	-	9	5,836	-	-	53,084	-	-
<b>Total other financing sources (uses)</b>	<b>24,652</b>	<b>-</b>	<b>9</b>	<b>5,836</b>	<b>-</b>	<b>-</b>	<b>53,084</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - ALL GRANTS AND CONTRACTS**  
**For the Fiscal Year Ended September 30, 2010**

	Recovery Act Technology	Recovery Act Vehicles	Recovery Act	Youth Coalition	School Resource Officer	U.S. Forestry	U.S. Marshall	VOCA	TOTALS
<b>Revenues</b>									
Intergovernmental	\$ 231,333	\$ 44,389	\$ -	\$ 34,890	\$ -	\$ -	\$ -	\$ 100,371	\$ 952,761
Charges for services	-	-	-	-	154,000	3,000	15,930	-	380,049
Miscellaneous	-	-	-	-	-	-	-	-	178
<b>Total revenues</b>	<b>231,333</b>	<b>44,389</b>	<b>44,389</b>	<b>34,890</b>	<b>154,000</b>	<b>3,000</b>	<b>15,930</b>	<b>100,371</b>	<b>1,332,988</b>
<b>Expenditures</b>									
Current									
Public safety	-	1,023	157,172	34,890	157,172	3,074	12,938	106,730	1,082,535
Capital outlay									
Public safety	231,333	43,372	-	-	-	-	2,992	-	353,970
<b>Total expenditures</b>	<b>231,333</b>	<b>44,395</b>	<b>157,172</b>	<b>34,890</b>	<b>157,172</b>	<b>3,074</b>	<b>15,930</b>	<b>106,730</b>	<b>1,436,505</b>
Excess (deficiency) of revenues over expenditures	-	(6)	(3,172)	-	(3,172)	(74)	-	(6,359)	(103,517)
<b>Other financing sources (uses)</b>									
Transfers from Board of County Commissioners	-	-	-	-	-	-	-	-	23,273
Operating transfers in (out)	-	6	3,172	-	3,172	74	-	6,359	80,244
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>6</b>	<b>3,172</b>	<b>-</b>	<b>3,172</b>	<b>74</b>	<b>-</b>	<b>6,359</b>	<b>103,517</b>
Net change in fund balances	-	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See notes to financial statements.

**SHERIFF**  
**WAKULLA COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET**  
**ALL AGENCY FUNDS**  
**September 30, 2010**

	Inmate Trust	Individual Depository	Suspense	Forfeitures Held in Trust	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 16,732	\$ 242,261	\$ 2,895	\$ 31,093	\$ 292,981
<b>Liabilities</b>					
Due to other funds	\$ -	\$ 32,931	\$ -	\$ -	\$ 32,931
Due to Board of County Commissioners	-	209,330	-	-	209,330
Due to individuals	16,732	-	2,895	-	19,627
Other current liabilities	-	-	-	31,093	31,093
<b>Total Liabilities</b>	<b>\$ 16,732</b>	<b>\$ 242,261</b>	<b>\$ 2,895</b>	<b>\$ 31,093</b>	<b>\$ 292,981</b>

See notes to financial statements.

**SHERIFF  
WAKULLA COUNTY, FLORIDA  
ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended September 30, 2010**

	Balance Oct. 1, 2009	Additions	Deductions	Balance Sept. 30, 2010
<b>INMATE TRUST</b>				
<b>Assets</b>				
Cash	\$ 14,878	\$ 1,854	\$ -	\$ 16,732
<b>Total assets</b>	<u>\$ 14,878</u>	<u>\$ 1,854</u>	<u>\$ -</u>	<u>\$ 16,732</u>
<b>Liabilities</b>				
Due to individuals	\$ 14,878	\$ 1,854	\$ -	\$ 16,732
<b>Total liabilities</b>	<u>\$ 14,878</u>	<u>\$ 1,854</u>	<u>\$ -</u>	<u>\$ 16,732</u>
<b>INDIVIDUAL DEPOSITORY</b>				
<b>Assets</b>				
Cash	\$ 699,423	\$ 2,278,353	\$ 2,735,515	\$ 242,261
<b>Total assets</b>	<u>\$ 699,423</u>	<u>\$ 2,278,353</u>	<u>\$ 2,735,515</u>	<u>\$ 242,261</u>
<b>Liabilities</b>				
Due to other funds	\$ 104,917	\$ 320,219	\$ 392,205	\$ 32,931
Due to Board of County Commissioners	594,506	2,188,992	2,574,168	209,330
<b>Total liabilities</b>	<u>\$ 699,423</u>	<u>\$ 2,509,211</u>	<u>\$ 2,966,373</u>	<u>\$ 242,261</u>
<b>SUSPENSE</b>				
<b>Assets</b>				
Cash	\$ 3,414	\$ 83,870	\$ 84,389	\$ 2,895
<b>Total assets</b>	<u>\$ 3,414</u>	<u>\$ 83,870</u>	<u>\$ 84,389</u>	<u>\$ 2,895</u>
<b>Liabilities</b>				
Due to individuals	\$ 3,414	\$ 83,870	\$ 84,389	\$ 2,895
<b>Total liabilities</b>	<u>\$ 3,414</u>	<u>\$ 83,870</u>	<u>\$ 84,389</u>	<u>\$ 2,895</u>
<b>FORFEITURES HELD IN TRUST</b>				
<b>Assets</b>				
Cash	\$ 15,885	\$ 15,208	\$ -	\$ 31,093
<b>Total assets</b>	<u>\$ 15,885</u>	<u>\$ 15,208</u>	<u>\$ -</u>	<u>\$ 31,093</u>
<b>Liabilities</b>				
Other current liabilities	\$ 15,885	\$ 15,208	\$ -	\$ 31,093
<b>Total liabilities</b>	<u>\$ 15,885</u>	<u>\$ 15,208</u>	<u>\$ -</u>	<u>\$ 31,093</u>
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	\$ 733,600	\$ 2,379,285	\$ 2,819,904	\$ 292,981
<b>Total assets</b>	<u>\$ 733,600</u>	<u>\$ 2,379,285</u>	<u>\$ 2,819,904</u>	<u>\$ 292,981</u>
<b>Liabilities</b>				
Due to other funds	\$ 104,917	\$ 320,219	\$ 392,205	\$ 32,931
Due to Board of County Commissioners	594,506	2,188,992	2,574,168	209,330
Due to individuals	18,292	85,724	84,389	19,627
Other current liabilities	15,885	15,208	-	31,093
<b>Total liabilities</b>	<u>\$ 733,600</u>	<u>\$ 2,610,143</u>	<u>\$ 3,050,762</u>	<u>\$ 292,981</u>

See notes to financial statements.

**COMPLIANCE SECTION**



**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**

To the Sheriff  
Wakulla County, Florida

We have audited the special purpose financial statements of the Wakulla County Sheriff, as of and for the year ended September 30, 2010, and have issued our report thereon dated April 19, 2011. Our report included a paragraph stating that the Sheriff is an integral part of Wakulla County, the primary government for financial reporting purposes. 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.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Wakulla County Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wakulla County Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the Wakulla County Sheriff'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 and other matters with these 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*.

This report is intended solely for the information and use of the Sheriff, the Board of County Commissioners, and the Auditor General of Florida. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



**POWELL & JONES**  
Certified Public Accountants  
April 19, 2011

## MANAGEMENT LETTER

Honorable Sheriff  
Wakulla County, Florida

We have audited the financial statements of the Wakulla County Sheriff, as of and for the year ended September 30, 2010, and have issued our report thereon dated April 19, 2011. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

### CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

### AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the audited financial statements of Wakulla County, Florida, for the year ended September 30, 2010. The financial statements of the Sheriff are combined with other County agencies in that report.

Investment of Public Funds - The Sheriff complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

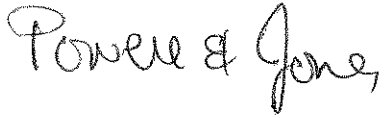
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Sheriff had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose and further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

## **CONCLUSION**

We have reviewed information regarding our audit with the Sheriff and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Office. We appreciate the overall high quality of the financial records and personnel in the Sheriff's Office. We also appreciate the helpful assistance, professionalism and courtesy afforded us by these employees.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**

Certified Public Accountants  
April 19, 2011

**SUPERVISOR OF ELECTIONS**

**WAKULLA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

For the Fiscal Year Ended September 30, 2010

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
Independent Auditor's Report	166
<b>FINANCIAL STATEMENTS</b>	
General Fund Balance Sheet	168
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	169
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	170
Notes to Financial Statements	171 - 173
<b>COMPLIANCE SECTION</b>	
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	175
Management Letter	176 - 177

## INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections  
Wakulla County, Florida

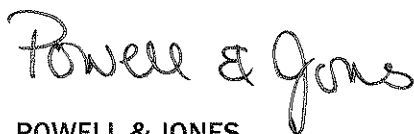
We have audited the accompanying special purpose fund financial statements of the Wakulla County Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2010, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Supervisor of Elections. Our responsibility is to express an opinion 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 special purpose fund financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose fund financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Supervisor of Elections, as well as evaluating the overall special purpose fund financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Supervisor of Elections is part of the reporting entity, Wakulla County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Wakulla County Supervisor of Elections, as of September 30, 2010, and the results of its operations and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 15, 2010, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 considered in assessing the results of our audit.



POWELL & JONES  
Certified Public Accountants  
April 12, 2011

## **FINANCIAL STATEMENTS**

**WAKULLA COUNTY, FLORIDA**  
**SUPERVISOR OF ELECTIONS**

**GENERAL FUND**  
**BALANCE SHEET**  
September 30, 2010

**ASSETS**

Cash and cash equivalents	\$	24,935
Total assets	\$	<u>24,935</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:

Accounts payable	\$	8,167
Accrued liabilities		9,199
Deferred revenue		7,569
Total liabilities		<u>24,935</u>

Fund balance		-
Total liabilities and fund balance	\$	<u>24,935</u>

See notes to financial statements.



**WAKULLA COUNTY, FLORIDA**

**SUPERVISOR OF ELECTIONS**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
For the Fiscal Year Ended September 30, 2010**

**REVENUES**

Intergovernmental	\$	1,118
Miscellaneous		694
Total revenues		<u>1,812</u>

**EXPENDITURES**

General government		
Current operating		305,156
Total expenditures		<u>305,156</u>

Deficiency of revenues over expenditures		<u>(303,344)</u>
--	--	------------------

**OTHER FINANCING SOURCES**

Transfers from the Board of County Commissioners		327,415
Interfund transfers		(36,048)
Total other financing sources		<u>291,367</u>

Net change in fund balance		(11,977)
Fund balance, beginning of year		11,977
Fund balance, end of year	\$	<u><u>-</u></u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**SUPERVISOR OF ELECTIONS**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental				
Federal grants	\$ -	\$ -	\$ 1,118	\$ 1,118
Miscellaneous				
Interest	-	-	35	35
Other	-	-	659	659
Total revenues	<u>-</u>	<u>-</u>	<u>1,812</u>	<u>1,812</u>
<b>EXPENDITURES</b>				
General government				
Current operating	327,415	335,915	305,156	30,759
Total expenditures	<u>327,415</u>	<u>335,915</u>	<u>305,156</u>	<u>30,759</u>
Deficiency of revenues over expenditures	<u>(327,415)</u>	<u>(335,915)</u>	<u>(303,344)</u>	<u>32,571</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from the Board of County				
Commissioners	327,415	335,915	327,415	8,500
Interfund transfer	-	-	(36,048)	36,048
Total other financing sources (uses)	<u>327,415</u>	<u>335,915</u>	<u>291,367</u>	<u>44,548</u>
Net change in fund balance	-	-	(11,977)	11,977
Fund balance, beginning of year	11,977	11,977	11,977	-
Fund balance, end of year	<u>\$ 11,977</u>	<u>\$ 11,977</u>	<u>\$ -</u>	<u>\$ 11,977</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2010**

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

The following is a summary of the more significant accounting policies of the Wakulla County Supervisor of Elections (Supervisor of Elections).

**A. Reporting Entity** - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Supervisor of Elections, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Supervisor of Elections' Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as a part of the primary government of Wakulla County, Florida. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of Wakulla County, Florida, taken as a whole.

These special purpose financial statements of the Supervisor of Elections are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

**B. Fund Accounting** - Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds utilized by the Supervisor of Elections are as follows:

**(i) Governmental Fund**

**General Fund** - The General Fund of the Supervisor of Elections is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

**C. Basis of Accounting** - The "Basis of Accounting" refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounting records and reported in the financial statements. The Supervisor of Elections currently maintains accounting records for all funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types using the modified accrual basis of

accounting. Under the modified accrual basis, revenues are generally recognized when they become measurable and available as net current assets. Expenditures are reported when incurred with the exception of prepaid expenses and principal and interest on general long-term obligations. Encumbrance accounting is not utilized by the Supervisor of Elections.

**D. Budget** - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriations budget, which includes the operating budget of the Supervisor of Elections.

In the budgetary comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Supervisor of Elections, as amended by the Supervisor of Elections.

**E. Cash and Investments** - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2010, the book balance of the Supervisor of Elections' deposits was \$24,935.

**F. Inventories** - It is the policy of the Supervisor of Elections to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

**G. Fixed Assets** - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Asset Group of Accounts. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. Depreciation has been recorded using the straight-line method on the County's general fixed assets. Assets purchased by the Supervisor of Elections are reported in the Board of County Commissioners' Governmental Capital Assets Account.

**H. Compensated Absences** - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$8,547 is reported in the General Long-Term Debt Accounts of Wakulla County, Florida.

**I. Estimates** - The preparation of financial statements in conformity with generally 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.

**J. Risk Management** - The Supervisor of Elections 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

the public; or damage to property of others. The Supervisor of Elections directly purchases insurance and participates in the risk management program through the Wakulla County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from losses.

**K. Deferred Revenues** - Deferred revenues reported in the special purpose fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

## **NOTE 2. PENSION PLAN**

**Plan Description** - The Supervisor of Elections contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida. Or by calling (850) 488-5706.

**Funding Policy** - The System is employee noncontributory. The Supervisor of Elections is required to contribute at an actuarially determined rate. The rates at September 30, 2010, were as follows: Regular Employees 10.77%; Senior Management 14.57%; Elected Officials 18.64%, and employees electing the DROP Program 12.25%. The contribution requirements of plan members and the Supervisor of Elections are established and may be amended by the Florida Legislature. The Supervisor of Elections' contributions to the System for the years ending September 30, 2010, 2009 and 2008 were \$19,388, \$17,763, and \$19,112, respectively, equal to the required contributions for each year.

**COMPLIANCE SECTION**

**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**

Honorable Supervisor of Elections  
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Supervisor of Elections, as of and for the year ended September 30, 2010, and have issued our report thereon dated April 12, 2011. Our report included a paragraph stating that the Supervisor of Elections is an integral part of Wakulla County, the primary government for financial reporting purposes. 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.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Wakulla County Supervisor of Elections' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wakulla County Supervisor of Elections' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

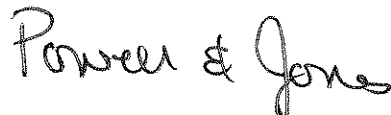
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the Wakulla County Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance and other matters with these 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*.

This report is intended solely for the information and use of the Wakulla County Supervisor of Elections, the Board of County Commissioners, and the Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than those specified parties.



**POWELL & JONES**  
Certified Public Accountants  
April 12, 2011

## MANAGEMENT LETTER

Honorable Supervisor of Elections  
Wakulla County, Florida

We have audited the financial statements of the Supervisor of Elections, as of and for the year ended September 30, 2010, and have issued our report thereon dated April 12, 2011. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

### CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

### AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is an agreement with the audited financial statements of Wakulla County, Florida, for the year ended September 30, 2010. The financial statements of the Supervisor of Elections are combined with other County agencies in that report.

Investment of Public Funds - The Supervisor of Elections complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

Financial Emergency Status - Nothing came to our attention that caused us to believe that the Supervisor of Elections had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

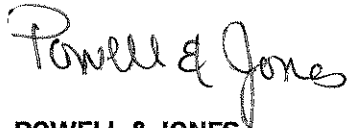
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.



Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

## CONCLUSION

We have reviewed information regarding our audit with the Supervisor of Elections and have provided her with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Supervisor of Elections Office. We appreciate the overall high quality of the financial records and personnel in the Supervisor of Elections. We also appreciate the helpful assistance, professionalism and courtesy afforded us by these employees.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
Certified Public Accountants  
April 12, 2011

**TAX COLLECTOR**

**WAKULLA COUNTY, FLORIDA  
TAX COLLECTOR**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

For the Fiscal Year Ended September 30, 2010

**TABLE OF CONTENTS**

	PAGE NO.
Independent Auditor's Report	180 - 181
<b>COMBINED FINANCIAL STATEMENTS</b>	
Combined Balance Sheet - All Fund Types	183
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	184
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	185
Notes to Financial Statements	186 - 189
<b>COMBINING FUND STATEMENT</b>	
Agency Funds Combining Statement of Fiduciary Net Assets	191
<b>COMPLIANCE SECTION</b>	
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	193
Management Letter	194 - 195

## INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector  
Wakulla County, Florida

We have audited the accompanying special purpose fund financial statements of the Wakulla County Tax Collector (the Tax Collector), as of and for the year ended September 30, 2010, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Tax Collector. Our responsibility is to express an opinion 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 special purpose fund financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose fund financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Tax Collector, as well as evaluating the overall special purpose fund financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39, *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Tax Collector is part of the reporting entity, Wakulla County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Tax Collector, as of September 30, 2010, and the results of its operations and budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2011, 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 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 considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the special purpose fund financial statements taken as a whole. The combining financial statement listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose fund financial statements of the Tax Collector. Such information has been subjected to the auditing procedures applied in the audit of the special purpose fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**

Certified Public Accountants

April 19, 2011

**COMBINED FINANCIAL STATEMENTS**

**WAKULLA COUNTY, FLORIDA**

**TAX COLLECTOR**

**COMBINED BALANCE SHEET – ALL FUND TYPES  
September 30, 2010**

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,034	\$ 290,070	\$ 291,104
Due from other governmental units	-	20	20
<b>Total assets</b>	<u>\$ 1,034</u>	<u>\$ 290,090</u>	<u>\$ 291,124</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Due to other governmental units	\$ -	\$ 238,198	\$ 238,198
Interest payable	-	2,418	2,418
Other current liabilities	1,034	49,474	50,508
<b>Total liabilities</b>	<u>1,034</u>	<u>290,090</u>	<u>291,124</u>
Fund balance	-	-	-
<b>Total liabilities and fund balance</b>	<u>\$ 1,034</u>	<u>\$ 290,090</u>	<u>\$ 291,124</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended September 30, 2010

REVENUES

Charges for services \$ 41,206

EXPENDITURES

General government

    Current operating 688,724

    Capital outlay 7,148

    Debt service 7,772

Total expenditures 703,644

Deficiency of revenues over expenditures (662,438)

OTHER FINANCING SOURCES

Transfers from the Board of County Commissioners 662,438

Net change in fund balance -

Fund balance, beginning of year -

Fund balance, end of year \$ -

See notes to financial statements.



WAKULLA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 41,206	\$ 41,206
<b>EXPENDITURES</b>				
General government				
Current operating	667,477	667,477	688,724	(21,247)
Capital outlay	-	-	7,148	(7,148)
Debt service	-	-	7,772	(7,772)
Total expenditures	667,477	667,477	703,644	(36,167)
Deficiency of revenues over expenditures	(667,477)	(667,477)	(662,438)	5,039
<b>OTHER FINANCING SOURCES</b>				
Transfers from the Board of County Commissioners	667,477	667,477	662,438	(5,039)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2010

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

The following is a summary of the more significant accounting policies of the Wakulla County Tax Collector (Tax Collector).

**A. Reporting Entity** - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Tax Collector, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Tax Collector's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as a part of the primary government of Wakulla County, Florida. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Wakulla County, Florida, taken as a whole.

These special purpose financial statements of the Tax Collector are issued separately to comply with Section 10.557(5), Rules of the Auditor General for Local Governmental Entity Audits, pursuant to Section 11.45(3), *Florida Statutes*.

**B. Fund Accounting** - Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund entity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds utilized by the Tax Collector are as follows:

(i) **Governmental Fund**

**General Fund** - The General Fund of the Tax Collector is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

(ii) **Fiduciary Funds**

**Agency Funds** - Agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following Agency Funds are maintained by the Tax Collector:

Bankruptcy  
Boating

Delinquent Tax  
Hunting and Fishing  
Litigation  
MSBU  
Old Delinquent  
Tag  
Tax  
Tax Escrow  
Wastewater Assessment

**C. Basis of Accounting** - The "Basis of Accounting" refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounting records and reported in the financial statements. The Tax Collector currently maintains its accounting records for all funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types using the modified accrual basis of accounting. Under the modified accrual basis, revenues are generally recognized when they become measurable and available as net current assets. Expenditures are reported when incurred with the exception of prepaid expenses and principal and interest on general long-term obligations. Encumbrance accounting is not utilized by the Tax Collector.

**D. Budget** - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriated budget, which includes its funding of the operations of the Tax Collector. The operating budget of the Tax Collector is approved by the Board of County Commissioners.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Tax Collector, as amended during the year.

**E. Cash** - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2010, the book balance of the Tax Collector's deposits was \$290,070. Of this balance, all was covered by federal depository insurance. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

The Tax Collector also has petty cash reserves in the amount of \$1,034.

**F. Inventories** - It is the policy of the Tax Collector to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

**G. Fixed Assets** - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Accounts. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. Assets purchased by the Tax Collector are reported in the Board of County Commissioners' General Fixed Assets Accounts.

**H. Compensated Absences** - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable

to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$24,634 is reported in the General Long-Term Debt Accounts of Wakulla County, Florida.

I. **Estimates** - The preparation of financial statements in conformity with generally 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.

J. **Risk Management** - The Tax Collector 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 the public; or damage to property of others. The Tax Collector directly purchases insurance and participates in the risk management program through the Wakulla County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

## **NOTE 2. PENSION PLAN**

**Plan Description** - The Tax Collector contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida, or by calling (850) 488-5706.

**Funding Policy** - The System is employee noncontributory. The Tax Collector is required to contribute at an actuarially determined rate. The rates at September 30, 2010, were as follows: Regular Employees 10.77%; Senior Management 14.57%; Elected Officials 18.64% and employees electing the DROP Program 12.25%. The contribution requirements of plan members and the Tax Collector are established and may be amended by the Florida Legislature. The Tax Collector's contributions to the System for the years ending September 30, 2010, 2009 and 2008 were \$48,241, \$41,453, and \$40,013, respectively, equal to the required, contributions for each year.

## **NOTE 3. OPERATING LEASE**

The Tax Collector leases a mailing machine under an operating lease expiring in 2014.

Minimum future lease payments under the noncancelable operating lease for each of the next three years are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2011	\$ 2,368
2012	2,368
2013	2,368
2014	2,368
	<u>\$ 9,472</u>

**NOTE 4. CAPITAL LEASE**

The Tax Collector leases software/server under a lease purchase agreement expiring in 2011. Minimum future lease payments including interest of \$892 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2011	\$ 3,568

**COMBINING FUND STATEMENT**

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR  
 AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 September 30, 2010

	Bankruptcy	Boating	Delinquent Tax	Hunting and Fishing	Litigation	MSBU	Old Delinquent	Tag	Tax	Escrow	Waste-water Assessment	Totals
<b>ASSETS</b>												
Cash and cash equivalents	\$ 19,130	\$ -	\$ 10,022	\$ 327	\$ 21,380	\$ -	\$ 2,757	\$ 11,612	\$ -	\$ 224,841	\$ 1	\$ 290,070
Due from other governmental units	-	19	-	-	-	-	-	-	-	1	-	20
Total assets	\$ 19,130	\$ 19	\$ 10,022	\$ 327	\$ 21,380	\$ -	\$ 2,757	\$ 11,612	\$ -	\$ 224,842	\$ 1	\$ 290,090
<b>LIABILITIES AND NET ASSETS</b>												
Liabilities												
Due to other governmental units	\$ -	\$ 19	\$ 42	\$ 327	\$ -	\$ -	\$ 1,684	\$ 11,612	\$ -	\$ 224,514	\$ -	\$ 238,198
Interest payable	-	-	580	-	459	-	1,073	-	-	306	-	2,418
Other current liabilities	19,130	-	9,400	-	20,921	-	-	-	-	22	1	49,474
Total liabilities	19,130	19	10,022	327	21,380	-	2,757	11,612	-	224,842	1	290,090
Net assets	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and net assets	\$ 19,130	\$ 19	\$ 10,022	\$ 327	\$ 21,380	\$ -	\$ 2,757	\$ 11,612	\$ -	\$ 224,842	\$ 1	\$ 290,090

See notes to financial statements.

**COMPLIANCE SECTION**



**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**

To the Tax Collector  
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Tax Collector (Tax Collector), as of and for the year ended September 30, 2010, and have issued our report thereon dated April 19, 2011. Our report included a paragraph stating that the Tax Collector is an integral part of Wakulla County, the primary government for financial reporting purposes. 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.

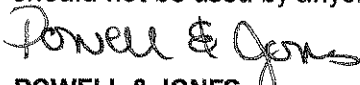
Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Wakulla County Tax Collector's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wakulla County Tax Collector's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wakulla County Tax Collector's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the Wakulla County Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

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

  
**POWELL & JONES**  
Certified Public Accountants  
April 19, 2011

## MANAGEMENT LETTER

Honorable Tax Collector  
Wakulla County, Florida

We have audited the financial statements of the Wakulla County Tax Collector, as of and for the year ended September 30, 2010, and have issued our report thereon dated April 19, 2011. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

### CURRENT YEAR FINDINGS

There were no reportable findings during the current year.

### AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Wakulla County, Florida, for the year ended September 30, 2010. The financial statements of the Tax Collector are combined with other County agencies in that report.

Investment of Public Funds - The Tax Collector complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

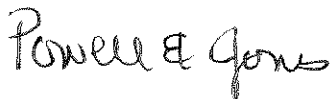
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Tax Collector had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the Rules of the Auditor General (Sections 10.544(g)(6)c and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the Rules of the Auditor General, Chapter 10.554.

## **CONCLUSION**

We have reviewed information regarding our audit with the Tax Collector and have provided her with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit. We appreciate the overall high quality of the financial records and personnel in the Tax Collector's Office. We also appreciate the helpful assistance and courtesy afforded us by these employees.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**

Certified Public Accountants

April 19, 2011