

**WAKULLA COUNTY,
FLORIDA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

WAKULLA COUNTY, FLORIDA

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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, 2009, 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, 2009, 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 March 15, 2010, 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 17 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.

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

POWELL & JONES
Certified Public Accountants
March 15, 2010

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, 2009 and 2008.

Financial Highlights

- While the assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$67,672,283 (*net assets*, page 21 and 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 \$1,278,648 (page 22). This increase in net assets is a result of governmental activities increasing by \$1,778,759 due to an increase in current assets of \$1,236,441 and a prior period adjustment of \$542,318 involving capital leases on the long term debt schedule. The decrease from \$1,778,759 to \$1,278,648 is due to a loss of \$500,111 in business-type activities and is primarily due to a decrease in charges for services revenue (page 22).
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,870,641 (page 23). In comparison with the prior year, this is a decrease of \$1,362,521. Approximately fifteen percent (15%) of the total fund balance, or \$1,787,167 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 \$1,912,237 (page 23) or nine percent (9%) of total general fund expenditures. In the prior fiscal year, the unreserved, undesignated fund balance for the general fund was \$3,579,399 or sixteen percent (16%) 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 \$10,935,498. Total outstanding debt decreased by \$1,855,851 (see Note 10, page 48) during the current fiscal year. This decrease is the result of paying down the overall debt balances in both governmental and business-type activities.

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 23) 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 fifty-six (56) individual governmental funds: one (1) general fund, four (4) capital project funds, and fifty-one (51) 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. Data from the other fifty (50) governmental funds are combined into a single, aggregated presentation (page 23-24) but the details of each fund are shown in the Combining Statements section beginning on page 63.

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 57 - 62). 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.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer and solid waste operations, both of which are considered to be a major fund. 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 nineteen (19) 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 74-76.

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 - 55 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 funds net assets. Required supplementary information can be found on pages 56 - 76 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 82 - 85. 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, 2009.

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 \$67,672,283 and \$66,393,641 at September 30, 2009 and 2008, respectively (page 13).

By far the largest portion of the County's net assets, 85% for 2009 and 81% for 2008, 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 \$57,485,087 for 2009 and \$54,402,797 for 2008. 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.

Wakulla County's Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
ASSETS						
Current and						
other assets	\$ 14,480,032	\$ 15,472,594	\$ 1,745,004	\$ 2,264,493	\$ 16,225,036	\$ 17,737,087
Capital assets	48,420,403	46,834,002	17,791,039	17,947,441	66,211,442	64,781,443
Total Assets	\$ 62,900,435	\$ 62,306,596	\$ 19,536,043	\$ 20,211,934	\$ 82,436,478	\$ 82,518,530
LIABILITIES						
Current and						
other liabilities	\$ 3,655,182	\$ 3,780,064	\$ 1,566,004	\$ 1,414,393	\$ 5,221,186	\$ 5,194,457
Long-term						
liabilities	5,839,834	6,899,867	3,703,175	4,030,565	9,543,009	10,930,432
Total Liabilities	\$ 9,495,016	\$ 10,679,931	\$ 5,269,179	\$ 5,444,958	\$ 14,764,195	\$ 16,124,889
NET ASSETS						
Invested in						
capital assets	\$ 43,743,921	\$ 40,806,201	\$ 13,741,166	\$ 13,596,596	\$ 57,485,087	\$ 54,402,797
Restricted	10,083,474	9,653,768	484,590	353,737	10,568,064	10,007,505
Unrestricted	(421,976)	1,166,696	41,108	816,643	(380,868)	1,983,339
Total net assets	\$ 53,405,419	\$ 51,626,665	\$ 14,266,864	\$ 14,766,976	\$ 67,672,283	\$ 66,393,641

An additional portion of the County's net assets (14% for 2009 and 15% for 2008) represents resources that are subject to restrictions (page 52-53, Note 13) on how they may be used. The restricted net assets are \$10,568,064 for 2009 and \$10,007,505 for 2008. 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 *unrestricted net asset*, \$-380,868 or -0.6% for 2009 and \$1,983,339 or 3% for 2008 may be used to meet the County's ongoing obligations to citizens and creditors.

While the County was able to report positive balances in all three (3) categories of net assets for the government as a whole for the prior fiscal year, it is unable to do so for the current fiscal year. The County's unrestricted net assets has a negative balance of \$380,868. This deficit is detailed below.

In the County's governmental activities, the unrestricted net assets decreased from the prior fiscal year by \$1,588,672. This decrease was essentially due to two (2) factors: a shortfall in anticipated

revenues particularly in property tax revenues and charges for services (pages 22, 24) which led to the use of unrestricted cash balances carried forward from the prior year.

In the business-type activities, there was a decrease in the unrestricted net assets over the previous fiscal year in the amount of \$775,535. This decrease was essentially due to two (2) factors: a shortfall in anticipated revenues in sewer and solid waste (pages 27, 28) which led to the use of cash balances carried forward from the prior year.

Governmental activities. Governmental activities increased the County's net assets by \$1,778,759 in the current year (pages 21-22) and accounted for one hundred percent (100%) of the total addition in the net assets of the County. Key elements of these increases are as follows:

- Total assets increased to \$62,900,435 from \$62,306,596 in the prior fiscal year. Current assets decreased by \$992,562 but this decrease was offset by an increase in capital assets, net of related debt, in the amount of \$1,586,401. This net increase of \$593,839 is thirty-three percent (33%) of the total increase in governmental activities.
- Current assets decreased due to a decrease in anticipated revenues and the use of cash forward from the prior year. Capital assets, net of related debt, increased due to approximately \$4 Million in capital outlay expenditures for road paving and facility improvements. (pages 24, 43).
- Total liabilities decreased to \$9,495,016 from \$10,679,931 in the prior fiscal year. This total decrease of \$1,184,915 is a result of current liabilities decreasing by \$124,882 or eleven percent (11%) and long-term liabilities decreasing by \$1,060,033 or eighty-nine percent (89%).
- Long-term liabilities decreased due primarily to principal reductions of \$920,127 (page 50).

Business-type activities. Business-type activities decreased the County's net assets by \$500,111 in the current year (page 22, 27), thereby accounting for the difference in the net increase in assets of \$1,278,648 and the governmental activities increase of \$1,778,759. Key elements of this decrease are as follows:

- Total assets decreased by \$504,440. The majority of this decrease is a reduction in cash.
- Cash balances decreased due to revenues falling below anticipated levels requiring the use of cash balances on hand to complete operations for the year.

Wakulla County's Changes In Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
REVENUES						
Program Revenues:						
Charges for services	\$ 7,011,779	\$ 7,957,420	\$ 1,805,553	\$ 2,409,881	\$ 8,817,332	\$ 10,367,301
Operating grants and contributions	3,308,656	2,669,394	202,200	26,566	3,510,856	2,695,960
Capital grants and contributions	1,340,452	5,088,971	-	687,955	1,340,452	5,776,926
General Revenues:						
Property and other taxes	14,027,782	15,403,598	-	-	14,027,782	15,403,598
Licenses and permits	424,946	518,257	-	-	424,946	518,257
Intergovernmental and other	5,289,565	4,834,511	84,732	6,655	5,374,297	4,841,166
Total Revenues	\$ 31,403,180	\$ 36,472,151	\$ 2,092,485	\$ 3,131,057	\$ 33,495,665	\$ 39,603,208
EXPENSES						
General government	\$ 6,309,271	\$ 6,100,152	\$ -	\$ -	\$ 6,309,271	\$ 6,100,152
Public Safety	15,608,465	15,349,020	-	-	15,608,465	15,349,020
Physical environment	315,973	396,017	2,592,596	2,678,912	2,908,569	3,074,929
Court related	984,766	939,164	-	-	984,766	939,164
Transportation	2,835,320	2,919,349	-	-	2,835,320	2,919,349
Economic environment	1,534,760	1,354,862	-	-	1,534,760	1,354,862
Human services	686,778	751,263	-	-	686,778	751,263
Culture and recreation	1,552,966	1,516,716	-	-	1,552,966	1,516,716
Interest on long term debt	210,508	255,562	-	-	210,508	255,562
Total Liabilities	\$ 30,038,807	\$ 29,582,105	\$ 2,592,596	\$ 2,678,912	\$ 32,631,403	\$ 32,261,017
NET ASSETS						
Increase in net assets before transfers	\$ 1,364,373	\$ 6,890,046	\$ (500,111)	\$ 452,145	\$ 864,262	\$ 7,342,191
Net transfers	(127,932)	(243,294)	-	(6,145)	(127,932)	(249,439)
Increase in net assets	1,236,441	6,646,752	(500,111)	446,000	736,330	7,092,752
Net assets, beginning of year	51,626,665	44,762,995	14,766,976	14,131,812	66,393,641	58,894,807
Prior Period Adjustments	542,318	216,918	-	189,164	542,318	406,082
Net assets, end of year	\$ 53,405,424	\$ 51,626,665	\$ 14,266,865	\$ 14,766,976	\$ 67,672,289	\$ 66,393,641

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 \$11,870,641 (page 23-24), a decrease of \$1,362,521 in comparison with the prior year's combined fund balance of \$13,233,162. Some of this total amount (\$1,787,167 or 15%) 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 \$1,912,237 and \$2,668,630 respectively. In the prior year, they were \$3,579,399 and \$3,920,426 respectively. 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 represents 12% of total general fund expenditures (page 24) while total fund balance represents 36% of all governmental funds expenditures.

The fund balance of the County's general fund decreased by \$1,251,797 (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 \$1,502,600 as compared to the prior year. These revenue decreases were primarily felt in a reduction of actual jail bed and Planning & Zoning/Building Department revenues below their budgeted amount as a charge for services.
- The general fund's expenses, while under budget, outpaced revenues by \$1,266,545 due to increase capital outlay expenditures in public safety, general government and culture and recreation.
- The County, via it's FY 08/09 budget planned for a portion of this decrease by realizing \$700,000 in unrestricted, unreserved general fund balances as a revenue source.

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 \$41,108, compared to \$816,643 in the prior year. The total change in net assets, prior to any adjustments for the funds, was a net loss in the current year of \$(500,111) as compared to net gain in the prior year in the amount of and \$446,000. Before contributions and transfers, the sewer fund finished with a loss of \$(337,141) and the solid waste (landfill) fund operated at a loss of \$(162,970), for a total loss in the proprietary funds of \$(500,111) (page 27). The key factor in this change was a decrease in operating revenues of \$604,328 as compared to the prior year.

General fund budgetary highlights. During the year there was a \$728,707 (page 57) decrease in appropriations between the original (\$23,699,300) and final amended budget (\$22,970,593). This

general fund beginning and ending budget represents the combined general fund budgets of the Board and Constitutional Officers. Most, if not all, of the reduction is "artificial", that is, these reductions were actually accounting transfers between constitutional officers or other funds. The key differences between the original budget and the final amended budget for the General Fund for the current year are as follows:

- The constitutional officers reduced their budgets throughout the year by \$222, 131.
- The Supervisor of Elections budget was moved from the Board's General Fund to a separate fund for accounting purposes. This maneuver accounted for an artificial reduction of \$320,900.
- The balance of budget reductions were substantially due to transfers to other funds.

Capital assets. The County's capital assets for its governmental and business type activities amounts to \$66,211,442 (page 43) and \$64,781,443 (net of accumulated depreciation) for 2009 and 2008, respectively. 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 \$1,429,999 (net of accumulated depreciation) or two percent (2%) of beginning capital assets. Major capital asset events during the current and prior fiscal years included the following:

- 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 (page 43).
- 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 (page 44).
- 2008 – Governmental Activities: Increases in construction in progress and buildings and improvements capital outlay, constituted the majority of capital asset activity.
- 2008 – Business-type Activities: Donated Capital in the form of sewer infrastructure, prior period adjustments, net of depreciation, all constituted the majority of all of the capital asset activity .

Long-term debt. At the end of the 2009 and 2008 fiscal years, the County had total outstanding debt of \$10,935,498 and \$12,791,349. The notes payable represent seventy-five percent (75%) of total outstanding debt and are collateralized by equipment or a pledge of revenue from the gas taxes, one cent sales taxes, and sewer charges. Within the notes payable, \$275,448 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment. Additional information on the County's long-term debt can be found in Note 10 on pages 48-51 of this report.

Wakulla County's Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Note payable	\$ 4,145,169	\$ 4,726,315	\$ 4,049,873	\$ 4,350,845	\$ 8,195,042	\$ 9,077,160
Capital leases	531,313	1,301,486			531,313	1,301,486
Compensated Absences	886,399	792,430			886,399	792,430
Estimated landfill closure	1,322,744	1,620,273			1,322,744	1,620,273
Total Liability	\$ 6,885,625	\$ 8,440,504	\$ 4,049,873	\$ 4,350,845	\$ 10,935,498	\$ 12,791,349

Economic Factors and Rates –

- The County's estimated 2009 population is 32,815. The population for 2009 is estimated at approximately 32,815. The estimated growth rate for the next several years is approximately 2 %. Wakulla County is on the U.S. Census Bureau's 2010 list of the 100 Fastest Growing Counties in the United States and is ranked 6th fastest growing County in the State of Florida.
- Property valuations have taken a major decline with the national slow down in the housing market. Property values have averaged an 8% decrease over the last 3 years. Building permits have had a steep decline over the last two years and are expected to continue declining in 2010. Commercial development has seen a significant decrease this year over last year. This will limit the County's ability to maintain current levels of service.
- The Tallahassee Metropolitan Area's unemployment rate averaged jumped from 6.6 % to 8.7% from March 2009-March 2010. In comparison, the State unemployment rate from March 2009-March 2010 jumped from 9.6% to 12.3% and the National unemployment rate was 9.9% in as of April 2010.
- The average per capita personal income for a citizen of Wakulla County was \$33,084 over the three year period from 2006-2008.

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, 2009

	<u>Governmental Activities</u>	<u>Business - type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,140,751	\$ 80,941	\$ 9,221,692
Accounts receivable - net	488,330	109,328	597,658
Due from other funds	699,557	-	699,557
Due from other governmental units	2,077,695	371,849	2,449,544
Inventories	27,937	4,336	32,273
Investments	1,591,184	476,196	2,067,380
Prepaid expenses	454,578	-	454,578
Other current assets	-	750	750
Total current assets	<u>14,480,032</u>	<u>1,043,400</u>	<u>15,523,432</u>
Restricted assets:			
Cash	-	484,590	484,590
Total restricted assets	<u>-</u>	<u>484,590</u>	<u>484,590</u>
Noncurrent assets:			
Capital assets - net	48,420,403	17,791,039	66,211,442
Total assets	<u>\$ 62,900,435</u>	<u>\$ 19,319,029</u>	<u>\$ 82,219,464</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	\$ 816,502	\$ 121,272	\$ 937,774
Accrued liabilities	329,121	-	329,121
Due to other funds	44	-	44
Due to other governmental units	22,964	-	22,964
Deferred revenues	1,351,456	791,165	2,142,621
Deposits	-	89,855	89,855
Accrued compensated absences	132,960	-	132,960
Current portion capital leases payable	175,591	-	175,591
Current portion notes payable	737,240	346,698	1,083,938
Other current liabilities	89,304	-	89,304
Total current liabilities (payable from current assets)	<u>3,655,182</u>	<u>1,348,990</u>	<u>5,004,172</u>
Noncurrent liabilities			
Accrued compensated absences	753,439	-	753,439
Landfill post-closure costs	1,322,744	-	1,322,744
Capital leases payable	355,722	-	355,722
Notes payable	3,407,929	3,703,175	7,111,104
Total long-term liabilities	<u>5,839,834</u>	<u>3,703,175</u>	<u>9,543,009</u>
Total liabilities	<u>9,495,016</u>	<u>5,052,165</u>	<u>14,547,181</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 43,743,921	\$ 13,741,166	\$ 57,485,087
Restricted for:			
Public safety	1,289,689	-	1,289,689
Road projects	180,457	-	180,457
Capital projects	5,854,580	-	5,854,580
Court-related	856,155	-	856,155
Other purposes	1,902,593	-	1,902,593
Landfill closure	-	484,590	484,590
Unrestricted	(421,976)	41,108	(380,868)
Total net assets	<u>\$ 53,405,419</u>	<u>\$ 14,266,864</u>	<u>\$ 67,672,283</u>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2009**

	Special Revenue Funds			Capital Projects Funds			Total Governmental Funds
	General Fund	Road Department	SHIP	Impact Fees	One Cent Sales Tax	Road Paving	
ASSETS							
Current assets							
Cash	\$ 111,068	\$ -	\$ 1,139,557	\$ 1,280,628	\$ 1,837,724	\$ 180,457	\$ 9,140,750
Accounts receivable	239,755	195,717	-	-	-	-	488,330
Due from other funds	1,081,606	-	-	-	1,114,459	-	2,406,764
Due from other governmental units	357,630	171,681	27,538	-	118,186	-	2,077,694
Inventories	-	27,937	-	-	-	-	27,937
Prepaid expenses	454,578	-	-	-	-	-	454,578
Investments	1,590,188	-	-	-	81	-	1,591,184
Total assets	\$ 3,834,825	\$ 395,335	\$ 1,167,095	\$ 1,280,628	\$ 3,070,450	\$ 180,457	\$ 16,187,237
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 510,764	\$ 55,080	\$ 839	\$ -	\$ 26,623	\$ -	\$ 816,499
Accrued payroll liabilities	328,649	-	-	-	-	-	328,121
Due to other funds	221,571	465,325	-	37,546	-	-	1,707,251
Due to other governmental units	15,906	-	-	-	-	-	22,964
Deferred revenues	-	-	1,036,857	-	-	-	1,351,456
Other current liabilities	89,305	-	-	-	-	-	89,305
Total liabilities	1,166,195	520,405	1,037,696	37,546	26,623	-	4,316,596
FUND BALANCES							
Unreserved fund balance	1,912,237	(125,070)	-	-	-	-	1,787,167
Reserved fund balance	756,393	-	129,399	1,243,082	3,043,827	180,457	10,083,474
Total fund balances	2,668,630	(125,070)	129,399	1,243,082	3,043,827	180,457	11,870,641
Total liabilities and fund balances	\$ 3,834,825	\$ 395,335	\$ 1,167,095	\$ 1,280,628	\$ 3,070,450	\$ 180,457	\$ 6,258,447

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 (\$4,676,482), compensated absences of (\$886,399) and estimated landfill closure and postclosure care costs of (\$1,322,744) are not due and payable and therefore are not reported in the funds.

Net assets of governmental activities

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, 2009

	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			
REVENUES										
Taxes	\$ 11,427,802	\$ 786,495	\$ -	\$ -	\$ 1,776,708	\$ -	\$ 36,694	\$ -	\$ 14,027,699	
Licenses and permits	424,946	-	-	-	-	-	-	-	424,946	
Intergovernmental	4,106,998	1,273,862	200,020	-	-	898,896	3,274,658	-	9,754,434	
Charges for services	4,677,259	6,180	-	-	-	-	894,584	-	5,578,023	
Fines and forfeitures	17,053	-	-	-	-	-	79,434	-	96,487	
Miscellaneous	71,845	41,988	29,886	-	-	11,857	1,366,015	-	1,521,591	
Total revenues	<u>20,725,903</u>	<u>2,108,525</u>	<u>229,906</u>	<u>-</u>	<u>1,776,708</u>	<u>910,753</u>	<u>5,651,385</u>	<u>-</u>	<u>31,403,180</u>	
EXPENDITURES										
Current expenditures										
General government	5,959,552	-	-	169	-	-	-	-	5,959,721	
Public safety	13,179,122	-	-	40,898	-	-	1,516,069	-	14,736,089	
Physical environment	157,981	-	-	-	-	-	199,257	-	357,238	
Transportation	15,342	1,853,309	-	5,361	-	-	-	-	1,874,012	
Economic environment	39,609	-	229,906	-	-	-	1,253,081	-	1,522,596	
Human services	499,478	-	-	-	-	-	141,731	-	641,209	
Culture / recreation	920,182	-	-	-	-	-	528,836	-	1,449,018	
Court related	712,418	-	-	-	-	-	272,348	-	984,766	
Capital outlay										
General government	203,933	-	-	-	8,204	-	197,781	-	409,918	
Public safety	182,617	-	-	3,137	-	-	826,044	-	1,011,798	
Physical environment	-	256,281	-	26,208	1,006,934	899,128	-	-	103,434	
Transportation	211	-	-	-	-	-	21,928	-	2,188,551	
Economic environment	38,918	-	-	-	39,232	-	245,275	-	22,139	
Culture / recreation	34,346	-	-	-	-	-	-	-	323,425	
Debt service									34,346	
Principal	44,096	425,750	-	-	338,028	-	112,253	-	920,127	
Interest	4,643	78,519	-	-	101,992	-	25,354	-	210,508	
Total expenditures	<u>21,992,448</u>	<u>2,613,859</u>	<u>229,906</u>	<u>75,773</u>	<u>1,494,390</u>	<u>899,128</u>	<u>5,443,391</u>	<u>-</u>	<u>32,748,895</u>	
Excess of revenues over expenditures	(1,266,545)	(505,334)	-	(75,773)	282,318	11,625	207,994	-	(1,345,715)	
OTHER FINANCING SOURCES (USES)										
Debt proceeds	100,000	-	-	-	-	-	11,126	-	111,126	
Transfers to State programs	(127,932)	-	-	-	-	-	-	-	(127,932)	
Interfund transfers in	14,497,829	726,018	-	-	8,204	-	1,239,175	-	16,471,226	
Interfund transfers out	(14,455,149)	(960,590)	-	(88,500)	(242,649)	-	(724,338)	-	(16,471,226)	
Total other financing sources (uses)	14,748	(234,572)	-	(88,500)	(234,445)	-	525,963	-	(16,806)	
Net change in fund balances	(1,251,797)	(739,906)	-	(164,273)	47,873	11,625	733,957	-	(1,362,521)	
Fund balances at beginning of year	3,920,427	614,836	129,399	1,407,355	2,995,954	168,832	3,996,359	-	13,233,162	
Fund balances at end of year	<u>2,668,630</u>	<u>(125,070)</u>	<u>129,399</u>	<u>1,243,082</u>	<u>3,043,827</u>	<u>180,457</u>	<u>4,730,316</u>	<u>\$</u>	<u>11,870,641</u>	

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, 2009

Net change in fund balances - total governmental funds \$ (1,362,521)

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	\$	4,093,611	
Less current year depreciation		<u>(2,507,210)</u>	1,586,401

Debt proceeds provide current financial resources to
governmental funds, but debt increases long-term liabilities
in the statement of net assets.

Notes payable		(111,126)	
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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		228,233	
Payments for capital leases		<u>691,894</u>	809,001

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		(93,969)	
Net change in landfill postclosure liability		<u>297,529</u>	<u>203,560</u>

Change in net assets of governmental activities		\$	<u><u>1,236,441</u></u>
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See notes to financial statements.

WAKULLA COUNTY, FLORIDA

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 September 30, 2009

	Sewer Fund	Solid Waste Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 80,941	\$ -	\$ 80,941
Inventories	-	4,336	4,336
Investments	476,196	-	476,196
Accounts receivable, net of allowance for doubtful accounts	62,698	46,630	109,328
Due from other funds	701,604	-	701,604
Due from other governmental units	371,849	-	371,849
Other current assets	750	-	750
Total current assets	<u>1,694,038</u>	<u>50,966</u>	<u>1,745,004</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	484,590	484,590
Capital assets, net of accumulated depreciation	17,527,109	263,930	17,791,039
Total noncurrent assets	<u>17,527,109</u>	<u>748,520</u>	<u>18,275,629</u>
Total assets	<u>19,221,147</u>	<u>799,486</u>	<u>20,020,633</u>
LIABILITIES			
Current liabilities:			
Accounts payable	26,822	94,450	121,272
Due to other funds	-	701,604	701,604
Deposits	68,605	21,250	89,855
Deferred grant revenue	791,165	-	791,165
Notes payable, current portion	320,237	26,461	346,698
Noncurrent liabilities:			
Note payable, long-term portion	3,645,831	57,344	3,703,175
Total liabilities	<u>4,852,660</u>	<u>901,109</u>	<u>5,753,769</u>
NET ASSETS			
Investment in capital assets, net of related debt	13,561,042	180,124	13,741,166
Restricted for future closure and post closure costs	-	484,590	484,590
Unrestricted	807,445	(766,337)	41,108
Total net assets	<u>\$ 14,368,487</u>	<u>\$ (101,623)</u>	<u>\$ 14,266,864</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
For the Fiscal Year Ended September 30, 2009**

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Operating revenues			
Charges for services	<u>\$ 1,009,658</u>	<u>\$ 795,895</u>	<u>\$ 1,805,553</u>
Operating expenses			
Materials, supplies and other	989,724	906,492	1,896,216
Depreciation and amortization	<u>508,466</u>	<u>49,813</u>	<u>558,279</u>
Total operating expenses	<u>1,498,190</u>	<u>956,305</u>	<u>2,454,495</u>
Operating loss	<u>(488,532)</u>	<u>(160,410)</u>	<u>(648,942)</u>
Nonoperating revenues (expenses)			
Federal grant	82,150	-	82,150
State grant	120,050	-	120,050
Interest and other nonoperating	81,307	3,425	84,732
Interest expense	<u>(132,116)</u>	<u>(5,985)</u>	<u>(138,101)</u>
Total nonoperating revenues (expenses)	<u>151,391</u>	<u>(2,560)</u>	<u>148,831</u>
Net loss	<u>(337,141)</u>	<u>(162,970)</u>	<u>(500,111)</u>
Total net assets, beginning of year	<u>14,705,628</u>	<u>61,347</u>	<u>14,766,975</u>
Total net assets, end of year	<u>\$ 14,368,487</u>	<u>\$ (101,623)</u>	<u>\$ 14,266,864</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

For the Fiscal Year Ended September 30, 2009

	Sewer Fund	Solid Waste Fund	Total
Cash flows from operating activities			
Cash received from customers and others	\$ 1,066,730	\$ 838,871	\$ 1,905,601
Cash paid to suppliers	(981,149)	(851,641)	(1,832,790)
Net cash provided by (used in) operating activities	85,581	(12,770)	72,811
Cash flows from noncapital financing activities			
Cash operating loans from (to) other funds	(388,465)	(196,163)	(584,628)
Total cash provided by (used in) noncapital financing activities	(388,465)	(196,163)	(584,628)
Cash flows from capital and related financing activities			
Intergovernmental grants	(228,516)	-	(228,516)
Principal payments on long-term debt	(275,896)	(25,076)	(300,972)
Acquisition and construction of capital assets	(284,708)	(117,168)	(401,876)
Interest paid	(132,116)	(5,985)	(138,101)
Net cash provided by (used in) capital and related financing activities	(921,236)	(148,229)	(1,069,465)
Cash flows from investing activities			
Interest and other nonoperating revenues	81,307	3,425	84,732
Redemption of investments	416,365	-	416,365
Net cash provided by investing activities	497,672	3,425	501,097
Net decrease in cash and cash equivalents	(726,448)	(353,737)	(1,080,185)
Cash and cash equivalents, beginning of year	807,389	353,737	1,161,126
Cash and cash equivalents, end of year	\$ 80,941	\$ -	\$ 80,941
Reconciliation of operating loss to net cash provided by (used in) operating activities			
Operating loss	\$ (488,532)	\$ (160,410)	\$ (648,942)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	508,466	49,813	558,279
(Increase) decrease in assets			
Accounts receivable	57,382	43,475	100,857
Other current assets	(100)	-	(100)
Inventories	-	(4,336)	(4,336)
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	8,574	59,188	67,762
Deposits	(209)	(500)	(709)
Total adjustments	574,113	147,640	721,753
Net cash provided by (used in) operating activities	\$ 85,581	\$ (12,770)	\$ 72,811

See notes to financial statements.

WAKULLA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS

September 30, 2009

ASSETS	<u>Agency Funds</u>
Cash and cash equivalents	\$ 1,480,425
Accounts receivable	37
Due from individuals	52
Due from other funds	64
Due from other governmental units	7,219
Total assets	<u>\$1,487,797</u>
LIABILITIES AND NET ASSETS	
Due to individuals	327,521
Due to other funds	699,557
Due to other governmental units	388,577
Interest payable	659
Other current liabilities	71,483
Total liabilities	<u>1,487,797</u>
Total net assets	<u>-</u>
Total liabilities and net assets	<u>\$ 1,487,797</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

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. During the current period, the County did not have any capitalized interest.

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, 2009.

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 Landfill Fund.

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 (\$11,870,641) differs from “net assets” of governmental activities (\$53,405,419) reported in the statement of net assets. This difference primarily results from the long-term economical 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	\$ 72,731,603
Accumulated depreciation	(24,311,200)
Total	<u>\$ 48,420,403</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, 2009, were:

Notes payable	\$4,145,169
Landfill closure/Long-term care	1,322,744
Capital lease-purchase	531,313
Compensated absences	886,399
Total	<u>\$6,885,625</u>

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$1,707,207 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
ASSETS					
Cash and cash equivalents	\$ 9,140,750	\$ -	\$ -	\$ -	\$ 9,140,750
Accounts receivable - net	488,330	-	-	-	488,330
Due from other funds	2,406,764	-	-	(1,707,207)	699,557
Due from other governmental units	2,077,694	-	-	-	2,077,694
Inventories	27,937	-	-	-	27,937
Investments	1,591,184	-	-	-	1,591,184
Prepaid expenses	454,578	-	-	-	454,578
Capital assets - net	-	48,420,403	-	-	48,420,403
Total assets	\$ 16,187,237	\$ 48,420,403	\$ -	\$ (1,707,207)	\$ 62,900,433
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 816,499	\$ -	\$ -	\$ -	\$ 816,499
Accrued payroll liabilities	329,121	-	-	-	329,121
Due to other funds	1,707,271	-	-	(1,707,207)	64
Due to other governmental units	22,944	-	-	-	22,944
Deferred revenues	1,351,456	-	-	-	1,351,456
Other current liabilities	89,305	-	-	-	89,305
Accrued compensated absences	-	886,399	-	-	886,399
Capital leases payable	-	531,313	-	-	531,313
Notes payable	-	4,145,169	-	-	4,145,169
Estimated landfill closure and postclosure care	-	1,322,744	-	-	1,322,744
Total liabilities	4,316,596	6,885,625	6,885,625	(1,707,207)	9,495,014
Fund balances/net assets	11,870,641	48,420,403	(6,885,625)	-	53,405,419
Total liabilities and fund balance/net assets	\$ 16,187,237	\$ 48,420,403	\$ -	\$ (1,707,207)	\$ 62,900,433

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

The "net change in fund balances" for governmental funds \$(1,362,521) differs from the "change in net assets" for governmental activities \$1,236,441 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	\$4,093,611
Depreciation expense	(2,370,893)
Loss on disposition of fixed assets	(136,317)
Difference	<u>\$1,586,401</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>\$(111,126)</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>\$ 920,127</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	\$ (93,969)
Net change in landfill postclosure liability	297,529
	<u>\$ 203,560</u>

Reclassification and Eliminations

Transfers in and transfers out in the amount of \$16,471,226 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	Reclassifications and Eliminations	Statement of Activities
REVENUES						
Taxes	\$ 14,027,699	\$ -	\$ -	\$ -	\$ -	\$ 14,027,699
Licenses and permits	424,946	-	-	-	-	424,946
Intergovernmental	9,754,434	-	-	-	-	9,754,434
Charges for services	5,578,023	-	-	-	-	5,578,023
Fines and forfeitures	96,487	-	-	-	-	96,487
Special assessments/impact fees	869,898	-	-	-	-	869,898
Interest	118,453	-	-	-	-	118,453
Contributions and miscellaneous	533,240	-	-	-	-	533,240
Total revenues	31,403,180	-	-	-	-	31,403,180
EXPENDITURES						
Current Expenditures						
General government	5,959,721	318,416	-	31,134	-	6,308,271
Public safety	14,736,089	809,541	-	62,835	-	15,608,465
Physical environment	357,238	256,264	(297,529)	-	-	315,973
Transportation	1,874,012	961,308	-	-	-	2,835,320
Economic environment	1,522,596	12,164	-	-	-	1,534,760
Human services	641,209	45,569	-	-	-	686,778
Culture/recreation	1,449,018	103,948	-	-	-	1,552,966
Court related	984,766	-	-	-	-	984,766
Capital outlay						
General government	409,918	(409,918)	-	-	-	-
Public safety	1,011,798	(1,011,798)	-	-	-	-
Physical environment	103,434	(103,434)	-	-	-	-
Transportation	2,188,551	(2,188,551)	-	-	-	-
Economic environment	22,139	(22,139)	-	-	-	-
Culture/recreation	323,425	(323,425)	-	-	-	-
Court related	34,346	(34,346)	-	-	-	-
Debt Service						
Principal	920,127	-	(920,127)	-	-	-
Interest	210,508	-	-	-	-	210,508
Total expenditures	32,748,895	(1,586,401)	(1,217,656)	93,969	-	30,038,807
Excess of revenues over (under) expenditures	(1,345,715)	1,586,401	1,217,656	(93,969)	-	1,364,373
OTHER FINANCING SOURCES (USES)						
Debt proceeds	111,126	-	(111,126)	-	-	-
Transfer to State	(127,932)	-	-	-	-	(127,932)
Transfers in	16,471,226	-	-	-	(16,471,226)	-
Transfers out	(16,471,226)	-	-	-	16,471,226	-
Total other financing sources (uses)	(16,806)	-	(111,126)	-	-	(127,932)
Net change in fund balance	(1,362,521)	1,586,401	1,106,530	(93,969)	-	1,236,441
Fund balances at beginning of year	13,233,162	46,834,002	(7,648,074)	(792,430)	-	51,626,660
Prior period adjustment	-	-	542,318	-	-	542,318
Fund balances at end of year	\$ 11,870,641	\$ 48,420,403	\$ (5,999,226)	\$ (886,399)	\$ -	\$ 53,405,419

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, 2009, 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. Appropriations for the County lapse at the close of the fiscal year.
9. The following is a comparison of the appropriations to total expenses for the proprietary funds for the fiscal year ended September 30, 2009.

	<u>Appropriations</u>	<u>Expenses</u>	<u>Variance Positive (Negative)</u>
Enterprise Funds:			
Sewer Fund	\$1,849,642	\$1,630,306	\$ 219,336
Solid Waste Fund	898,932	962,291	(63,359)
	<u>\$2,748,574</u>	<u>\$2,592,597</u>	<u>\$ 155,977</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, 2009, the carrying amount of the County's bank deposits was \$9,221,690. 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, the Florida Local Government Investment Trust Fund, money market accounts and guaranteed investment contracts 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*, U.S. Treasury Securities, 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, 2009, 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 .54915069 at September 30, 2009. 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, 2009

Investment	Maturities	Fair Value
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool		
Fund B Surplus Funds Trust Fund	3.3 Day Average	\$ 6
U.S. Treasury Securities	6.69 Year Average	132,109
Certificates of Deposit	Less than 1 year	951,505
Included in cash	Less than 1 year	3,000,000
		<u>(2,016,240)</u>
		<u>\$2,067,380</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, 2009.

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, 2009, 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 2008-2009 fiscal year were levied in October 2008. 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, 2009, was as follows:

	Beginning Balance	Additions/ Capital Outlay	Reclassifications/ Deletions	Ending Balance
Governmental activities:				
Capital assets:				
Land	\$ 3,693,299	\$ -	\$ -	\$ 3,693,299
Construction in progress	3,433,589	418,474	(3,201,780)	650,283
Buildings and improvements	18,229,842	504,523	-	18,734,365
Furniture and equipment - County	5,912,176	635,338	4,006	6,551,520
Furniture and equipment - Sheriff	4,352,348	624,940	(327,463)	4,649,825
Infrastructure	33,444,870	1,910,338	3,097,103	38,452,311
Total capital assets	69,066,124	4,093,613	(428,134)	72,731,603
Less accumulated depreciation				
Buildings and improvements	(8,569,998)	(419,549)	-	(8,989,546)
Furniture and equipment - County	(4,085,853)	(678,863)	25,694	(4,739,022)
Furniture and fixtures - Sheriff	(3,449,913)	(432,560)	387,507	(3,494,966)
Infrastructure	(6,126,358)	(961,308)	-	(7,087,666)
Total accumulated depreciation	(22,232,122)	(2,492,280)	413,201	(24,311,200)
Governmental activities capital assets, net	\$ 46,834,002	\$ 1,601,333	\$ (14,933)	\$ 48,420,403
Business-type activities:				
Land	\$ 185,264	\$ 60,090	\$ -	\$ 245,354
Construction in progress	495,283	132,390	-	627,673
Sewer system improvements	20,572,571	67,353	-	20,639,924
Water system	1,073,859	-	-	1,073,859
Buildings	81,087	-	-	81,087
Equipment	1,201,980	142,044	-	1,344,024
Total capital assets	23,610,044	401,877	-	24,011,921
Less accumulated depreciation	(5,662,603)	(558,279)	-	(6,220,882)
Business-type activities capital assets, net	\$ 17,947,441	\$ (156,402)	\$ -	\$ 17,791,039

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

Governmental activities:	
General Government	\$ 182,099
Public Safety	809,541
Physical Environment	256,264
Transportation	961,308
Economic Environment	12,164
Human Services	45,569
Culture/Recreation	<u>103,948</u>
Total depreciation expense-governmental activities	<u>\$ 2,370,893</u>
Business-type activities:	
Sewer Services	<u>\$ 558,279</u>
Total depreciation expense-business-type activities	<u>\$ 558,279</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2009, were:

FUND	Interfund Receivables	Interfund Payables
Governmental:		
General	\$ 1,081,606	\$ 221,591
Road Department	-	465,325
Domestic Violence	-	61,485
Florida Boating	-	484,934
Impact Fees	-	37,546
Law Education	5,714	-
Litter Grant	-	18,253
Miscellaneous Grants	-	1,537
Mosquito Control	-	6,318
One Cent Sales Tax	1,114,459	-
Planning and Design Grant	-	116,211
Solid Waste Grant	-	4,625
Weatherization	-	16,371
Weatherization LIHEA	-	885
Sheriff \$2 Training	6,660	6,660
Sheriff Bulletproof Vests	-	4,437
Sheriff Byrne Memorial	-	4,714
Sheriff Civil Citation	-	4,304
Sheriff Corrections Impact	14,352	14,352
Sheriff Homeland Security	-	9,498
Sheriff Housing Trust	64,527	-
Sheriff EMPA	-	37,204
Sheriff FEMA	-	5,974
Sheriff Impact Fee	37,546	37,546
Sheriff Inmate Welfare	-	14,351
Sheriff KWCB	-	1,373
Sheriff Litter Control	25,307	27,341
Sheriff Moving Violation	54,825	54,825
Sheriff School Resource Officer	-	23,379
Sheriff U.S. Forestry	1,768	2,887
Sheriff VOCA	-	16,295
Sheriff Youth Coalition	-	7,050
	<u>2,406,764</u>	<u>1,707,271</u>
Business-Type:		
Sewer	217,014	-
Solid Waste	-	217,014
	<u>217,014</u>	<u>217,014</u>
Agency:		
Clerk Agency	-	70
Sheriff Individual Depository	-	699,423
Tax Collector Boating	-	64
Tax Collector Tag	64	-
TOTAL	<u>64</u>	<u>699,557</u>
	<u>\$ 2,623,842</u>	<u>\$ 2,623,842</u>

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2009, consisted of the following:

Transfers from General Fund to:	
Florida Boating Grant Fund	\$ 32,179
Capital Projects Fund	223,000
County Awards Fund	12,350
Court Maintenance Fund	36,594
Disaster Relief Fund	100,846
Road Department Fund	726,019
One Cent Sales Tax Fund	8,204
Sheriff Bulletproof Vests Fund	4,437
Sheriff Civil Citation Fund	2,217
Sheriff Corrections Impact Fee Fund	96,601
Sheriff EMPA Fund	4,681
Sheriff FEMA Fund	758
Sheriff Homeland Security Fund	2
Sheriff Litter Control Fund	47,519
Sheriff School Resource Officer Fund	56,283
Sheriff U.S. Forestry Fund	1,760
Sheriff U.S. Marshall Fund	997
Sheriff VOCA Fund	6,707
Sheriff Moving Violation	33
	<u>1,361,187</u>
Transfer from Road Department Fund to:	
General Fund	960,590
Transfers from One Cent Sales Tax Fund to:	
Disaster Relief Fund	63,468
Florida Boating Improvement Fund	30,170
Sheriff One Cent Sales Tax	149,011
	<u>242,649</u>
Transfer from Impact Fee to:	
Sheriff Corrections Impact Fee Fund	88,500
	<u>88,500</u>
Transfers from Nonmajor Funds	
Transfers from Domestic Violence Fund to:	
General Fund	33,903
Transfer from E-911 Surcharge Fund to:	
General Fund	215,175
Transfer from Fire Departments Fund to:	
General Fund	23,556
Transfer from Law Education to:	
General Fund	30,871
Domestic Violence Fund	17,148
Transfer from Law Library Fund to:	
Court Maintenance Fund	24,017
Transfer from Medart Park Improvements Fund to:	
General Fund	11,886
Transfer from Mosquito Control Fund to:	
General Fund	36,839
Transfer from Moving Violation Fund to:	
Domestic Violence Fund	111,970
Transfer from Sheriff Housing Trust Fund to:	
General Fund	214,795
Transfer from Solid Waste Grants Fund to:	
Litter Grant Fund	4,178
	<u>724,338</u>
Additional transfers between the General Funds of the Board of County Commissioners and Constitutional Officers	
	13,093,962
	<u>\$ 16,471,226</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 transportation activities which must be accounted for in another fund.

NOTE 9. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2009, were as follows:

	<u>Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Total Receivables</u>
Governmental Activities:			
Fund:			
General	\$ 239,755	\$ 357,630	\$ 597,385
Road Department	195,717	171,681	367,398
One-Cent Sales Tax	-	118,186	118,186
Road Paving	-	27,538	27,538
County Awards	-	8,210	8,210
Court Maintenance	-	11,712	11,712
Disaster Relief	-	111,708	111,708
E911 Surcharge	200	-	200
Energy Assistance	-	27,607	27,607
Domestic Violence	-	4,400	4,400
Florida Boating	-	471,709	471,709
Litter Grant	-	14,988	14,988
Wakulla Airport	-	16,656	16,656
Miscellaneous Grants	-	1,537	1,537
Planning and Design Grant	-	76,926	76,926
Solid Waste Grants	-	60,759	60,759
Weatherization LIHEA	-	55,612	55,612
Weatherization Grant	-	75,516	75,516
Capital Projects	46,181	328,926	375,107
Sheriff Bulletproof Vests	-	4,437	4,437
Sheriff Byrne Memorial	-	5,186	5,186
Sheriff Civil Citation	-	4,304	4,304
Sheriff Homeland Security	-	9,498	9,498
Sheriff EMPA	-	40,203	40,203
Sheriff FEMA	-	5,974	5,974
Sheriff KWCB	-	1,373	1,373
Sheriff Litter Control	-	6,629	6,629
Sheriff School Resource Officer	-	30,800	30,800
Sheriff Inmate Welfare	6,477	-	6,477
Sheriff U.S. Forestry	-	1,119	1,119
Sheriff VOCA	-	19,820	19,820
Sheriff Youth Coalition	-	7,050	7,050
	<u>\$ 488,330</u>	<u>\$ 2,077,694</u>	<u>\$ 2,566,024</u>
Business-type Activities:			
Sewer Fund	\$ 62,698	\$ 371,849	\$ 434,547
Solid Waste Fund	46,630	-	46,630
	<u>\$ 109,328</u>	<u>\$ 371,849</u>	<u>\$ 481,177</u>

Payables

Payables at September 30, 2009, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
Fund:			
General Fund	\$ 510,764	\$ 328,649	\$ 839,413
Road Department	55,080	-	55,080
SHIP	839	-	839
One-Cent Sales Tax	26,623	-	26,623
County Awards	51,675	-	51,675
Court Maintenance	12,207	-	12,207
Disaster Relief	375	-	375
Energy Assistance	64,178	-	64,178
Fire Department	33,074	-	33,074
Housing Assistance	2,465	-	2,465
Recreation	19,421	-	19,421
Solid Waste Grant	900	-	900
Wakulla Airport	16,656	-	16,656
Weatherization LIHEA	709	-	709
Weatherization Grant	2,993	-	2,993
Sheriff Byrne Memorial	-	472	472
Sheriff EMPA	2,999	-	2,999
Sheriff Litter Control	4,595	-	4,595
Sheriff School Resource Officer	7,421	-	7,421
Sheriff VOCA	3,525	-	3,525
	<u>\$ 816,499</u>	<u>\$ 329,121</u>	<u>\$1,145,620</u>
Business-type Activities:			
Sewer	\$ 26,822	\$ -	\$ 26,822
Solid Waste	94,450	-	94,450
	<u>\$ 121,272</u>	<u>\$ -</u>	<u>\$ 121,272</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
2010	\$ 303,146	\$ 45,945	\$ 349,091
2011	314,273	34,818	349,091
2012	325,808	23,283	349,091
2013	337,766	11,325	349,091
2014	129,777	1,042	130,819
Total	<u>\$1,410,770</u>	<u>\$ 116,413</u>	<u>\$1,527,183</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
2010	\$ 338,028	\$ 88,915	\$ 426,943
2011	338,028	75,823	413,851
2012	338,028	62,570	400,598
2013	338,028	48,962	386,990
2014	338,028	35,354	373,382
Thereafter	760,564	32,566	793,130
Total	<u>\$2,450,704</u>	<u>\$ 344,190</u>	<u>\$2,794,894</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 schedule payments of principal and interest on this note payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2010	\$ 20,739	\$ 13,955	\$ 34,694
2011	22,128	12,566	34,694
2012	23,610	11,084	34,694
2013	25,191	9,503	34,694
2014	26,878	7,816	34,694
Thereafter	89,822	12,156	101,978
Total	<u>\$ 208,368</u>	<u>\$ 67,080</u>	<u>\$ 275,448</u>

- D. The County entered into a loan with Capital City Bank to purchase financial software on May 19, 2009. The loan in the original amount of \$100,000 is payable in quarterly installments of \$25,547 including interest at 3.42%. The loan is payable from General Fund nonadvalorem revenues. The scheduled payments of principal and interest on this note payable are as follows:

Fiscal Year Ended	Principal	Interest	Total
<u>September 30, 2010</u>	<u>\$ 75,327</u>	<u>\$ 1,295</u>	<u>\$ 76,622</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%.
- B. Purchase of five motor graders costing a total of \$738,500. The terms of the agreement call for annual payments of \$50,760 to Caterpillar Finance including interest at 3.5%. This loan was fully paid in the current year.
- 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 in October 2010, subsequent to year end.
- 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 \$647.64 including interest of 9.6%.

The future minimum lease obligations and the net present value of these minimum lease payments of September 30, 2009 were as follows:

Year Ending September 30,	Payments
2010	\$ 198,449
2011	157,206
2012	124,469
2013	97,608
Total minimum lease payments	577,732
Less amounts representing interest	(46,419)
Total	<u>\$ 531,313</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
2010	\$ 320,237	\$ 105,295	\$ 425,532
2011	325,644	99,888	425,532
2012	341,534	83,998	425,532
2013	358,776	66,756	425,532
2014	376,593	48,939	425,532
Thereafter	1,310,275	93,291	1,403,566
Total	<u>\$3,033,059</u>	<u>\$ 498,167</u>	<u>\$3,531,226</u>

- B. The County has a note payable to Capital Truck, Inc. which was utilized to purchase a transfer truck for the solid waste 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
2010	\$ 26,461	\$ 4,599	\$ 31,060
2011	28,515	2,545	31,060
2012	28,829	2,231	31,060
Total	<u>\$ 83,805</u>	<u>\$ 9,375</u>	<u>\$ 93,180</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 \$1,303,700, including capitalized interest. \$933,009 had been drawn on the loan at September 30, 2009.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Due Within One Year
Governmental Activities						
Capital leases	\$ 1,301,486	\$ -	\$ 228,233	\$ (541,940)	\$ 531,313	\$ 175,591
Notes payable	4,726,315	111,126	691,894	(378)	4,145,169	737,240
Compensated absences	792,430	93,969	-	-	886,399	132,960
Estimated liability for Landfill closure and postclosure cost	1,620,273	-	297,529	-	1,322,744	-
Total governmental activities	<u>\$ 8,440,504</u>	<u>\$205,095</u>	<u>\$ 1,217,656</u>	<u>\$ (542,318)</u>	<u>\$ 6,885,625</u>	<u>\$ 1,045,791</u>
Business-type Activities						
Notes payable	<u>\$ 4,350,845</u>	<u>\$ 19,664</u>	<u>\$ 320,636</u>	<u>\$ -</u>	<u>\$ 4,049,873</u>	<u>\$ 346,698</u>

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,	
2010	\$ 39,730
2011	2,881
Total	<u>\$ 42,611</u>

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, 2009, as follows (contribution rates are in agreement with the actuarially determined rates):

Regular Class - Members not qualifying for other classes	9.85%
Senior Management Service Class - Members of senior management who do not elect the optional annuity management system.	13.12%
Special Risk Class - Members employed as law enforcement officers, firefighters, correctional officers, or emergency services and meet the criteria set to qualify for this class.	20.92%
<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%
Elected County Officer's Class - Certain elected county officials.	16.53%
Deferred Retirement Option Program - Members who are eligible for normal retirement that have elected to participate in the deferred retirement option program.	10.91%

Contributions to the FRS for the fiscal year ended September 30, 2009, were equal to 14% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2007,

2008, and 2009, were \$1,561,345, \$1,607,113, and \$1,756,595 respectively, which are equal to 100% of the required contribution for each year.

NOTE 13. RESTRICTED FUND BALANCES

The balance of restricted fund balances is as follows:

	One Cent		Impact	Road	Other	Solid	Total	
	General	Sales Tax	SHIP	Fee	Paving	Governmental		Waste
Capital Improvements	\$157,725	\$3,043,827	\$ -	\$1,243,082	\$ -	\$1,409,946	\$ -	\$ 5,854,580
Court related	163,793	-	-	-	-	692,362	-	856,155
Landfill closure	-	-	-	-	-	-	484,590	484,590
Public safety	-	-	-	-	-	1,289,689	-	1,289,689
Road projects	-	-	-	-	180,457	-	-	180,457
Other purposes	434,875	-	129,399	-	-	1,338,319	-	1,902,593
Total reserved fund								
balances	<u>\$756,393</u>	<u>\$3,043,827</u>	<u>\$129,399</u>	<u>\$1,243,082</u>	<u>\$180,457</u>	<u>\$4,730,316</u>	<u>\$484,590</u>	<u>\$ 10,568,064</u>

NOTE 14. 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.

At year end, 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. No accrual has been made in the financial statements as of September 30, 2009. 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 has 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.

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, 2009 was approximately \$275,926.

NOTE 15. 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 16. 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 17. 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, 2009, has been recorded in the statement of net assets in the amount of \$1,322,744; representing the County's estimated liabilities for such costs (in 2009 dollars). At September 30, 2009, \$484,590 was held in separate cash account to fund future closure and postclosure costs.

NOTE 18. FUND EQUITY DEFICITS

The following governmental funds had deficit fund balances at September 30, 2009:

County Awards	\$ (327)
Energy Assistance	(47,499)
Florida Boating	(16,740)
Road Department	(125,070)
Litter Grant	(3,265)
Mosquito Control	(6,318)
Planning and Design Grant	(39,285)
Total	<u><u>\$(238,504)</u></u>

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

NOTE 19. PRIOR PERIOD ADJUSTMENT

The following prior period adjustments have been made to the net assets in the financial statements of the County:

<u>Fund/Account</u>	<u>Net Assets Decrease</u>	<u>Accounts Corrected</u>	<u>Reason for adjustment</u>
Governmental Activities	<u><u>\$(542,318)</u></u> <u>542,318</u>	Capital leases Net assets	Current long-term liabilities were overstated in the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

WAKULLA COUNTY, FLORIDA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,370,329	\$ 11,370,329	\$ 11,427,802	\$ 57,473
Licenses and permits	580,000	580,000	424,946	(155,054)
Intergovernmental	4,019,136	4,064,136	4,106,998	42,862
Charges for services	5,973,895	5,963,265	4,677,259	(1,286,006)
Fines and forfeitures	11,500	11,500	17,053	5,553
Miscellaneous	290,386	299,000	71,845	(227,155)
Total revenues	22,245,246	22,288,230	20,725,903	(1,562,327)
EXPENDITURES				
Current				
General government	6,996,017	6,524,696	5,959,552	565,144
Public safety	13,851,412	13,922,828	13,179,122	743,706
Physical environment	164,897	166,217	157,981	8,236
Transportation	22,296	22,296	15,342	6,954
Economic environment	45,724	45,724	39,609	6,115
Human services	485,400	485,400	499,478	(14,078)
Culture/recreation	986,355	941,648	920,182	21,466
Court related	875,773	778,726	712,418	66,308
Capital outlay				
General government	14,130	41,130	203,933	(162,803)
Public safety	238,380	6,431	182,617	(176,186)
Economic environment	-	-	211	(211)
Culture/recreation	-	-	38,918	(38,918)
Court related	5,000	21,581	34,346	(12,765)
Debt service				
Principal	11,651	11,651	44,096	(32,445)
Interest	2,265	2,265	4,643	(2,378)
Total expenditures	23,699,300	22,970,593	21,992,448	978,145
Excess (deficiency) of revenues over (under) expenditures	(1,454,054)	(682,363)	(1,266,545)	(584,182)
Other financing sources (uses)				
Loan proceeds	-	94,465	100,000	5,535
Transfers in	13,609,018	13,432,260	14,497,829	1,065,569
Transfers out	(12,791,092)	(13,428,120)	(14,455,149)	(1,027,029)
Transfers to State programs	(224,881)	(224,881)	(127,932)	96,949
Total other financing sources (uses)	593,045	(126,276)	14,748	141,024
Net change in fund balances	(861,009)	(808,639)	(1,251,797)	(443,158)
Fund balances, beginning of year	3,920,427	3,920,427	3,920,427	-
Fund balances, end of year	\$ 3,059,418	\$ 3,111,788	\$ 2,668,630	\$ (443,158)

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,150,473	\$ 916,473	\$ 786,495	\$ (129,978)
Intergovernmental	1,081,876	1,315,876	1,273,862	(42,014)
Charges for services	-	-	6,180	6,180
Miscellaneous	52,000	52,000	41,988	(10,012)
Total revenues	2,284,349	2,284,349	2,108,525	(175,824)
EXPENDITURES				
Current				
Transportation	2,217,392	2,123,195	1,853,309	269,886
Capital outlay				
Transportation	289,760	383,957	256,281	127,676
Debt service				
Principal	300,735	300,735	425,750	(125,015)
Interest	84,227	84,227	78,519	5,708
Total expenditures	2,892,114	2,892,114	2,613,859	278,255
Excess (deficiency) of revenues over (under) expenditures	(607,765)	(607,765)	(505,334)	102,431
<i>Other financing sources (uses)</i>				
Transfers in	-	-	726,018	726,018
Transfers out	(70,000)	(70,000)	(960,590)	(890,590)
Total other financing sources (uses)	(70,000)	(70,000)	(234,572)	(164,572)
Net change in fund balance	(677,765)	(677,765)	(739,906)	(62,141)
Fund balance, beginning of year	614,836	614,836	614,836	-
Fund balance, end of year	\$ (62,929)	\$ (62,929)	\$ (125,070)	\$ (62,141)

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

STATE HOUSING INITIATIVES PARTNERSHIP FUND

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

For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 350,000	\$ 350,000	\$ 200,020	\$ (149,980)
Miscellaneous	60,000	60,000	29,886	(30,114)
Total revenues	<u>410,000</u>	<u>410,000</u>	<u>229,906</u>	<u>(180,094)</u>
EXPENDITURES				
Current				
Economic environment	<u>410,000</u>	<u>410,000</u>	<u>229,906</u>	<u>180,094</u>
Total expenditures	<u>410,000</u>	<u>410,000</u>	<u>229,906</u>	<u>180,094</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>129,399</u>	<u>129,399</u>	<u>129,399</u>	-
Fund balance, end of year	<u>\$ 129,399</u>	<u>\$ 129,399</u>	<u>\$ 129,399</u>	<u>\$ -</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

IMPACT FEES FUND

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

For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 3,300	\$ 3,300	\$ -	\$ (3,300)
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>-</u>	<u>(3,300)</u>
EXPENDITURES				
Current				
General government	-	-	169	(169)
Public safety	-	75,000	40,898	34,102
Transportation	-	-	5,361	(5,361)
Capital outlay				
Public safety	165,419	-	3,137	(3,137)
Transportation	300,000	300,000	26,208	273,792
Culture/recreation	824,951	990,370	-	990,370
Total expenditures	<u>1,290,370</u>	<u>1,365,370</u>	<u>75,773</u>	<u>1,289,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,287,070)</u>	<u>(1,362,070)</u>	<u>(75,773)</u>	<u>1,286,297</u>
Other financing sources (uses)				
Transfers in	1,009,708	1,009,708	-	(1,009,708)
Transfers out	(163,500)	(88,500)	(88,500)	-
Total other financing sources (uses)	<u>846,208</u>	<u>921,208</u>	<u>(88,500)</u>	<u>(1,009,708)</u>
Net change in fund balances	(440,862)	(440,862)	(164,273)	276,589
Fund balance, beginning of year	1,407,355	1,407,355	1,407,355	-
Fund balance, end of year	<u>\$ 966,493</u>	<u>\$ 966,493</u>	<u>\$ 1,243,082</u>	<u>\$ 276,589</u>

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,105,001	\$ 2,105,001	\$ 1,776,708	\$ (328,293)
Miscellaneous	14,308	1,930,308	-	(1,930,308)
Total revenues	<u>2,119,309</u>	<u>4,035,309</u>	<u>1,776,708</u>	<u>(2,258,601)</u>
EXPENDITURES				
Capital outlay				
General government	1,397,000	8,204	8,204	-
Public safety	250,874	150,874	-	150,874
Transportation	986,728	2,011,105	1,006,934	1,004,171
Culture/recreation	645,377	1,118,000	39,232	1,078,768
Debt service				
Principal	338,028	338,028	338,028	-
Interest	128,176	128,176	101,992	26,184
Total expenditures	<u>3,746,183</u>	<u>3,754,387</u>	<u>1,494,390</u>	<u>2,259,997</u>
Excess of revenues over expenditures	(1,626,874)	280,922	282,318	1,396
Other financing sources (uses)				
Transfers in	-	8,204	8,204	-
Transfers out	(289,126)	(289,126)	(242,649)	46,477
	<u>(289,126)</u>	<u>(280,922)</u>	<u>(234,445)</u>	<u>46,477</u>
Net change in fund balance	(1,916,000)	-	47,873	47,873
Fund balance, beginning of year	2,995,954	2,995,954	2,995,954	-
Fund balance, end of year	<u>\$ 1,079,954</u>	<u>\$ 2,995,954</u>	<u>\$ 3,043,827</u>	<u>\$ 47,873</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 593,069	\$ 593,069	\$ 898,896	\$ 305,827
Miscellaneous	-	-	11,857	11,857
Total revenues	593,069	593,069	910,753	317,684
EXPENDITURES				
Capital outlay				
Transportation	593,069	593,069	899,128	(306,059)
Total expenditures	593,069	593,069	899,128	306,059
Net change in fund balance	-	-	11,625	11,625
Fund balance, beginning of year	168,832	168,832	168,832	-
Fund balance, end of year	\$ 168,832	\$ 168,832	\$ 180,457	\$ 11,625

See notes to financial statements.

COMBINING STATEMENTS

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

Board of County Commissioners

Special Revenue Funds

	County Awards	Court Maintenance	Disaster Relief	Domestic Violence	E-911 Surcharge	Energy Assistance	Fire Departments	Florida Boating	Housing Assistance	Law Education
ASSETS										
Cash and cash equivalents	\$ 65,464	\$ 696,212	\$ 188,445	\$ 209,505	\$ 168,815	\$ -	\$ 794,785	\$ -	\$ 182,848	\$ 57,438
Investments	-	-	915	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	200	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	8,210	11,712	111,708	4,400	-	27,607	-	471,709	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 73,674	\$ 707,924	\$ 301,068	\$ 213,905	\$ 169,015	\$ 27,607	\$ 794,785	\$ 471,709	\$ 182,848	\$ 57,438

LIABILITIES AND FUND BALANCES

LIABILITIES										
Liabilities										
Accounts payable	\$ 51,675	\$ 12,207	\$ 375	\$ -	\$ -	\$ 64,178	\$ 33,075	\$ -	\$ 2,465	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	61,485	-	-	-	484,934	-	-
Due to other governmental units	-	3,355	-	2,626	-	-	-	-	-	1,077
Deferred revenue	22,326	-	73,834	-	-	10,928	-	3,515	93,812	56,361
Total liabilities	74,001	15,562	74,209	64,111	-	75,106	33,075	488,449	96,277	57,438
Fund balances										
Reserved	(327)	692,362	226,859	149,794	169,015	(47,499)	761,710	(16,740)	86,571	-
Total fund balances	(327)	692,362	226,859	149,794	169,015	(47,499)	761,710	(16,740)	86,571	-
Total liabilities and fund balances	\$ 73,674	\$ 707,924	\$ 301,068	\$ 213,905	\$ 169,015	\$ 27,607	\$ 794,785	\$ 471,709	\$ 182,848	\$ 57,438

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

Board of County Commissioners

	Special Revenue Funds									
	Law Library	Litter Grant	Local Option Tourist Development Tax	Low Income Home Improvement	Medart Park Improvement	Miscellaneous Grants	Mosquito Control	Moving Violation Fee	Panacea Vision Grant	Planning and Design Grant
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ 40,286	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 3,231	\$ -
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	14,988	-	-	-	1,537	-	-	-	76,926
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 14,988	\$ 40,286	\$ 2,500	\$ -	\$ 1,537	\$ -	\$ -	\$ 3,231	\$ 76,926
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	18,253	-	-	-	1,537	6,318	-	-	116,211
Due to other governmental units	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ 18,253	\$ -	\$ -	\$ -	\$ 1,537	\$ 6,318	\$ -	\$ -	\$ 116,211
Fund balances										
Reserved	-	(3,265)	40,286	2,500	-	-	(6,318)	-	3,231	(39,285)
Total fund balances	\$ -	\$ (3,265)	\$ 40,286	\$ 2,500	\$ -	\$ -	\$ (6,318)	\$ -	\$ 3,231	\$ (39,285)
Total liabilities and fund balances	\$ -	\$ 14,988	\$ 40,286	\$ 2,500	\$ -	\$ 1,537	\$ -	\$ -	\$ 3,231	\$ 76,926

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

	Board of County Commissioners											Sheriff
	Special Revenue Funds					Capital					Special Revenue Funds	
	Recreation Program	Waste Grants	Wakulla Airport	Weatherization LIHEA	Weatherization Grant	Capital Projects	\$2 Training	Bulletproof Vest	Byrne Memorial	Civil Citation/RAP		
ASSETS												
Cash and cash equivalents	\$ 21,990	\$ -	\$ -	\$ -	\$ -	\$ 563,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	46,181	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	6,660	-	-	-	-	-
Due from other governmental units	-	60,759	16,656	55,612	75,516	328,926	-	4,437	5,186	-	4,304	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 21,990	\$ 60,759	\$ 16,656	\$ 55,612	\$ 75,516	\$ 938,237	\$ 6,660	\$ 4,437	\$ 5,186	\$ 4,304		
LIABILITIES AND FUND BALANCES												
Liabilities												
Accounts payable	\$ 19,421	\$ 900	\$ 16,656	\$ 709	\$ 2,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	472	-	-	-
Due to other funds	-	4,625	-	885	16,371	-	6,660	4,437	4,714	-	4,304	-
Due to other governmental units	-	-	-	243	53,580	-	-	-	-	-	-	-
Deferred revenue	-	5,525	16,656	1,837	72,944	-	6,660	4,437	5,186	-	4,304	-
Total liabilities	19,421	5,525	16,656	1,837	72,944	-	6,660	4,437	5,186	-	4,304	-
Fund balances												
Reserved	2,569	55,234	-	53,775	2,572	938,237	-	-	-	-	-	-
Total fund balances	2,569	55,234	-	53,775	2,572	938,237	-	-	-	-	-	-
Total liabilities and fund balances	\$ 21,990	\$ 60,759	\$ 16,656	\$ 55,612	\$ 75,516	\$ 938,237	\$ 6,660	\$ 4,437	\$ 5,186	\$ 4,304	\$ 4,304	\$ -

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

Sheriff

	Special Revenue Funds										
	Corrections Impact	Donated Funds	EMPA	Federal			Firing Range	Homeland Security	Housing Trust	Impact Fees	Inmate Welfare
				Forfeiture Trust	FEMA						
ASSETS											
Cash and cash equivalents	\$ -	\$ 11,680	\$ -	\$ 1,892	\$ -	\$ 2,764	\$ -	\$ 1,225,162	\$ -	\$ -	\$ 313,149
Investments	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	6,477
Due from other funds	14,352	-	-	-	-	-	-	64,527	37,546	-	-
Due from other governmental units	-	-	40,203	-	5,974	-	9,498	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 14,352	\$ 11,680	\$ 40,203	\$ 1,892	\$ 5,974	\$ 2,764	\$ 9,498	\$ 1,289,689	\$ 37,546	\$ 319,626	
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ -	\$ -	\$ 2,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	14,352	-	37,204	-	5,974	-	9,498	-	37,546	14,351	-
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	\$ 14,352	\$ -	\$ 40,203	\$ -	\$ 5,974	\$ -	\$ 9,498	\$ -	\$ 37,546	\$ 14,351	
Fund balances											
Reserved	-	11,680	-	1,892	-	2,764	-	1,289,689	-	-	305,275
Total fund balances	\$ -	\$ 11,680	\$ -	\$ 1,892	\$ -	\$ 2,764	\$ -	\$ 1,289,689	\$ -	\$ -	\$ 305,275
Total liabilities and fund balances	\$ 14,352	\$ 11,680	\$ 40,203	\$ 1,892	\$ 5,974	\$ 2,764	\$ 9,498	\$ 1,289,689	\$ 37,546	\$ 319,626	

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

Sheriff

Special Revenue Funds

	Special Revenue Funds											Totals	
	Law	U.S. Marshall	U.S. Forestry	School Resource Officer	One Cent Sales Tax	Moving Violation	Litter Control	Enforcement Trust	U.S. Marshall	U.S. Forestry	U.S. Marshall		Youth Coalition
ASSETS													
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,591,317
Investments	-	-	-	-	-	-	-	-	-	-	-	-	915
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	52,858
Due from other funds	-	-	-	-	-	54,825	25,307	-	1,768	-	-	-	210,699
Due from other governmental units	1,373	-	-	-	-	-	6,629	-	1,119	-	7,050	-	1,402,659
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,373	\$ -	\$ -	\$ -	\$ -	\$ 54,825	\$ 31,936	\$ -	\$ 2,887	\$ -	\$ 7,050	\$ -	\$ 6,258,448

LIABILITIES AND FUND BALANCES

Liabilities													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,194
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	472
Due to other funds	1,373	-	-	-	-	54,825	27,341	-	2,887	-	7,050	-	982,809
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	7,058
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	314,599
Total liabilities	\$ 1,373	\$ -	\$ -	\$ -	\$ -	\$ 54,825	\$ 31,936	\$ -	\$ 2,887	\$ -	\$ 7,050	\$ -	\$ 1,528,132
Fund balances													
Reserved	-	-	-	-	-	-	47,735	-	-	-	-	-	4,730,316
Total fund balances	-	-	-	-	-	-	47,735	-	-	-	-	-	4,730,316
Total liabilities and fund balances	\$ 1,373	\$ -	\$ -	\$ -	\$ -	\$ 54,825	\$ 31,936	\$ -	\$ 2,887	\$ -	\$ 7,050	\$ -	\$ 6,258,448

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, 2009

Board of County Commissioners

	Special Revenue Funds										
	County Awards	Court Maintenance	Disaster Relief	Domestic Violence	E-911 Surcharge	Energy Assistance	Fire Departments	Florida Boating	Housing Assistance	Law Education	
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	53,622	98,942	5,647	-	109,664	106,915	-	410,049	959,594	-	28,794
Charges for services	-	153,135	-	-	49,109	-	-	-	-	-	-
Fines	-	-	-	54,937	-	-	-	-	-	-	-
Miscellaneous	279	-	-	-	-	-	-	-	-	-	179
Total revenues	53,901	252,077	5,647	54,937	158,773	106,915	-	410,049	959,594	-	28,973
EXPENDITURES											
Current operating											
Public safety	279	-	-	40,065	-	-	533,866	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	47,258	-	-	141,731	-	-	937,675	-	-
Human services	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	474,230	-	-	-
Court-related	-	272,348	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	68,075	-	-	-	115,134	-	194,898	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	21,928	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	89,192	-	-	-	-
Total expenditures	68,354	272,348	47,258	40,065	115,134	141,731	839,920	474,230	959,603	-	-
Excess (deficiency) of revenues over (under) expenditures	(14,453)	(20,271)	(41,611)	14,872	43,639	(34,816)	17,140	(64,181)	(9)	-	29,973
OTHER FINANCING SOURCES (USES)											
Debt proceeds	-	-	-	-	-	-	11,126	-	-	-	-
Transfers from other funds	12,906	60,611	164,314	129,117	-	-	-	62,349	-	-	-
Transfers to other funds	-	-	-	(33,903)	(215,175)	-	(23,556)	-	-	-	(48,019)
Total other financing sources (uses)	12,906	60,611	164,314	95,214	(215,175)	-	(12,430)	62,349	-	-	(48,019)
Net change in fund balances	(1,547)	40,340	122,703	110,086	(171,536)	(34,816)	4,710	(1,832)	(9)	-	(18,046)
Fund balance, beginning of year	1,220	652,022	104,156	39,708	340,551	(12,683)	757,000	(14,908)	86,580	-	18,046
Fund balance, end of year	\$ (327)	\$ 692,362	\$ 226,859	\$ 149,794	\$ 169,015	\$ (47,499)	\$ 761,710	\$ (16,740)	\$ 86,571	\$ -	\$ -

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, 2009

Board of County Commissioners

	Special Revenue Funds										
	Law Library	Litter Grant	Local Option Tourist Development Tax	Low Income Home Improvement	Medart Park Improvement	Miscellaneous Grants	Mosquito Control	Moving Violation Fee	Panacea Vision Grant	Planning and Design Grant	
REVENUES											
Taxes			\$ 36,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental		10,810	-	-	-	1,537	36,839	-	-	-	21,069
Charges for services		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Miscellaneous		-	-	-	-	-	-	-	-	-	-
Total revenues		10,810	36,694	-	-	1,537	36,839	-	-	-	21,069
EXPENDITURES											
Current operating											
Public safety											
Physical environment		14,988	-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-	-
Economic environment		-	50,352	529	-	-	-	-	-	-	-
Human services		-	-	-	-	-	-	-	-	-	-
Culture/recreation		-	-	-	-	-	-	-	-	20,380	-
Court-related		-	-	-	-	-	-	-	-	-	-
Capital outlay											
General government											
Public safety											
Physical environment											
Economic environment											
Culture/recreation						1,537					689
Debt service											
Principal											
Interest											
Total expenditures		14,988	50,352	529	-	1,537	-	-	-	-	21,069
Excess (deficiency) of revenues over (under) expenditures		(4,178)	(13,658)	(529)	-	-	36,839	-	-	-	-
OTHER FINANCING SOURCES (USES)											
Debt proceeds											
Transfers from other funds		4,178	-	-	-	-	-	-	-	-	-
Transfers to other funds	(24,017)	-	-	-	-	(11,886)	-	-	-	(111,970)	-
Total other financing sources (uses)	(24,017)	4,178	-	-	-	(11,886)	-	-	-	(111,970)	-
Net change in fund balances	(24,017)	-	(13,658)	(529)	(11,886)	-	-	-	-	(111,970)	-
Fund balance, beginning of year	24,017	(3,265)	53,944	3,029	11,886	-	(6,318)	-	3,231	111,970	(39,285)
Fund balance, end of year	\$ -	\$ (3,265)	\$ 40,286	\$ 2,500	\$ -	\$ -	\$ (6,318)	\$ -	\$ 3,231	\$ -	\$ (39,285)

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, 2009

	Board of County Commissioners											
	Special Revenue Funds					Capital Projects						Sheriff
	Recreation Program	Waste Grants	Wakulla Airport	Weatherization LIHEAP	Weatherization Grant	Capital Projects	S2 Training	Bulletproof Vest	Byrne Memorial	Civil Citation/RAP		
REVENUES												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	266,881	16,656	184,901	52,751	415,019	-	4,437	22,145	-	27,216	-
Charges for services	36,795	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	515	448,405	-	-	-	-	-	-
Total revenues	36,795	266,881	16,656	184,901	53,266	863,424	-	4,437	22,145	-	27,216	-
EXPENDITURES												
Current operating	-	-	-	-	-	-	6,660	8,874	22,145	-	29,433	-
Public safety	-	184,269	-	-	-	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	164,001	53,266	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	34,226	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	197,781	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Physical environment	-	78,434	-	-	-	25,000	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	243,049	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	34,226	262,703	-	164,001	53,266	465,830	6,660	8,874	22,145	-	29,433	-
Excess (deficiency) of revenues over (under) expenditures	2,569	4,178	16,656	20,900	-	397,594	(6,660)	(4,437)	-	-	(2,217)	-
OTHER FINANCING SOURCES (USES)												
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	223,000	6,660	4,437	-	-	2,217	-
Transfers to other funds	-	(4,178)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(4,178)	-	-	-	223,000	6,660	4,437	-	-	2,217	-
Net change in fund balances	2,569	-	16,656	20,900	-	620,594	-	-	-	-	-	-
Fund balance, beginning of year	-	55,234	(16,666)	32,875	2,572	317,643	-	-	-	-	-	-
Fund balance, end of year	\$ 2,569	\$ 55,234	\$ -	\$ 53,775	\$ 2,572	\$ 938,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2009

	Sheriff										
	Special Revenue Funds										
	Corrections Impact	Donated Funds	EMPA	Federal Forfeiture Trust	FEMA	Firing Range	Homeland Security	Housing Trust	Impact Fees	Inmate Welfare	
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	148,386	-	5,303	-	64,761	-	-	-	-
Charges for services	-	4,256	2,810	-	-	21,044	-	266,565	-	-	134,775
Fines	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	19,065	-	5	-	16	-	29,775	-	-	5,785
Total revenues	-	23,321	151,196	5	5,303	21,060	64,761	296,340	-	-	140,560
EXPENDITURES											
Current operating											
Public safety	-	33,805	178,877	-	6,061	19,604	64,763	-	-	-	28,390
Physical environment	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	185,101	-	-	-	-	-	-	-	37,546	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	185,101	33,805	178,877	-	6,061	19,604	64,763	-	37,546	-	28,390
Excess (deficiency) of revenues over (under) expenditures	(185,101)	(10,484)	(27,681)	5	(758)	1,456	(2)	296,340	(37,546)	-	111,170
OTHER FINANCING SOURCES (USES)											
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-
Transfers from other funds	185,101	-	27,681	-	758	-	2	-	37,546	-	-
Transfers to other funds	-	-	-	-	-	-	-	(214,795)	-	-	-
Total other financing sources (uses)	185,101	-	27,681	-	758	-	2	(214,795)	37,546	-	-
Net change in fund balances	-	(10,484)	-	5	-	1,456	-	81,545	-	-	111,170
Fund balance, beginning of year	-	22,164	-	1,887	-	1,308	-	1,208,144	-	-	194,105
Fund balance, end of year	\$ -	\$ 11,680	\$ -	\$ 1,892	\$ -	\$ 2,764	\$ -	\$ 1,289,689	\$ -	\$ -	\$ 305,275

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, 2009

Sheriff

	Special Revenue Funds										Totals
	Law	School									
KWCB	Enforcement Trust	Litter Control	Moving Violation	One Cent Sales Tax	Resource Officer	U.S. Forestry	U.S. Marshall	VOCA	Youth Coalition		
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,694
Intergovernmental	-	-	-	-	-	-	25,000	100,785	45,619	-	3,224,342
Charges for services	19,705	99,819	-	-	154,000	2,887	-	-	-	-	944,900
Fines	-	24,497	-	-	-	-	-	-	-	-	79,434
Miscellaneous	-	4,931	-	-	-	-	-	-	-	-	1,366,015
Total revenues	19,705	29,428	99,819	-	154,000	2,887	25,000	100,785	45,619	-	5,651,385
EXPENDITURES											
Current operating											
Public safety	19,705	6,000	148,501	-	210,283	4,647	-	107,492	45,619	-	1,516,069
Physical environment	-	-	-	-	-	-	-	-	-	-	199,257
Transportation	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	1,253,081
Human services	-	-	-	-	-	-	-	-	-	-	141,731
Culture/recreation	-	-	-	-	-	-	-	-	-	-	528,836
Court-related	-	-	-	-	-	-	-	-	-	-	272,348
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-	197,781
Public safety	-	21,875	-	149,011	-	-	25,997	-	-	-	826,044
Physical environment	-	-	-	-	-	-	-	-	-	-	103,434
Economic environment	-	-	-	-	-	-	-	-	-	-	21,928
Culture/recreation	-	-	-	-	-	-	-	-	-	-	245,275
Debt service	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	23,061	-	-	-	-	-	-	112,253
Interest	-	-	-	3,390	-	-	-	-	-	-	25,354
Total expenditures	19,705	27,875	148,501	54,858	210,283	4,647	25,997	107,492	45,619	-	5,443,391
Excess (deficiency) of revenues over (under) expenditures	-	1,553	(48,682)	(54,858)	(56,283)	(1,760)	(997)	(6,707)	-	-	207,994
OTHER FINANCING SOURCES (USES)											
Debt proceeds	-	-	-	-	-	-	-	-	-	-	11,126
Transfers from other funds	-	-	48,682	54,858	56,283	1,760	997	6,707	-	-	1,239,175
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	(724,338)
Total other financing sources (uses)	-	-	48,682	54,858	56,283	1,760	997	6,707	-	-	525,963
Net change in fund balances	-	1,553	-	-	-	-	-	-	-	-	733,957
Fund balance, beginning of year	-	46,182	-	-	-	-	-	-	-	-	3,996,359
Fund balance, end of year	\$ -	\$ 47,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,730,316

See notes to financial statements.

WAKULLA COUNTY, FLORIDA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2009

	Board of County Commissioners			Clerk of Circuit Court		Sheriff	
	Wilderness Coast Library	Bookmobile	Born to Read	Agency	Individual Depository	Inmate Trust	
ASSETS							
Cash and cash equivalents	\$ 72,196	\$ -	\$ -	\$ 269,118	\$ 699,423	\$ 14,878	
Accounts receivable	-	37	-	-	-	-	
Due from individuals	-	-	-	52	-	-	
Due from other funds	-	-	-	-	-	-	
Due from other governmental units	-	-	-	7,155	-	-	
Total assets	\$ 72,196	\$ 37	\$ -	\$ 276,325	\$ 699,423	\$ 14,878	

LIABILITIES AND NET ASSETS							
Liabilities							
Due to individuals	\$ -	\$ -	\$ -	\$ 265,081	\$ -	\$ 14,878	
Due to other funds	-	-	-	70	699,423	-	
Due to other governmental units	72,196	37	-	11,174	-	-	
Interest payable	-	-	-	-	-	-	
Other current liabilities	-	-	-	-	-	-	
Total liabilities	72,196	37	-	276,325	699,423	14,878	
Net assets	-	-	-	-	-	-	
Total liabilities and net assets	\$ 72,196	\$ 37	\$ -	\$ 276,325	\$ 699,423	\$ 14,878	

(Continued)

WAKULLA COUNTY, FLORIDA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2009

	Sheriff			Tax Collector		
	Suspense	Forfeitures Held in Trust	Bankruptcy	Boating	Delinquent Tax	Hunting and Fishing
ASSETS						
Cash and cash equivalents	\$ 3,415	\$ 15,885	\$ 17,401	\$ -	\$ 60,997	\$ 728
Accounts receivable	-	-	-	-	-	-
Due from individuals	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	-	-	64	-	-
Total assets	\$ 3,415	\$ 15,885	\$ 17,401	\$ 64	\$ 60,997	\$ 728

LIABILITIES AND NET ASSETS	
Liabilities	
Due to individuals	\$ -
Due to other funds	-
Due to other governmental units	64
Interest payable	-
Other current liabilities	-
Total liabilities	13,435
Net assets	60,997
Total liabilities and net assets	\$ 728

(Continued)

WAKULLA COUNTY, FLORIDA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2009

		Tax Collector						
	Litigation	MSBU	Old Delinquent	Tag	Tax	Tax Escrow	Waste-water Assessment	Totals
ASSETS								
Cash and cash equivalents	\$ 21,219	\$ -	\$ 41,533	\$ 7,492	\$ -	\$ 256,139	\$ 1	\$ 1,480,425
Accounts receivable	-	-	-	-	-	-	-	37
Due from individuals	-	-	-	-	-	-	-	52
Due from other funds	-	-	-	64	-	-	-	64
Due from other governmental units	-	-	-	-	-	-	-	7,219
Total assets	\$ 21,219	\$ -	\$ 41,533	\$ 7,556	\$ -	\$ 256,139	\$ 1	\$ 1,487,797
LIABILITIES AND NET ASSETS								
Liabilities								
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,521
Due to other funds	-	-	-	-	-	-	-	699,557
Due to other governmental units	-	-	41,533	7,556	-	255,353	-	388,577
Interest payable	-	-	-	-	-	659	-	659
Other current liabilities	21,219	-	-	-	-	127	1	71,483
Total liabilities	21,219	-	41,533	7,556	-	256,139	1	1,487,797
Net assets	-	-	-	-	-	-	-	-
Total liabilities and net assets	\$ 21,219	\$ -	\$ 41,533	\$ 7,556	\$ -	\$ 256,139	\$ 1	\$ 1,487,797

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, 2009, and have issued our report thereon dated March 15, 2010. 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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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 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, Florida in a separate letter dated March 15, 2010 on pages 90 - 93.

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
March 15, 2010

**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, 2009. 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, 2009.

Internal Control Over Compliance

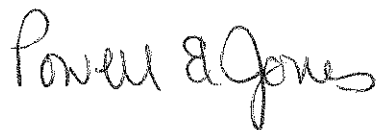
The management of Wakulla County, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs and state financial assistance projects. In planning and performing our 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, 2009, and have issued our report thereon dated March 15, 2010. 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
March 15, 2010

WAKULLA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2009

Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
FEDERAL AWARDS						
Federal and State Grantor/Pass Through Grantor						
MAJOR PROGRAMS						
US Department of Housing and Urban Development						
Housing Choice Voucher Grant	14.871	FL096	\$ 959,594	\$ -	\$ 959,594	\$ 959,594
NONMAJOR PROGRAMS						
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	3,632
Passed through the Florida Department of Community Affairs						
Community Development Block Grant-Buckhorn Village	14.228	06-DB-3K-02-75-01-E-01	750,000	352,064	82,150	82,150
			1,146,000	352,064	85,782	85,782
US Department of Interior						
Fish and Wildlife Service						
Land and Water Conservation Fund Grant	15.916	401814G209	228,580	104,934	13,521	13,521
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	-	-	-
			15,746	7,065	4,437	4,437
passed through Florida Department of Law Enforcement						
E. Byrne Memorial Justice Assistance Grant	16.738	2007-DJ-BX-1256	10,636	-	10,636	-
E. Byrne Memorial Justice Assistance Grant	16.738	2009-SB-B9-0726	44,388	-	44,388	-
E. Byrne Memorial Justice Assistance Grant	16.738	2009-JAGC-WAKU-1-T7-046	20,000	-	20,000	20,000
E. Byrne Memorial Justice Assistance Grant	16.738	2009-JAGD-WAKU-1-T8-162	2,157	-	2,145	2,145
			77,181	-	77,169	22,145
Total Bureau or Justice Assistance/Office of Criminal Justice Grants			196,060	7,065	182,390	127,366
U.S. Department of Transportation						
passed through Florida Department of Transportation						
Ochlocknee Bay Trail Grant Phase II	20.205	ANR31	601,700	15,353	2,708	2,708
Ochlocknee Bay Trail Grant Phase I	20.205		78,798	29,645	4,150	4,150
Highway Safety/Teen Outreach Grant	20.605	A0Y92	10,000	6,433	-	-
EMSTAR Hardware/Software Grant	20.605	A0062	8,500	8,500	-	-
			698,998	59,931	6,858	6,858
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	913,345	19,664	19,664

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, 2009

PROGRAM	CFDA#	GRANT #	OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
Federal and State Grantor/Pass Through Grantor						
<i>US Department of Energy</i>						
passed through Florida Department of Community Affairs						
Weatherization Assistance Program (WAP) Grant (ARRA)	81,042	10WX-7X-02-75-01-736	\$ 653,872	\$ -	\$ 48,907	\$ 48,907
Weatherization Assistance Program (WAP) Grant	81,042	09WX-7W-02-75-01-036	108,780	-	3,844	3,844
			<u>762,652</u>	-	<u>52,751</u>	<u>52,751</u>
<i>US Department of Homeland Security</i>						
Disaster Assistance Grant	97,036	09-SS-E8-02-75-13-575	5,303	-	5,303	5,303
<i>passed through the Florida Department of Community Affairs</i>						
Disaster Assistance Grant	97,036	06DN-@G-02-75-01-586	589,641	63,873	-	-
Disaster Assistance Grant	97,036	09-SS-E8-02-75-13-549	40,664	-	-	-
Disaster Assistance Grant	97,036	09-PA-B9-02-75-13-659	6,405	-	6,405	6,405
Emergency Management Performance Grant	97,042	09-BG-20-02-75-01-089	26,660	-	26,660	26,660
Emergency Management Performance Grant	97,042	09-BG-03-02-75-01-146	40,185	-	20,153	20,153
Homeland Security Planning Assistance Grant	97,067	08-DS-60-02-75-01-322	51,282	-	51,280	51,280
Homeland Security Grant	97,067	09-DS-51-02-75-01-258	63,000	-	13,481	13,481
			<u>817,837</u>	<u>63,873</u>	<u>117,979</u>	<u>117,979</u>
<i>U.S. Elections Assistance Commission</i>						
Help America Vote Act						
passed through State of Florida Division of Elections						
Election Reform Payments/Voter Education Funds	39,011	FY07/08	2,989	1,186	1,803	1,803
Voting Systems Assistance/Pollworker Recruitment	90,401	FY08/09	5,080	-	5,080	5,080
Voting Systems Assistance/Pollworker Recruitment	90,401	FY07/08	3,207	1,130	-	-
			<u>11,276</u>	<u>2,316</u>	<u>6,883</u>	<u>6,883</u>
<i>U.S. Department of Health and Human Services</i>						
passed through Florida State University						
Strategic Prevention Framework State Incentive Grant	93,243	R00993	42,981	3,594	38,569	38,569
SARG Grant	93,243	R01164	17,257	-	7,050	7,050
<i>passed through Florida Department of Revenue</i>						
Title IV-D Funds	93,563	CC365	67,007	-	67,007	67,007
<i>passed through Florida Department of Community Affairs</i>						
Low Income Home Energy Assistance Grant	93,568	08EA-7B-02-75-01-032	78,707	53,773	24,934	24,934
Low Income Home Energy Assistance Grant	93,568	09EA-7K-02-75-01-032	166,712	-	54,960	54,960
Low Income Home Energy Assistance Grant	93,568	08LH-7B-02-75-01-036	112,369	9,012	103,357	103,357
Low Income Home Energy Assistance Grant	93,568	09LH-7K-02-75-01-036	103,600	-	85,230	85,230
			<u>588,633</u>	<u>66,379</u>	<u>381,107</u>	<u>381,107</u>
Total nonmajor programs			<u>5,793,250</u>	<u>1,599,798</u>	<u>872,238</u>	<u>817,214</u>
Total federal awards			<u>\$ 6,752,844</u>	<u>\$ 1,599,798</u>	<u>\$ 1,831,832</u>	<u>\$ 1,776,808</u>

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, 2009

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
STATE FINANCIAL ASSISTANCE						
MAJOR PROGRAMS						
<i>Florida Department of Transportation</i>						
Small County Outreach Program	55.009	A0Z91	\$ 1,019,268	\$ 914,926	\$ 104,342	\$ 104,342
Small County Outreach Program/CR365	55.009	A0Z92	2,346,000	2,144,236	201,764	201,764
Small County Road Assistance Program (SCRAP)	55.016	APC86	593,069	-	592,790	592,790
<i>Department of Environmental Protection</i>						
Small County Solid Waste Grant Agreement	37.012	SC932	277,316	-	277,316	277,316
<i>Florida Fish and Wildlife Conservation Commission</i>						
Rock Landing Boat Ramp Grant	77.006	FWC 07104	522,685	64,978	408,565	408,565
<i>Total major programs</i>			<u>4,758,338</u>	<u>3,124,140</u>	<u>1,584,777</u>	<u>1,584,777</u>
NONMAJOR PROGRAMS:						
<i>Office of State Courts Administration</i>						
Small County Courthouse Facilities Grant	22.004		444,000	68,600	136,631	136,631
<i>Department of Environmental Protection</i>						
Mashes Sands/Shell Pt. Feasibility Grant	37.003	H5WK1	200,000	178,440	9,450	9,450
Recreation Development Assistance Program (FRDAP)						
Hickory Park	37.017	A8039	200,000	-	197,119	197,119
Recreation Development Assistance Program (FRDAP)						
Medart Park	37.017	A09102	101,708	-	19,703	19,703
Recreation Development Assistance Program (FRDAP)						
Equestrian Center	37.017	A09103	135,611	-	2,845	2,845
Sewer Extension-Wakulla Gardens	37.039	LP6792	250,000	26,566	120,050	120,050
Mashes Sands/Shell Pt. Feasibility Grant	37.065	H5WK1	119,400	-	-	-
			<u>1,006,719</u>	<u>205,006</u>	<u>349,167</u>	<u>349,167</u>
<i>Department of Agriculture and Consumer Services</i>						
Mosquito Control State Aid	42.003		39,000	-	36,839	36,839
<i>Department of State</i>						
<i>Division of Cultural Affairs</i>						
Florida State Touring Program Grant	45.002	Sep-97	417	-	417	417
<i>Division of Library Information Services</i>						
State Aid to Libraries Operating/Equalization Grant	45.030	09-ST-93	109,620	-	109,620	112,229
<i>Department of Community Affairs</i>						
Emergency Management Performance Grant/MATCH	52.008	09-BG-03-02-75-01-146	101,573	-	101,573	101,573
Florida Communities Trust-Big Bend Maritime Center		07-057-FF7	3,900,000	-	-	-
			<u>4,001,573</u>	<u>-</u>	<u>101,573</u>	<u>101,573</u>

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, 2009

Program Title	CSFA#	GRANT #	OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
Federal and State Grantor/Pass Through Grantor						
<i>State Housing Initiatives Program</i>						
SHIP Funds 2008-2009	52.901	2008-2009	\$ 350,000	\$ -	\$ 229,908	\$ 229,908
<i>Florida Department of Transportation</i>						
Airport Improvement Grant	55.004	A0Q91	75,000	59,350	15,650	15,650
<i>Department of Health</i>						
<i>Emergency Medical Services County Grant Program</i>						
County Awards	64.005	C8065	8,163	8,163	-	-
AVL Grant	64.003	M8082	8,210	-	8,210	8,210
First Responder Bags Grant	64.003	R8027	5,000	-	5,000	5,000
IV Access Grant	64.003	R8023	7,371	-	7,371	7,371
Auto CPR Devices Grant	64.003	M9018	34,594	-	34,594	34,594
			63,338	8,163	55,175	55,175
<i>Department of Management Services</i>						
<i>Wireless 911 Board</i>						
Rural County E911 Grant- Back Up	72.001	05-07-19	56,731	-	56,731	56,731
Rural County E911 Grant- Map	72.001	05-07-18	52,932	-	52,932	56,932
			109,663	-	109,663	113,663
<i>Florida Fish and Wildlife Conservation Commission</i>						
Channel Markers Grant	77.006	FWC 06065	44,820	-	29,700	29,700
Old Fort Boat Ramp	77.006	FWC 03062	445,000	443,515	1,485	1,485
			489,820	443,515	31,185	31,185
<i>Florida Department of Juvenile Justice</i>						
Civil Citation/Restorative Action Plan Grant	80.XXX	DP-606	29,061	-	22,654	22,654
Total State Nonmajor Programs			6,716,211	784,634	1,198,482	1,205,091
Total State Financial Assistance			\$ 11,476,549	\$ 3,308,774	\$ 2,783,259	\$ 2,789,868

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, 2009

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 related 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, 2009

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:

CFDA Number
14.871

Name of Federal Programs
U.S. Department of Housing and Urban
Development Housing Choice Voucher Act

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

Auditee qualified as low-risk auditee?	No
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Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

WAKULLA COUNTY, FLORIDA

SCHEDULE OF FINDINGS

For the Fiscal Year Ended September 30, 2009

- 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

<u>CSFA Number</u>	<u>Name of State Programs</u>
55.009	Department of Transportation
55.016	Small County Outreach Program
	Small County Road Assistance Program
37.012	Department of Environmental Protection
	Small County Solid Waste Agreement
77.006	Florida Fish and Wildlife Conservation Commission
	Florida Boating Improvement 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, 2009**

A. FINDINGS OF PRIOR AUDITOR

Reference Number 06-01: Landfill Collections

FINDING: "As noted in the prior year, we noted that there were inadequate controls in place for the collections of monies from residents of Wakulla County at the landfill. In addition, there were inadequate controls in place to ensure all money collected at the County landfill is being remitted back to the Board and ultimately being deposited into a bank. We recommend proper controls be implemented."

CURRENT STATUS: During the current year, this finding was substantially corrected.

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. 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.

Reference Number 06-04: Sewer Billings and Cut Off Procedures

FINDING: "Many customers are past due on their accounts and according to policies, these customers are to be cut off which is not always occurring. The County should also review all sewer taps to ensure customers are properly being billed. We recommend all County policies be followed."

CURRENT STATUS: This finding remained unchanged during the current year.

RECOMMENDATION: See recommendations in Management Letter on pages 90 – 93.

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, 2009, and have issued our report thereon dated March 15, 2010.

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 March 10, 2010, 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. These services are delineated in an agreement between the Board of County Commissioners and PAWS dated June 23, 1987. Included in this agreement are the following requirements regarding the billing services.

Section 4 states 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.

We found the following deficiencies regarding this requirement:

According to County personnel, PAWS does not regularly provide the County with a notice of delinquent accounts or disconnect accounts that are appropriately delinquent. The County also does 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 recommend that the Board take necessary actions to obtain the customer aging and delinquency reports monthly.

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

GASB 45 Other Postemployment Benefits (OPEB) – Statement 45 of the Governmental Accounting Standards Board requires governments to calculate the costs and liabilities associated with health benefits for retired employees. County retirees are charged the same rates as active employees on the County's health insurance plan. Due to the fact that premiums are based on a blending of the experience among younger active employees and older retirees, GASB 45 classifies this as an "implicit rate subsidy" that must be calculated and disclosed.

Although the County has relatively few retirees on the health insurance plan, this pronouncement requires the County to have an actuarial study performed to properly disclose this OPEB obligation in its financial statements. We recommend that the County evaluate this new accounting requirement and take appropriate action for compliance.

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, 2009.

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.

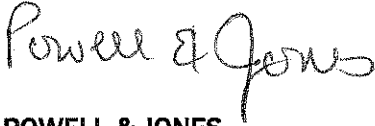
Requirements of Section 28.35, Florida Statutes - For the fiscal year ended September 30, 2009, the Clerk of the Circuit Court complied with the following:

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.

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

POWELL & JONES
Certified Public Accountants
March 15, 2010

CLERK OF THE CIRCUIT COURT

WAKULLA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
Wakulla County, Florida

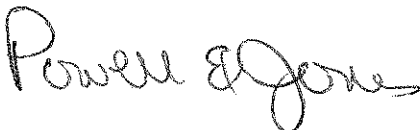
We have audited the accompanying special purpose fund financial statements of the Wakulla County Clerk of the Circuit Court (the Clerk) as of and for the year ended September 30, 2009, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Clerk. 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, 2009, 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
March 15, 2010

FINANCIAL STATEMENTS

WAKULLA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT

GENERAL FUND
BALANCE SHEET

September 30, 2009

ASSETS

Cash and cash equivalents	\$	195,495
Due from other funds		70
Due from Board of County Commissioners		11,661
Due from other governmental units		10,410
Prepaid expenses		19,393
Total assets	\$	<u>237,029</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$	28,620
Accrued liabilities		36,047
Due to Board of County Commissioners		8,441
Due to State of Florida		128
Total liabilities		<u>73,236</u>
Fund balance		
Reserved		163,793
Total liabilities and fund balance	\$	<u>237,029</u>

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, 2009

REVENUES	
Intergovernmental	\$ 67,007
Charges for services	
General government	190,272
Court related	783,679
Miscellaneous	178,871
Total revenues	<u>1,219,829</u>
EXPENDITURES	
Current operating	
General government	805,137
Court related	712,418
Capital outlay	
General government	4,659
Court related	34,346
Total expenditures	<u>1,556,560</u>
Deficiency of revenues over expenditures	<u>(336,731)</u>
OTHER FINANCING SOURCES (USES)	
Transfers from the Board of County Commissioners	448,613
Transfers to the Board of County Commissioners	(8,392)
Transfer to the State of Florida	(127,932)
Total other financing sources (uses)	<u>312,289</u>
Net change in fund balance	(24,442)
Fund balance, beginning of year	188,235
Fund balance, end of year	<u>\$ 163,793</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

**CLERK OF CIRCUIT COURT
GENERAL FUND**

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

For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 31,768	\$ 76,768	\$ 67,007	\$ (9,761)
Charges for services				
General government	338,500	338,500	190,272	(148,228)
Court related	1,033,000	916,920	783,679	(133,241)
Miscellaneous	276,386	267,000	178,871	(88,129)
Total revenues	<u>1,679,654</u>	<u>1,599,188</u>	<u>1,219,829</u>	<u>(379,359)</u>
EXPENDITURES				
Current operating				
General government	1,011,794	1,013,613	805,137	208,476
Court related	875,773	778,726	712,418	66,308
Capital outlay				
General government	9,000	9,000	4,659	4,341
Court related	5,000	21,581	34,346	(12,765)
Total expenditures	<u>1,901,567</u>	<u>1,822,920</u>	<u>1,556,560</u>	<u>266,360</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(221,913)</u>	<u>(223,732)</u>	<u>(336,731)</u>	<u>(112,999)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from the Board of County Commissioners	446,794	448,613	448,613	-
Transfers to the Board of County Commissioners	-	-	(8,392)	(8,392)
Transfer to the State of Florida	(224,881)	(224,881)	(127,932)	96,949
Total other financing sources (uses)	<u>221,913</u>	<u>223,732</u>	<u>312,289</u>	<u>88,557</u>
Net change in fund balance	-	-	(24,442)	(24,442)
Fund balance, beginning of year	188,235	188,235	188,235	-
Fund balance, end of year	<u>\$ 188,235</u>	<u>\$ 188,235</u>	<u>\$ 163,793</u>	<u>\$ (24,442)</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT

AGENCY FUND
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2009

ASSETS

Cash and cash equivalents	\$	269,118
Due from other governmental units		7,155
Due from individuals		52
Total assets	\$	<u>276,325</u>

LIABILITIES AND NET ASSETS

Liabilities		
Due to individuals	\$	265,081
Due to other funds		70
Due to other governmental units		11,174
Total liabilities		<u>276,325</u>
Net assets		-
Total liabilities and net assets	\$	<u>276,325</u>

See notes to financial statements.

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

September 30, 2009

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, 2009, 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.

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 9.85% for regular annually covered employees’ salary, 13.12% for senior management annually covered employees’ salary, 16.53% for elected County official’s annual salary, and 10.91% 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, 2009, 2008 and 2007, 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, 2009, 2008 and 2007 were \$115,161, \$114,558, and \$107,291, respectively.

NOTE 3. DEPOSITS

At year end, the carrying amount of the Clerk's deposits was \$464,613 and the bank balances were \$625,875. 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, 2009 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 70	\$ -
Trust Agency Fund	-	70
	<u>\$ 70</u>	<u>\$ 70</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, 2009, and have issued our report thereon dated March 15, 2010. 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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

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
March 15, 2010

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, 2009, and have issued our report thereon dated March 15, 2010. 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, 2009. 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, 2009, 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
March 15, 2010

PROPERTY APPRAISER

**WAKULLA COUNTY, FLORIDA
PROPERTY APPRAISER**

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2009

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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, 2009, 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, 2009, 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 March 15, 2010, 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
March 15, 2010

COMBINED FINANCIAL STATEMENTS

WAKULLA COUNTY, FLORIDA

PROPERTY APPRAISER

**GENERAL FUND
BALANCE SHEET
September 30, 2009**

ASSETS

Cash and cash equivalents	\$	55,228
Accounts receivable		7,500
Prepaid expenses		310
Total assets	\$	63,038

LIABILITIES AND FUND BALANCE

Liabilities:

Accrued payroll liabilities		29,056
Due to Board of County Commissioners		33,823
Due to other governmental units		159
Total liabilities		63,038

Fund balance		-
Total liabilities and fund balance	\$	63,038

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, 2009

REVENUES	
Charges for services	\$ 2,232
Miscellaneous	
Interest	392
Other	4,409
Total revenue	<u>7,033</u>
EXPENDITURES	
General government	
Current operating	946,774
Capital outlay	39,366
	<u>986,140</u>
Deficiency of revenues over expenditures	<u>(979,107)</u>
OTHER FINANCING SOURCES (USES)	
Transfers from the Board of County Commissioners	1,012,930
Transfer to the Board of County Commissioners	(33,823)
Total other financing sources (uses)	<u>979,107</u>
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	<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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for services	\$ -	\$ 2,313	\$ 2,232	(81)
Miscellaneous	-	-	4,801	4,801
Total revenues	-	2,313	7,033	4,720
EXPENDITURES				
General government				
Current operating	1,025,596	1,015,243	946,774	68,469
Capital outlay	-	-	39,366	(39,366)
Total expenditures	1,025,596	1,015,243	986,140	29,103
Deficiency of revenues over expenditures	(1,025,596)	(1,012,930)	(979,107)	33,823
OTHER FINANCING SOURCES (USES)				
Transfers from the Board of County Commissioners	1,025,596	1,012,930	1,012,930	-
Transfer to the Board of County Commissioners	-	-	(33,823)	(33,823)
Total other financing sources (uses)	1,025,596	1,012,930	979,107	(33,823)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

PROPERTY APPRAISER

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

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, 2009, the book balance of the Property Appraiser's deposits was \$55,228. 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 \$26,965 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, 2009 were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53%, and employees electing the DROP Program 10.91%. 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, 2009, 2008 and 2007 were \$40,126, \$39,412, and \$39,629, 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, 2009, are as follows:

Year Ending September 30,	Minimum Lease Payments
2010	\$ 2,352
2011	2,352
2012	1,372
	<u>\$ 6,076</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, 2009, and have issued our report thereon dated March 15, 2010. 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.

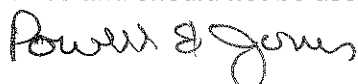
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

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
March 15, 2010

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, 2009, and have issued our report thereon dated March 15, 2010. 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

The prior year finding was corrected during the current 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, 2009. 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.

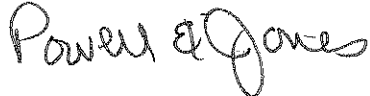
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Property Appraiser had met any of the conditions of Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

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

March 15, 2010

SHERIFF

WAKULLA COUNTY, FLORIDA

SHERIFF

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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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, 2009, 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(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 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, 2009, 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 March 15, 2010, 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
March 15, 2010

BASIC FINANCIAL STATEMENTS

**SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINED BALANCE SHEET – ALL FUND TYPES
SEPTEMBER 30, 2009**

	<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>	
Assets				
Current:				
Cash and cash equivalents	\$ 302,694	\$ 1,596,668	\$ 733,600	\$ 2,632,962
Accounts receivable	29,222	6,477	-	35,699
Due from other funds	296,459	86,361	-	382,820
Due from Board of County Commissioners	-	124,338	-	124,338
Due from other governmental units		136,393	-	136,393
Prepaid items	434,875	-	-	434,875
Total Assets	<u>\$ 1,063,250</u>	<u>\$ 1,950,237</u>	<u>\$ 733,600</u>	<u>\$ 3,747,087</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and other accrued liabilities	\$ 485,998	\$ 19,012	\$ -	\$ 505,010
Due to Board of County Commissioners	136,664	-	594,506	731,170
Due to other funds	5,713	272,190	104,917	382,820
Other current liabilities	-	-	34,177	34,177
Total Liabilities	<u>628,375</u>	<u>291,202</u>	<u>733,600</u>	<u>1,653,177</u>
Fund Balances				
Fund balances:				
Reserved	434,875	1,659,035	-	2,093,910
Total fund balances	<u>434,875</u>	<u>1,659,035</u>	<u>-</u>	<u>2,093,910</u>
Total Liabilities and Fund Balances	<u>\$ 1,063,250</u>	<u>\$ 1,950,237</u>	<u>\$ 733,600</u>	<u>\$ 3,747,087</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, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
Revenues			
Intergovernmental	\$ -	\$ 443,652	\$ 443,652
Charges for services	124,777	705,860	830,637
Fines	-	24,497	24,497
Miscellaneous	-	59,578	59,578
Total revenues	<u>124,777</u>	<u>1,233,587</u>	<u>1,358,364</u>
Expenditures			
Public safety			
Current	10,236,637	941,859	11,178,496
Capital outlay	177,002	447,937	624,939
Debt service			
Principal	11,651	23,061	34,712
Interest	2,265	3,390	5,655
Total expenditures	<u>10,427,555</u>	<u>1,416,247</u>	<u>11,843,802</u>
Excess (deficiency) of revenues over expenditures	<u>(10,302,778)</u>	<u>(182,660)</u>	<u>(10,485,438)</u>
Other financing sources (uses)			
Transfers from Board of County Commissioners	10,661,437	360,705	11,022,142
Transfers to Board of County Commissioners	(136,664)	(214,795)	(351,459)
Operating transfers in (out)	(221,995)	221,995	-
Total other financing sources	<u>10,302,778</u>	<u>367,905</u>	<u>10,670,683</u>
Net change in fund balances	-	185,245	185,245
Fund balances, beginning of year	<u>434,875</u>	<u>1,473,790</u>	<u>1,908,665</u>
Fund balances, end of year	<u>\$ 434,875</u>	<u>\$ 1,659,035</u>	<u>\$ 2,093,910</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

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, 2009, the Sheriff maintained the following special revenue funds:

- \$2 Training
- Court Maintenance
- Donated Funds
- Federal Forfeiture Trust
- Firing Range
- Housing Trust
- Byrne Memorial Grant
- Impact Fees
- Inmate Welfare
- Law Enforcement Trust
- Moving Violation
- One Cent Sales Tax
- Bulletproof Vests
- Civil Citation/RAP
- EMPA Grant
- FEMA Grant
- Florida Sheriff's Association
- Homeland Security
- KWCB
- Litter Control
- School Resource Officer
- Teen Outreach
- US Forestry
- VOCA Grant
- Youth Coalition

(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:

- Individual Depository Fund
- Inmate Trust 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, 2009, the book balance of the Sheriff's deposits was \$2,632,962. 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, 2009, which is reported in the basic financial statements of Wakulla County, Florida is as follows:

	Balance	Board		Balance	
	October 1, 2008	of County Commissioners Additions	Additions	September 30, 2009	
Equipment	\$ 4,352,348	\$ 109,663	\$ 624,940	\$ (437,126)	\$ 4,649,825
Accumulated depreciation	(3,449,913)	-	(432,560)	387,507	(3,494,966)
	<u>\$ 902,435</u>	<u>\$ 109,663</u>	<u>\$ 192,380</u>	<u>\$ (49,619)</u>	<u>\$ 1,154,859</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, 2008			September 30, 2009	
Compensated absences	\$ 473,995	\$ 62,835	\$ -	\$ 536,830	\$ -
Capital lease payable	108,630	-	34,712	73,918	36,855
Equipment and vehicles	<u>\$ 582,625</u>	<u>\$ 62,835</u>	<u>\$ 34,712</u>	<u>\$ 610,748</u>	<u>\$ 36,855</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. 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 2008-09 fiscal year were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary (A)</u>
Florida Retirement System, Regular	9.85
Florida Retirement System, Senior Management Services	13.12
Florida Retirement System, Special Risk	20.92
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plan	10.91
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, 2007, September 30, 2008, and September 30, 2009 totaled \$990,109, \$1,042,367, and \$1,047,558, 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, 2009, 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	\$ 10,661,437
Other revenues	124,777
Less: Transfer to other funds	(221,995)
Less: Expenditures	(10,427,555)
	<u>\$ 136,664</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 \$40,367. The future minimum payments under these leases at September 30, 2009, are as follows:

Year Ending September 30,	Principal	Interest	Total
2010	\$ 36,855	\$ 3,445	\$ 40,300
2011	32,494	1,202	33,696
2012	4,569	58	4,627
	<u>\$ 73,918</u>	<u>\$ 4,705</u>	<u>\$ 78,623</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, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Charges for services	\$ -	\$ 80,680	\$ 124,777	\$ 44,097
Total revenues	<u>-</u>	<u>80,680</u>	<u>124,777</u>	<u>44,097</u>
Expenditures				
Public safety				
Current	10,528,868	10,628,686	10,236,637	392,049
Capital outlay	232,949	-	177,002	(177,002)
Debt service				
Principal	11,651	11,651	11,651	-
Interest	2,265	2,265	2,265	-
Total expenditures	<u>10,775,733</u>	<u>10,642,602</u>	<u>10,427,555</u>	<u>215,047</u>
Deficiency of revenues over expenditures	<u>(10,775,733)</u>	<u>(10,561,922)</u>	<u>(10,302,778)</u>	<u>259,144</u>
Other financing sources (uses)				
Transfers from Board of County Commissioners	10,775,733	10,656,822	10,661,437	4,615
Transfers to Board of County Commissioners	-	-	(136,664)	(136,664)
Operating transfers in (out)	-	(94,900)	(221,995)	(127,095)
Total other financing sources (uses)	<u>10,775,733</u>	<u>10,561,922</u>	<u>10,302,778</u>	<u>(259,144)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>434,875</u>	<u>434,875</u>	<u>434,875</u>	<u>-</u>
Fund balance, end of year	<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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 443,652	\$ 443,652	\$ 443,652	\$ -
Charges for services	705,860	705,860	705,860	-
Fines	24,497	24,497	24,497	-
Miscellaneous	59,578	59,578	59,578	-
Total revenues	<u>1,233,587</u>	<u>1,233,587</u>	<u>1,233,587</u>	<u>-</u>
Expenditures				
Public safety				
Current	941,859	941,859	941,859	-
Capital outlay	447,937	447,937	447,937	-
Debt service				
Principal	23,061	23,061	23,061	-
Interest	3,390	3,390	3,390	-
Total expenditures	<u>1,416,247</u>	<u>1,416,247</u>	<u>1,416,247</u>	<u>-</u>
Excess of revenues over expenditures	<u>(182,660)</u>	<u>(182,660)</u>	<u>(182,660)</u>	<u>-</u>
Other financing sources (uses)				
Transfers from Board of County Commissioners	360,705	360,705	360,705	-
Transfers to the Board of County Commissioners	(214,795)	(214,795)	(214,795)	-
Operating transfers in (out)	221,995	221,995	221,995	-
Total other financing sources (uses)	<u>367,905</u>	<u>367,905</u>	<u>367,905</u>	<u>-</u>
Net change in fund balances	185,245	185,245	185,245	-
Fund balances, beginning of year	<u>1,473,790</u>	<u>1,473,790</u>	<u>1,473,790</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,659,035</u>	<u>\$ 1,659,035</u>	<u>\$ 1,659,035</u>	<u>\$ -</u>

See notes to financial statements.

SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
September 30, 2009

	Grants and Contracts	Federal				Law				Totals		
		Corrections Impact	Donated Funds	Forfeiture Trust	Firing Range	Housing Trust	Impact Fees	Inmate Welfare	Enforcement Trust		Moving Violation	One Cent Sales Tax
Cash and cash equivalents	\$ -	\$ -	\$ 11,680	\$ 1,892	\$ 2,764	\$ 1,225,162	\$ -	\$ 313,149	\$ 42,021	\$ -	\$ -	\$ 1,596,668
Accounts receivable	-	-	-	-	-	-	-	6,477	-	-	-	6,477
Due from other funds	1,768	14,352	-	-	-	64,527	-	-	5,714	-	-	86,361
Due from Board of County Commissioners	31,967	-	-	-	-	-	37,546	-	-	54,825	-	124,338
Due from other governmental units	136,393	-	-	-	-	-	-	-	-	-	-	136,393
Total Assets	\$ 170,128	\$ 14,352	\$ 11,680	\$ 1,892	\$ 2,764	\$ 1,289,689	\$ 37,546	\$ 319,626	\$ 47,735	\$ 54,825	\$ -	\$ 1,950,237

Liabilities and Fund Balances	
Liabilities	
Accounts payable and accrued expenses	\$ 19,012
Due to other funds	151,116
Total Liabilities	170,128
Fund Balances	-
Fund Balances:	
Reserved	-
Total Liabilities and Fund Balances	\$ 170,128

Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,659,035
Accounts receivable	-	-	-	-	-	-	-	6,477	-	-	-	6,477
Due from other funds	1,768	14,352	-	-	-	64,527	-	-	5,714	-	-	86,361
Due from Board of County Commissioners	31,967	-	-	-	-	-	37,546	-	-	54,825	-	124,338
Due from other governmental units	136,393	-	-	-	-	-	-	-	-	-	-	136,393
Total Assets	\$ 170,128	\$ 14,352	\$ 11,680	\$ 1,892	\$ 2,764	\$ 1,289,689	\$ 37,546	\$ 319,626	\$ 47,735	\$ 54,825	\$ -	\$ 1,950,237

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, 2009**

	Grants and Contracts	Corrections		Federal Forfeiture Trust	Firing Range	Law Enforcement		Inmate Welfare	Law Enforcement Trust		Moving Violation	One Cent Sales Tax	Totals
		Impact Fees	Donated Funds			Housing Trust	Impact Fees		Trust				
Revenues													
Intergovernmental	\$ 443,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 443,652
Charges for services	279,221	-	4,256	-	21,044	-	266,565	134,774	-	-	-	-	705,860
Fines	-	-	-	-	-	-	-	-	24,497	-	-	-	24,497
Miscellaneous	-	-	19,065	5	16	29,775	5,786	4,931	-	-	-	-	59,578
Total revenues	<u>722,873</u>	<u>-</u>	<u>23,321</u>	<u>5</u>	<u>21,060</u>	<u>296,340</u>	<u>-</u>	<u>140,560</u>	<u>29,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,233,587</u>
Expenditures													
Current													
Public safety	853,060	-	33,805	-	19,604	-	-	29,390	6,000	-	-	-	941,859
Capital outlay													
Public safety	25,997	185,101	-	-	-	-	37,546	-	21,875	28,407	149,011	-	447,937
Debt service													
Principal	-	-	-	-	-	-	-	-	-	23,061	-	-	23,061
Interest	-	-	-	-	-	-	-	-	-	3,390	-	-	3,390
Total expenditures	<u>879,057</u>	<u>185,101</u>	<u>33,805</u>	<u>-</u>	<u>19,604</u>	<u>-</u>	<u>37,546</u>	<u>29,390</u>	<u>27,875</u>	<u>54,858</u>	<u>149,011</u>	<u>-</u>	<u>1,416,247</u>
Excess (deficiency) of revenues over expenditures	(156,184)	(185,101)	(10,484)	5	1,456	296,340	(37,546)	111,170	1,553	(94,858)	(149,011)	-	(182,660)
Other financing sources (uses)													
Transfers from Board of County Commissioners	30,823	88,500	-	-	-	-	37,546	-	-	54,825	149,011	-	360,705
Transfers to Board of County Commissioners	-	-	-	-	-	(214,795)	-	-	-	-	-	-	(214,795)
Operating transfers in (out)	125,361	96,601	-	-	-	-	-	-	-	33	-	-	221,995
Total other financing sources (uses)	<u>156,184</u>	<u>185,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(214,795)</u>	<u>37,546</u>	<u>-</u>	<u>-</u>	<u>54,858</u>	<u>149,011</u>	<u>-</u>	<u>367,905</u>
Net change in fund balances	-	-	(10,484)	5	1,456	81,545	-	111,170	1,553	-	-	-	185,245
Fund balances, beginning of year	-	-	22,164	1,887	1,308	1,208,144	-	194,105	46,182	-	-	-	1,473,790
Fund balances, end of year	\$ -	\$ -	\$ 11,680	\$ 1,892	\$ 2,764	\$ 1,289,689	\$ -	\$ 305,275	\$ 47,735	\$ -	\$ -	\$ -	\$ 1,659,035

See notes to financial statements.

SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING BALANCE SHEET - ALL GRANTS AND CONTRACTS
September 30, 2009

	\$2	Bullet	Byrne	Civil	EMPA	FEMA	Homeland
	Training	Proof Vest	Memorial	Citation/RAP			Security
Assets							
Due from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from Board of County Commissioners	6,660	-	-	-	-	-	-
Due from other governmental units	-	4,437	5,186	4,304	40,203	5,974	9,498
Total Assets	\$ 6,660	\$ 4,437	\$ 5,186	\$ 4,304	\$ 40,203	\$ 5,974	\$ 9,498
Liabilities and Fund Balances							
Liabilities							
Due to other funds	\$ 6,660	\$ 4,437	\$ 4,714	\$ 4,304	\$ 37,204	\$ 5,974	\$ 9,498
Accounts payable and accrued liabilities	-	-	472	-	2,999	-	-
Total Liabilities	6,660	4,437	5,186	4,304	40,203	5,974	9,498
Fund Balances							
Fund Balances:							
Unreserved, undesignated	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 6,660	\$ 4,437	\$ 5,186	\$ 4,304	\$ 40,203	\$ 5,974	\$ 9,498

(Continued)

See notes to financial statements.

SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING BALANCE SHEET - ALL GRANTS AND CONTRACTS
September 30, 2009

	KWCB	Litter Control	School Resource Officer	U.S. Forestry	U.S. Marshall	VOCA	Youth Coalition	TOTALS
Assets								
Due from other funds	\$ -	\$ -	\$ -	\$ 1,768	\$ -	\$ -	\$ -	\$ 1,768
Due from Board of County Commissioners	-	25,307	-	-	-	-	-	31,967
Due from other governmental units	1,373	6,629	30,800	1,119	-	19,820	7,050	136,393
Total Assets	\$ 1,373	\$ 31,936	\$ 30,800	\$ 2,887	\$ -	\$ 19,820	\$ 7,050	\$ 170,128
Liabilities and Fund Balances								
Liabilities								
Due to other funds	\$ 1,373	\$ 27,341	\$ 23,379	\$ 2,887	\$ -	\$ 16,295	\$ 7,050	\$ 151,116
Accounts payable and accrued liabilities	-	4,595	7,421	-	-	3,525	-	19,012
Total Liabilities	1,373	31,936	30,800	2,887	-	19,820	7,050	170,128
Fund Balances								
Fund Balances:								
Unreserved, undesignated	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 1,373	\$ 31,936	\$ 30,800	\$ 2,887	\$ -	\$ 19,820	\$ 7,050	\$ 170,128

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, 2009

	\$2 Training	Bullet Proof Vest	Byrne Memorial	Civil Citation/RAP	EMPA	FEMA	Homeland Security
Revenues							
Intergovernmental	\$ -	\$ 4,437	\$ 22,145	\$ 27,216	\$ 148,386	\$ 5,303	\$ 64,761
Charges for services	-	-	-	-	2,810	-	-
Total revenues	-	4,437	22,145	27,216	151,196	5,303	64,761
Expenditures							
Current							
Public safety	6,660	8,874	22,145	29,433	178,877	6,061	64,763
Capital outlay	-	-	-	-	-	-	-
Public safety	6,660	8,874	22,145	29,433	178,877	6,061	64,763
Total expenditures	(6,660)	(4,437)	-	(2,217)	(27,681)	(758)	(2)
Excess (deficiency) of revenues over expenditures							
Other financing sources (uses)							
Transfers from Board of County Commissioners	6,660	-	-	-	23,000	-	-
Operating transfers in (out)	-	4,437	-	2,217	4,681	758	2
Total other financing sources (uses)	6,660	4,437	-	2,217	27,681	758	2
Net change in fund balances	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2009

	KWCB	Litter Control	School Resource Officer	U.S. Forestry	U.S. Marshall	VOCA	Youth Coalition	TOTALS
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 100,785	\$ 45,619	\$ 443,662
Charges for services	19,705	99,819	154,000	2,887	-	-	-	279,221
Total revenues	19,705	99,819	154,000	2,887	25,000	100,785	45,619	722,873
Expenditures								
Current								
Public safety	19,705	148,501	210,283	4,647	-	107,492	45,619	853,060
Capital outlay	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	25,997	-	-	25,997
Total expenditures	19,705	148,501	210,283	4,647	25,997	107,492	45,619	879,057
Excess (deficiency) of revenues over expenditures	-	(48,682)	(56,283)	(1,760)	(997)	(6,707)	-	(156,184)
Other financing sources (uses)								
Transfers from Board of County Commissioners	-	1,163	-	-	-	-	-	30,823
Operating transfers in (out)	-	47,519	56,283	1,760	997	6,707	-	125,361
Total other financing sources (uses)	-	48,682	56,283	1,760	997	6,707	-	156,184
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
 September 30, 2009

	Individual Depository	Suspense	Inmate Trust	Forfeitures Held in Trust	Totals
Assets					
Cash and cash equivalents	\$ 699,423	\$ 3,414	\$ 14,878	\$ 15,885	\$ 733,600
Liabilities					
Due to other funds	\$ 104,917	\$ -	\$ -	\$ -	\$ 104,917
Due to Board of County Commissioners	594,506	-	-	-	594,506
Due to individuals	-	3,414	14,878	-	18,292
Other current liabilities	-	-	-	15,885	15,885
Total Liabilities	\$ 699,423	\$ 3,414	\$ 14,878	\$ 15,885	\$ 733,600

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, 2009**

	Balance Oct. 1, 2008	Additions	Deductions	Balance Sept. 30, 2009
INMATE TRUST				
Assets				
Cash	\$ 18,517	\$ 263,892	\$ 267,531	\$ 14,878
Total assets	\$ 18,517	\$ 263,892	\$ 267,531	\$ 14,878
Liabilities				
Due to individuals	\$ 18,517	\$ 263,892	\$ 267,531	\$ 14,878
Total liabilities	\$ 18,517	\$ 263,892	\$ 267,531	\$ 14,878
INDIVIDUAL DEPOSITORY				
Assets				
Cash	\$ 314,396	\$ 3,749,190	\$ 3,364,163	\$ 699,423
Total assets	\$ 314,396	\$ 3,749,190	\$ 3,364,163	\$ 699,423
Liabilities				
Due to other funds	\$ 51,441	\$ 841,867	\$ 788,391	\$ 104,917
Due to Board of County Commissioners	262,955	3,076,019	2,744,468	594,506
Total liabilities	\$ 314,396	\$ 3,917,886	\$ 3,532,859	\$ 699,423
SUSPENSE				
Assets				
Cash	\$ 5,714	\$ 89,307	\$ 91,607	\$ 3,414
Total assets	\$ 5,714	\$ 89,307	\$ 91,607	\$ 3,414
Liabilities				
Due to individuals	\$ 5,714	\$ 89,307	\$ 91,607	\$ 3,414
Total liabilities	\$ 5,714	\$ 89,307	\$ 91,607	\$ 3,414
Assets				
FORFEITURES HELD IN TRUST				
Cash	\$ -	\$ 15,885	\$ -	\$ 15,885
Total assets	\$ -	\$ 15,885	\$ -	\$ 15,885
Liabilities				
Other current liabilities	\$ -	\$ 15,885	\$ -	\$ 15,885
Total liabilities	\$ -	\$ 15,885	\$ -	\$ 15,885
TOTAL ALL AGENCY FUNDS				
Assets				
Cash	\$ 338,627	\$ 4,118,274	\$ 3,723,301	\$ 733,600
Total assets	\$ 338,627	\$ 4,118,274	\$ 3,723,301	\$ 733,600
Liabilities				
Due to individuals	\$ 24,231	\$ 353,199	\$ 359,138	\$ 18,292
Due to other funds	51,441	841,867	788,391	104,917
Due to Board of County Commissioners	262,955	3,076,019	2,744,468	594,506
Other current liabilities	-	15,885	-	15,885
Total liabilities	\$ 338,627	\$ 4,286,970	\$ 3,891,997	\$ 733,600

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, 2009, and have issued our report thereon dated March 15, 2010. 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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

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 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
March 15, 2010

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, 2009, and have issued our report thereon dated March 15, 2010. 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, 2009. 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.

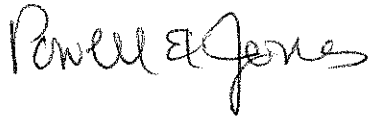
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based 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
March 15, 2010

SUPERVISOR OF ELECTIONS

**WAKULLA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Wakulla County, Florida

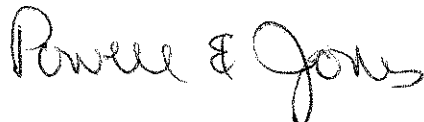
We have audited the accompanying special purpose fund financial statements of the Wakulla County Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2009, as listed in the table of contents. These special purpose fund financial statements are the responsibility 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, 2009, 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
March 15, 2010

FINANCIAL STATEMENTS

WAKULLA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

**GENERAL FUND
BALANCE SHEET
September 30, 2009**

ASSETS

Cash and cash equivalents	\$	19,499
Total assets	\$	<u>19,499</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	7,522
Total liabilities		<u>7,522</u>

Fund balance

Reserved for State grants		11,977
Total liabilities and fund balance	\$	<u>19,499</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, 2009

REVENUES	
Intergovernmental	\$ 6,546
Miscellaneous	947
Total revenues	<u>7,493</u>
EXPENDITURES	
General government	
Current operating	<u>319,206</u>
Total expenditures	<u>319,206</u>
Deficiency of revenues over expenditures	<u>(311,713)</u>
OTHER FINANCING SOURCES	
Transfers from the Board of County Commissioners	<u>320,900</u>
Total other financing sources	<u>320,900</u>
Net change in fund balance	9,187
Fund balance, beginning of year	<u>2,790</u>
Fund balance, end of year	<u>\$ 11,977</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Federal grants	\$ -	\$ -	\$ 5,080	\$ 5,080
Local government grants	-	-	1,467	1,467
Miscellaneous				
Interest	-	-	239	239
Other	-	-	708	708
Total revenues	-	-	7,494	7,494
EXPENDITURES				
General government				
Current operating	320,900	320,900	319,207	1,693
Total expenditures	320,900	320,900	319,207	1,693
Deficiency of revenues over expenditures	(320,900)	(320,900)	(311,713)	9,187
OTHER FINANCING SOURCES (USES)				
Transfers from the Board of County Commissioners	320,900	320,900	320,900	-
Total other financing sources (uses)	320,900	320,900	320,900	-
Net change in fund balance	-	-	9,187	9,187
Fund balance, beginning of year	2,790	2,790	2,790	-
Fund balance, end of year	\$ 2,790	\$ 2,790	\$ 11,977	\$ 9,187

See notes to financial statements.

WAKULLA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS

September 30, 2009

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, 2009, the book balance of the Supervisor of Elections' deposits was \$19,499.

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 \$4,385 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, 2009, were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53%, and employees electing the DROP Program 10.91%. 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, 2009, 2008 and 2007 were \$17,763, \$19,112, and \$18,523, 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, 2009, and have issued our report thereon dated March 15, 2010. 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.

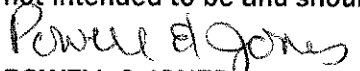
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

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
March 15, 2010

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, 2009, and have issued our report thereon dated March 15, 2010. 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, 2009. 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.

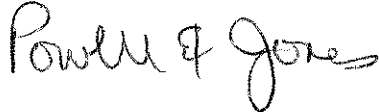
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Supervisor of Elections had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

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
March 15, 2010

TAX COLLECTOR

**WAKULLA COUNTY, FLORIDA
TAX COLLECTOR**

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2009

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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, 2009, 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(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 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, 2009, 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 March 15, 2010, 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.

Powell & Jones

POWELL & JONES
Certified Public Accountants
March 15, 2010

COMBINED FINANCIAL STATEMENTS

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR

**COMBINED BALANCE SHEET – ALL FUND TYPES
September 30, 2009**

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 1,034	\$ 405,510	\$ 406,544
Due from other funds	-	64	64
Due from other governmental units	-	64	64
Total assets	<u>\$ 1,034</u>	<u>\$ 405,638</u>	<u>\$ 406,672</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Due to individuals	\$ -	\$ 47,562	\$ 47,562
Due to other funds	-	64	64
Due to other governmental units	-	305,170	305,170
Interest payable	-	659	659
Other current liabilities	1,034	52,183	53,217
Total liabilities	<u>1,034</u>	<u>405,638</u>	<u>406,672</u>
Fund balance	-	-	-
Total liabilities and fund balance	<u>\$ 1,034</u>	<u>\$ 405,638</u>	<u>\$ 406,672</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, 2009**

REVENUES	
Charges for services	\$ -
	<hr/>
EXPENDITURES	
General government	
Current operating	626,719
Debt service	9,276
Total expenditures	<hr/> <u>635,995</u>
Deficiency of revenues over expenditures	<hr/> <u>(635,995)</u>
OTHER FINANCING SOURCES	
Transfers from the Board of County Commissioners	<hr/> <u>635,995</u>
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	<hr/> <u>\$ -</u> <hr/> <hr/>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL F UND

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

For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General government				
Current operating	635,995	635,995	626,719	9,276
Debt service	-	-	9,276	(9,276)
Total expenditures	<u>635,995</u>	<u>635,995</u>	<u>635,995</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(635,995)</u>	<u>(635,995)</u>	<u>(635,995)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers from the Board of County Commissioners	<u>635,995</u>	<u>635,995</u>	<u>635,995</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

**TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
September 30, 2009**

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, 2009, the book balance of the Tax Collector's deposits was \$405,510. 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 \$17,230 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, 2009, were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53% and employees electing the DROP Program 10.91%. 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, 2009, 2008 and 2007 were \$41,453, \$40,013, and \$41,298, 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 2010.

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> 2010	<u>Amount</u>
	<u>\$ 1,668</u>
	<u>\$ 1,668</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> 2010	<u>Amount</u>
2010	<u>\$ 7,772</u>
2011	<u>3,568</u>
	<u>\$ 11,340</u>

COMBINING FUND STATEMENT

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR
 AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 September 30, 2009

	Bankruptcy	Boating	Delinquent Tax	Hunting and Fishing	Litigation	MSBU	Old Delinquent	Tag	Tax	Tax Escrow	Waste-water Assessment	Totals
ASSETS												
Cash and cash equivalents	\$ 17,401	\$ -	\$ 60,997	\$ 728	\$ 21,219	\$ -	\$ 41,533	\$ 7,492	\$ -	\$ 256,139	\$ 1	\$ 405,510
Due from other funds	-	-	-	-	-	-	-	64	-	-	-	64
Due from other governmental units	-	64	-	-	-	-	-	-	-	-	-	64
Total assets	\$ 17,401	\$ 64	\$ 60,997	\$ 728	\$ 21,219	\$ -	\$ 41,533	\$ 7,556	\$ -	\$ 256,139	\$ 1	\$ 405,638
LIABILITIES AND NET ASSETS												
Liabilities												
Due to individuals	\$ -	\$ -	\$ 47,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,562
Due to other funds	-	64	-	-	-	-	-	-	-	-	-	64
Due to other governmental units	-	-	-	728	-	-	41,533	7,556	-	255,353	-	305,170
Interest payable	-	-	-	-	-	-	-	-	-	659	-	659
Other current liabilities	17,401	-	13,435	-	21,219	-	-	-	-	127	1	52,183
Total liabilities	17,401	64	60,997	728	21,219	-	41,533	7,556	-	256,139	1	405,638
Net assets	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and net assets	\$ 17,401	\$ 64	\$ 60,997	\$ 728	\$ 21,219	\$ -	\$ 41,533	\$ 7,556	\$ -	\$ 256,139	\$ 1	\$ 405,638

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, as of and for the year ended September 30, 2009, and have issued our report thereon dated March 15, 2010. 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 Office's internal control over financial reporting.

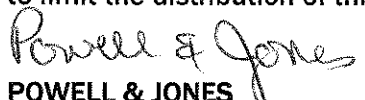
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

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 Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance 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 Tax Collector, 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
March 15, 2010

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, 2009, and have issued our report thereon dated March 15, 2010. 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

All prior year findings were corrected during the current year.

CURRENT YEAR FINDINGS

There were no reportable findings during 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, 2009. 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.

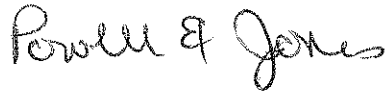
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Tax Collector had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the Rules of the Auditor General (Sections 10.544(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 Tax Collector and have provided her 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 Tax Collector's Office. We also appreciate the helpful assistance and courtesy afforded us by these employees.



POWELL & JONES
Certified Public Accountants
March 15, 2010