

**WAKULLA COUNTY,  
FLORIDA**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2007**

**WAKULLA COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2007**

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
<b>INTRODUCTORY SECTION</b>	
List of Principal Officials	6
<b>COUNTY-WIDE FINANCIAL REPORT</b>	
Independent Auditor's Report	8 - 9
Management's Discussion and Analysis	10 - 17
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Assets	19
Statement of Activities	20
Governmental Funds - Balance Sheet	21
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Assets - Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26
Statement of Fiduciary Net Assets - Agency Funds	27
Notes to Financial Statements	28 - 52
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	54
Road Department - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	55

**WAKULLA COUNTY, FLORIDA**  
**ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended September 30, 2007

**T A B L E O F C O N T E N T S**

	<b>PAGE NO.</b>
<b>State Housing Initiative s Partnership Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual</b>	<b>56</b>
<b>One Cent Sales Tax Fund – Statement of Revenues, Expenditures And Changes in Fund Balance – Budget and Actual</b>	<b>57</b>
<b>COMBINING STATEMENTS</b>	
<b>Nonmajor Governmental Funds - Combining Balance Sheet</b>	<b>59 – 64</b>
<b>Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	<b>65 – 70</b>
<b>Agency Funds – Combining Statement of Fiduciary Net Assets</b>	<b>71 – 73</b>
<b>SINGLE AUDIT AND COMPLIANCE SECTION</b>	
<b>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</b>	<b>75 – 76</b>
<b>Independent Auditor’s Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Awards Program and State Financial Assistance Project</b>	<b>77 – 78</b>
<b>Schedule of Expenditures of Federal Awards and State Financial Assistance</b>	<b>79 – 82</b>

**WAKULLA COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2007**

**T A B L E O F C O N T E N T S**

	<b>PAGE NO.</b>
<b>Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance</b>	<b>83</b>
<b>Schedule of Findings</b>	<b>84 – 87</b>
<b>Management Letter</b>	<b>88 – 92</b>

## INTRODUCTORY SECTION

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

**Board of County Commissioners**

<b>District I</b>	<b>Brian Langston</b>
<b>District II</b>	<b>George N. Green</b>
<b>District III</b>	<b>Ed Brimmer</b>
<b>District IV</b>	<b>Howard Kessler</b>
<b>District V</b>	<b>Maxie Lawhon</b>

**Clerk of Circuit Court** **Brent X. Thurmond**

**Property Appraiser** **Donnie Sparkman**

**Sheriff** **David F. Harvey**

**Supervisor of Elections** **Sherida Crum**

**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, 2007, 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, 2007, 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 February 4, 2008, 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.

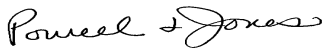
The budgetary comparison information presented for the general fund and the other major governmental funds is not a required part of the basic financial statements of the County, but is supplementary information required by accounting principles generally accepted in the United States of America. We 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 listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.



**POWELL & JONES**  
Certified Public Accountants  
February 4, 2008

## 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, 2007 and 2006.

### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$58,894,807 (net assets, page 13 and 19). Of this amount, \$2,227,497 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$9,878,808 (page 14). \$6,272,867 or approximately sixty-three percent (63%) of this increase is attributable to business-type activities as a result of donated capital and prior period adjustments. The remaining increase of \$3,605,941 or approximately twenty-seven percent (27%) is mainly attributable to donated capital and prior period adjustments to investments in capital assets of the governmental activities (page 20, page 41 Note 6).
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$10,600,886 (page 21). In comparison with the prior year, this is an increase of \$1,026,826. Approximately thirty one percent (31%) of this total amount, or \$3,273,284, is available for spending at the County's discretion (unreserved, undesignated fund balance).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$3,273,284 (page 21) or fifteen percent (15%) of total general fund expenditures. In the prior fiscal year, the unreserved, undesignated fund balance for the general fund was \$2,991,094 or seventeen percent (17%) of total general fund expenditures.
- The County's total debt increased slightly by \$132,111 (see Note 10, page 48) during the current fiscal year despite paying off a couple loans. This increased amount is the result of a prior period adjustment of \$559,886 in governmental activities debt. The business activities debt increased due to the County's agreement with the State Revolving Loan program to expand sewer services.

### 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 19 - 20 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 sixty seven (67) individual governmental funds; one (1) general fund, four (4) capital project funds, and sixty two (62) 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, the State Housing Initiatives Partnership Program (SHIP), and the one cent sales tax fund, which are considered to be major funds. Data from the other sixty three (63) governmental funds are combined into a single, aggregated presentation.

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 54 - 57). The basic governmental fund financial statements can be found on pages 21, 22 of this report.

**Proprietary funds.** The County maintains two (2) proprietary 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 24 - 26 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 twenty (20) agency funds. Data from these twenty (20) fiduciary funds are combined into a single, aggregated presentation. The basic fiduciary fund financial statement can be found on page 27 of this report.

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 28 – 52 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 54 - 57 of this report.

The County's principal leaders, five (5) elected county commissioners , a non-elected county administrator , and five elected constitutional officers, are listed on page 6. A Schedule of Expenditures of Federal Awards and State Financial Assistance can be found on pages 79 - 82. 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, 2007.

#### **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 \$58,894,807 and \$49,015,999 at September 30, 2007 and 2006, respectively (page 13).

By far the largest portion of the County's net assets, 83% for 2007 and 83% for 2006, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment, page 6); less any related debt used to acquire those assets that is still outstanding. 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	
	2007	2006	2007	2006	2007	2006
<b>ASSETS</b>						
Current and other assets	\$ 13,309,032	\$ 12,151,201	\$ 3,099,006	\$ 1,973,094	\$ 16,408,038	\$ 14,124,295
Capital assets	43,609,897	41,258,645	16,843,757	10,695,686	60,453,654	51,954,331
<b>Total assets</b>	<b>\$ 56,918,929</b>	<b>\$ 53,409,846</b>	<b>\$ 19,942,763</b>	<b>\$ 12,668,780</b>	<b>\$ 76,861,692</b>	<b>\$ 66,078,626</b>
<b>LIABILITIES</b>						
Current and other liabilities	\$ 3,569,494	\$ 2,577,141	\$ 1,602,780	\$ 680,517	\$ 5,172,274	\$ 3,257,658
Long-term liabilities	8,586,440	9,675,651	4,208,171	4,129,318	12,794,611	13,804,969
<b>Total liabilities</b>	<b>\$ 12,155,934</b>	<b>\$ 12,252,792</b>	<b>\$ 5,810,951</b>	<b>\$ 4,809,835</b>	<b>\$ 17,966,885</b>	<b>\$ 17,062,627</b>
<b>NET ASSETS</b>						
Invested in capital assets	\$ 36,674,447	\$ 34,095,836	\$ 12,354,465	\$ 6,566,368	\$ 49,028,912	\$ 40,662,204
Restricted	7,327,602	6,039,218	310,796	390,396	7,638,398	6,429,614
Unrestricted	760,946	1,022,000	1,466,551	902,181	2,227,497	1,924,181
<b>Total net assets</b>	<b>\$ 44,762,995</b>	<b>\$ 41,157,054</b>	<b>\$ 14,131,812</b>	<b>\$ 7,858,945</b>	<b>\$ 58,894,807</b>	<b>\$ 49,015,999</b>

An additional portion of the County's net assets (13% for 2007 and 14% for 2006) represents resources that are subject to external restrictions (page 49, Note 13) on how they may be used. The remaining balance of unrestricted net assets (4% for 2007 and 3% for 2006) may be used to meet the County's ongoing obligations to citizens and creditors.

The County is able to report positive balances in all three (3) categories of net assets for the government as a whole for the current and prior fiscal years.

In the County's governmental activities, the unrestricted net assets decreased from the prior fiscal year by \$261,054. This decrease was due to revenues being under-budget and expenditures, while under-budget, being more than revenues generated. These revenues and expenditures will be further discussed later in this report.

In the business-type activities, there was an increase in the unrestricted net assets over the prior fiscal year in the amount of \$564,370 due primarily to the proceeds from the State Revolving Loan Program.

### Wakulla County's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 8,382,121	\$ 7,528,413	\$ 2,256,789	\$ 1,875,897	\$ 10,638,910	\$ 9,404,310
Operating grants and contributions	3,200,826	4,861,846	-	-	3,200,826	4,861,846
Capital grants and contributions	2,551,444	1,983,464	2,162,094	1,075,587	4,713,538	3,059,051
<b>General revenues:</b>						
Property and other taxes	14,406,965	13,301,437	-	-	14,406,965	13,301,437
Licenses and permits	584,404	244,035	-	-	584,404	244,035
Intergovernmental and other	4,746,167	3,172,174	129,238	158,923	4,875,405	3,331,097
<b>Total revenues</b>	<u>\$ 33,871,927</u>	<u>\$ 31,091,369</u>	<u>\$ 4,548,121</u>	<u>\$ 3,110,407</u>	<u>\$ 38,420,048</u>	<u>\$ 34,201,776</u>
<b>Expenses:</b>						
General government	\$ 6,334,958	\$ 4,725,095	\$ -	\$ -	\$ 6,334,958	\$ 4,725,095
Public safety	14,733,490	12,853,647	-	-	14,733,490	12,853,647
Physical environment	831,015	881,496	2,474,966	1,782,195	3,305,981	2,663,691
Court related	878,402	1,398,956	-	-	878,402	1,398,956
Transportation	2,821,870	2,909,054	-	-	2,821,870	2,909,054
Economic environment	1,602,476	854,695	-	-	1,602,476	854,695
Human services	720,615	981,938	-	-	720,615	981,938
Culture and recreation	1,462,937	944,281	-	-	1,462,937	944,281
Interest on long-term debt	282,487	305,083	-	-	282,487	305,083
<b>Total expenses</b>	<u>\$ 29,668,250</u>	<u>\$ 25,854,245</u>	<u>\$ 2,474,966</u>	<u>\$ 1,782,195</u>	<u>\$ 32,143,216</u>	<u>\$ 27,636,440</u>
<b>Increase in net assets before transfers</b>	<b>\$ 4,203,677</b>	<b>\$ 5,327,124</b>	<b>\$ 2,073,155</b>	<b>\$ 1,328,212</b>	<b>\$ 6,276,832</b>	<b>\$ 6,565,336</b>
<b>Net transfers</b>	<u>(441,722)</u>	<u>(219,670)</u>	<u>155,823</u>	<u>-</u>	<u>(285,899)</u>	<u>(219,670)</u>
<b>Increase in net assets</b>	<b>3,761,955</b>	<b>5,017,454</b>	<b>2,228,978</b>	<b>1,328,212</b>	<b>5,990,933</b>	<b>6,345,666</b>
<b>Net assets, beginning of year</b>	<b>41,157,054</b>	<b>20,278,246</b>	<b>7,858,945</b>	<b>6,530,733</b>	<b>49,015,999</b>	<b>26,808,979</b>
<b>Adjustment (CY see note 20; PY see note IV, M)</b>	<u>(156,014)</u>	<u>15,861,354</u>	<u>4,043,889</u>	<u>-</u>	<u>3,887,875</u>	<u>15,861,354</u>
<b>Net assets, end of year</b>	<u>\$ 44,762,995</u>	<u>\$ 41,157,054</u>	<u>\$ 14,131,812</u>	<u>\$ 7,858,945</u>	<u>\$ 58,894,807</u>	<u>\$ 49,015,999</u>

**Governmental activities.** Governmental activities increased the County's net assets by \$3,605,941 in the current year (page 14, 20), thereby accounting for thirty seven percent (37%) of the total addition in the net assets of the County. Key elements of these increases are as follows:

- While current year and prior year liabilities essential remained unchanged, \$12,155,934 and \$12,252,792 respectively, current assets increased by about \$1.2 Million and non-current assets (capital assets) increased by about \$2.4 Million (page 13, 41).

- Donated capital represented approximately fifty six percent (56%) of the increase in net assets (page 41).
- While some expenditure categories increased (General Government, \$1.6 Million and Public Safety, \$1.9 Million), revenues outpaced expenditures again for 2007 (page 14).

**Business-type activities.** Business-type activities increased the County's net assets by \$6,272,867 in the current year (page 14, 20, 25), thereby accounting for the remaining 63% of the total addition in the net assets of the County. Key elements of this increase are as follows:

- Capital contributions or donations from private developments accounted for thirty four percent (34%) or \$2,106,833 of this increase in net assets.
- Prior period adjustments accounted for most (64%) of the remaining increase. These adjustments are discussed in Note 20 on page 52.

#### **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 \$10,600,886 (page 21), an increase of \$1,026,826 in comparison with the prior years combined fund balance of \$9,574,060. Some of this total amount (\$3,273,284 or 31%) 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 \$3,273,284 and \$3,938,759 respectively. In the prior year, they were \$2,991,094 and \$4,464,601, 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 fund balance represents 19% of total general fund expenditures (page 21 - 22) while total fund balance represents 35% of all governmental funds expenditures.

The fund balance of the County's general fund decreased by \$525,842 (page 22) during the current fiscal year and increased by \$1,664,825 in the prior fiscal year. Key factors in these changes are as follows:

- The general fund's assets decreased by \$375,720 and its liabilities increased by \$150,122.
- In 2007, revenues only outpaced expenses by \$150,214 while the prior year's revenues exceeded expenses by more than \$1.5 Million

**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 \$1,466,551 and \$902,181 in the prior year. The total increase or change in net assets (net income), prior to any adjustments for the funds, was \$2,228,978 in the current year and \$1,328,212 in the prior year.

Before contributions and transfers, the sewer fund operated at a loss of \$13,295 and the solid waste or landfill fund operated at a loss of \$20,383 for a total loss in the proprietary funds of \$33,678 (page 25).

General fund budgetary highlights . During the year there was a \$56,946 (page 54) increase in appropriations between the original (\$23,419,344) and final amended budget (\$23,476,290). This general fund beginning and ending budget represents the combined general fund budgets of the Board and Constitutional Officers. While this change is not significant, the key differences between the original budget and the final amended budget for the current year are as follows:

- The Ambulance department increased its budget by \$1,020 for revenues generated from being on call or standby for Wakulla High football games.
- The Supervisor of Election Office increased its budget by \$5,926. This represents grants related to voter education and voting equipment.
- The Clerk of Court increased its operating budget by \$50,000 for interest revenue.

Capital assets. The County's capital assets for its governmental and business type activities amounts to \$60,453,654 (page 13, 41) and \$51,954,331 (net of accumulated depreciation) for 2007 and 2006 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 \$8,499,323 or sixteen percent (16%) of beginning assets. Major capital asset events during the current and prior fiscal years included the following:

- 2007 – Governmental Activities: Donated Capital in the form of roads in the amount \$2,004,962 constituted eighty five percent (85%) of capital asset activity (page 41).
- 2007 – Business-type Activities: Donated Capital in the form of sewer infrastructure in the amount of \$2,106,833 and a prior period adjustment, net of depreciation, in the amount of \$4,043,889 constituted all of the capital asset activity (page 41).
- 2006 – Governmental Activities: Road paving costs in the amount of \$2,563,631, net of depreciation, constituted the majority of capital asset activity.
- 2006 – Business-type Activities: Donated Capital from developer projects resulted in an increase, net of depreciation, of \$864,185.

Long-term debt. At the end of the 2007 and 2006 fiscal years, the County had notes and capital leases payable of \$11,424,742 and \$11,292,127. Of the \$11,424,742, none of this debt is backed by the full faith and credit of the County. The notes payable are collateralized by equipment or a pledge of revenue from the gas taxes, one cent sales taxes, and sewer charges. The balance of \$317,705 is either collateralized by equipment or 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 45 - 48 of this report.



**Wakulla County's Outstanding Debt**

	<u>Governmental Activities</u>		<u>Business – Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Notes Payable	\$ 5,437,441	\$ 6,090,937	\$4,489,292	\$4,129,318	\$ 9,926,733	\$10,220,255
Capital Leases	1,498,009	1,071,872	-	-	1,498,009	1,071,872
Compensated Absences	683,584	664,178	-	-	683,584	664,178
Estimated Landfill Closure	1,828,754	1,848,664	-	-	1,828,754	1,848,664
<b>Total</b>	<b>\$ 9,447,788</b>	<b>\$ 9,675,651</b>	<b>\$ 4,489,292</b>	<b>\$ 4,129,318</b>	<b>\$13,937,080</b>	<b>\$13,804,969</b>

**Economic Factors and Rates**

- The County's population is 29,542. The population for 2008 is estimated approximately 30,575. The estimated growth rate for the next several years is 3.5%. Wakulla County is on the U.S. Census Bureau's 2007 list of the 100 Fastest Growing Counties in the United States.
- Property valuations have taken a slight decline with the national slow down in the housing market. Building permits have had a steep decline over the last two years and are expected to continue declining in 2008. Commercial development has not had a decline, but there also has been no significant increase in the amount of commercial development this year over last year.
- New Property Tax Reform legislation is expected to decrease the available amount of ad valorem tax revenue generated by the County in 2008 thereby further limiting the County's ability to provide new or expanded services to its citizens.
- The County unemployment rate has averaged 3.0 to 3.9% from March 2007 – March 2008. In comparison, the State unemployment rate for the first three months of 2008 averaged 4.7% and the National unemployment rate was 4.7%.
- The average per capita personal income for a citizen of Wakulla County was \$22,682 over the three year period from 2003-2005.

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, 2007**

	<u>Governmental Activities</u>	<u>Business - type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 9,578,488	\$ 1,242,937	\$ 10,821,425
Accounts receivable - net	961,029	180,848	1,141,877
Due from other funds	361,354	173,571	534,925
Due from other governmental units	1,362,359	-	1,362,359
Inventories	24,653	-	24,653
Investments	708,454	1,190,204	1,898,658
Prepaid expenses	312,695	-	312,695
Other current assets	-	650	650
<b>Total current assets</b>	<u>13,309,032</u>	<u>2,788,210</u>	<u>16,097,242</u>
Restricted assets:			
Cash	-	310,796	310,796
<b>Total restricted assets</b>	<u>-</u>	<u>310,796</u>	<u>310,796</u>
Noncurrent assets:			
Capital assets - net	43,609,897	16,843,757	60,453,654
<b>Total assets</b>	<u>\$ 56,918,929</u>	<u>\$ 19,942,763</u>	<u>\$ 76,861,692</u>
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Accounts payable	\$ 1,119,565	\$ 103,838	\$ 1,223,403
Current portion capital leases payable	205,350	-	205,350
Current portion notes payable	655,998	281,121	937,119
Due to other funds	71,217	273,609	344,826
Due to other governmental units	158,716	-	158,716
Accrued compensated absences	22,561	-	22,561
Accrued liabilities	254,583	-	254,583
Deposits	-	94,212	94,212
Deferred revenues	1,001,639	850,000	1,851,639
Other current liabilities	79,865	-	79,865
<b>Total current liabilities (payable from current assets)</b>	<u>3,569,494</u>	<u>1,602,780</u>	<u>5,172,274</u>
Noncurrent liabilities			
Accrued compensated absences	683,584	-	683,584
Landfill post-closure costs	1,828,754	-	1,828,754
Capital leases payable	1,292,659	-	1,292,659
Notes payable	4,781,443	4,208,171	8,989,614
<b>Total long-term liabilities</b>	<u>8,586,440</u>	<u>4,208,171</u>	<u>12,794,611</u>
<b>Total liabilities</b>	<u>12,155,934</u>	<u>5,810,951</u>	<u>17,966,885</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 36,674,447	\$ 12,354,465	\$ 49,028,912
Restricted for:			
Public safety	2,816,577	-	2,816,577
Road projects	1,055,321	-	1,055,321
Recreation projects	471,507	-	471,507
Other purposes	2,984,197	-	2,984,197
Landfill closure	-	310,796	310,796
Unrestricted	760,946	1,466,551	2,227,497
<b>Total net assets</b>	<u>\$ 44,762,995</u>	<u>\$ 14,131,812</u>	<u>\$ 58,894,807</u>

**WAKULLA COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2007

Functions/Programs	Program Services				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 6,334,958	\$ 1,261,838	\$ 7,473	\$ -	\$ (5,065,647)	\$ -	\$ (5,065,647)
Public Safety	14,733,490	5,388,042	827,417	-	(8,518,031)	-	(8,518,031)
Physical Environment	831,015	-	221,068	150,000	(459,947)	-	(459,947)
Transportation	2,821,870	258,325	32,150	2,401,444	(129,951)	-	(129,951)
Economic Environment	1,602,476	1,750	1,519,479	-	(81,247)	-	(81,247)
Human Services	720,615	5,131	213,926	-	(501,558)	-	(501,558)
Culture/recreation	1,462,937	202,947	379,313	-	(880,677)	-	(880,677)
Court related	878,402	1,264,088	-	-	385,686	-	385,686
Interest on long-term debt	282,487	-	-	-	(282,487)	-	(282,487)
<b>Total governmental activities</b>	<b>29,668,250</b>	<b>8,382,121</b>	<b>3,200,826</b>	<b>2,551,444</b>	<b>(15,533,859)</b>	<b>-</b>	<b>(15,533,859)</b>
<b>Business - type activities</b>							
Physical Environment							
Sewer and solid waste	2,474,966	2,256,789	-	2,162,094	-	1,943,917	1,943,917
<b>Total government</b>	<b>32,143,216</b>	<b>10,638,910</b>	<b>3,200,826</b>	<b>4,713,538</b>	<b>(15,533,859)</b>	<b>1,943,917</b>	<b>(13,589,942)</b>
<b>General revenues</b>							
					11,189,499	-	11,189,499
					2,919,920	-	2,919,920
					297,546	-	297,546
					5,019,692	-	5,019,692
					184,322	84,212	268,534
					126,557	45,026	171,583
					(285,899)	-	(285,899)
					(155,823)	155,823	-
<b>Total general revenue</b>					<b>19,295,814</b>	<b>285,061</b>	<b>19,580,875</b>
<b>Change in net assets</b>					<b>3,761,955</b>	<b>2,228,978</b>	<b>5,990,933</b>
<b>Net assets - beginning</b>					<b>41,157,055</b>	<b>7,858,945</b>	<b>49,016,000</b>
<b>Prior period adjustment</b>					<b>(156,015)</b>	<b>4,043,889</b>	<b>3,887,874</b>
<b>Net assets - ending</b>					<b>\$ 44,762,995</b>	<b>\$ 14,131,812</b>	<b>\$ 58,894,807</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
September 30, 2007

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	Other Governmental Funds	Total Governmental Funds
	General Fund	Road Department	SHIP	One Cent Sales Tax		
<b>ASSETS</b>						
<b>Current assets</b>						
Cash	\$ 3,051,054	\$ 536,429	\$ 344,807	\$ 1,305,432	\$ 4,340,766	\$ 9,578,488
Accounts receivable	427,431	323,930	175,000	-	34,668	961,029
Due from other funds	953,163	37,362	-	100,038	101,121	1,191,684
Due from other governmental units	123,496	69,536	-	134,435	1,034,892	1,362,359
Inventories	-	24,653	-	-	-	24,653
Investments	660,003	-	-	3,855	44,596	708,454
Prepaid expenses	310,121	381	149	-	2,044	312,695
<b>Total assets</b>	<b>\$ 5,525,268</b>	<b>\$ 992,291</b>	<b>\$ 519,956</b>	<b>\$ 1,543,760</b>	<b>\$ 5,558,087</b>	<b>\$ 14,139,362</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 700,894	\$ 42,225	\$ 1,195	\$ 17,735	\$ 357,516	\$ 1,119,565
Due to other funds	87,313	58,618	-	-	755,616	901,547
Due to other governmental units	105,775	-	-	-	52,941	158,716
Accrued compensated absences	21,451	72	-	-	1,038	22,561
Accrued payroll liabilities	240,042	253	-	-	14,288	254,583
Deferred revenues	351,169	-	390,055	-	260,415	1,001,639
Other current liabilities	79,865	-	-	-	-	79,865
<b>Total liabilities</b>	<b>1,586,509</b>	<b>101,168</b>	<b>391,250</b>	<b>17,735</b>	<b>1,441,814</b>	<b>3,538,476</b>
<b>FUND BALANCES</b>						
Unreserved fund balance	3,273,284	-	-	-	-	3,273,284
Reserved fund balance	665,475	891,123	128,706	1,526,025	4,116,273	7,327,602
<b>Total fund balances</b>	<b>3,938,759</b>	<b>891,123</b>	<b>128,706</b>	<b>1,526,025</b>	<b>4,116,273</b>	<b>10,600,886</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,525,268</b>	<b>\$ 992,291</b>	<b>\$ 519,956</b>	<b>\$ 1,543,760</b>	<b>\$ 5,558,087</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

43,609,897

Long-term liabilities, including notes and capital leases payable of (\$6,935,450), compensated absences of (\$683,584) and estimated landfill closure and postclosure care costs of (\$1,828,754) are not due and payable and therefore are not reported in the funds.

(9,447,788)

Net assets of governmental activities

\$ 44,762,995

**WAKULLA COUNTY, FLORIDA**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended September 30, 2007**

	Special Revenue Funds			Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	General Fund	Road Department	SHIP	One Cent Sales Tax		
<b>REVENUES</b>						
Taxes	\$ 11,487,045	\$ 951,209	\$ -	\$ 1,925,429	\$ 43,283	\$ 14,406,966
Licenses and permits	584,404	-	-	-	-	584,404
Intergovernmental	3,915,349	1,217,476	329,623	-	3,250,201	8,712,649
Charges for services	5,039,370	-	-	-	1,241,078	6,280,448
Fines and forfeitures	9,026	-	-	-	79,922	88,948
Miscellaneous	323,803	25,619	13,378	2,773	1,403,130	1,768,703
<b>Total revenues</b>	<b>21,358,997</b>	<b>2,194,304</b>	<b>343,001</b>	<b>1,928,202</b>	<b>6,017,614</b>	<b>31,842,118</b>
<b>EXPENDITURES</b>						
Current expenditures						
General government	5,830,638	-	-	7,080	-	5,837,718
Public safety	12,419,089	-	-	-	1,609,705	14,028,794
Physical environment	182,542	-	-	-	499,760	682,302
Transportation	-	1,920,263	-	-	105,219	2,025,482
Economic environment	54,199	-	343,001	-	1,193,792	1,590,992
Human services	536,709	-	-	-	142,157	678,866
Culture / recreation	990,438	-	-	46,521	415,657	1,452,616
Court related	765,770	-	-	-	112,632	878,402
Capital outlay						
General government	18,645	-	-	43,434	-	62,079
Public safety	167,940	-	-	310,904	626,912	1,105,756
Transportation	-	44,988	-	494,928	321,846	861,762
Culture / recreation	221,937	-	-	10,650	-	232,587
Debt service						
Principal	18,237	364,531	-	338,028	126,072	846,868
Interest	2,639	108,927	-	128,176	42,745	282,487
<b>Total expenditures</b>	<b>21,208,783</b>	<b>2,438,709</b>	<b>343,001</b>	<b>1,379,721</b>	<b>5,196,497</b>	<b>30,566,711</b>
Excess of revenues over expenditures	150,214	(244,405)	-	548,481	821,117	1,275,407
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt proceeds	59,624	-	-	-	-	59,624
Transfers to State programs	(285,899)	-	-	-	-	(285,899)
Interfund transfers in	12,406,167	-	-	-	927,629	13,333,796
Interfund transfers out	(12,735,177)	(3,490)	-	(293,598)	(457,354)	(13,489,619)
Total other financing sources (uses)	(555,285)	(3,490)	-	(293,598)	470,275	(382,098)
Net change in fund balances	(405,071)	(247,895)	-	254,883	1,291,392	893,309
Fund balances at beginning of year	4,464,601	905,690	128,706	1,271,142	2,803,921	9,574,060
Prior period adjustment	(120,771)	233,328	-	-	20,960	133,517
<b>Fund balances at end of year</b>	<b>\$ 3,938,759</b>	<b>\$ 891,123</b>	<b>\$ 128,706</b>	<b>\$ 1,526,025</b>	<b>\$ 4,116,273</b>	<b>\$ 10,600,886</b>

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, 2007

<b>Net change in fund balances - total governmental funds</b>		<b>\$ 893,309</b>
 <b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
<b>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.</b>		
Capital outlay	\$ 2,262,184	
Less current year depreciation	<u>(2,069,018)</u>	193,166
 <b>Gain recognized on donated assets</b>		 <b>2,029,809</b>
 <b>The net effect of various dispositions and reclassifications of fixed assets</b>		 <b>(142,077)</b>
 <b>Debt proceeds provide current financial resources to governmental funds, but debt increases long-term liabilities in the statement of net assets.</b>		
Capital lease		(59,624)
 <b>Repayments of debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</b>		
Payments for loans	653,495	
Payments for capital leases	<u>193,373</u>	846,868
 <b>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.</b>		
Net change in compensated absences	(19,406)	
Net change in landfill postclosure liability	<u>19,910</u>	504
 <b>Change in net assets of governmental activities</b>		 <b><u><u>\$ 3,761,955</u></u></b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
September 30, 2007**

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,242,937	\$ -	\$ 1,242,937
Accounts receivable, net of allowance for doubtful accounts	115,755	65,093	180,848
Due from other funds	173,571	-	173,571
Investments	1,190,204	-	1,190,204
Other current assets	650	-	650
<b>Total current assets</b>	<u>2,723,117</u>	<u>65,093</u>	<u>2,788,210</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	310,796	310,796
Capital assets, net of accumulated depreciation	16,843,757	-	16,843,757
<b>Total noncurrent assets</b>	<u>16,843,757</u>	<u>310,796</u>	<u>17,154,553</u>
<b>Total assets</b>	<u>19,566,874</u>	<u>375,889</u>	<u>19,942,763</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	67,658	36,180	103,838
Notes payable, current portion	281,121	-	281,121
Due to other funds	-	273,609	273,609
Deposits	73,762	20,450	94,212
Deferred grant revenue	850,000	-	850,000
Noncurrent liabilities:			
Note payable, long-term portion	4,208,171	-	4,208,171
<b>Total liabilities</b>	<u>5,480,712</u>	<u>330,239</u>	<u>5,810,951</u>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	12,354,465	-	12,354,465
Restricted for future closure and post closure costs	-	310,796	310,796
Unrestricted	1,731,697	(265,146)	1,466,551
<b>Total net assets</b>	<u>\$ 14,086,162</u>	<u>\$ 45,650</u>	<u>\$ 14,131,812</u>



**WAKULLA COUNTY, FLORIDA**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
For the Year Ended September 30, 2007**

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 1,247,936	\$ 1,008,853	\$ 2,256,789
<b>Operating expenses</b>			
Materials, supplies and other	780,209	1,118,543	1,898,752
Depreciation and amortization	420,859	-	420,859
<b>Total operating expenses</b>	<u>1,201,068</u>	<u>1,118,543</u>	<u>2,319,611</u>
<b>Operating income (loss)</b>	<u>46,868</u>	<u>(109,690)</u>	<u>(62,822)</u>
<b>Nonoperating revenues (expenses)</b>			
Federal grant	55,261	-	55,261
Interest and other nonoperating	39,931	44,281	84,212
Disposition of equipment	-	45,026	45,026
Interest expense	<u>(155,355)</u>	<u>-</u>	<u>(155,355)</u>
<b>Total nonoperating revenues (expenses)</b>	<u>(60,163)</u>	<u>89,307</u>	<u>29,144</u>
<b>Income before contributions and transfers</b>	<u>(13,295)</u>	<u>(20,383)</u>	<u>(33,678)</u>
<b>Capital contributions</b>	2,106,833	-	2,106,833
<b>Transfers in</b>	<u>100,000</u>	<u>55,823</u>	<u>155,823</u>
<b>Change in net assets</b>	2,193,538	35,440	2,228,978
<b>Total net assets, beginning of year</b>	7,848,735	10,210	7,858,945
<b>Prior period adjustment</b>	4,043,889	-	4,043,889
<b>Total net assets, end of year</b>	<u>\$ 14,086,162</u>	<u>\$ 45,650</u>	<u>\$ 14,131,812</u>

**WAKULLA COUNTY, FLORIDA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended September 30, 2007

	Sewer Fund	Solid Waste Fund	Total
<b>Cash flows from operating activities</b>			
Cash received from customers and others	\$ 932,177	\$ 951,674	\$ 1,883,851
Cash paid to suppliers	(991,860)	(1,349,975)	(2,341,835)
<b>Net cash used in operating activities</b>	<b>(59,683)</b>	<b>(398,301)</b>	<b>(457,984)</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers from other funds	100,000	55,823	155,823
Cash operating loans from (to) other funds	(173,571)	173,571	-
<b>Total cash provided by (used in) noncapital financing activities</b>	<b>(73,571)</b>	<b>229,394</b>	<b>155,823</b>
<b>Cash flows from capital and related financing activities</b>			
Intergovernmental grants	905,261	-	905,261
Principal payments on long-term debt	(268,276)	-	(268,276)
Proceeds from note payable	628,250	-	628,250
Acquisition and construction of capital assets	(418,208)	-	(418,208)
Disposition of equipment	-	45,026	45,026
Interest paid	(155,355)	-	(155,355)
<b>Net cash provided by capital and related financing activities</b>	<b>691,672</b>	<b>45,026</b>	<b>736,698</b>
<b>Cash flows from investing activities</b>			
Interest and other nonoperating revenues	39,931	44,281	84,212
Purchase of investments	(937,231)	-	(937,231)
<b>Net cash provided by (used in) investing activities</b>	<b>(897,300)</b>	<b>44,281</b>	<b>(853,019)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(338,882)</b>	<b>(79,600)</b>	<b>(418,482)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,581,819</b>	<b>390,396</b>	<b>1,972,215</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,242,937</b>	<b>\$ 310,796</b>	<b>\$ 1,553,733</b>
<b>Reconciliation of operating income (loss) to net cash used in operating activities</b>			
Operating income (loss)	\$ 46,868	\$ (109,690)	\$ (62,822)
<b>Adjustments to reconcile operating income to net cash used in operating activities:</b>			
Depreciation	420,859	-	420,859
(Increase) decrease in assets			
Accounts receivable	(113,673)	(58,179)	(171,852)
Other assets	(650)	-	(650)
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	(105,773)	(175,610)	(281,383)
Due to other funds	(105,230)	(55,822)	(161,052)
Deposits	(202,084)	1,000	(201,084)
<b>Total adjustments</b>	<b>(106,551)</b>	<b>(288,611)</b>	<b>(395,162)</b>
<b>Net cash used in operating activities</b>	<b>\$ (59,683)</b>	<b>\$ (398,301)</b>	<b>\$ (457,984)</b>

**Supplemental schedule of noncash investing and financing activities**

During the year ending September 30, 2007, developers contributed sewer lines and related assets of \$2,106,833.

**WAKULLA COUNTY, FLORIDA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**September 30, 2007**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 904,342
Accounts receivable	5
Due from individuals	892
Due from other funds	75,835
Due from other governmental units	75,098
<b>Total assets</b>	<b>\$1,056,172</b>
 <b>LIABILITIES AND NET ASSETS</b>	
Due to individuals	270,294
Due to other funds	265,935
Due to other governmental units	485,979
Interest payable	1,747
Other current liabilities	32,217
<b>Total liabilities</b>	<b>1,056,172</b>
<b>Total net assets</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,056,172</b>

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

**September 30, 2007**

**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.

#### **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 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 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, 2007.

#### 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 (\$10,600,886) differs from "net assets" of governmental activities (\$44,762,995) 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	\$ 63,748,222
Accumulated depreciation	<u>(20,138,325)</u>
Total	<u>\$ 43,609,897</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, 2007, were:

Notes payable	\$ 5,437,441
Landfill closure/Long-term care	1,828,754
Capital lease-purchase	1,498,009
Compensated absences	<u>683,584</u>
Total	<u>\$ 9,447,788</u>

**Elimination of interfund receivables/payable**

Interfund receivables and payables in the amount of \$830,330 between governmental funds must be eliminated for the statement of net assets.

**WAKULLA COUNTY, FLORIDA**

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

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

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Net Assets
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,578,488	\$ -	\$ -	\$ -	\$ 9,578,488
Accounts receivable - net	961,029	-	-	-	961,029
Due from other funds	1,191,684	-	-	(830,330)	361,354
Due from other governmental units	1,362,359	-	-	-	1,362,359
Inventories	24,653	-	-	-	24,653
Investments	708,454	-	-	-	708,454
Prepaid expenses	312,695	-	-	-	312,695
Capital assets - net	-	43,609,897	-	-	43,609,897
<b>Total assets</b>	<b>\$ 14,139,362</b>	<b>\$ 43,609,897</b>	<b>\$ -</b>	<b>\$ (830,330)</b>	<b>\$ 56,918,929</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,119,565	\$ -	\$ -	\$ -	\$ 1,119,565
Due to other funds	901,547	-	-	(830,330)	71,217
Due to other governmental units	158,716	-	-	-	158,716
Accrued compensated absences	22,561	-	683,584	-	706,145
Accrued payroll liabilities	254,583	-	-	-	254,583
Deferred revenues	1,001,639	-	-	-	1,001,639
Other current liabilities	79,865	-	-	-	79,865
Capital leases payable	-	-	1,498,009	-	1,498,009
Notes payable	-	-	5,437,441	-	5,437,441
Estimated landfill closure and postclosure care	-	-	1,828,754	-	1,828,754
<b>Total liabilities</b>	<b>3,538,476</b>	<b>-</b>	<b>9,447,788</b>	<b>(830,330)</b>	<b>12,155,934</b>
<b>Fund balances/net assets</b>	<b>10,600,886</b>	<b>43,609,897</b>	<b>(9,447,788)</b>	<b>-</b>	<b>44,762,995</b>
<b>Total liabilities and fund balance/net assets</b>	<b>\$ 14,139,362</b>	<b>\$ 43,609,897</b>	<b>\$ -</b>	<b>\$ (830,330)</b>	<b>\$ 56,918,929</b>

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

The “net change in fund balances” for governmental funds \$893,309 differs from the “change in net assets” for governmental activities \$3,761,955 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.

Gain on donation of fixed assets	\$ 2,029,809
Capital outlay	2,262,184
Depreciation expense	(2,069,018)
Loss on disposition of fixed assets	(142,077)
Difference	<u>\$ 2,080,898</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>\$ (59,624)</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>\$ 846,868</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	\$ (19,406)
Net change in landfill postclosure liability	<u>19,910</u>
	<u>\$ 564</u>

**Reclassification and Eliminations**

Transfers in and transfers out in the amount of \$13,333,706 between governmental activities should be eliminated.

WAKULLA COUNTY, FLORIDA

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

B. Explanation of Differences 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
<b>REVENUES</b>						
Taxes	\$ 14,406,966	\$ -	\$ -	\$ -	\$ -	\$ 14,406,966
Licenses and permits	584,404	-	-	-	-	584,404
Intergovernmental	8,712,649	-	-	-	-	8,712,649
Charges for services	6,280,448	-	-	-	-	6,280,448
Fines and forfeitures	88,948	-	-	-	-	88,948
Special assessments/impact fees	1,423,204	-	-	-	-	1,423,204
Interest	184,322	-	-	-	-	184,322
Contributions and miscellaneous	161,177	2,029,809	-	-	-	2,190,986
<b>Total revenues</b>	<b>31,842,118</b>	<b>2,029,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,871,927</b>
<b>EXPENDITURES</b>						
<b>Current Expenditures</b>						
General government	5,837,718	497,240	-	-	-	6,334,958
Public safety	14,028,794	685,290	-	19,406	-	14,733,490
Physical environment	682,302	168,623	(19,910)	-	-	831,015
Transportation	2,025,482	796,388	-	-	-	2,821,870
Economic environment	1,590,992	11,484	-	-	-	1,602,476
Human services	678,866	41,749	-	-	-	720,615
Culture/recreation	1,452,616	10,321	-	-	-	1,462,937
Court related	878,402	-	-	-	-	878,402
<b>Capital outlay</b>						
General government	62,079	(62,079)	-	-	-	-
Public safety	1,105,756	(1,105,756)	-	-	-	-
Transportation	861,762	(861,762)	-	-	-	-
Culture/recreation	232,587	(232,587)	-	-	-	-
<b>Debt Service</b>						
Principal	846,868	-	(846,868)	-	-	-
Interest	282,487	-	-	-	-	282,487
<b>Total expenditures</b>	<b>30,566,711</b>	<b>(51,089)</b>	<b>(866,778)</b>	<b>19,406</b>	<b>-</b>	<b>29,668,250</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,275,407</b>	<b>2,080,898</b>	<b>866,778</b>	<b>(19,406)</b>	<b>-</b>	<b>4,203,677</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt proceeds	59,624	-	(59,624)	-	-	-
Transfer to State	(285,899)	-	-	-	-	(285,899)
Transfers in	13,333,796	-	-	-	(13,333,796)	-
Transfers out	(13,489,619)	-	-	-	13,333,796	(155,823)
<b>Total other financing sources (uses)</b>	<b>(382,098)</b>	<b>-</b>	<b>(59,624)</b>	<b>-</b>	<b>-</b>	<b>(441,722)</b>
<b>Net change in fund balance</b>	<b>893,309</b>	<b>2,080,898</b>	<b>807,154</b>	<b>(19,406)</b>	<b>-</b>	<b>3,761,955</b>
<b>Fund balances at beginning of year</b>	<b>9,574,060</b>	<b>41,258,645</b>	<b>(9,011,472)</b>	<b>(664,178)</b>	<b>-</b>	<b>41,157,055</b>
<b>Prior period adjustment</b>	<b>133,517</b>	<b>270,354</b>	<b>(559,886)</b>	<b>-</b>	<b>-</b>	<b>(156,015)</b>
<b>Fund balances at end of year</b>	<b>\$ 10,600,886</b>	<b>\$ 43,609,897</b>	<b>\$ (8,764,204)</b>	<b>\$ (683,584)</b>	<b>\$ -</b>	<b>\$ 44,762,995</b>

**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, 2007, 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, 2007.

	<u>Appropriations</u>	<u>Expenses</u>	<u>Variance Positive (Negative)</u>
Enterprise Funds:			
Sewer Fund	\$ 1,618,700	\$ 1,356,423	\$ 262,277
Solid Waste Fund	667,129	1,118,543	(451,414)
	<u>\$ 2,285,829</u>	<u>\$ 2,474,966</u>	<u>\$ (189,137)</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, 2007, the carrying amount of the County's bank deposits was \$10,394,322. 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.

The County's investments in the Local Government Surplus Funds Trust fund, a Securities and Exchange Commission Rule 2a-7 like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the actual underlying investments. The State Board of Administration has taken the position that it is not required to disclose to participants in the pool information related to interest rate risk, custodial credit risk, concentrations of credit risk, and foreign currency risk. The investment pool was not rated by a nationally recognized statistical rating agency as of September 30, 2007.

Investments in the Pool are reported at fair value based on the fair value per share of the underlying portfolio.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy to minimize interest rate risk is by structuring the investment portfolio so that the investments are readily convertible to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Foreign Currency Risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment on a deposit. The County does not hold foreign or foreign currency investments and therefore is not subject to foreign currency risk.

**Credit Risk:** The County also mitigates credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are held in the possession of an outside party. The County limits this risk by investing only in permitted investments.

**Concentrations of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The implementation of GASB Statement No. 40 requires the disclosure of investments in any one issuer that represent 5% or more of total investments. As of September 30, 2007, the County had investments with the following issuers in the percentages of total investments shown below.

**Schedule of Investments at September 30, 2007**

	<u>Fair Value/ Carrying Amount</u>	<u>Percent</u>	<u>Category</u>
Local Government Surplus Funds Trust Fund	\$ 1,960,564	72.65%	*
U.S. Treasury Securities Included in cash	737,899 (799,805)	27.35%	1
	<u>\$ 1,898,658</u>	<u>100.00%</u>	

\*Investments in this pool cannot be classified in any credit risk category because the investments are not evidenced by identifiable securities that exist in physical or book entry form.

**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 2006-2007 fiscal year were levied in October 2006. 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, 2007, was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Additions/ Capital Outlay</u>	<u>Donations and Contributed Capital</u>	<u>Reclassifications/ Deletions</u>	<u>Prior Period Adjustments</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>						
<b>Capital assets:</b>						
Land	\$ 3,510,715	\$ 182,584	\$ -	\$ -	\$ -	\$ 3,693,299
Construction in progress	-	200,374	-	-	-	200,374
Buildings and improvements	17,008,209	34,194	-	-	-	17,042,403
Furniture and equipment	7,457,425	1,055,801	24,847	(284,897)	1,396,533	9,649,709
Infrastructure	30,368,243	789,232	2,004,962	-	-	33,162,437
<b>Total capital assets</b>	<b>58,344,592</b>	<b>2,262,185</b>	<b>2,029,809</b>	<b>(284,897)</b>	<b>1,396,533</b>	<b>63,748,222</b>
<b>Less accumulated depreciation</b>						
Buildings and improvements	(7,953,930)	(345,794)	-	-	-	(8,299,724)
Furniture and equipment	(4,671,112)	(926,837)	-	142,820	(1,126,179)	(6,581,308)
Infrastructure	(4,460,905)	(796,388)	-	-	-	(5,257,293)
<b>Total accumulated depreciation</b>	<b>(17,085,947)</b>	<b>(2,069,019)</b>	<b>-</b>	<b>142,820</b>	<b>(1,126,179)</b>	<b>(20,138,325)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 41,258,645</b>	<b>\$ 193,166</b>	<b>\$ 2,029,809</b>	<b>\$ (142,077)</b>	<b>\$ 270,354</b>	<b>\$ 43,609,897</b>
<b>Business-type activities:</b>						
Land	\$ 144,869	\$ -	\$ -	\$ -	\$ -	\$ 144,869
Construction in progress	80,669	418,208	-	-	-	498,877
Sewer system improvements	11,910,633	-	2,106,833	-	5,405,860	19,423,326
Water system	1,073,859	-	-	-	-	1,073,859
Equipment	42,522	-	-	-	-	42,522
<b>Total capital assets</b>	<b>13,252,552</b>	<b>418,208</b>	<b>2,106,833</b>	<b>-</b>	<b>5,405,860</b>	<b>21,183,453</b>
<b>Less accumulated depreciation</b>	<b>(2,556,866)</b>	<b>(420,859)</b>	<b>-</b>	<b>-</b>	<b>(1,361,971)</b>	<b>(4,339,696)</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 10,695,686</b>	<b>\$ (2,651)</b>	<b>\$ 2,106,833</b>	<b>\$ -</b>	<b>\$ 4,043,889</b>	<b>\$ 16,843,757</b>

Based upon results of the annual inventory and reconciliation of capital assets, including the retroactive recording of infrastructure assets as provided in GASB 34 and the recognition of contributed assets, the following adjustments, reported as prior period adjustment, were made to the capital assets account balances:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accumulated depreciation	\$ (1,126,179)	\$ (1,361,971)
Increase in capital assets	1,396,533	5,405,860
Increase in net assets invested in capital assets	<u>\$ 270,354</u>	<u>\$ 4,043,889</u>

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

<b>Governmental activities:</b>	
General Government	\$ 355,163
Public Safety	685,290
Physical Environment	168,623
Transportation	796,388
Economic Environment	11,484
Human Services	41,749
Culture/Recreation	10,321
<b>Total depreciation expense-governmental activities</b>	<b>\$ 2,069,018</b>
<b>Business-type activities:</b>	
Sewer Services	\$ 420,859
<b>Total depreciation expense-business-type activities</b>	<b>\$ 420,859</b>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2007, were:

<u>FUND</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental:</b>		
General	\$ 953,163	\$ 87,313
Road Department	37,362	58,618
One Cent Sales Tax	100,038	-
Court Maintenance	16,309	-
Domestic Violence	518	-
Disaster Relief	-	35,000
Law Education	1,914	-
Law Library	974	-
Local Option Tourism Development Tax	2,116	-
Mashes Sands Beach Erosion	55,692	251,690
Moving Violation Fees	4,135	-
Medart Park Improvements	-	48,530
Planning and Design Grant	-	46,310
Shell Point Beach Acquisition	-	20,678
Solid Waste Grants	-	3,926
Weatherization Grant	-	7,649
Road Paving	-	139,975
Sheriff Bulletproof Vests	-	1,542
Sheriff Child Passenger	-	381
Sheriff Civil Citation	-	10,584
Sheriff Coalition for Youth	-	4,008
Sheriff Housing Trust	5,490	-
Sheriff Impact Fees	823	680
Sheriff EMPA	-	29,185
Sheriff Inmate Welfare	-	77,254
Sheriff One Cent Sales Tax	13,150	-
Sheriff KWCB	-	4,109
Sheriff Litter Control	-	9,302
Sheriff School Resource Officer	-	10,025
Sheriff Speed Control	-	16,320
Sheriff Teen Outreach	-	13,376
Sheriff U.S. Forestry	-	3,000
Sheriff VOCA	-	17,520
Sheriff JAG	-	4,572
	<u>1,191,684</u>	<u>901,547</u>
<b>Business-Type:</b>		
Solid Waste	-	273,609
Sewer	173,571	-
	<u>173,571</u>	<u>273,609</u>
<b>Agency:</b>		
Literacy Grant	71,218	-
Wilderness Coast Library	-	58,136
Born to Read	-	13,081
Clerk Agency	-	127,130
Sheriff Individual Depository	-	62,970
Tax Collector Old Delinquent	4,618	-
Tax Collector Tag	-	4,618
	<u>75,836</u>	<u>265,935</u>
<b>TOTAL</b>	<u>\$ 1,441,091</u>	<u>\$ 1,441,091</u>

**NOTE 8. INTERFUND TRANSFERS**

Interfund transfers for the year ended September 30, 2007, consisted of the following:

<b>Transfers from General Fund to:</b>	
Mashes Sands Beach Erosion Fund	\$ 128,692
Florida Boating Grant Fund	12,787
Agriculture Expansion Grant Fund	2,194
Ambulance Grant Fund	21,034
Court Maintenance Fund	21,254
Road Paving Fund	152,503
Sheriff Bulletproof Vests Fund	1,542
Sheriff Civil Citation Fund	9,792
Sheriff Court Maintenance Fund	27,890
Sheriff EMPA Fund	23,000
Sheriff Impact Fees fund	114,810
Sheriff Litter Control Fund	31,739
Sheriff Moving Violations Fund	26,457
Sheriff One Cent Sales Tax Fund	256,258
Sheriff School Resource Officer Fund	58,273
Sheriff Speed Control Fund	28,378
Sheriff Teen Outreach Fund	161
Sheriff U.S. Forestry Fund	135
Sheriff VOCA Fund	10,730
Sewer Fund	100,000
Solid Waste Fund	55,823
	<u>1,083,452</u>
<b>Transfer from Road Department Fund to:</b>	
General Fund	<u>3,490</u>
<b>Transfers from One Cent Sales Tax Fund to:</b>	
Mashes Sands Beach Erosion Fund	39,000
General Fund	254,598
	<u>293,598</u>
<b>Transfers from Nonmajor Funds</b>	<u>457,354</u>
	<u>1,837,894</u>
<b>Additional transfers between the General Funds of the Board of County Commissioners and Constitutional Officers</b>	<u>11,651,725</u>
	<u><u>\$ 13,489,619</u></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, 2007, were as follows:

	<u>Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Total Receivables</u>
<b>Governmental Activities:</b>			
<b>FUND</b>			
General	\$ 427,431	\$ 123,496	\$ 550,927
Road Department	323,930	69,536	393,466
One-Cent Sales Tax	-	134,435	134,435
SHIP	175,000	-	175,000
Corrections Impact Fees	3,017	-	3,017
E-911 Surcharge	3,061	-	3,061
Law Enforcement Impact Fees	2,469	-	2,469
Building Inspection Impact Fees	6,857	-	6,857
Road Impact Fees	10,972	-	10,972
Sheriff Inmate Welfare	8,292	-	8,292
Ambulance Grant	-	36,616	36,616
Disaster Relief	-	111,708	111,708
E-911 Surcharge	-	18,006	18,006
Emergency Assistance	-	11,480	11,480
Litter Grant	-	4,661	4,661
Low Income Home Improvement	-	2,500	2,500
Marshes Sands Beach Erosion	-	195,998	195,998
Medart Park Improvements	-	60,416	60,416
Mosquito Control	-	27,750	27,750
Planning and Design Grant	-	55,858	55,858
Shell Point Beach Acquisitions	-	20,678	20,678
Solid Waste Grants	-	20,572	20,572
Weatherization LIHEA	-	1,709	1,709
Weatherization Grant	-	281	281
Road Paving	-	321,846	321,846
Sheriff Bulletproof Vests	-	1,542	1,542
Sheriff Child Passenger	-	381	381
Sheriff Civil Citation	-	10,584	10,584
Sheriff Coalition for Youth	-	4,008	4,008
Sheriff EMPA	-	35,465	35,465
Sheriff JAG	-	5,222	5,222
Sheriff KWCB	-	4,109	4,109
Sheriff Litter Control	-	12,099	12,099
Sheriff School Resource Officer	-	14,952	14,952
Sheriff Speed Control	-	17,555	17,555
Sheriff Teen Outreach	-	13,376	13,376
Sheriff U.S. Forestry	-	3,000	3,000
Sheriff VOCA	-	22,520	22,520
	<u>\$ 961,029</u>	<u>\$ 1,362,359</u>	<u>\$ 2,323,388</u>
<b>Business-type Activities:</b>			
Sewer Fund	\$ 115,755	\$ -	\$ 115,755
Solid Waste Fund	65,093	-	65,093
	<u>\$ 180,848</u>	<u>\$ -</u>	<u>\$ 180,848</u>

**Payables**

Payables at September 30, 2007, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
<b>Governmental Activities:</b>			
General Fund	\$ 700,894	\$ 261,493	\$ 962,387
Road Department	42,225	325	42,550
SHIP	1,195	-	1,195
One-Cent Sales Tax	17,735	-	17,735
Ambulance Grant	84,415	-	84,415
Court Maintenance	11,582	-	11,582
Energy Assistance	18,057	-	18,057
Fire Department	110,683	-	110,683
Housing Assistance	4,803	1,632	6,435
Law Library	94	-	94
Litter Grant	10,379	-	10,379
<b>Local Option Tourist Development</b>			
Tax	1,876	-	1,876
Low Income Home Improvement	2,000	-	2,000
Moving Violation Fee	9,809	-	9,809
Planning and Design Grant	3,544	-	3,544
Solid Waste Grant	31,086	684	31,770
Weatherization LIHEA	775	-	775
Weatherization Grant	4,831	-	4,831
Building Inspection Impact Fee	42,410	-	42,410
Sheriff EMPA	4,433	1,847	6,280
Sheriff Impact Fees	143	-	143
Sheriff Litter Control	235	2,562	2,797
Sheriff School Resource Officer	469	4,458	4,927
Sheriff Speed Control	18	1,217	1,235
Sheriff VOCA	2,724	2,276	5,000
Sheriff One Cent Sales Tax	13,150	-	13,150
Sheriff JAG	-	650	650
	<u>\$ 1,119,565</u>	<u>\$ 277,144</u>	<u>\$ 1,396,709</u>
<b>Business-type Activities:</b>			
Sewer	\$ 67,658	\$ -	\$ 67,658
Solid Waste	36,180	-	36,180
	<u>\$ 103,838</u>	<u>\$ -</u>	<u>\$ 103,838</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 2017.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 281,777	\$ 67,314	\$ 349,091
2009	292,120	56,971	349,091
2010	302,841	46,250	349,091
2011	313,957	35,134	349,091
2012	325,480	23,611	349,091
Thereafter	476,800	17,747	494,547
<b>Total</b>	<b>\$ 1,992,975</b>	<b>\$ 247,027</b>	<b>\$ 2,240,002</b>

- 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;

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 338,028	\$ 115,096	\$ 453,124
2009	338,028	102,007	440,035
2010	338,028	88,915	426,943
2011	338,028	75,823	413,851
2012	338,028	62,570	400,598
Thereafter	1,436,621	54,879	1,491,500
<b>Total</b>	<b>\$ 3,126,761</b>	<b>\$ 499,290</b>	<b>\$ 3,626,051</b>

- C. The County has a note with Wakulla Bank which was utilized for fire service equipment. It is collateralized by equipment. This loan is payable in annual payments of \$23,000, including interest at 7%.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 18,022	\$ 4,978	\$ 23,000
2009	19,273	3,727	23,000
2010	20,633	2,367	23,000
2011	13,074	923	13,997
<b>Total</b>	<b>\$ 71,002</b>	<b>\$ 11,995</b>	<b>\$ 82,997</b>

- D. 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:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 18,172	\$ 16,522	\$ 34,694
2009	19,389	15,305	34,694
2010	20,687	14,007	34,694
2011	22,072	12,622	34,694
2012	23,550	11,144	34,694
Thereafter	142,833	30,634	173,467
<b>Total</b>	<b>\$ 246,703</b>	<b>\$ 100,234</b>	<b>\$ 346,937</b>

**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%.
- C. Purchase of fire apparatus costing \$174,123, payable in ten installments of \$23,545 to Kansas State Bank including interest at 5.9%.
- D. Purchase of fire apparatus costing \$181,989 payable in ten annual installments of \$23,443 to Oshkosh Capital including interest at 4.89%.
- E. 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%.
- 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 communication s equipment by the Sheriff costing \$59,624 payable in sixty monthly installments of \$1,157 to Motorola Credit including interest at 6.5%.

The future minimum lease obligations and the net present value of these minimum lease payments of September 30, 2007 were as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>
2008	\$ 241,903
2009	799,142
2010	195,213
2011	153,595
2012	119,485
Thereafter	100,364
<b>Total minimum lease payments</b>	<b>1,609,702</b>
<b>Less amounts representing interest</b>	<b>(111,693)</b>
<b>Total</b>	<b>\$ 1,498,009</b>

**Business-type activities**

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 \$35,279 including interest at 4.08%.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 286,794	\$ 141,954	\$ 428,748
2009	298,717	130,031	428,748
2010	311,135	117,613	428,748
2011	324,069	104,679	428,748
2012	337,541	91,207	428,748
Thereafter	2,051,486	235,170	2,286,656
Total	<u>\$ 3,609,742</u>	<u>\$ 820,654</u>	<u>\$ 4,430,396</u>

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, 2009. The loan is for a maximum of \$1,303,700, including capitalized interest. \$879,550 had been drawn on the loan at September 30, 2007.

**Changes in long-term liabilities**

Long-term liability activity for the year ended September 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Prior Period Adjustment</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>						
Capital leases	\$ 1,071,872	\$ 59,624	\$ (193,373)	\$ 559,886	\$ 1,498,009	\$ 205,350
Notes payable	6,090,937	-	(653,496)	-	5,437,441	655,998
Compensated absences	664,178	19,406	-	-	683,584	-
Estimated liability for Landfill closure and postclosure cost	1,848,664	-	(19,910)	-	1,828,754	-
<b>Total governmental activities</b>	<u>\$ 9,675,651</u>	<u>\$ 79,030</u>	<u>\$ (866,779)</u>	<u>\$ 559,886</u>	<u>\$ 9,447,788</u>	<u>\$ 861,348</u>
<b>Business-type Activities</b>						
Notes payable	<u>\$ 4,129,318</u>	<u>\$ 628,250</u>	<u>\$ 268,276</u>	<u>\$ -</u>	<u>\$ 4,489,292</u>	<u>\$ 286,794</u>

**NOTE 11. OPERATING LEASES**

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

<u>Year Ending September 30,</u>	
2008	\$ 70,587
2009	66,221
2010	39,730
2011	2,881
Total	<u>\$ 179,419</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, 2007, as follows (contribution rates are in agreement with the actuarially determined rates):

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

Contributions to the FRS for the fiscal year ended September 30, 2007, were equal to 14% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2005, 2006, and 2007, were \$1,032,290, \$1,212,131, and \$1,561,345, respectively, which are equal to 100% of the required contribution for each year.

**NOTE 13. RESERVED FUND BALANCES**

The balance of reserved fund balances is as follows:

	General	One Cent Sales Tax	SHIP	Road Department	Other Governmental	Solid Waste	Total
Capital improvements	\$ -	\$ 1,526,025	\$ -	\$ -	\$ -	\$ -	\$ 1,526,025
Court related	104,319	-	-	-	572,476	-	676,795
Landfill closure	-	-	-	-	-	310,796	310,796
Public safety	-	-	-	-	2,795,258	-	2,795,258
Road projects	-	-	-	567,193	454,956	-	1,022,149
Other purposes	561,156	-	128,706	323,930	293,583	-	1,307,375
Total reserved fund balances	<u>\$ 665,475</u>	<u>\$ 1,526,025</u>	<u>\$ 128,706</u>	<u>\$ 891,123</u>	<u>\$ 4,116,273</u>	<u>\$ 310,796</u>	<u>\$ 7,638,398</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.

The County is 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 be several million dollars if a class is certified and the County does not prevail on the equitable considerations defense it has raised. Outside counsel for the County has advised that at this stage in the proceedings an opinion as to outcome is difficult to estimate. No accrual has been made in the financial statements.

**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, 2007 was approximately \$300,791.

**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, 2007, has been recorded in the statement of net assets in the amount of \$1,828,754; representing the County's estimated liabilities for such costs (in 2007 dollars). At September 30, 2007, \$310,796 was held in separate cash account to fund future closure and postclosure costs.

**NOTE 18. FUND EQUITY DEFICITS**

The following nonmajor governmental funds had a deficit in fund balance at September 30, 2007:

Ambulance Grant	\$ 1,083
Energy Assistance	6,196
Litter Grant	3,265
Mosquito Control	6,318
Solid Waste Grants	14,743
Weatherization Grant	12,070
Total	<u>\$ 43,675</u>

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

**NOTE 19. SUBSEQUENT EVENTS**

As discussed in Note 4, at September 30, 2007, the County had \$1,960,564 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool).

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Pool coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendation from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either had defaulted on a payment, paid more slowly than expected and/or had any

significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principal value of Pool B assets is not readily determinable.

After making allowed withdrawals from the Pool, as of February 29, 2008, the County has \$1,423,067 and \$67,107 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

**NOTE 20. PRIOR PERIOD ADJUSTMENTS**

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 Increase/ (Decrease)</u>	<u>Accounts Corrected</u>	<u>Reason for adjustment</u>
<b>Governmental Activities</b>			
General Fund	\$ (120,771)	Receivables	There was an over accrual of revenues in the prior year and related adjustments.
Road Department Fund	233,328	Receivables	Receivables for special assessments were not previously recorded in the financial statements.
Sheriff Donated Fund	20,960	Fund balance	This fund was not included in the prior year financial report.
Capital assets	270,354	Capital assets	See Note 6.
Long-term debt	(559,886)	Long-term debt	All capital leases were not recorded in the prior year.
	<u>\$ (156,015)</u>		
<b>Business-type Activities</b>			
Sewer Fund	<u>\$ 4,043,889</u>	Capital assets	See Note 6.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WAKULLA COUNTY, FLORIDA**

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

**For the Fiscal Year Ended September 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 10,927,103	\$ 10,927,103	\$ 11,487,045	\$ 559,942
Licenses and permits	797,000	813,000	584,404	(228,596)
Intergovernmental	4,951,522	4,951,522	3,915,349	(1,036,173)
Charges for services	5,477,642	5,477,642	5,039,370	(438,272)
Fines and forfeitures	4,400	4,400	9,026	4,626
Miscellaneous	1,261,677	1,302,623	323,803	(978,820)
<b>Total revenues</b>	<b>23,419,344</b>	<b>23,476,290</b>	<b>21,358,997</b>	<b>(2,117,293)</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	6,697,287	6,823,024	5,830,638	992,386
Public safety	12,371,345	12,458,211	12,419,089	39,122
Physical environment	176,314	176,314	182,542	(6,228)
Transportation	12,246	12,246	-	12,246
Economic environment	43,096	53,084	54,199	(1,115)
Human services	604,200	612,700	536,709	75,991
Culture/recreation	1,037,451	1,142,723	990,438	152,285
Court related	810,657	789,067	765,770	23,297
<b>Capital outlay</b>				
General government	788,662	793,514	18,645	774,869
Public safety	265,687	134,090	167,940	(33,850)
Economic environment	284,229	284,229	-	284,229
Culture/recreation	604,132	604,132	221,937	382,195
<b>Debt service</b>				
Principal	9,354	17,137	18,237	(1,100)
Interest	-	2,639	2,639	-
<b>Total expenditures</b>	<b>23,704,660</b>	<b>23,903,110</b>	<b>21,208,783</b>	<b>2,694,327</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(285,316)</b>	<b>(426,820)</b>	<b>150,214</b>	<b>577,034</b>
<b>Other financing sources (uses)</b>				
Transfers in	12,321,997	12,478,481	12,406,167	(72,314)
Transfers out	(11,798,343)	(11,893,441)	(12,735,177)	(841,736)
Transfers to State programs	(238,338)	(217,844)	(285,899)	(68,055)
Loan proceeds	-	59,624	59,624	-
<b>Total other financing sources (uses)</b>	<b>285,316</b>	<b>426,820</b>	<b>(555,285)</b>	<b>(982,105)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(405,071)</b>	<b>(405,071)</b>
<b>Fund balances, beginning of year</b>	<b>4,464,601</b>	<b>4,464,601</b>	<b>4,464,601</b>	<b>-</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>(120,771)</b>	<b>(120,771)</b>
<b>Fund balances, end of year</b>	<b>\$ 4,464,601</b>	<b>\$ 4,464,601</b>	<b>\$ 3,938,759</b>	<b>\$ (525,842)</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**ROAD DEPARTMENT FUND**

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

For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 854,970	\$ 854,970	\$ 951,209	\$ 96,239
Intergovernmental	1,346,939	1,346,939	1,217,476	(129,463)
Miscellaneous	867,200	867,200	25,619	(841,581)
<b>Total revenues</b>	<b>3,069,109</b>	<b>3,069,109</b>	<b>2,194,304</b>	<b>874,805</b>
<b>EXPENDITURES</b>				
Current				
Transportation	1,941,650	1,941,650	1,920,263	21,387
Capital outlay				
Transportation	542,518	542,518	44,988	497,530
Debt service				
Principal	404,043	404,043	364,531	39,512
Interest	116,298	116,298	108,927	7,371
<b>Total expenditures</b>	<b>3,004,509</b>	<b>3,004,509</b>	<b>2,438,709</b>	<b>565,800</b>
Excess (deficiency) of revenues over (under) expenditures	64,600	64,600	(244,405)	(309,005)
Other financing sources (uses)				
Transfers out	(64,600)	(64,600)	(3,490)	61,110
<b>Total other financing sources (uses)</b>	<b>(64,600)</b>	<b>(64,600)</b>	<b>(3,490)</b>	<b>61,110</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>(247,895)</b>	<b>(247,895)</b>
Fund balance, beginning of year	905,690	905,690	905,690	-
Prior period adjustment	-	-	233,328	233,328
<b>Fund balance, end of year</b>	<b>\$ 905,690</b>	<b>\$ 905,690</b>	<b>\$ 891,124</b>	<b>\$ (14,567)</b>

**WAKULLA COUNTY, FLORIDA**

**STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM FUND**

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

For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 350,000	\$ 357,663	\$ 329,623	\$ (28,040)
Miscellaneous	122,440	122,440	13,378	(109,062)
<b>Total revenues</b>	<u>472,440</u>	<u>480,103</u>	<u>343,001</u>	<u>(137,102)</u>
<b>EXPENDITURES</b>				
Current				
Economic environment	472,440	480,103	343,001	137,102
<b>Total expenditures</b>	<u>472,440</u>	<u>480,103</u>	<u>343,001</u>	<u>137,102</u>
<b>Net change in fund balance</b>	-	-	-	-
<b>Fund balance, beginning of year</b>	<u>128,706</u>	<u>128,706</u>	<u>128,706</u>	-
<b>Fund balance, end of year</b>	<u>\$ 128,706</u>	<u>\$ 128,706</u>	<u>\$ 128,706</u>	<u>\$ -</u>



**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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,530,210	\$ 1,530,210	\$ 1,925,429	\$ 395,219
Miscellaneous	1,644,308	1,644,308	2,773	(1,641,535)
<b>Total revenues</b>	<u>3,174,518</u>	<u>3,174,518</u>	<u>1,928,202</u>	<u>(1,246,316)</u>
<b>EXPENDITURES</b>				
Current				
General government	14,308	14,308	7,080	7,228
Culture/recreation	162,010	162,010	46,521	115,489
Capital outlay				
General government	-	47,000	43,434	3,566
Public safety	491,710	308,954	310,904	(1,950)
Transportation	1,616,422	1,616,422	494,928	1,121,494
Culture/recreation	423,864	376,864	10,650	366,214
Debt service				
Principal	338,028	338,028	338,028	-
Interest	128,176	128,176	128,176	-
<b>Total expenditures</b>	<u>3,174,518</u>	<u>2,991,762</u>	<u>1,379,721</u>	<u>1,612,041</u>
Excess of revenues over expenditures	-	182,756	548,481	365,725
Other financing sources (uses)				
Transfers out	-	(182,756)	(293,598)	(110,842)
<b>Net change in fund balance</b>	-	-	254,883	254,883
Fund balance, beginning of year	1,271,142	1,271,142	1,271,142	-
<b>Fund balance, end of year</b>	<u>\$ 1,271,142</u>	<u>\$ 1,271,142</u>	<u>\$ 1,526,025</u>	<u>\$ 254,883</u>

## COMBINING STATEMENTS

**WAKULLA COUNTY, FLORIDA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 2007**

Board of County Commissioners

	Special Revenue Funds									
	County									
	Agriculture Expansion	Ambulance Grant	Corrections Impact Fee	County Awards	County Visions Process	Court Maintenance	Disaster Relief	Domestic Violence	E-911 Surcharge	Energy Assistance
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ 50,932	\$ 106,203	\$ 1,865	\$ 22,331	\$ 584,457	\$ 50,156	\$ 33,178	\$ 286,829	\$ -
Accounts receivable, net	-	-	3,017	-	-	-	-	-	3,061	-
Due from other funds	-	-	-	-	-	16,309	-	518	-	-
Due from other governmental units	-	36,616	-	-	-	-	111,708	-	18,006	11,480
Inventories	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	44,596	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	381
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 87,548</b>	<b>\$ 109,220</b>	<b>\$ 1,865</b>	<b>\$ 22,331</b>	<b>\$ 600,766</b>	<b>\$ 206,460</b>	<b>\$ 33,696</b>	<b>\$ 307,896</b>	<b>\$ 11,861</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	\$ -	\$ 84,415	\$ -	\$ -	\$ -	\$ 11,582	\$ -	\$ -	\$ -	\$ 18,057
Due to other funds	-	-	-	-	-	-	35,000	-	-	-
Due to other governmental units	-	303	-	-	-	32,828	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	3,913	-	1,666	15,526	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>88,631</b>	<b>-</b>	<b>1,666</b>	<b>15,526</b>	<b>44,410</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>18,057</b>
<b>Fund balances</b>										
Reserved	-	(1,083)	109,220	199	6,805	556,356	171,460	33,696	307,896	(6,196)
<b>Total fund balances</b>	<b>-</b>	<b>(1,083)</b>	<b>109,220</b>	<b>199</b>	<b>6,805</b>	<b>556,356</b>	<b>171,460</b>	<b>33,696</b>	<b>307,896</b>	<b>(6,196)</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 87,548</b>	<b>\$ 109,220</b>	<b>\$ 1,865</b>	<b>\$ 22,331</b>	<b>\$ 600,766</b>	<b>\$ 206,460</b>	<b>\$ 33,696</b>	<b>\$ 307,896</b>	<b>\$ 11,861</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 2007**

Board of County Commissioners

	Special Revenue Funds									
	MSBU					Law			Local Option	Low Income
	Fire Departments	Florida Boating	Housing Assistance	Hurricane Earl	Law Education	Enforcement Impact Fees	Law Library	Litter Grant	Tourist Dev- elopment Tax	Home Improvement
<b>ASSETS</b>										
Cash and cash equivalents	\$ 668,887	\$ 1,263	\$ 202,994	\$ 21,628	\$ 23,553	\$ 168,522	\$ 15,240	\$ 2,935	\$ 39,399	\$ -
Accounts receivable, net	-	-	-	-	-	2,469	-	-	-	-
Due from other funds	-	-	-	-	1,914	-	974	-	2,116	-
Due from other governmental units	-	-	-	-	-	-	-	4,661	-	2,500
Inventories	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	1,024	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 668,887</b>	<b>\$ 1,263</b>	<b>\$ 204,018</b>	<b>\$ 21,628</b>	<b>\$ 25,467</b>	<b>\$ 170,991</b>	<b>\$ 16,214</b>	<b>\$ 7,596</b>	<b>\$ 41,515</b>	<b>\$ 2,500</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	\$ 110,683	\$ -	\$ 4,803	\$ -	\$ -	\$ -	\$ 94	\$ 10,379	\$ 1,876	\$ 2,000
Due to other funds	-	-	-	-	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	9,737	823	-	-	-	-
Accrued compensated absences	-	-	636	-	-	-	-	-	-	-
Accrued liabilities	-	-	996	-	-	-	-	-	-	-
Deferred revenue	-	-	147,061	21,442	-	-	-	482	-	-
<b>Total liabilities</b>	<b>110,683</b>	<b>-</b>	<b>153,496</b>	<b>21,442</b>	<b>9,737</b>	<b>823</b>	<b>94</b>	<b>10,861</b>	<b>1,876</b>	<b>2,000</b>
<b>Fund balances</b>										
Reserved	558,204	1,263	50,522	186	15,730	170,168	16,120	(3,265)	39,639	500
<b>Total fund balances</b>	<b>558,204</b>	<b>1,263</b>	<b>50,522</b>	<b>186</b>	<b>15,730</b>	<b>170,168</b>	<b>16,120</b>	<b>(3,265)</b>	<b>39,639</b>	<b>500</b>
<b>Total liabilities and fund balances</b>	<b>\$ 668,887</b>	<b>\$ 1,263</b>	<b>\$ 204,018</b>	<b>\$ 21,628</b>	<b>\$ 25,467</b>	<b>\$ 170,991</b>	<b>\$ 16,214</b>	<b>\$ 7,596</b>	<b>\$ 41,515</b>	<b>\$ 2,500</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 2007**

Board of County Commissioners

	Special Revenue Funds									
	Mashes				Moving	Panacea	Planning	Shell Point	Solid	Wakulla
	Sands Beach Erosion	Medart Park Improvement	Mediation Dispute	Mosquito Control	Violation Fee	Vision Grant	and Design Grant	Beach Acquisition	Waste Grants	Airport
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ -	\$ 1,690	\$ 11,178	\$ 121,626	\$ 3,231	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-
Due from other funds	55,692	-	-	-	4,135	-	-	-	-	-
Due from other governmental units	195,998	60,416	-	27,750	-	-	55,858	20,678	20,572	-
Inventories	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	381	-
<b>Total assets</b>	<b>\$ 251,690</b>	<b>\$ 60,416</b>	<b>\$ 1,690</b>	<b>\$ 38,928</b>	<b>\$ 125,761</b>	<b>\$ 3,231</b>	<b>\$ 55,858</b>	<b>\$ 20,678</b>	<b>\$ 20,953</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 9,809	\$ -	\$ 3,544	\$ -	\$ 31,086	\$ -
Due to other funds	251,690	48,530	-	-	-	-	46,310	20,678	3,926	-
Due to other governmental units	-	-	-	9,250	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-	-	402	-
Accrued liabilities	-	-	-	-	-	-	-	-	282	-
Deferred revenue	-	-	-	35,996	-	-	-	-	-	-
<b>Total liabilities</b>	<b>251,690</b>	<b>48,530</b>	<b>-</b>	<b>45,246</b>	<b>9,809</b>	<b>-</b>	<b>49,854</b>	<b>20,678</b>	<b>35,696</b>	<b>-</b>
<b>Fund balances</b>										
Reserved	-	11,886	1,690	(6,318)	115,952	3,231	6,004	-	(14,743)	-
<b>Total fund balances</b>	<b>-</b>	<b>11,886</b>	<b>1,690</b>	<b>(6,318)</b>	<b>115,952</b>	<b>3,231</b>	<b>6,004</b>	<b>-</b>	<b>(14,743)</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 251,690</b>	<b>\$ 60,416</b>	<b>\$ 1,690</b>	<b>\$ 38,928</b>	<b>\$ 125,761</b>	<b>\$ 3,231</b>	<b>\$ 55,858</b>	<b>\$ 20,678</b>	<b>\$ 20,953</b>	<b>\$ -</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2007**

	Board of County Commissioners					Sheriff						
	Special Revenue		Capital Projects			Special Revenue Funds						
	Weatherization	Weatherization	Public	Road	Road	Boater	Bulletproof	Child	Civil	Coalition	Court	
	LIHEA	Grant	Buildings	Paving	Impact							Education
<b>ASSETS</b>												
Cash and cash equivalents	\$ 44,248	\$ -	\$ 522,450	\$ -	\$ 287,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	-	-	6,857	-	10,972	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	1,709	281	-	321,846	-	-	1,542	381	10,584	4,008	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	129	129	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 46,086</b>	<b>\$ 410</b>	<b>\$ 529,307</b>	<b>\$ 321,846</b>	<b>\$ 298,402</b>	<b>\$ -</b>	<b>\$ 1,542</b>	<b>\$ 381</b>	<b>\$ 10,584</b>	<b>\$ 4,008</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>Liabilities</b>												
Accounts payable	\$ 775	\$ 4,831	\$ 42,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	7,649	-	139,975	-	-	1,542	381	10,584	4,008	-	-
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	9,012	-	-	25,317	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>9,787</b>	<b>12,480</b>	<b>42,410</b>	<b>165,292</b>	<b>-</b>	<b>-</b>	<b>1,542</b>	<b>381</b>	<b>10,584</b>	<b>4,008</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>												
Reserved	36,299	(12,070)	486,897	156,554	298,402	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>36,299</b>	<b>(12,070)</b>	<b>486,897</b>	<b>156,554</b>	<b>298,402</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 46,086</b>	<b>\$ 410</b>	<b>\$ 529,307</b>	<b>\$ 321,846</b>	<b>\$ 298,402</b>	<b>\$ -</b>	<b>\$ 1,542</b>	<b>\$ 381</b>	<b>\$ 10,584</b>	<b>\$ 4,008</b>	<b>\$ -</b>	<b>\$ -</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 2007**

Sheriff										
Special Revenue Funds										
	DOE Literacy	Donated Funds	EMPA	Federal Forfeiture	FSA	Homeland Security	Housing Trust	Impact Fees	Inmate Welfare	JAG
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ 19,322	\$ -	\$ 1,882	\$ -	\$ -	\$ 888,521	\$ -	\$ 145,232	\$ -
Accounts receivable, net	-	-	-	-	-	-	-	-	8,292	-
Due from other funds	-	-	-	-	-	-	5,490	823	-	-
Due from other governmental units	-	-	35,465	-	-	-	-	-	-	5,222
Inventories	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 19,322</b>	<b>\$ 35,465</b>	<b>\$ 1,882</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 894,011</b>	<b>\$ 823</b>	<b>\$ 153,524</b>	<b>\$ 5,222</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	\$ -	\$ -	\$ 4,433	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ -	\$ -
Due to other funds	-	-	29,185	-	-	-	-	680	77,254	4,572
Due to other governmental units	-	-	-	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	1,847	-	-	-	-	-	-	650
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>35,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>823</b>	<b>77,254</b>	<b>5,222</b>
<b>Fund balances</b>										
Reserved	-	19,322	-	1,882	-	-	894,011	-	76,270	-
<b>Total fund balances</b>	<b>-</b>	<b>19,322</b>	<b>-</b>	<b>1,882</b>	<b>-</b>	<b>-</b>	<b>894,011</b>	<b>-</b>	<b>76,270</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 19,322</b>	<b>\$ 35,465</b>	<b>\$ 1,882</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 894,011</b>	<b>\$ 823</b>	<b>\$ 153,524</b>	<b>\$ 5,222</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
September 30, 2007**

Sheriff													
Special Revenue Funds													
	Law	Litter	Moving	Off	One	School	Speed	Teen	US			Totals	
	Enforcement	Control	Violation	Duty	Cent	Resource	Control	Teen DUI	Forestry	VOCA			
	KWCB	Trust		Detail	Sales Tax	Officer							
<b>ASSETS</b>													
Cash and cash equivalents	\$ -	\$ 13,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,340,766	
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	-	34,668	
Due from other funds	-	-	-	-	13,150	-	-	-	-	-	-	101,121	
Due from other governmental units	4,109	-	12,099	-	-	14,952	17,555	-	13,376	3,000	22,520	1,034,892	
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	
Investments	-	-	-	-	-	-	-	-	-	-	-	44,596	
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	2,044	
<b>Total assets</b>	<b>\$ 4,109</b>	<b>\$ 13,584</b>	<b>\$ 12,099</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,150</b>	<b>\$ 14,952</b>	<b>\$ 17,555</b>	<b>\$ -</b>	<b>\$ 13,376</b>	<b>\$ 3,000</b>	<b>\$ 22,520</b>	<b>\$ 5,558,087</b>
<b>LIABILITIES AND FUND BALANCES</b>													
<b>Liabilities</b>													
Accounts payable	\$ -	\$ -	\$ 235	\$ -	\$ -	\$ 13,150	\$ 469	\$ 18	\$ -	\$ -	\$ 2,724	\$ 357,516	
Due to other funds	4,109	-	9,302	-	-	-	10,025	16,320	-	13,376	3,000	17,520	755,616
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	52,941
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	1,038
Accrued liabilities	-	-	2,562	-	-	-	4,458	1,217	-	-	2,276	14,288	
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	260,415
<b>Total liabilities</b>	<b>4,109</b>	<b>-</b>	<b>12,099</b>	<b>-</b>	<b>-</b>	<b>13,150</b>	<b>14,952</b>	<b>17,555</b>	<b>-</b>	<b>13,376</b>	<b>3,000</b>	<b>22,520</b>	<b>1,441,814</b>
<b>Fund balances</b>													
Reserved	-	13,584	-	-	-	-	-	-	-	-	-	-	4,116,273
<b>Total fund balances</b>	<b>-</b>	<b>13,584</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,116,273</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,109</b>	<b>\$ 13,584</b>	<b>\$ 12,099</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,150</b>	<b>\$ 14,952</b>	<b>\$ 17,555</b>	<b>\$ -</b>	<b>\$ 13,376</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,558,087</b>

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, 2007**

Board of County Commissioners

	Special Revenue Funds									
	Agriculture Expansion	Ambulance Grant	Corrections Impact Fee	County Awards	County Visions Process	Court Maintenance	Disaster Relief	Domestic Violence	E-911 Surcharge	Energy Assistance
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	97,616	-	6,587	98,947	38,438	37,052	-	21,805	104,631
Charges for services	-	-	-	-	-	221,992	-	-	182,007	-
Fines	-	-	-	-	-	-	-	6,776	-	-
Miscellaneous	105	214	67,706	-	-	923	4,378	61	613	-
<b>Total revenues</b>	<b>105</b>	<b>97,830</b>	<b>67,706</b>	<b>6,587</b>	<b>98,947</b>	<b>261,353</b>	<b>41,430</b>	<b>6,837</b>	<b>204,425</b>	<b>104,631</b>
<b>EXPENDITURES</b>										
Current operating										
Public safety	-	118,864	6,445	5,080	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic environment	2,299	-	-	-	98,947	-	41,430	-	-	-
Human services	-	-	-	-	-	-	-	-	-	102,109
Culture/recreation	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	111,746	-	-	-	-
Capital outlay										
Public safety	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,299</b>	<b>118,864</b>	<b>6,445</b>	<b>5,080</b>	<b>98,947</b>	<b>111,746</b>	<b>41,430</b>	<b>-</b>	<b>-</b>	<b>102,109</b>
Excess (deficiency) of revenues over (under) expenditures	(2,194)	(21,034)	61,261	1,507	-	149,607	-	6,837	204,425	2,522
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	2,194	21,034	-	-	-	21,254	-	-	-	-
Transfers to other funds	-	-	-	-	-	(27,890)	(35,000)	-	(186,890)	-
<b>Total other financing sources (uses)</b>	<b>2,194</b>	<b>21,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,636)</b>	<b>(35,000)</b>	<b>-</b>	<b>(186,890)</b>	<b>-</b>
Net change in fund balances	-	-	61,261	1,507	-	142,971	(35,000)	6,837	17,535	2,522
Fund balance, beginning of year	-	(1,083)	47,959	(1,308)	6,805	413,385	206,460	26,859	290,361	(8,718)
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ (1,083)</b>	<b>\$ 109,220</b>	<b>\$ 199</b>	<b>\$ 6,805</b>	<b>\$ 556,356</b>	<b>\$ 171,460</b>	<b>\$ 33,696</b>	<b>\$ 307,896</b>	<b>\$ (6,196)</b>

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, 2007**

Board of County Commissioners

	Special Revenue Funds									
	MSBU Fire Departments	Florida Boating	Housing Assistance	Hurricane Earl	Law Education	Law Enforcement Impact Fee	Law Library	Litter Grant	Local Option Tourist Dev- elopment Tax	Low Income Home Improvement
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,282	\$ -
Intergovernmental	-	26,414	862,669	-	-	-	-	14,988	-	2,500
Charges for services	-	-	1,750	-	-	-	13,246	-	-	-
Fines	-	-	-	-	21,681	-	-	-	-	-
Miscellaneous	796,829	-	733	-	265	55,842	-	-	-	-
<b>Total revenues</b>	<b>796,829</b>	<b>26,414</b>	<b>865,152</b>	<b>-</b>	<b>21,946</b>	<b>55,842</b>	<b>13,246</b>	<b>14,988</b>	<b>43,282</b>	<b>2,500</b>
<b>EXPENDITURES</b>										
Current operating										
Public safety	218,051	-	-	-	33,000	6,445	-	-	-	-
Physical environment	-	-	-	-	-	-	14,988	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	865,152	-	-	-	-	-	22,770	2,000
Human services	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	37,868	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	886	-	-	-
Capital outlay										
Public safety	35,511	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	105,491	-	-	-	-	-	-	-	-	-
Interest	36,869	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>395,922</b>	<b>37,868</b>	<b>865,152</b>	<b>-</b>	<b>33,000</b>	<b>6,445</b>	<b>886</b>	<b>14,988</b>	<b>22,770</b>	<b>2,000</b>
Excess (deficiency) of revenues over (under) expenditures	400,907	(11,454)	-	-	(11,054)	49,397	12,360	-	20,512	500
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	-	12,787	-	-	-	-	-	-	-	-
Transfers to other funds	(20,000)	-	-	-	-	(116,470)	(21,254)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(20,000)</b>	<b>12,787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(116,470)</b>	<b>(21,254)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	380,907	1,333	-	-	(11,054)	(67,073)	(8,894)	-	20,512	500
Fund balance, beginning of year	177,297	(70)	50,522	186	26,784	237,241	25,014	(3,265)	19,127	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ 558,204</b>	<b>\$ 1,263</b>	<b>\$ 50,522</b>	<b>\$ 186</b>	<b>\$ 15,730</b>	<b>\$ 170,168</b>	<b>\$ 16,120</b>	<b>\$ (3,265)</b>	<b>\$ 39,639</b>	<b>\$ 500</b>

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, 2007**

Board of County Commissioners

	Special Revenue Funds									
	Mashes Sands Beach Erosion	Medart Park Improvement	Mediation Dispute	Mosquito Control	Moving Violation Fee	Panacea Vision Grant	Planning and Design Grant	Shell Point Beach Acquisition	Solid Waste Grants	Wakulla Airport
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	179,891	70,729	-	50,884	-	16,140	116,152	197,747	176,189	32,150
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	51,466	-	-	-	-	-
Miscellaneous	-	-	-	105	209	-	-	11,051	-	-
<b>Total revenues</b>	<b>179,891</b>	<b>70,729</b>	<b>-</b>	<b>50,989</b>	<b>51,675</b>	<b>16,140</b>	<b>116,152</b>	<b>208,798</b>	<b>176,189</b>	<b>32,150</b>
<b>EXPENDITURES</b>										
Current operating										
Public safety	-	-	-	-	18,868	-	-	-	-	-
Physical environment	308,583	-	-	-	-	-	-	176,189	-	-
Transportation	-	-	-	-	-	-	-	-	-	32,150
Economic environment	-	-	-	-	-	12,909	-	-	-	-
Human services	-	-	-	40,048	-	-	-	-	-	-
Culture/recreation	-	58,843	-	-	-	-	110,148	208,798	-	-
Court-related	-	-	-	-	-	-	-	-	-	-
Capital outlay										
Public safety	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>308,583</b>	<b>58,843</b>	<b>-</b>	<b>40,048</b>	<b>18,868</b>	<b>12,909</b>	<b>110,148</b>	<b>208,798</b>	<b>176,189</b>	<b>32,150</b>
Excess (deficiency) of revenues over (under) expenditures	(128,692)	11,886	-	10,941	32,807	3,231	6,004	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	128,692	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	(10,941)	(26,418)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>128,692</b>	<b>-</b>	<b>-</b>	<b>(10,941)</b>	<b>(26,418)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	11,886	-	-	6,389	3,231	6,004	-	-	-
Fund balance, beginning of year	-	-	1,690	(6,318)	109,563	-	-	-	(14,743)	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 11,886</b>	<b>\$ 1,690</b>	<b>\$ (6,318)</b>	<b>\$ 115,952</b>	<b>\$ 3,231</b>	<b>\$ 6,004</b>	<b>\$ -</b>	<b>\$ (14,743)</b>	<b>\$ -</b>

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, 2007**

	Board of County Commissioners					Sheriff				
	Special Revenue Funds		Capital Projects Funds			Special Revenue Funds				
	Weatherization LIHEA	Weatherization Grant	Public Buildings Impact Fee	Road Paving	Road Impact Fees	Boater Education	Bulletproof Vests	Child Passenger	Civil Citation	Coalition for Youth
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	135,270	37,278	-	371,635	-	14,551	1,542	3,300	38,750	25,314
Charges for services	-	-	-	-	-	-	-	85	-	-
Fines	-	-	-	-	-	-	-	-	-	-
Miscellaneous	37	114	154,690	-	245,981	-	-	-	-	-
<b>Total revenues</b>	<u>135,307</u>	<u>37,392</u>	<u>154,690</u>	<u>371,635</u>	<u>245,981</u>	<u>14,551</u>	<u>1,542</u>	<u>3,385</u>	<u>38,750</u>	<u>25,314</u>
<b>EXPENDITURES</b>										
Current operating										
Public safety	-	-	6,445	-	-	14,551	3,084	381	48,542	25,314
Physical environment	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	49,789	23,280	-	-	-	-	-
Economic environment	97,107	51,178	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-
Capital outlay										
Public safety	-	-	129,398	-	-	-	-	2,919	-	-
Transportation	-	-	-	321,846	-	-	-	-	-	-
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>97,107</u>	<u>51,178</u>	<u>135,843</u>	<u>371,635</u>	<u>23,280</u>	<u>14,551</u>	<u>3,084</u>	<u>3,300</u>	<u>48,542</u>	<u>25,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,200</u>	<u>(13,786)</u>	<u>18,847</u>	<u>-</u>	<u>222,701</u>	<u>-</u>	<u>(1,542)</u>	<u>85</u>	<u>(9,792)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	-	-	-	152,503	-	-	1,542	-	9,792	-
Transfers to other funds	-	-	-	-	-	-	-	(85)	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,503</u>	<u>-</u>	<u>-</u>	<u>1,542</u>	<u>(85)</u>	<u>9,792</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>38,200</u>	<u>(13,786)</u>	<u>18,847</u>	<u>152,503</u>	<u>222,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	(1,901)	1,716	468,050	4,051	75,701	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ 36,299</u>	<u>\$ (12,070)</u>	<u>\$ 486,897</u>	<u>\$ 156,554</u>	<u>\$ 298,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2007**

Sheriff											
Special Revenue Funds											
	Court Maintenance	DOE Literacy	Donated Funds	EMPA	Federal Forfeiture	FSA	Homeland Security	Housing Trust	Impact Fees	Inmate Welfare	JAG
<b>REVENUES</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	109,206	-	128,805	-	-	15,500	-	-	-	35,851
Charges for services	-	-	3,263	634	-	94,840	-	318,409	-	124,069	-
Fines	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	55,501	-	8	-	-	3,513	-	1,685	-
<b>Total revenues</b>	<b>-</b>	<b>109,206</b>	<b>58,764</b>	<b>129,439</b>	<b>8</b>	<b>94,840</b>	<b>15,500</b>	<b>321,922</b>	<b>-</b>	<b>125,754</b>	<b>35,851</b>
<b>EXPENDITURES</b>											
<b>Current operating</b>											
Public safety	2,810	109,206	60,402	149,567	265	94,748	4,500	5,000	-	89,736	31,759
Physical environment	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>											
Public safety	25,080	-	-	-	-	-	11,000	-	114,810	12,275	4,092
Transportation	-	-	-	-	-	-	-	-	-	-	-
<b>Debt service</b>											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>27,890</b>	<b>109,206</b>	<b>60,402</b>	<b>149,567</b>	<b>265</b>	<b>94,748</b>	<b>15,500</b>	<b>5,000</b>	<b>114,810</b>	<b>102,011</b>	<b>35,851</b>
Excess (deficiency) of revenues over (under) expenditures	(27,890)	-	(1,638)	(20,128)	(257)	92	-	316,922	(114,810)	23,743	-
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers from other funds	27,890	-	-	23,000	-	-	-	-	114,810	-	-
Transfers to other funds	-	-	-	(2,872)	-	(92)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>27,890</b>	<b>-</b>	<b>-</b>	<b>20,128</b>	<b>-</b>	<b>(92)</b>	<b>-</b>	<b>-</b>	<b>114,810</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(1,638)</b>	<b>-</b>	<b>(257)</b>	<b>-</b>	<b>-</b>	<b>316,922</b>	<b>-</b>	<b>23,743</b>	<b>-</b>
Fund balance, beginning of year	-	-	-	-	2,139	-	-	577,089	-	52,527	-
	-	-	20,960	-	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,322</b>	<b>\$ -</b>	<b>\$ 1,882</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 894,011</b>	<b>\$ -</b>	<b>\$ 76,270</b>	<b>\$ -</b>

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, 2007**

Sheriff													
Special Revenue Funds													
	Law Enforcement Trust	Litter Control	Moving Violation	Off Duty Detail	One Cent Sales Tax	School Resource Officer	Speed Control	Teen DUI	Teen Outreach	US Forestry	VOCA	Totals	
<b>REVENUES</b>													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,282	
Intergovernmental	-	-	-	-	-	-	66,070	8,500	13,377	-	93,723	3,250,201	
Charges for services	16,145	-	115,199	-	408	146,031	-	-	-	3,000	-	1,241,078	
Fines	-	-	-	-	-	-	-	-	-	-	-	79,923	
Miscellaneous	-	2,567	-	-	-	-	-	-	-	-	-	1,403,130	
<b>Total revenues</b>	<b>16,145</b>	<b>2,567</b>	<b>115,199</b>	<b>-</b>	<b>408</b>	<b>-</b>	<b>146,031</b>	<b>66,070</b>	<b>8,500</b>	<b>13,377</b>	<b>3,000</b>	<b>93,723</b>	<b>6,017,614</b>
<b>EXPENDITURES</b>													
<b>Current operating</b>													
Public safety	16,145	750	146,938	-	-	-	204,304	58,879	8,500	13,538	3,135	104,453	1,609,705
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	499,760
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	105,219
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-	1,193,792
Human services	-	-	-	-	-	-	-	-	-	-	-	-	142,157
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	415,657
Court-related	-	-	-	-	-	-	-	-	-	-	-	-	112,632
<b>Capital outlay</b>													
Public safety	-	-	-	-	-	256,258	-	35,569	-	-	-	-	626,912
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	321,846
<b>Debt service</b>													
Principal	-	-	-	20,581	-	-	-	-	-	-	-	-	126,072
Interest	-	-	-	5,876	-	-	-	-	-	-	-	-	42,745
<b>Total expenditures</b>	<b>16,145</b>	<b>750</b>	<b>146,938</b>	<b>26,457</b>	<b>-</b>	<b>256,258</b>	<b>204,304</b>	<b>94,448</b>	<b>8,500</b>	<b>13,538</b>	<b>3,135</b>	<b>104,453</b>	<b>5,196,497</b>
Excess (deficiency) of revenues over (under) expenditures	-	1,817	(31,739)	(26,457)	408	(256,258)	(58,273)	(28,378)	-	(161)	(135)	(10,730)	821,117
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers from other funds	-	-	31,739	26,457	-	256,258	58,273	28,378	-	161	135	10,730	927,629
Transfers to other funds	-	(9,034)	-	-	(408)	-	-	-	-	-	-	-	(457,354)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(9,034)</b>	<b>31,739</b>	<b>26,457</b>	<b>(408)</b>	<b>256,258</b>	<b>58,273</b>	<b>28,378</b>	<b>-</b>	<b>161</b>	<b>135</b>	<b>10,730</b>	<b>470,275</b>
Net change in fund balances	-	(7,217)	-	-	-	-	-	-	-	-	-	-	1,291,392
Fund balance, beginning of year	-	20,801	-	-	-	-	-	-	-	-	-	-	2,803,921
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	20,960
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 13,584</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,116,273</b>

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA**

**AGENCY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
September 30, 2007**

	Board of County Commissioners					Clerk of Circuit Court
	Wilderness Coast Library	Bookmobile	Literacy Grant	TCPL Tree Frog 2	Born to Read	Agency
	<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 49,010	\$ 5,427	\$ 3,048	\$ -	\$ 371,922
Accounts receivable	-	-	-	-	-	-
Due from individuals	-	-	-	-	-	-
Due from other funds	-	-	71,217	-	-	-
Due from other governmental units	58,136	-	-	-	13,081	155
<b>Total assets</b>	<b>\$ 58,136</b>	<b>\$ 49,010</b>	<b>\$ 76,644</b>	<b>\$ 3,048</b>	<b>\$ 13,081</b>	<b>\$ 372,077</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Liabilities</b>						
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,518
Due to other funds	58,136	-	-	-	13,081	127,130
Due to other governmental units	-	49,010	76,644	3,048	-	28,429
Interest payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>58,136</b>	<b>49,010</b>	<b>76,644</b>	<b>3,048</b>	<b>13,081</b>	<b>372,077</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ 58,136</b>	<b>\$ 49,010</b>	<b>\$ 76,644</b>	<b>\$ 3,048</b>	<b>\$ 13,081</b>	<b>\$ 372,077</b>

(Continued)

WAKULLA COUNTY, FLORIDA

AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 September 30, 2007

	Sheriff			Tax Collector			
	Individual Depository	Inmate Trust	Suspense	Bankruptcy	Boating	Delinquent Tax	Hunting and Fishing
<b>ASSETS</b>							
Cash and cash equivalents	\$ 62,970	\$ 28,899	\$ 11,666	\$ 8,965	\$ -	\$ 25,789	\$ 1,962
Accounts receivable	-	-	-	-	-	-	5
Due from individuals	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 62,970</b>	<b>\$ 28,899</b>	<b>\$ 11,666</b>	<b>\$ 8,965</b>	<b>\$ -</b>	<b>\$ 25,789</b>	<b>\$ 1,967</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities</b>							
Due to individuals	\$ -	\$ 28,899	\$ 11,666	\$ -	\$ -	\$ 13,211	\$ -
Due to other funds	62,970	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	10,198	1,967
Interest payable	-	-	-	-	-	584	-
Other current liabilities	-	-	-	8,965	-	1,796	-
<b>Total liabilities</b>	<b>62,970</b>	<b>28,899</b>	<b>11,666</b>	<b>8,965</b>	<b>-</b>	<b>25,789</b>	<b>1,967</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ 62,970</b>	<b>\$ 28,899</b>	<b>\$ 11,666</b>	<b>\$ 8,965</b>	<b>\$ -</b>	<b>\$ 25,789</b>	<b>\$ 1,967</b>

(Continued)



WAKULLA COUNTY, FLORIDA

AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 September 30, 2007

	Tax Collector							
	Litigation	MSBU	Old Delinquent	Tag	Tax	Tax Escrow	Waste- water Assess- ment	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 20,911	\$ -	\$ 80,572	\$ -	\$ -	\$ 233,201	\$ -	\$ 904,342
Accounts receivable	-	-	-	-	-	-	-	5
Due from individuals	-	-	-	892	-	-	-	892
Due from other funds	-	-	4,618	-	-	-	-	75,835
Due from other governmental units	-	-	-	3,726	-	-	-	75,098
<b>Total assets</b>	<b>\$ 20,911</b>	<b>\$ -</b>	<b>\$ 85,190</b>	<b>\$ 4,618</b>	<b>\$ -</b>	<b>\$ 233,201</b>	<b>\$ -</b>	<b>\$ 1,056,172</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>Liabilities</b>								
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,294
Due to other funds	-	-	-	4,618	-	-	-	265,935
Due to other governmental units	-	-	85,190	-	-	231,493	-	485,979
Interest payable	-	-	-	-	-	1,163	-	1,747
Other current liabilities	20,911	-	-	-	-	545	-	32,217
<b>Total liabilities</b>	<b>20,911</b>	<b>-</b>	<b>85,190</b>	<b>4,618</b>	<b>-</b>	<b>233,201</b>	<b>-</b>	<b>1,056,172</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ 20,911</b>	<b>\$ -</b>	<b>\$ 85,190</b>	<b>\$ 4,618</b>	<b>\$ -</b>	<b>\$ 233,201</b>	<b>\$ -</b>	<b>\$ 1,056,172</b>

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, 2007, and have issued our report thereon dated February 4, 2008. 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 February 4, 2008 on pages 88 – 92.

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.

*Powell & Jones*

**POWELL & JONES**  
**Certified Public Accountants**  
**February 4, 2008**

**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, 2007. 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, 2007.

**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, 2007, and have issued our report thereon dated February 4, 2008. 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*

**POWELL & JONES**  
Certified Public Accountants  
February 4, 2008

WAKULLA COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For The Fiscal Year Ended September 30, 2007

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	Reported in Prior Years	Deferred in Prior Years	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2007
<b>FEDERAL AWARDS</b>								
MAJOR PROGRAMS								
US Department of Housing and Urban Development Housing Choice Voucher Grant	14.871	FL096	\$ 919,638	\$ -	\$ -	\$ 862,670	\$ 862,670	\$ -
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	-	-	628,250	628,250	-
<b>Total major programs</b>			<b>2,176,138</b>	<b>-</b>	<b>-</b>	<b>1,490,920</b>	<b>1,490,920</b>	<b>-</b>
NONMAJOR PROGRAMS								
US Department of Commerce National Oceanic and Atmospheric Administration Mashes Sands Beach Erosion Control Grant passed through Florida Department of Environmental Protection Panacea Special Area Plan Development Grant	11.419	NA170Z2144	81,411	-	-	29,891	29,891	-
	11.419	CZ606	25,000	-	-	16,141	16,141	-
			<b>106,411</b>	<b>-</b>	<b>-</b>	<b>46,032</b>	<b>46,032</b>	<b>-</b>
U.S. Department of Defense Office of Economic Development Crawfordville Economic Development Grant	12.611	AP0545-05-01	135,000	-	-	98,947	98,947	-
US Department of Housing and Urban Development Community Development Block Grant-Buckhorn Village Community Center Grant	14.228	06-DB-3K-02-75-01-E-01	750,000	-	-	55,261	55,261	-
	14.228	B-06-SP-FL-0230	396,000	-	-	-	-	-
			<b>1,146,000</b>	<b>-</b>	<b>-</b>	<b>55,261</b>	<b>55,261</b>	<b>-</b>
US Department of Interior Fish and Wildlife Service Land and Water Conservation Fund Grant	15.916	401814G209	143,250	-	-	71,154	71,154	-
US Department of Justice passed through Florida Office of the Attorney General Victims of Crime Act (VOCA) Grant Bureau of Justice Assistance/Office of Crimmlinal Justice Grants Bulletproof Vest Grant passed through Florida Office of Drug Control Underage Drinking Laws Discretionary Program Block Grant passed through Florida Department of Law Enforcement E. Byrne Memorial Justice Assistance Grant E. Byrne Memorial Justice Assistance Grant	16.575	V6013	132,748	-	-	93,723	93,723	-
	16.607	FY2005/2006 Funds	9,736	-	-	1,542	1,542	-
	16.727	2005-AH-FX-0019	34,000	25,500	-	8,500	8,500	-
	16.738	2007-JAGC-WAKU-1-P3-059	31,759	-	-	31,759	31,759	-
	16.738	2007-JAGD-WAKU-1-P4-128	4,092	-	-	4,092	4,092	-
			<b>212,335</b>	<b>25,500</b>	<b>-</b>	<b>139,616</b>	<b>139,616</b>	<b>-</b>
U.S. Department of Transportation passed through Florida Department of Transportation Highway Safety / Speed Control Grant Highway Safety/Teen Outreach Grant Highway Safety/Child Passenger Safety Grant Ochlockonee Bay Trail Grant Phase II Ochlockonee Bay Trail Grant Phase I (Continued)	20.605	A0K27	67,461	-	-	66,070	66,070	-
	20.605	A0S57	15,000	-	-	13,377	13,377	-
	20.605	A0Q26	3,300	-	-	3,300	3,300	-
	20.205	ANR31	601,700	-	-	15,353	15,353	-
	20.205	NA	78,798	-	-	29,645	29,645	-
			<b>766,259</b>	<b>-</b>	<b>-</b>	<b>127,745</b>	<b>127,745</b>	<b>-</b>

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, 2007

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	Reported in Prior Years	Deferred in Prior Years	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2007
General Services Administration								
passed through State of Florida Division of Elections								
Election Reform Payments/Voter Education Funds	39.011	FY06/07	\$ 2,989	\$ -	\$ -	\$ 2,989	\$ 2,989	\$ 2,829
US Department of Energy								
passed through Florida Department of Community Affairs								
Weatherization Assistance Program (WAP) Grant	81.042	06WX-6D-02-75-01-036	22,947	-	-	12,761	12,761	-
Weatherization Assistance Program (WAP) Grant	81.042	07WX-6P-02-75-01-036	67,323	-	-	24,517	24,517	-
			90,270	-	-	37,278	37,278	-
U.S. Department of Education								
passed through Florida Department of Education								
Adult Education & Family Literacy Grant	84.002	654-1917A-7PC01	129,500	20,294	-	109,206	109,206	-
Help America Vote Act								
passed through State of Florida Division of Elections								
Voting Systems Assistance/Pollworker Recruitment	90.401	FY06/07	1,495	-	-	1,495	1,495	-
U.S. Department of Health and Human Services								
passed through Florida State University								
Strategic Prevention Framework State Incentive Grant	93.243	R00588	44,084	-	-	25,314	25,314	-
passed through Florida Department of Revenue								
Title IV-D Funds	93.563	CC365	57,989	-	-	57,989	57,989	-
Title IV-D Funds	93.563	C0565	422	-	-	422	422	-
			102,495	-	-	83,725	83,725	-
U.S. Department of Health and Human Services								
passed through Florida Department of Community Affairs								
Low Income Home Energy Assistance Grant	93.568	06EA-3M-02-75-01-032	101,522	-	-	42,354	42,354	-
Low Income Home Energy Assistance Grant	93.568	06LH-5K-02-75-01-036	132,695	-	-	-	-	-
Low Income Home Energy Assistance Grant	93.568	07EA-6J-02-75-01-032	76,645	-	-	62,275	62,275	-
Weatherization	93.568	06LH-5K-02-75-01-036	132,695	-	-	79,553	79,553	-
Weatherization	93.568	07LH-5K-02-75-01-036	84,750	-	-	55,737	55,737	-
			528,307	-	-	239,919	239,919	-
US Department of Homeland Security								
passed through the Florida Department of Community Affairs								
Homeland Security Planning Assistance Grant	97.004	07-DS-2N-02-75-01-404	4,500	-	-	4,500	4,500	-
Disaster Assistance Grant	97.036	06DN-@G-02-75-01-586	589,641	-	-	37,052	37,052	-
Emergency Management Performance Grant	97.042	07BG-04-02-75-01-276	23,304	-	-	23,304	23,304	-
Homeland Security Grant	97.067	07DS-5N-02-75-01-262	13,999	-	-	-	-	-
Homeland Security Grant	97.096	2006	11,000	-	-	11,000	11,000	-
			642,444	-	-	75,856	75,856	-
Total nonmajor			4,006,755	45,794	-	1,089,223	1,089,223	2,829
Total federal			\$ 6,182,893	\$ 45,794	\$ -	\$ 2,580,143	\$ 2,580,143	\$ 2,829

(Continued)



WAKULLA COUNTY FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For The Fiscal Year Ended September 30, 2007

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	Reported in Prior Years	Deferred in Prior Years	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2007
<b>STATE FINANCIAL ASSISTANCE</b>								
MAJOR PROGRAMS								
Department of Environmental Protection								
Recreation Development Assistance Program (FRDAP) Shell Pt Beach	37.017	F5082	\$ 200,000	\$ -	\$ -	\$ 197,748	\$ 197,748	\$ -
Recreation Development Assistance Program (FRDAP) Medart Park	37.017	F5298	200,000	-	-	70,728	70,728	-
			<u>400,000</u>	<u>-</u>	<u>-</u>	<u>268,476</u>	<u>268,476</u>	<u>-</u>
State Housing Initiatives Program								
SHIP Funds 2006/2007	52.901	2006/2007	350,000	-	-	350,000	329,624	20,376
SHIP Funds 2007/2008	52.901	2007/2008	350,000	-	-	350,000	-	350,000
			<u>700,000</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>329,624</u>	<u>370,376</u>
Florida Department of Transportation								
Small County Outreach Program (SCOP) Levy Bay	55.009	FM41137215801	323,546	-	-	321,845	321,845	-
			<u>323,546</u>	<u>-</u>	<u>-</u>	<u>321,845</u>	<u>321,845</u>	<u>-</u>
<b>Total major programs</b>			<u>1,423,546</u>	<u>-</u>	<u>-</u>	<u>1,290,321</u>	<u>919,945</u>	<u>370,376</u>
NONMAJOR PROGRAMS:								
Department of Environmental Protection								
Sewer Extension-Wakulla Gardens	NA	LP6792	850,000	-	-	850,000	-	850,000
Small County Solid Waste Grant Agreement	37.012	SC632	191,176	-	-	191,176	191,176	-
			<u>1,041,176</u>	<u>-</u>	<u>-</u>	<u>1,041,176</u>	<u>191,176</u>	<u>850,000</u>
Department of Agriculture and Consumer Services								
Agriculture Renovation Grant	42.001	005656	300,000	-	-	-	-	-
Department of State								
Division of Cultural of Cultural Affairs								
Florida State Touring Program Grant	45.012	08-3817	450	-	-	450	450	-
Division of Library Information Services								
State Aid to Libraries Operating/Equalization Grant	45.030	07-ST-93	100,600	-	-	100,600	64,770	35,830
			<u>101,050</u>	<u>-</u>	<u>-</u>	<u>101,050</u>	<u>65,220</u>	<u>35,830</u>
Department of Community Affairs								
Emergency Management Performance Grant/MATCH	52.008	07BG-04-02-75-01-276	105,806	-	-	102,959	102,959	-
Low Income Emergency Home Repair Grant	52.015	08LE-12-75-01-036	6,037	-	-	2,500	2,500	-
Hazardous Materials Analysis Grant	52.023	07CP-11-02-75-01-109	2,542	-	-	2,542	2,542	-
			<u>114,385</u>	<u>-</u>	<u>-</u>	<u>108,001</u>	<u>108,001</u>	<u>-</u>
Florida Department of Transportation								
Airport Improvement Grant	55.004	A0Q91	75,000	-	-	32,150	32,150	-
Small County Road Assistance Program (SCRAP) CR 368	55.016	A0417	743,942	-	-	49,789	49,789	-
			<u>818,942</u>	<u>-</u>	<u>-</u>	<u>81,939</u>	<u>81,939</u>	<u>-</u>
Department of Health								
EMSTAR Hardware/Software Grant	NA	A0N88	34,549	-	-	34,549	34,549	-
AED Grant	64.003	M7108	63,539	-	-	63,136	63,136	-
Emergency Medical Services County Grant Program	64.005	C5065	6,061	-	-	6,061	6,061	-
(Continued)			<u>104,149</u>	<u>-</u>	<u>-</u>	<u>103,746</u>	<u>103,746</u>	<u>-</u>

**WAKULLA COUNTY FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For The Fiscal Year Ended September 30, 2007

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	Reported in Prior Years	Deferred in Prior Years	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2007
Department of Management Services								
E911 Wireless Rural County	72.001	NA	\$ -	-	-	\$ 15,601	\$ 15,601	\$ -
E911 Small County Supplemental Grant	72.001	NA	-	-	-	6,204	6,204	-
			<u>-</u>	<u>-</u>	<u>-</u>	<u>21,805</u>	<u>21,805</u>	<u>-</u>
Florida Fish and Wildlife Conservation Commission								
Channel Markers Grant	77.006	FWC 06065	44,820	-	-	-	-	-
Rivers Speed Zone Signage-Phase I	77.006	FWC 04130	25,000	-	-	-	-	-
Boat Ramp Grant	77.006	FWC 04132	50,000	-	-	26,414	26,414	-
Mashes Sands Improvement Grant	77.006	FWC 03064	150,000	-	-	150,000	150,000	-
Florida Boating Improvement Program Grant	77.027	06172	24,220	-	-	14,551	14,551	-
			<u>294,040</u>	<u>-</u>	<u>-</u>	<u>190,965</u>	<u>190,965</u>	<u>-</u>
Florida Department of Juvenile Justice								
Civil Citation/Restorative Action Plan Grant	80.029	DP-551	35,000	-	-	38,750	38,750	-
Total nonmajor programs			<u>2,808,742</u>	<u>-</u>	<u>-</u>	<u>1,687,432</u>	<u>801,602</u>	<u>885,830</u>
Total state financial assistance			<u>\$ 4,232,288</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,977,753</u>	<u>\$ 1,721,547</u>	<u>\$ 1,256,206</u>

**WAKULLA COUNTY, FLORIDA**

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

**For the Fiscal Year Ended September 30, 2007**

**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, 2007

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

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
14.871	U.S. Department of Housing and Urban Development Housing Choice Voucher Act
66.458	Federal Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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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, 2007**

**State Financial Assistance**

**Internal control over major projects:**

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

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

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

<u>CFDA Number</u>	<u>Name of State Programs</u>
55.009	Department of Transportation Small County Outreach Program
37.017	Department of Environmental Protection - Florida Recreation Development Assistance Program
52.901	State Housing Initiatives Program

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

**Financial Statement Findings**

**None**

**Federal Awards Findings and Questioned Costs**

**None**

**WAKULLA COUNTY, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended September 30, 2007**

**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:** From our tests of selected receipts related to the landfill, we found instances where prenumbered receipts were not fully accounted for in bank deposits. We also found that receipts are not being written for all collections at the satellite collection sites.

**AUDITOR’S RECOMMENDATION:** To increase internal control over this function, we recommend the following:

1. Prenumbered receipt books should be centrally stored and issued to the landfill collection sites in consecutive order. A log should be maintained for receipt books issued.
2. Prenumbered receipts should be issued for all funds collected at the landfill and satellite collection sites.
3. When funds are turned in for deposit at the administration office, the related duplicate receipts should also be turned in. When the bank deposit is prepared, an accounting should be made between the funds turned in and duplicate receipt totals. It should also be verified that all receipt numbers are accounted for.

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:** From our tests of selected cash disbursements, we found several instances where purchase orders were dated after the related invoice date.

**RECOMMENDATION:** For proper budgetary and financial control we recommend that a system be implemented to assure that purchase orders be issued and approved prior to related expenditures being increased.

Reference Number 06-03: Roads

**FINDING:** “There is no formal process for Wakulla County tracking roads turned over by developers to Wakulla County so that the information can be accounted for under the infrastructure assets. We recommend a process be developed so that contributed roads turned over to the County are forwarded to the accounting department for proper accounting treatment.”

**CURRENT STATUS:** This finding was substantially corrected during the current year.

**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.

**Reference Number 06-05:** Eligibility Documentation

**FINDING:** “From files tested in the “SHIP” program, we noted that some files are not being properly completed and signed off on to meet eligibility requirements. We recommend all required forms be completed.”

**CURRENT STATUS:** This finding was substantially corrected by the end of the current year.

**Reference Number 06-06:** Recording of Contract and Grants Receivables

**FINDING:** “We noted that the Board does not receive information from all Constitutional Officers to record all accounts receivable from amounts billed on contracts and grants. We recommend that contract and grant receivables be recorded on a monthly basis and that the collections of the receivables be monitored and followed up on to insure timely payments.”

**CURRENT STATUS:** This finding was substantially corrected by the end of the current year.

**Reference Number 06-07:** Housing Quality Standards Inspections

**FINDING:** “Public Housing Agencies are required to meet quality Standards Inspections. Where the Housing Quality Standards have not been met, the Public Housing Agency shall correct the cited Housing Quality Standard deficiency within thirty calendar days or other specified time period. From files tested, certain files contained instances where the deficiency was not corrected within the required thirty day period.”

**CURRENT STATUS:** This finding was not present during the current year.

## 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, 2007, and have issued our report thereon dated February 4, 2008.

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 February 4, 2008, 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

**Budgetary Controls** – In the prior year the prior auditor noted that for the year total expenditures exceeded appropriations by \$20,957. In the current year, this finding was substantially corrected except for the Solid Waste Fund where expenditures exceeded appropriations.

#### CURRENT YEAR FINDINGS

**Cash Receipts** – From our tests of selected receipts we found that receipts related to the Planning and Zoning Department could not be readily traced to the related bank deposits. We also found that those receipts were not promptly deposited. To increase internal control and accounting of these receipts, we recommend that an accountability system be implemented to fully track individual receipts to the related bank deposits. Bank deposits should be made daily if possible, and always by the end of each work week.

**Cash Disbursements** - From our tests of selected disbursements, we found minor instances where required evidence of approval was not filed with the expenditure documentation. We also found several instances where invoices were paid after the due dates, including three where a late charge was incurred. We recommend that all invoices be processed in the prescribed manner and be paid promptly so as to not incur late charges.

**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 conditions and requirements regarding the billing services.



- A. Sections 2 and 3 state that PAWS will submit to the County a verified statement of costs and expenses incurred to provide sewer billing and collection services. The County will reimburse PAWS monthly for these expenses.
- B. 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.
- C. Section 6 requires PAWS to have an annual audit which shows a breakdown between revenues and expenses relating to the water system and those relating to the sewer system.

We found the following deficiencies regarding these requirements:

- A. For several years PAWS billed the County for its services at \$2 per customer per month. During the current year, PAWS increases this monthly rate to \$3 per customer. PAWS did not provide the County with a “verified” statement of actual costs as required by Section 3 of the agreement to substantiate the increased billing rate. When the County Finance Office declined to pay the additional fees without required documentation or Board approval, PAWS began withholding the full billing fees from sewer revenues. Such a practice is not provided for in the service agreement.
- B. 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 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.
- C. PAWS does have an annual audit performed by an independent CPA firm. Upon reviewing the report for the fiscal year ended June 30, 2006, we could not find where the expenses were broken down between water and sewer services as required by Section 6 of the agreement.

We recommend that the Board review the terms of the service agreement with PAWS to determine whether the actual practices should be changed to conform to the terms of the agreement, or whether the agreement should be modified to conform to the actual practices as described above.

#### CLERK OF THE CIRCUIT COURT

#### PRIOR YEAR FINDINGS

The prior auditor disclosed no findings in the prior year management letter.

#### CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

**PROPERTY APPRAISER**

**PRIOR YEAR FINDINGS**

The prior auditor disclosed no findings in the prior year management letter.

**CURRENT YEAR FINDINGS**

Property Appraiser Commissions - The Property Appraiser operates as a Budget Officer, whereby the Office's full budget is appropriated and funded by the Board of County Commissioners.

Section 192.091, Florida Statutes, provides that the Property Appraiser shall bill specified taxing authorities, including the Northwest Florida Water Management District (NFWFMD) for services rendered. NFWFMD should be billed ". . . an amount that bears the same proportion to the total amount of the budget as its share of ad valorem taxes bore to the total levied for the preceding year."

The Property Appraiser's Office has apparently never billed the NFWFMD for commissions as provided in this section for law. We recommend that the Office research this issue and take necessary actions to bill and receive this revenue on behalf of the County.

**SHERIFF**

**PRIOR YEAR FINDINGS**

The prior auditor disclosed no findings in the prior year management letter.

**CURRENT YEAR FINDINGS**

There were no reportable findings in the current year.

**SUPERVISOR OF ELECTIONS**

**PRIOR YEAR FINDINGS**

The prior auditor disclosed no findings in the prior year management letter.

**CURRENT YEAR FINDINGS**

There were no reportable findings in the current year.

**TAX COLLECTOR**

**PRIOR YEAR FINDINGS**

Delinquent Tax Account – In the prior year, the prior auditor noted that a detail listing of funds in the Delinquent Tax Account was not compiled and reconciled to the cash balance in this fund. This deficiency reoccurred during the current year. We recommend that the Tax Collector

research and compile a listing and reconciliation of funds remaining in the Delinquent Tax Account.

**Journal Entries** – In the prior year, the prior auditor noted that there was inadequate documentation on file to support journal entries made during the year. During the current year, this finding was improved upon, but not fully corrected. We recommend that a standard system be established to document and show approval for all journal entries made during the year.

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

#### **CURRENT YEAR FINDINGS**

**Tax Collector Commissions** – The Tax Collector operates as a Budget Officer, whereby the Office's full budget is appropriated and funded by the Board of County Commissioners. Section 192.091, Florida Statutes, provides that the Tax Collector is entitled to receive commissions from specified taxing authorities, including the Northwest Florida Water Management District (NFWFMD), based upon the amount of taxes collected and remitted to the taxing authorities. NFWFMD should be billed “. . . three percent on the amount of taxes collected and remitted on an assessed value of \$50 million; and two percent on the balance. . .”.

The Tax Collector's Office has apparently never billed the NFWFMD for commissions as provided in this section for law. We recommend that the Office research this issue and take necessary actions to bill and receive this revenue on behalf of the County.

#### **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, 2007.

**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)(a), 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, 2007, the Clerk of the Circuit Court complied with the following:

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

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

## CONCLUSION

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

*Powell & Jones*

**POWELL & JONES**  
Certified Public Accountants  
February 4, 2008