

WAKULLA COUNTY,
FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2008

WAKULLA COUNTY, FLORIDA
 ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2008

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INTRODUCTORY SECTION

WAKULLA COUNTY, FLORIDA
LIST OF PRINCIPAL OFFICIALS

Board of County Commissioners

District I

Brian Langston

District II

George N. Green

District III

Ed Brimner

District IV

Howard Kessler

District V

Maxie Lawhon

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



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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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, 2008, 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, in conformity with accounting principles generally accepted in the United States of America.

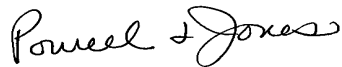
In accordance with *Government Auditing Standards*, we have also issued a report dated April 7, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

The Management's Discussion and Analysis on pages 10 through 17 is also not a required part of the basic financial statements of the County but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

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

POWELL & JONES
Certified Public Accountants
April 7, 2009

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, 2008 and 2007.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$66,393,641 (*net assets*, page 13 and 19). Of this amount, \$1,983,339 (*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 \$7,498,834 (page 20). \$635,164 or approximately nine percent (8%) of this increase is attributable to business-type activities as a result of donated capital and prior period adjustments. The remaining increase of \$6,863,670 or approximately ninety one percent (92%) is mainly attributable to donated capital, decrease in current liabilities and an increase in net assets of the governmental activities (page 14, page 43, page 54 Note 19).
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,233,167 (page 24). In comparison with the prior year, this is an increase of \$2,632,280. Approximately twenty seven percent (27%) of this total amount, or \$3,579,399 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 \$3,579,399 (page 21) or sixteen percent (16%) of total general fund expenditures. In the prior fiscal year, the unreserved, undesignated fund balance for the general fund was \$3,273,284 or fifteen percent (15%) of total general fund expenditures.
- The County's total debt decreased by \$1,145,731 (see Note 10, page 51) during the current fiscal year. This decrease is the result of paying down debt in both governmental and business-type activities.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, physical environment, court related, transportation, economic environment, human services, and culture and recreation. The business-type activities of the County include sewer and solid waste operations. The government-wide financial statements can be found on pages 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 (60) individual governmental funds: one (1) general fund, three (3) capital project funds, and fifty six (56) 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 57 - 62). The basic governmental fund financial statements can be found on pages 21 – 23 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 – 55 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's budgetary information for its major funds, detailed combining balance sheets for all non-major governmental funds, detailed combining statement of revenues, expenditures and changes in fund balance for all non-major governmental funds, and a combining statement of all agency funds net assets. Required supplementary information can be found on pages 56 - 78 of this report.

The County's principal leaders, five (5) elected county commissioners and a non-elected county administrator are listed on page 6. A Schedule of Expenditures of Federal Awards and State Financial Assistance can be found on pages 84 - 86. 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, 2008.

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 \$66,393,641 and \$58,894,807 at September 30, 2008 and 2007, respectively (page 13).

By far the largest portion of the County's net assets, 81% for 2008 and 83% for 2007, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The 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		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
ASSETS						
Current and						
other assets	\$ 15,472,594	\$ 13,309,032	\$ 2,264,493	\$ 3,099,006	\$ 17,737,087	\$ 16,408,038
Capital assets	46,834,002	43,609,897	17,947,441	16,843,757	64,781,443	60,453,654
Total assets	<u>\$ 62,306,596</u>	<u>\$ 56,918,929</u>	<u>\$ 20,211,934</u>	<u>\$ 19,942,763</u>	<u>\$ 82,518,530</u>	<u>\$ 76,861,692</u>
LIABILITIES						
Current and						
other liabilities	\$ 3,799,337	\$ 3,569,494	\$ 1,414,393	\$ 1,602,780	\$ 5,213,730	\$ 5,172,274
Long-term						
liabilities	6,880,594	8,586,440	4,030,565	4,208,171	10,911,159	12,794,611
Total liabilities	<u>\$ 10,679,931</u>	<u>\$ 12,155,934</u>	<u>\$ 5,444,958</u>	<u>\$ 5,810,951</u>	<u>\$ 16,124,889</u>	<u>\$ 17,966,885</u>
NET ASSETS						
Invested in						
capital assets	\$ 40,806,201	\$ 36,674,447	\$ 13,596,596	\$ 12,354,465	\$ 54,402,797	\$ 49,028,912
Restricted	9,653,768	7,327,602	353,737	310,796	10,007,505	7,638,398
Unrestricted	1,166,696	760,946	816,643	1,466,551	1,983,339	2,227,497
Total net assets	<u>\$ 51,626,665</u>	<u>\$ 44,762,995</u>	<u>\$ 14,766,976</u>	<u>\$ 14,131,812</u>	<u>\$ 66,393,641</u>	<u>\$ 58,894,807</u>

An additional portion of the County's net assets (15% for 2008 and 13% for 2007) represents resources that are subject to external restrictions (page 52, Note 13) on how they may be used. The remaining balance of *unrestricted net assets* (3% for 2008 and 4% for 2007) 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 increased from the prior fiscal year by \$244,158. This increase was due to revenue increases while expenditures held steady. There was a significant increase in capital assets combined with a decrease in long term liabilities.

In the business-type activities, there was a decrease in the unrestricted net assets over the prior fiscal year in the amount of \$649,908 due primarily to a decrease in capital grants and contributions.

Wakulla County's Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	\$ 7,957,420	\$ 8,382,121	\$ 2,409,881	\$ 2,256,789	\$ 10,367,301	\$ 10,638,910
Operating grants and contributions	2,669,394	3,200,826	26,566	-	2,695,960	3,200,826
Capital grants and contributions	5,088,971	2,551,444	687,955	2,162,094	5,776,926	4,713,538
General revenues:						
Property and other taxes	15,403,598	14,406,965	-	-	15,403,598	14,406,965
Licenses and permits	518,257	584,404	-	-	518,257	584,404
intergovernmental and other	4,834,511	4,746,167	6,655	129,238	4,841,166	4,875,405
Total revenues	<u>\$ 36,472,151</u>	<u>\$ 33,871,927</u>	<u>\$ 3,131,057</u>	<u>\$ 4,548,121</u>	<u>\$ 39,603,208</u>	<u>\$ 38,420,048</u>
Expenses:						
General government	\$ 6,100,152	\$ 6,334,958	\$ -	\$ -	\$ 6,100,152	\$ 6,334,958
Public safety	15,349,020	14,733,490	-	-	15,349,020	14,733,490
Physical environment	396,017	831,015	2,678,912	2,474,966	3,074,929	3,305,981
Court related	939,164	878,402	-	-	939,164	878,402
Transportation	2,919,349	2,821,870	-	-	2,919,349	2,821,870
Economic environment	1,354,862	1,602,476	-	-	1,354,862	1,602,470
Human services	751,263	720,615	-	-	751,263	720,615
Culture and recreation	1,516,716	1,462,937	-	-	1,516,716	1,462,937
Interest on long-term debt	255,562	282,487	-	-	255,562	282,487
Total expenses	<u>\$ 29,582,105</u>	<u>\$ 29,668,250</u>	<u>\$ 2,678,912</u>	<u>\$ 2,474,966</u>	<u>\$ 32,261,017</u>	<u>\$ 32,143,210</u>
Increase in net assets before transfers	\$ 6,890,046	\$ 4,203,677	\$ 452,145	\$ 2,173,155	\$ 7,342,191	\$ 6,276,832
Net transfers	<u>(243,294)</u>	<u>(441,722)</u>	<u>(6,145)</u>	<u>155,823</u>	<u>(249,439)</u>	<u>(285,899)</u>
Increase in net assets	6,646,752	3,761,955	446,000	2,228,978	7,092,752	5,990,933
Net assets, beginning of year	44,762,995	41,157,054	14,131,812	7,858,945	58,894,807	49,015,999
Adjustment (CY see note 20; PY see note IV, M)	216,918	(156,014)	189,164	4,043,889	406,082	3,887,875
Net assets, end of year	<u>\$ 51,626,665</u>	<u>\$ 44,762,995</u>	<u>\$ 14,766,976</u>	<u>\$ 14,131,812</u>	<u>\$ 66,393,641</u>	<u>\$ 58,894,807</u>

Governmental activities. Governmental activities increased the County's net assets by \$6,863,670 in the current year (page 20), thereby accounting for ninety one percent (91%) of the total addition in the net assets of the County. Key elements of these increases are as follows:

- Total liabilities decreased to \$16,124,889 from \$17,966,885 in the prior year. Current assets increased by about \$1.3 Million and non-current assets (capital assets) increased by about \$4.3 Million (page 13, 19).
- Donated capital represented approximately ten percent (14%) of the increase in net assets (page 43).
- While some expenditure categories increased (Public Safety, \$615,530, Transportation, \$97,479), revenues outpaced expenditures again for 2008 (page 14).

Business-type activities. Business-type activities increased the County's net assets by \$635,164 in the current year (page 14, 20, 25), thereby accounting for the remaining 8% of the total addition in the net assets of the County. Key elements of this increase are as follows:

- Capital contributions accounted for fifty one percent (59%) or \$373,779 of this increase in net assets.
- Prior period adjustments accounted for 30% of the increase. These adjustments are discussed in Note 19 on page 54.

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 \$13,233,167 (page 21), an increase of \$2,632,281 in comparison with the prior year's combined fund balance of \$10,600,886. Some of this total amount (\$3,579,399 or 27%) 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 \$3,579,399 and \$3,920,426 respectively. In the prior year, they were \$3,273,284 and \$3,938,759 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 18% of total general fund expenditures (page 22) while total fund balance represents 39% of all governmental funds expenditures.

The fund balance of the County's general fund decreased by \$18,333 (page 22) during the current fiscal year and decreased by \$525,842 in the prior fiscal year. Key factors in these changes are as follows:

- The general fund's assets decreased by \$17,056 and its liabilities increased by \$1,277.
- In 2008, general fund revenues outpaced expenses by \$460,354 while the prior year's revenues exceeded expenses by \$150,214.

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 \$816,643, compared to \$1,466,551 in the prior year. The total increase or change in net assets (net income), prior to any adjustments for the funds, was \$446,000 in the current year and \$2,228,978 in the prior year. Before contributions and transfers, the sewer fund finished with a gain of \$168,654 and the solid waste (or landfill) fund operated at a loss of \$90,288, for a total gain in the proprietary funds of \$78,366 (page 25).

General fund budgetary highlights. During the year there was a \$766,946 (page 57) increase in appropriations between the original (\$22,922,567) and final amended budget (\$23,689,513). This general fund beginning and ending budget represents the combined general fund budgets of the Board and Constitutional Officers. 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 \$23,541 from grants from the Florida Department of Health for dispatch computer equipment.
- The Supervisor of Election Office increased its budget by \$13,043. This represents grants related to voter education and voting equipment.

Capital assets. The County's capital assets for its governmental and business type activities amounts to \$64,781,443 (page 13, 43) and \$60,453,654 (net of accumulated depreciation) for 2008 and 2007 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 \$4,327,789 or seven percent (7%) of beginning capital assets. Major capital asset events during the current and prior fiscal years included the following:

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

Long-term debt. At the end of the 2008 and 2007 fiscal years, the County had notes and capital leases payable of \$10,378,646 and \$11,424,742. The notes payable are collateralized by equipment or a pledge of revenue from the gas taxes, one cent sales taxes, and sewer charges. Of this \$10,378,646, \$337,035 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment. Additional information on the County's long-term debt can be found in Note 10 on pages 48 - 51 of this report.

Wakulla County's Outstanding Debt

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Note payable	\$4,726,315	\$5,437,441	\$4,350,845	\$4,489,292	\$ 9,077,160	\$ 9,926,733
Capital leases	1,301,486	1,498,009	-	-	1,301,486	1,498,009
Compensated absences	792,430	683,584	-	-	792,430	683,584
Estimated landfill closure	1,620,273	1,828,754	-	-	1,620,273	1,828,754
Total revenues	<u>\$8,440,504</u>	<u>\$9,447,788</u>	<u>\$4,350,845</u>	<u>\$4,489,292</u>	<u>\$ 12,791,349</u>	<u>\$ 13,937,080</u>

Economic Factors and Rates –

- The County's population is 30,542. The population for 2008 is estimated at approximately 30,717. 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 major 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 seen a significant decrease this year over last year. This will limit the County's ability to maintain current levels of service.
- The Tallahassee Metropolitan Area's unemployment rate averaged jumped from 3.6 %to 6.8% from March 2008-March 2009. In comparison, the State unemployment rate from March 2008-March 2009 jumped from 5.4% to 9.7% and the National unemployment rate was 8.9% in as of April 2009.
- The average per capita personal income for a citizen of Wakulla County was \$24,032 over the three year period from 2004-2006.

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, 2008**

	<u>Governmental Activities</u>	<u>Business - type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,028,428	\$ 807,388	\$ 8,835,816
Accounts receivable - net	1,322,987	210,187	1,533,174
Due from other funds	532,488	-	532,488
Due from other governmental units	4,218,203	-	4,218,203
Inventories	24,653	-	24,653
Investments	879,816	892,531	1,772,347
Prepaid expenses	466,019	-	466,019
Other current assets	-	650	650
Total current assets	<u>15,472,594</u>	<u>1,910,756</u>	<u>17,383,350</u>
Restricted assets:			
Cash	-	353,737	353,737
Total restricted assets	<u>-</u>	<u>353,737</u>	<u>353,737</u>
Noncurrent assets:			
Capital assets - net	46,834,002	17,947,441	64,781,443
Total assets	<u>\$ 62,306,596</u>	<u>\$ 20,211,934</u>	<u>\$ 82,518,530</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	\$ 1,004,556	\$ 53,511	\$ 1,058,067
Accrued liabilities	444,758	-	444,758
Due to other funds	-	100,038	100,038
Due to other governmental units	56,842	-	56,842
Deferred revenues	585,501	850,000	1,435,501
Deposits	-	90,564	90,564
Accrued compensated absences	118,865	-	118,865
Current portion capital leases payable	772,235	-	772,235
Current portion notes payable	649,537	320,280	969,817
Other current liabilities	147,770	-	147,770
Total current liabilities (payable from current assets)	<u>3,780,064</u>	<u>1,414,393</u>	<u>5,194,457</u>
Noncurrent liabilities			
Accrued compensated absences	673,565	-	673,565
Landfill post-closure costs	1,620,273	-	1,620,273
Capital leases payable	529,251	-	529,251
Notes payable	4,076,778	4,030,565	8,107,343
Total long-term liabilities	<u>6,899,867</u>	<u>4,030,565</u>	<u>10,930,432</u>
Total liabilities	<u>10,679,931</u>	<u>5,444,958</u>	<u>16,124,889</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 40,806,201	\$ 13,596,596	\$ 54,402,797
Restricted for:			
Public safety	2,499,443	-	2,499,443
Road projects	576,519	-	576,519
Capital projects	4,678,646	-	4,678,646
Other purposes	1,899,160	-	1,899,160
Landfill closure	-	353,737	353,737
Unrestricted	1,166,696	816,643	1,983,339
Total net assets	<u>\$ 51,626,665</u>	<u>\$ 14,766,976</u>	<u>\$ 66,393,641</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2008

	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
Functions/Programs							
Governmental Activities							
General Government	\$ 6,100,152	\$ 707,180	\$ 16,041	\$ -	\$ (5,376,931)	\$ -	\$ (5,376,931)
Public Safety	15,349,020	5,559,237	150,506	-	(9,639,277)	-	(9,639,277)
Physical Environment	396,017	-	300,639	-	(95,378)	-	(95,378)
Transportation	2,919,349	197,847	45,200	5,088,971	2,412,669	-	2,412,669
Economic Environment	1,354,862	-	1,257,271	-	(97,591)	-	(97,591)
Human Services	751,263	6,335	191,982	-	(552,946)	-	(552,946)
Culture/recreation	1,516,716	169,740	707,755	-	(639,221)	-	(639,221)
Court related	939,164	1,317,081	-	-	377,917	-	377,917
Interest on long-term debt	255,562	-	-	-	(255,562)	-	(255,562)
Total governmental activities	29,582,105	7,957,420	2,669,394	5,088,971	(13,866,320)	-	(13,866,320)
Business - type activities							
Physical Environment							
Sewer and solid waste	2,678,912	2,409,881	26,566	687,955	-	445,490	445,490
Total government	32,261,017	10,367,301	2,695,960	5,776,926	(13,866,320)	445,490	(13,420,830)
General revenues							
Ad valorem taxes					11,486,138	-	11,486,138
Sales and use taxes					3,587,930	-	3,587,930
Communications service tax					329,530	-	329,530
Shared revenues					4,571,559	-	4,571,559
Interest					335,949	6,655	342,604
Miscellaneous					445,260	-	445,260
Transfers to State programs					(249,439)	-	(249,439)
Transfers in (out)					6,145	(6,145)	-
Total general revenue					20,513,072	510	20,513,582
Change in net assets					6,646,752	446,000	7,092,752
Net assets - beginning					44,762,995	14,131,812	58,894,807
Prior period adjustment					216,918	189,164	406,082
Net assets - ending					\$ 51,626,665	\$ 14,766,976	\$ 66,393,641

See notes to financial statements.

WAKULLA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2008

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>			Other Governmental Funds	Total Governmental Funds
	General Fund	Road Department	SHIP	Impact Fees	One Cent Sales Tax	Road Paving		
ASSETS								
Current assets								
Cash	\$ 1,752,598	\$ 275,847	\$ 481,204	\$ 1,358,327	\$ -	\$ -	\$ 4,160,452	\$ 8,028,428
Accounts receivable	707,391	402,818	-	-	120,809	-	91,969	1,322,987
Due from other funds	1,527,898	805	-	49,028	2,916,023	-	104,743	4,598,497
Due from other governmental units	177,652	36	-	-	-	3,059,162	981,353	4,218,203
Inventories	-	24,653	-	-	-	-	-	24,653
Prepaid expenses	465,118	-	115	-	-	-	786	466,019
Investments	877,555	-	-	-	182	-	2,079	879,816
Total assets	<u>\$ 5,508,212</u>	<u>\$ 704,159</u>	<u>\$ 481,319</u>	<u>\$ 1,407,355</u>	<u>\$ 3,037,014</u>	<u>\$ 3,059,162</u>	<u>\$ 5,341,382</u>	<u>\$ 19,538,603</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 624,110	\$ 89,323	\$ 1,569	\$ -	\$ 41,060	\$ -	\$ 248,494	\$ 1,004,556
Accrued payroll liabilities	441,649	-	-	-	-	-	3,109	444,758
Due to other funds	317,415	-	-	-	-	2,865,013	883,581	4,066,009
Due to other governmental units	56,842	-	-	-	-	-	-	56,842
Deferred revenues	-	-	350,351	-	-	25,317	209,833	585,501
Other current liabilities	147,770	-	-	-	-	-	-	147,770
Total liabilities	<u>1,587,786</u>	<u>89,323</u>	<u>351,920</u>	<u>-</u>	<u>41,060</u>	<u>2,890,330</u>	<u>1,345,017</u>	<u>6,305,436</u>
FUND BALANCES								
Unreserved fund balance	3,579,399	-	-	-	-	-	-	3,579,399
Reserved fund balance	341,027	614,836	129,399	1,407,355	2,995,954	168,832	3,996,365	9,653,768
Total fund balances	<u>3,920,426</u>	<u>614,836</u>	<u>129,399</u>	<u>1,407,355</u>	<u>2,995,954</u>	<u>168,832</u>	<u>3,996,365</u>	<u>13,233,167</u>
Total liabilities and fund balances	<u>\$ 5,508,212</u>	<u>\$ 704,159</u>	<u>\$ 481,319</u>	<u>\$ 1,407,355</u>	<u>\$ 3,037,014</u>	<u>\$ 3,059,162</u>	<u>\$ 5,341,382</u>	<u>-</u>

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.

46,834,002

Long-term liabilities, including notes and capital leases payable of (\$6,027,801), compensated absences of (\$792,430) and estimated landfill closure and postclosure care costs of (\$1,620,273) are not due and payable and therefore are not reported in the funds.

(8,440,504)

Net assets of governmental activities

\$ 51,626,665

WAKULLA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2008

	Special Revenue Funds			Capital Projects Funds				Total Governmental Funds
	General Fund	Road Department	SHIP	Impact Fees	One Cent Sales Tax	Road Paving	Other Governmental Funds	
REVENUES								
Taxes	\$ 11,815,668	\$ 1,040,803	\$ -	\$ -	\$ 2,503,340	\$ -	\$ 43,787	\$ 15,403,598
Licenses and permits	518,257	-	-	-	-	-	-	518,257
Intergovernmental	3,617,659	1,180,480	214,704	-	-	3,059,162	3,272,377	11,344,382
Charges for services	5,689,407	6,000	-	-	-	-	1,182,010	6,877,417
Fines and forfeitures	11,969	-	-	-	-	-	108,995	120,964
Miscellaneous	575,543	87,381	692	368,453	1,858	12,278	919,080	1,965,285
Total revenues	22,228,503	2,314,664	215,396	368,453	2,505,198	3,071,440	5,526,249	36,229,903
EXPENDITURES								
Current expenditures								
General government	5,731,254	-	-	-	-	-	-	5,731,254
Public safety	13,095,734	-	-	1,821	-	-	1,414,790	14,512,345
Physical environment	159,672	-	-	-	-	-	230,662	390,334
Transportation	22,963	1,960,743	-	2,427	35,236	-	61,856	2,083,225
Economic environment	42,364	-	214,703	-	-	-	1,090,231	1,347,298
Human services	575,040	-	-	-	-	-	130,853	705,893
Culture / recreation	1,106,291	-	-	-	75,260	-	220,456	1,402,007
Court related	742,355	-	-	-	-	-	196,809	939,164
Capital outlay								
General government	121,939	-	-	-	-	-	76,534	198,473
Public safety	156,636	-	-	259,472	17,590	-	209,807	643,505
Transportation	-	232,753	-	-	282,434	3,059,162	-	3,574,349
Culture / recreation	-	-	-	28,411	-	-	634,860	663,271
Debt service								
Principal	10,073	403,260	-	-	338,028	-	265,383	1,016,744
Interest	3,828	97,473	-	-	115,401	-	38,860	255,562
Total expenditures	21,768,149	2,694,229	214,703	292,131	863,949	3,059,162	4,571,101	33,463,424
Excess of revenues over expenditures	460,354	(379,565)	693	76,322	1,641,249	12,278	955,148	2,766,479
OTHER FINANCING SOURCES (USES)								
Debt proceeds	-	109,095	-	-	-	-	-	109,095
Transfers to State programs	(249,439)	-	-	-	-	-	-	(249,439)
Interfund transfers in	13,189,577	-	-	1,338,033	-	-	427,489	14,955,099
Interfund transfers out	(13,418,825)	(5,817)	-	(7,000)	(171,320)	-	(1,345,992)	(14,948,954)
Total other financing sources (uses)	(478,687)	103,278	-	1,331,033	(171,320)	-	(918,503)	(134,199)
Net change in fund balances	(18,333)	(276,287)	693	1,407,355	1,469,929	12,278	36,645	2,632,280
Fund balances at beginning of year	3,938,759	891,123	128,706	-	1,526,025	156,554	3,959,720	10,600,887
Fund balances at end of year	\$ 3,920,426	\$ 614,836	\$ 129,399	\$ 1,407,355	\$ 2,995,954	\$ 168,832	\$ 3,996,365	\$ 13,233,167

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, 2008

Net change in fund balances - total governmental funds		\$ 2,632,280
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p>		
Capital outlay	\$ 5,079,598	
Less current year depreciation	<u>(2,314,645)</u>	
		2,764,953
The net gain recognized on donations and dispositions of fixed assets		242,234
Debt proceeds provide current financial resources to governmental funds, but debt increases long-term liabilities in the statement of net assets.		
Capital lease		(109,095)
Repayments of debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Payments for loans	711,127	
Payments for capital leases	<u>305,618</u>	
		1,016,745
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	(108,846)	
Net change in landfill postclosure liability	<u>208,481</u>	
		<u>99,635</u>
Change in net assets of governmental activities		<u>\$ 6,646,752</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
September 30, 2008**

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 807,388	\$ -	\$ 807,388
Due from other funds	313,139	-	313,139
Investments	892,531	-	892,531
Accounts receivable, net of allowance for doubtful accounts	120,080	90,107	210,187
Other current assets	650	-	650
Total current assets	<u>2,133,788</u>	<u>90,107</u>	<u>2,223,895</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	353,737	353,737
Capital assets, net of accumulated depreciation	17,750,867	196,574	17,947,441
Total noncurrent assets	<u>17,750,867</u>	<u>550,311</u>	<u>18,301,178</u>
Total assets	<u>19,884,655</u>	<u>640,418</u>	<u>20,525,073</u>
LIABILITIES			
Current liabilities:			
Accounts payable	18,249	35,262	53,511
Due to other funds	-	413,177	413,177
Deposits	68,814	21,750	90,564
Deferred grant revenue	850,000	-	850,000
Notes payable, current portion	295,204	25,076	320,280
Noncurrent liabilities:			
Note payable, long-term portion	3,946,760	83,805	4,030,565
Total liabilities	<u>5,179,027</u>	<u>579,070</u>	<u>5,758,097</u>
NET ASSETS			
Investment in capital assets, net of related debt	13,508,903	87,693	13,596,596
Restricted for future closure and post closure costs	-	353,737	353,737
Unrestricted	1,196,725	(380,082)	816,643
Total net assets	<u>\$ 14,705,628</u>	<u>\$ 61,348</u>	<u>\$ 14,766,976</u>

WAKULLA COUNTY, FLORIDA

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
For the Fiscal Year Ended September 30, 2008**

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 1,459,129	\$ 950,752	\$ 2,409,881
Operating expenses			
Materials, supplies and other	1,001,997	993,330	1,995,327
Depreciation and amortization	489,359	49,813	539,172
Total operating expenses	<u>1,491,356</u>	<u>1,043,143</u>	<u>2,534,499</u>
Operating income (loss)	<u>(32,227)</u>	<u>(92,391)</u>	<u>(124,618)</u>
Nonoperating revenues (expenses)			
Federal grant	314,176	-	314,176
State grant	26,566	-	26,566
Interest and other nonoperating	4,552	2,103	6,655
Interest expense	<u>(144,413)</u>	<u>-</u>	<u>(144,413)</u>
Total nonoperating revenues (expenses)	<u>200,881</u>	<u>2,103</u>	<u>202,984</u>
Income before contributions and transfers	<u>168,654</u>	<u>(90,288)</u>	<u>78,366</u>
Capital contributions	349,792	23,987	373,779
Transfers in	6,805	12,715	19,520
Transfers out	<u>(25,665)</u>	<u>-</u>	<u>(25,665)</u>
Total contributions and transfers	<u>330,932</u>	<u>36,702</u>	<u>367,634</u>
Income after contributions and transfers	499,586	(53,586)	446,000
Total net assets, beginning of year	14,086,162	45,650	14,131,812
Prior period adjustment	119,880	69,284	189,164
Total net assets, end of year	<u>\$ 14,705,628</u>	<u>\$ 61,348</u>	<u>\$ 14,766,976</u>

WAKULLA COUNTY, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2008

	Sewer Fund	Solid Waste Fund	Total
Cash flows from operating activities			
Cash received from customers and others	\$ 1,449,856	\$ 927,038	\$ 2,376,894
Cash paid to suppliers	(1,051,406)	(994,248)	(2,045,654)
Net cash provided by (used in) operating activities	<u>398,450</u>	<u>(67,210)</u>	<u>331,240</u>
Cash flows from noncapital financing activities			
Transfers from other funds	(18,860)	12,715	(6,145)
Cash operating loans from (to) other funds	(139,568)	139,568	-
Total cash provided by (used in) noncapital financing activities	<u>(158,428)</u>	<u>152,283</u>	<u>(6,145)</u>
Cash flows from capital and related financing activities			
Intergovernmental grants	340,742	-	340,742
Principal payments on long-term debt	(281,121)	-	(281,121)
Proceeds from note payable	33,793	-	33,793
Acquisition and construction of capital assets	(926,797)	(44,235)	(971,032)
Interest paid	(144,413)	-	(144,413)
Net cash provided by(used in) capital and related financing activities	<u>(977,796)</u>	<u>(44,235)</u>	<u>(1,022,031)</u>
Cash flows from investing activities			
Interest and other nonoperating revenues	4,552	2,103	6,655
Redemption of investments	297,673	-	297,673
Net cash provided by investing activities	<u>302,225</u>	<u>2,103</u>	<u>304,328</u>
Net increase (decrease) in cash and cash equivalents	(435,549)	42,941	(392,608)
Cash and cash equivalents, beginning of year	<u>1,242,937</u>	<u>310,796</u>	<u>1,553,733</u>
Cash and cash equivalents, end of year	<u>\$ 807,388</u>	<u>\$ 353,737</u>	<u>\$ 1,161,125</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (32,227)	\$ (92,391)	\$ (124,618)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	489,359	49,813	539,172
(Increase) decrease in assets			
Accounts receivable	(4,325)	(25,014)	(29,339)
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	(49,409)	(918)	(50,327)
Deposits	(4,948)	1,300	(3,648)
Total adjustments	<u>430,677</u>	<u>25,181</u>	<u>455,858</u>
Net cash provided by(used in) operating activities	<u>\$ 398,450</u>	<u>\$ (67,210)</u>	<u>\$ 331,240</u>

Supplemental schedule of noncash investing and financing activities

During the year ending September 30, 2008, developers contributed sewer lines and related assets of \$349,792.

WAKULLA COUNTY, FLORIDA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,221,964
Accounts receivable	-
Due from individuals	935
Due from other funds	6,594
Due from other governmental units	5,723
Total assets	\$1,235,216
 LIABILITIES AND NET ASSETS	
Due to individuals	313,410
Due to other funds	439,045
Due to other governmental units	434,000
Interest payable	1,108
Other current liabilities	47,653
Total liabilities	1,235,216
Total net assets	-
Total liabilities and net assets	\$ 1,235,216

WAKULLA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance

of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any, should be included in the County's financial statements. Management determined that there are no organizations that should be included in the County's financial statements as component units.

B. Measurement Focus and Basis of Accounting

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

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

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as any discreetly presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

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

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

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

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

2. Fund Financial Statements

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

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

Governmental Funds

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

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

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

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

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current

assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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

Proprietary Funds

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

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

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

C. Basis of Presentation

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

1. Governmental Major Funds:

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

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

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

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

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

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

2. Proprietary Major Funds:

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

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

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

4. Inventories

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

5. Restricted Assets

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

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to June 30, 1980, assets are

recorded at historical cost or estimated historical cost. Roads and bridges constructed prior to June 30, 1980 are generally not reported. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

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

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

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

7. Capitalization of Interest

Interest costs related to bond issues and related debt are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the County did not have any capitalized interest.

8. Deferred Revenues

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

9. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are

maintained separately and represent a reconciling item between the fund and government-wide presentation.

10. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue reduction" approach in accounting to rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The County has no arbitrage liability outstanding as of September 30, 2008.

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 (\$13,233,167) differs from "net assets" of governmental activities (\$51,626,665) 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	\$ 69,066,124
Accumulated depreciation	(22,232,122)
Total	<u>\$ 46,834,002</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, 2008, were:

Notes payable	\$ 4,726,315
Landfill closure/Long-term care	1,620,273
Capital lease-purchase	1,301,486
Compensated absences	792,430
Total	<u>\$ 8,440,504</u>

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$4,066,009 between governmental funds must be eliminated for the statement of net assets.

WAKULLA COUNTY, FLORIDA

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

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

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Net Assets
ASSETS					
Cash and cash equivalents	\$ 8,028,428	\$ -	\$ -	\$ -	\$ 8,028,428
Accounts receivable - net	1,322,987	-	-	-	1,322,987
Due from other funds	4,598,497	-	-	(4,066,009)	532,488
Due from other governmental units	4,218,203	-	-	-	4,218,203
Inventories	24,653	-	-	-	24,653
Investments	879,816	-	-	-	879,816
Prepaid expenses	466,019	-	-	-	466,019
Capital assets - net	-	46,834,002	-	-	46,834,002
Total assets	\$ 19,538,603	\$ 46,834,002	\$ -	\$ (4,066,009)	\$ 62,306,596
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,004,556	\$ -	\$ -	\$ -	\$ 1,004,556
Accrued payroll liabilities	444,758	-	-	-	444,758
Due to other funds	4,066,009	-	-	(4,066,009)	-
Due to other governmental units	56,842	-	-	-	56,842
Deferred revenues	585,501	-	-	-	585,501
Other current liabilities	147,770	-	-	-	147,770
Accrued compensated absences	-	-	792,430	-	792,430
Capital leases payable	-	-	1,301,486	-	1,301,486
Notes payable	-	-	4,726,315	-	4,726,315
Estimated landfill closure and postclosure care	-	-	1,620,273	-	1,620,273
Total liabilities	6,305,436	-	8,440,504	(4,066,009)	10,679,931
Fund balances/net assets	13,233,167	46,834,002	(8,440,504)	-	51,626,665
Total liabilities and fund balance/net assets	\$ 19,538,603	\$ 46,834,002	\$ -	\$ (4,066,009)	\$ 62,306,596

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

The "net change in fund balances" for governmental funds \$2,632,280 differs from the "change in net assets" for governmental activities \$6,646,752 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	\$ 698,035
Capital outlay	5,079,598
Depreciation expense	(2,314,645)
Loss on disposition of fixed assets	(455,800)
Difference	<u>\$ 3,007,188</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>\$ (109,095)</u>
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Repayments of debt principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Debt principal payments made	<u>\$ 1,016,744</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	\$ (108,846)
Net change in landfill postclosure liability	208,481
	<u>\$ 99,635</u>

Reclassification and Eliminations

Transfers in and transfers out in the amount of \$14,948,954 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
REVENUES						
Taxes	\$ 15,403,598	\$ -	\$ -	\$ -	\$ -	\$ 15,403,598
Licenses and permits	518,257	-	-	-	-	518,257
Intergovernmental	11,344,382	-	-	-	-	11,344,382
Charges for services	6,877,417	-	-	-	-	6,877,417
Fines and forfeitures	120,964	-	-	-	-	120,964
Special assessments/impact fees	1,268,214	-	-	-	-	1,268,214
Interest	335,949	-	-	-	-	335,949
Contributions and miscellaneous	361,122	242,248	-	-	-	603,370
Total revenues	36,229,903	242,248	-	-	-	36,472,151
EXPENDITURES						
Current Expenditures						
General government	5,731,254	277,322	-	91,576	-	6,100,152
Public safety	14,512,345	819,405	-	17,270	-	15,349,020
Physical environment	390,334	214,164	(208,481)	-	-	396,017
Transportation	2,083,225	836,124	-	-	-	2,919,349
Economic environment	1,347,298	7,564	-	-	-	1,354,862
Human services	705,893	45,370	-	-	-	751,263
Culture/recreation	1,402,007	114,709	-	-	-	1,516,716
Court related	939,164	-	-	-	-	939,164
Capital outlay						
General government	198,473	(198,473)	-	-	-	-
Public safety	643,505	(643,505)	-	-	-	-
Transportation	3,574,349	(3,574,349)	-	-	-	-
Culture/recreation	663,271	(663,271)	-	-	-	-
Debt Service						
Principal	1,016,744	-	(1,016,744)	-	-	-
Interest	255,562	-	-	-	-	255,562
Total expenditures	33,463,424	(2,764,940)	(1,225,225)	108,846	-	29,582,105
Excess of revenues over (under) expenditures	2,766,479	3,007,188	1,225,225	(108,846)	-	6,890,046
OTHER FINANCING SOURCES (USES)						
Debt proceeds	109,095	-	(109,095)	-	-	-
Transfer to State	(249,439)	-	-	-	-	(249,439)
Transfers in	14,955,099	-	-	-	(14,948,954)	6,145
Transfers out	(14,948,954)	-	-	-	14,948,954	-
Total other financing sources (uses)	(134,199)	-	(109,095)	-	-	(243,294)
Net change in fund balance	2,632,280	3,007,188	1,116,130	(108,846)	-	6,646,752
Fund balances at beginning of year	10,600,887	43,609,896	(8,764,204)	(683,584)	-	44,762,995
Prior period adjustment	-	216,918	-	-	-	216,918
Fund balances at end of year	\$ 13,233,167	\$ 46,834,002	\$ (7,648,074)	\$ (792,430)	\$ -	\$ 51,626,665

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, 2008, 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, 2008.

	<u>Appropriations</u>	<u>Expenses</u>	Variance <u>Positive (Negative)</u>
Enterprise Funds:			
Sewer Fund	\$ 2,451,433	\$ 1,635,769	\$ 815,664
Solid Waste Fund	706,614	1,043,143	(336,529)
	<u>\$ 3,158,047</u>	<u>\$ 2,678,912</u>	<u>\$ 479,135</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, 2008, the carrying amount of the County's bank deposits was \$8,829,637. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Chief Financial Officer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

2. Investments

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

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

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund and the Fund B Surplus Fund Trust Fund investment pools created by Sections 218.405, *Florida Statutes*, U.S. Treasury Securities, and those made locally. On December 4, 2007, the State Board of Administration restructured the Local Government Surplus Funds Trust Fund (Pool) to also establish the Fund B Surplus Funds Trust Fund. The local investments operate under the guidelines established by Section 218.415, *Florida Statutes*. The County's investments in the Pool, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2008, are similar to money market funds in which shares are reported at fair value, which is amortized cost.

The County's investments in the Fund B, Surplus Funds Trust Fund, are accounted for as a fluctuating net asset value pool, with a fair value factor of 0.92331 at September 30, 2008. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the State Board of Administration, are effected by transferring eligible cash or securities to the Local Government Surplus Funds Trust Fund, consistent with the pro rata allocation of Pool Shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as a liquid balance within the Local Government Surplus Funds Trust Fund.

Schedule of Investments at September 30, 2008

Investment	Maturities	Fair Value
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool	8.5 Day Average	\$ 7,964
Fund B Surplus Funds Trust Fund	9.22 Year Average	252,873
U.S. Treasury Securities	Less than 1 year	871,426
Certificates of Deposit	Less than 1 year	1,000,000
Included in cash		(359,916)
		\$ 1,772,347

Interest Rate Risk

- Ø Section 218.415(17), *Florida Statutes*, limits investment maturities to provide sufficient liquidity to pay obligations as they come due.
- Ø The maturity of the State Board of Administration Local Government Investment Pool is based on the weighted average of days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. The maturity of the State Board of Administration Fund B Surplus Funds Trust Fund is based on the weighted average life (WAL). A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates as of September 30, 2008.

Credit Risk

- Ø Section 218.415(17), *Florida Statutes*, limits investments to the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, *Florida Statutes*; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, *Florida Statutes*, and direct obligations to the United States Treasury. The County's investment policy limits investments to these types of securities.
- Ø As of September 30, 2008, the County's investment in the Local Government Surplus Funds Trust Fund Investment Pool is AAAM by Standard & Poors. The Fund B Surplus Trust Fund is unrated.
- Ø The County's investments in Certificates of Deposit and two money market funds are in qualified public depositories

Custodial Credit Risk

- Ø Section 218.415(18), *Florida Statutes*, requires the County to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for

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

There were no legal or contractual provisions regarding deposits and investments at year end, except as described in Note 12.

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 2007-2008 fiscal year were levied in October 2007. 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, 2008, was as follows:

Primary Government

	Beginning Balance	Additions/ Capital Outlay	Donations and Contributed Capital	Reclassifications/ Deletions	Prior Period Adjustments	Ending Balance
Governmental activities:						
Capital assets:						
Land	\$ 3,693,299	\$ -	\$ -	\$ -	\$ -	\$ 3,693,299
Construction in progress	200,374	3,233,215	-	-	-	3,433,589
Buildings and improvements	17,042,403	905,410	688,140	(406,111)	-	18,229,842
Furniture and equipment - County	5,322,071	347,763	-	(460,069)	702,411	5,912,176
Furniture and equipment - Sheriff	4,327,638	310,776	9,895	(355,585)	59,624	4,352,348
Infrastructure	33,162,437	282,434	-	-	-	33,444,870
Total capital assets	63,748,222	5,079,598	698,035	(1,221,765)	762,035	69,066,124
Less accumulated depreciation						
Buildings and improvements	(8,299,724)	(395,488)	-	125,214	-	(8,569,998)
Furniture and equipment - County	(3,279,217)	(687,024)	-	392,562	(512,174)	(4,085,853)
Furniture and equipment - Sheriff	(3,302,091)	(396,011)	-	248,189	-	(3,449,913)
Infrastructure	(5,257,293)	(836,122)	-	-	(32,943)	(6,126,358)
Total accumulated depreciation	(20,138,325)	(2,314,645)	-	765,965	(545,117)	(22,232,122)
Governmental activities capital assets, net	\$ 43,609,897	\$ 2,764,953	\$ 698,035	\$ (455,800)	\$ 216,918	\$ 46,834,002
Business-type activities:						
Land	\$ 144,869	\$ 27,679	\$ -	\$ -	\$ 12,716	\$ 185,264
Construction in progress	498,877	34,295	-	-	(37,889)	495,283
Sewer system improvements	19,423,326	790,699	349,792	-	8,754	20,572,571
Water system	1,073,859	-	-	-	-	1,073,859
Buildings	-	43,537	-	-	37,550	81,087
Equipment	42,522	74,822	23,987	(22,002)	1,082,651	1,201,980
Total capital assets	21,183,453	971,032	373,779	(22,002)	1,103,782	23,610,044
Less accumulated depreciation	(4,339,696)	(539,172)	-	22,002	(805,737)	(5,662,603)
Business-type activities capital assets, net	\$ 16,843,757	\$ 431,860	\$ 373,779	\$ -	\$ 298,045	\$ 17,947,441

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:

	Governmental Activities	Business-type Activities
Accumulated depreciation	\$ (545,117)	\$ (805,737)
Increase in capital assets	762,035	1,103,782
Increase in net assets invested in capital assets	<u>\$ 216,918</u>	<u>\$ 298,045</u>

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

Governmental activities:	
General Government	\$ 221,171
Public Safety	873,283
Physical Environment	216,436
Transportation	836,122
Economic Environment	7,564
Human Services	45,360
Culture/Recreation	114,709
Total depreciation expense-governmental activities	\$ 2,314,645
Business-type activities:	
Sewer Services	\$ 539,172
Total depreciation expense-business-type activities	\$ 539,172

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2008, were:

FUND	Interfund Receivables	Interfund Payables
Governmental:		
General	\$ 1,527,898	\$ 317,414
Road Paving	-	2,865,013
Road Department	805	-
Court Maintenance	14,772	-
Domestic Violence	294	-
E-911 Surcharge	33,657	-
Florida Boating	-	524,884
Impact Fee	49,028	48,038
Law Education	1,587	-
Law Library	1,197	-
Local Option Tourism Development Tax	3,040	-
Miscellaneous Grants	-	10,071
Moving Violation Fees	2,870	-
One Cent Sales Tax	2,916,023	11,886
Planning and Design Grant	-	63,046
Shell Point Beach Acquisition	-	20,678
Sheriff Bulletproof Vests	-	3,610
Sheriff Byrne Memorial	-	12,824
Sheriff Civil Citation	-	2,977
Sheriff Housing Trust	27,998	-
Sheriff EMPA	-	36,994
Sheriff FEMA	-	54,888
Sheriff Inmate Welfare	11,882	-
Sheriff KWCB	-	4,238
Sheriff Litter Control	7,446	50,580
Sheriff School Resource Officer	-	24,752
Sheriff Teen Outreach	-	254
Sheriff U.S. Forestry	-	2,640
Sheriff VOCA	-	7,921
Sheriff Youth Coalition	-	3,300
	<u>4,598,497</u>	<u>4,066,008</u>
Business-Type:		
Sewer	313,139	-
Solid Waste	-	413,177
	<u>313,139</u>	<u>413,177</u>
Agency:		
Clerk Agency	-	118,056
Sheriff Individual Depository	-	314,395
Tax Collector Old Delinquent	6,594	-
Tax Collector Tag	-	6,594
	<u>6,594</u>	<u>439,045</u>
TOTAL	<u>\$ 4,918,230</u>	<u>\$ 4,918,230</u>

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2008, consisted of the following:

Transfers from General Fund to:	
Florida Boating Grant Fund	\$ 1,500
Impact Fee Fund	273,346
Sheriff Bulletproof Vests Fund	3,609
Sheriff Civil Citation Fund	12,213
Sheriff EMPA Fund	23,000
Sheriff FEMA Fund	483
Sheriff Litter Control Fund	49,414
Sheriff School Resource Officer Fund	52,808
Sheriff U.S. Forestry Fund	875
Sheriff VOCA Fund	5,763
	<u>423,011</u>
Transfer from Road Department Fund to:	
General Fund	<u>5,817</u>
Transfers from One Cent Sales Tax Fund to:	
Solid Waste Fund	12,715
Sheriff One Cent Sales Tax	158,604
	<u>171,319</u>
Transfer from Impact Fee to:	
Sheriff Law Enforcement Impact Fee	<u>7,000</u>
Transfers from Nonmajor Funds	<u>1,345,992</u>
Transfer from Wastewater Fund to:	
General Fund	25,666
Additional transfers between the General Funds of the Board of County Commissioners and Constitutional Officers	12,995,815
	<u>\$ 14,974,620</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, 2008, were as follows:

	Accounts Receivable	Due from Other Governments	Total Receivables
Governmental Activities:			
Fund:			
General	\$ 707,391	\$ 177,652	\$ 885,043
Road Department	402,818	36	402,854
One-Cent Sales Tax	120,809	-	120,809
Road Paving	-	3,059,162	3,059,162
County Awards	-	8,500	8,500
Court Maintenance	349	-	349
Disaster Relief	-	111,708	111,708
E911 Surcharge	5,529	7,568	13,097
Energy Assistance	-	11,480	11,480
Fire Department	921	-	921
Florida Boating	-	509,978	509,978
Litter Grant	-	4,661	4,661
Low Income Home Improvement	529	2,500	3,029
Medart Park Improvements	-	23,772	23,772
Miscellaneous Grants	-	18,000	18,000
Planning and Design Grant	-	55,858	55,858
Shell Point Beach Acquisitions	-	678	678
Solid Waste Grants	-	93,941	93,941
Weatherization LIHEA	-	-	-
Weatherization Grant	-	265	265
Road Paving	-	-	-
Sheriff Bulletproof Vests	-	3,610	3,610
Sheriff Byrne Memorial	-	12,824	12,824
Sheriff Civil Citation	-	2,977	2,977
Sheriff Coalition	-	-	-
Sheriff EMPA	-	43,496	43,496
Sheriff FEMA	-	54,888	54,888
Sheriff KWCB	4,238	-	4,238
Sheriff Litter Control	46,709	-	46,709
Sheriff School Resource Officer	30,800	-	30,800
Sheriff Teen Outreach	254	-	254
Sheriff U.S. Forestry	2,640	-	2,640
Sheriff VOCA	-	11,348	11,348
Sheriff Youth Coalition	-	3,301	3,301
	<u>\$ 1,322,987</u>	<u>\$ 4,218,203</u>	<u>\$ 5,541,190</u>
Business-type Activities:			
Sewer Fund	\$ 120,080	\$ -	\$ 120,080
Solid Waste Fund	9,007	-	9,007
	<u>\$ 210,187</u>	<u>\$ -</u>	<u>\$ 210,187</u>

Payables

Payables at September 30, 2008, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
Fund:			
General Fund	\$ 624,110	\$ 441,649	\$ 1,065,759
Road Department	89,323	-	89,323
SHIP	1,569	-	1,569
One-Cent Sales Tax	41,060	-	41,060
Court Maintenance	19,360	1,536	20,896
Disaster Relief	4,790	-	4,790
Energy Assistance	24,202	-	24,202
Fire Department	49,156	-	49,156
Housing Assistance	4,801	375	5,176
Litter Grant	14,988	-	14,988
Local Option Tourist Development			
Tax	382	-	382
Miscellaneous Grants	7,929	-	7,929
Moving Violation Fee	3,367	-	3,367
Planning and Design Grant	32,098	-	32,098
Solid Waste Grant	45,619	-	45,619
Wakulla Airport	16,656	-	16,656
Weatherization LIHEA	237	1,198	1,435
Weatherization Grant	354	-	354
Capital Projects	5,003	-	5,003
Sheriff EMPA	6,502	-	6,502
Sheriff Litter Control	3,575	-	3,575
Sheriff School Resource Officer	6,048	-	6,048
Sheriff VOCA	3,427	-	3,427
	<u>\$ 1,004,556</u>	<u>\$ 444,758</u>	<u>\$ 1,449,314</u>
Business-type Activities:			
Sewer	\$ 18,249	\$ -	\$ 18,249
Solid Waste	35,262	-	35,262
	<u>\$ 53,511</u>	<u>\$ -</u>	<u>\$ 53,511</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:

Year Ending September 30,	Principal	Interest	Total
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
2013	337,426	11,665	349,091
Thereafter	137,227	4,954	142,181
Total	<u>\$ 1,709,051</u>	<u>\$ 178,585</u>	<u>\$ 1,887,636</u>

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

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

Year Ending September 30,	Principal	Interest	Total
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
2013	338,028	48,962	386,990
Thereafter	1,098,593	67,920	1,166,513
Total	<u>\$ 2,788,733</u>	<u>\$ 446,197</u>	<u>\$ 3,234,930</u>

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

- 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:

Year Ending September 30,	Principal	Interest	Total
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
2013	25,128	9,566	34,694
Thereafter	117,705	21,068	138,773
Total	<u>\$ 228,531</u>	<u>\$ 83,712</u>	<u>\$ 312,243</u>

Capital Leases

Governmental activities

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

- A. Purchase of an excavator costing \$221,850, with \$85,000 paid down. The terms of the agreement call for four annual payments of \$38,933 to John Deere Credit, including interest at 5.38%.
- B. Purchase of five motor graders costing a total of \$738,500. The terms of the agreement call for annual payments of \$50,760 to Caterpillar Finance including interest at 3.5%.
- C. Purchase of fire apparatus costing \$174,123, payable in ten installments of \$23,545 to Kansas State Bank including interest at 5.9%. This loan was fully paid during the current year.
- 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 tractor and mower costing \$109,095, payable in five annual payments of \$24,026 to John Deere Credit, including interest at 4.95%.
- G. 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%.
- H. 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, 2008 were as follows:

Year Ending September 30,	Payments
2009	\$ 799,564
2010	195,630
2011	152,336
2012	124,411
2013	100,364
Total minimum lease payments	1,372,305
Less amounts representing interest	(70,819)
Total	<u>\$ 1,301,486</u>

Business-type activities

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

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

Year Ending September 30,	Principal	Interest	Total
2009	\$ 295,204	\$ 130,328	\$ 425,532
2010	307,476	118,056	425,532
2011	320,259	105,273	425,532
2012	333,572	91,960	425,532
2013	347,439	78,093	425,532
Thereafter	1,724,669	163,599	1,888,268
Total	<u>\$ 3,328,619</u>	<u>\$ 687,309</u>	<u>\$ 4,015,928</u>

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

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

Year Ending September 30,	Principal	Interest	Total
2009	\$ 25,076	\$ 5,984	\$ 31,060
2010	26,455	4,605	31,060
2011	27,909	3,151	31,060
2012	29,441	1,619	31,060
Total	<u>\$ 108,881</u>	<u>\$ 15,359</u>	<u>\$ 124,240</u>

- C. The County also has a note payable to the State of Florida which is being utilized for sewer system expansion. The loan is collateralized by sewer system revenues and is payable in

semi-annual installments of \$43,200 including interest at 2.47% beginning February 15, 2009. the loan is for a maximum of \$1,303,700, including capitalized interest. \$913,345 had been drawn on the loan at September 30, 2008.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Capital leases	\$ 1,498,009	\$ 109,095	\$ 305,618	\$ 1,301,486	\$ 772,235
Notes payable	5,437,441	-	711,127	4,726,315	649,537
Compensated absences	683,584	108,846	-	792,430	118,865
Estimated liability for Landfill closure and postclosure cost	1,828,754	-	208,541	1,620,273	-
Total governmental activities	\$ 9,447,788	\$ 217,941	\$ 1,225,286	\$ 8,440,504	\$ 1,540,637
Business-type Activities					
Notes payable	\$ 4,489,292	\$ 142,676	\$ 281,153	\$ 4,350,845	\$ 320,636

NOTE 11. OPERATING LEASES

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

Year Ending September 30,	
2009	\$ 66,221
2010	39,730
2011	2,881
Total	\$ 108,832

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, 2008, 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, 2008, were equal to 18% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2006, 2007, and 2008, were \$1,212,131, \$1,561,345, and \$1,607,113 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	Impact Fee	Road Department	Road Paving	Other Governmental	Solid Waste	Total
Capital improvements	\$ -	\$ 2,995,954	\$ -	\$ 1,407,355	\$ -	\$ -	\$ 275,337	\$ -	\$ 4,678,646
Court related	104,319	-	-	-	-	-	691,790	-	796,109
Landfill closure	-	-	-	-	-	-	-	353,737	353,737
Public safety	-	-	-	-	-	-	2,499,443	-	2,499,443
Road projects	-	-	-	-	407,687	168,832	-	-	576,519
Other purposes	236,708	-	129,399	-	207,149	-	529,855	-	1,103,111
Total reserved fund balances	<u>\$ 341,027</u>	<u>\$ 2,995,954</u>	<u>#####</u>	<u>\$ 1,407,355</u>	<u>\$ 614,836</u>	<u>\$ 168,832</u>	<u>\$ 3,996,425</u>	<u>\$ 353,737</u>	<u>\$ 10,007,565</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, 2008 was approximately \$288,795.

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, 2008, has been recorded in the statement of net assets in the amount of \$1,620,273; representing the County's estimated liabilities for such costs (in 2008 dollars). At September 30, 2008, \$353,737 was held in separate cash account to fund future closure and postclosure costs.

NOTE 18. FUND EQUITY DEFICITS

The following nonmajor governmental funds had deficit fund balances at September 30, 2008:

Energy Assistance	\$ 12,682
Florida Boating	14,906
Litter Grant	3,265
Mosquito Control	6,318
Planning and Design Grant	39,286
Wakulla Airport	16,656
Total	<u>\$ 93,113</u>

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

NOTE 19. PRIOR PERIOD ADJUSTMENT

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

Fund/Account	Net Assets Decrease	Accounts Corrected	Reason for adjustment
Business-type Activities			
Solid Waste Fund	<u>\$ (108,881)</u>	Net assets	Certain current liabilities were overstated in the prior year.

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

	Governmental Activities	Business-type Activities
Accumulated depreciation	\$ (545,117)	\$ (805,737)
Increase in capital assets	762,035	1,103,782
Increase in net assets invested in capital assets	<u>\$ 216,918</u>	<u>\$ 298,045</u>

Theses prior period adjustments had the following effects on net assets at September 30, 2008:

	Increase
Governmental activities	\$ 216,918
Business-type activities	189,164
	<u>\$ 406,082</u>

REQUIRED SUPPLEMENTARY INFORMATION

WAKULLA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,734,171	\$ 11,734,171	\$ 11,815,668	\$ 81,497
Licenses and permits	30,000	30,000	518,257	488,257
Intergovernmental	4,000,935	4,005,168	3,617,659	(387,509)
Charges for services	5,516,816	6,335,830	5,689,407	(646,423)
Fines and forfeitures	4,400	4,400	11,969	7,569
Miscellaneous	1,177,075	1,185,885	575,543	(610,342)
Total revenues	22,463,397	23,295,454	22,228,503	(1,066,951)
EXPENDITURES				
Current				
General government	6,859,222	6,817,788	5,731,254	1,086,534
Public safety	12,791,671	13,522,242	13,095,734	426,508
Physical environment	172,328	172,493	159,672	12,821
Transportation	17,781	17,781	22,963	(5,182)
Economic environment	51,836	51,836	42,364	9,472
Human services	605,900	610,900	575,040	35,860
Culture/recreation	1,056,891	1,056,891	1,106,291	(49,400)
Court related	927,582	917,730	742,355	175,375
Capital outlay				
General government	189,056	237,280	121,939	115,341
Public safety	248,300	284,572	156,636	127,936
Court related	2,000	-	-	-
Debt service				
Principal	-	-	10,073	(10,073)
Interest	-	-	3,828	(3,828)
Total expenditures	22,922,567	23,689,513	21,768,149	1,921,364
Excess (deficiency) of revenues over (under) expenditures	(459,170)	(394,059)	460,354	854,413
Other financing sources (uses)				
Transfers in	13,046,134	13,088,586	13,189,577	100,991
Transfers out	(12,325,024)	(12,456,761)	(13,418,825)	(962,064)
Transfers to State programs	(261,940)	(237,766)	(249,439)	(11,673)
Total other financing sources (uses)	459,170	394,059	(478,687)	(872,746)
Net change in fund balances	-	-	(18,333)	(18,333)
Fund balances, beginning of year	3,938,759	3,938,759	3,938,759	-
Fund balances, end of year	\$ 3,938,759	\$ 3,938,759	\$ 3,920,426	\$ (18,333)

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 847,610	\$ 847,610	\$ 1,040,803	\$ 193,193
Intergovernmental	1,358,997	1,358,997	1,180,480	(178,517)
Charges for services	-	-	6,000	6,000
Miscellaneous	674,700	674,700	87,381	(587,319)
Total revenues	2,881,307	2,881,307	2,314,664	566,643
EXPENDITURES				
Current				
Transportation	1,793,623	1,793,623	1,960,743	(167,120)
Capital outlay				
Transportation	692,255	692,255	232,753	459,502
Debt service				
Principal	290,735	290,735	403,260	(112,525)
Interest	104,694	104,694	97,473	7,221
Total expenditures	2,881,307	2,881,307	2,694,229	187,078
Excess (deficiency) of revenues over (under) expenditures	-	-	(379,565)	(379,565)
Other financing sources (uses)				
Debt proceeds	-	-	109,095	109,095
Transfers out	-	-	(5,817)	(5,817)
Total other financing sources (uses)	-	-	103,278	103,278
Net change in fund balance	-	-	(276,287)	(276,287)
Fund balance, beginning of year	891,123	891,123	891,123	-
Fund balance, end of year	\$ 891,123	\$ 891,123	\$ 614,836	\$ (276,287)

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 350,000	\$ 350,000	\$ 214,704	\$ (135,296)
Miscellaneous	300	300	692	392
Total revenues	<u>350,300</u>	<u>350,300</u>	<u>215,396</u>	<u>(134,904)</u>
EXPENDITURES				
Current				
Economic environment	350,300	350,300	214,703	135,597
Total expenditures	<u>350,300</u>	<u>350,300</u>	<u>214,703</u>	<u>135,597</u>
Net change in fund balance	-	-	693	693
Fund balance, beginning of year	<u>128,706</u>	<u>128,706</u>	<u>128,706</u>	-
Fund balance, end of year	<u>\$ 128,706</u>	<u>\$ 128,706</u>	<u>\$ 129,399</u>	<u>\$ 693</u>

WAKULLA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 874,839	\$ 874,839	\$ 368,453	\$ (506,386)
Total revenues	<u>874,839</u>	<u>874,839</u>	<u>368,453</u>	<u>(506,386)</u>
EXPENDITURES				
Current				
Public safety	-	-	1,821	(1,821)
Transportation	-	-	2,427	(2,427)
Capital outlay				
Public safety	190,000	196,000	259,472	(63,472)
Culture/recreation	1,551,839	1,545,839	28,411	1,517,428
Total expenditures	<u>1,741,839</u>	<u>1,741,839</u>	<u>292,131</u>	<u>1,449,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(867,000)</u>	<u>(867,000)</u>	<u>76,322</u>	<u>943,322</u>
Other financing sources (uses)				
Transfers in	874,000	874,000	1,338,033	464,033
Transfers out	(7,000)	(7,000)	(7,000)	-
Total other financing sources (uses)	<u>867,000</u>	<u>867,000</u>	<u>1,331,033</u>	<u>464,033</u>
Net change in fund balances	-	-	1,407,355	1,407,355
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407,355</u>	<u>\$ 1,407,355</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

ONE CENT SALES TAX FUND

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

For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,591,418	\$ 1,591,418	\$ 2,503,340	\$ 911,922
Miscellaneous	1,894,308	1,894,308	1,858	(1,892,450)
Total revenues	3,485,726	3,485,726	2,505,198	(980,528)
EXPENDITURES				
Current				
Transportation	-	-	35,236	(35,236)
Culture/recreation	27,308	27,308	75,260	(47,952)
Capital outlay				
Public safety	169,686	169,686	17,590	152,096
Transportation	1,851,921	1,851,921	282,434	1,569,487
Culture/recreation	757,808	757,808	-	757,808
Debt service				
Principal	338,028	338,028	338,028	-
Interest	128,176	128,176	115,401	12,775
Total expenditures	3,272,927	3,272,927	863,949	2,408,978
Excess of revenues over expenditures	212,799	212,799	1,641,249	1,428,450
Other financing sources (uses)				
Transfers out	(212,799)	(212,799)	(171,320)	41,479
Net change in fund balance	-	-	1,469,929	1,469,929
Fund balance, beginning of year	1,526,025	1,526,025	1,526,025	-
Fund balance, end of year	\$ 1,526,025	\$ 1,526,025	\$ 2,995,954	\$ 1,469,929

WAKULLA COUNTY, FLORIDA

ROAD PAVING FUND

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

For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,052,850	\$ 1,052,850	\$ 3,059,162	\$ 2,006,312
Miscellaneous	-	-	12,278	12,278
Total revenues	<u>1,052,850</u>	<u>1,052,850</u>	<u>3,071,440</u>	<u>2,018,590</u>
EXPENDITURES				
Capital outlay				
Transportation	1,052,850	1,052,850	3,059,162	(2,006,312)
Total expenditures	<u>1,052,850</u>	<u>1,052,850</u>	<u>3,059,162</u>	<u>(2,006,312)</u>
Net change in fund balance	-	-	12,278	12,278
Fund balance, beginning of year	156,554	156,554	156,554	-
Fund balance, end of year	<u>\$ 156,554</u>	<u>\$ 156,554</u>	<u>\$ 168,832</u>	<u>\$ 12,278</u>

COMBINING STATEMENTS

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2008**

Board of County Commissioners

	Special Revenue Funds									
	County									
	Ambulance Grant	Corrections Impact Fee	County Awards	County Visions Process	Court Maintenance	Disaster Relief	Domestic Violence	E-911 Surcharge	Energy Assistance	Fire Departments
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ 17,928	\$ -	\$ 657,463	\$ 43,196	\$ 39,414	\$ 293,797	\$ -	\$ 805,236
Investments	-	-	-	-	-	2,079	-	-	-	-
Accounts receivable, net	-	-	-	-	349	-	-	5,529	-	921
Due from other funds	-	-	-	-	14,772	-	294	33,657	-	-
Due from other governmental units	-	-	8,500	-	-	111,708	-	7,568	11,480	-
Prepaid expenses	-	-	-	-	334	-	-	-	40	-
Total assets	\$ -	\$ -	\$ 26,428	\$ -	\$ 672,918	\$ 156,983	\$ 39,708	\$ 340,551	\$ 11,520	\$ 806,157
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 19,360	\$ 4,790	\$ -	\$ -	\$ 24,202	\$ 49,156
Accrued liabilities	-	-	-	-	1,536	-	-	-	-	-
Due to other funds	-	-	-	-	-	48,037	-	-	-	-
Deferred revenue	-	-	25,208	-	-	-	-	-	-	-
Total liabilities	-	-	25,208	-	20,896	52,827	-	-	24,202	49,156
Fund balances										
Reserved	-	-	1,220	-	652,022	104,156	39,708	340,551	(12,682)	757,001
Total fund balances	-	-	1,220	-	652,022	104,156	39,708	340,551	(12,682)	757,001
Total liabilities and fund balances	\$ -	\$ -	\$ 26,428	\$ -	\$ 672,918	\$ 156,983	\$ 39,708	\$ 340,551	\$ 11,520	\$ 806,157

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2008**

Board of County Commissioners

	Special Revenue Funds									
	Florida Boating	Housing Assistance	Hurricane Earl	Law Education	Law Enforcement Impact Fees	Law Library	Litter Grant	Local Option Tourist Dev- elopment Tax	Low Income Home Improvement	Medart Park Improvement
ASSETS										
Cash and cash equivalents	\$ -	\$ 238,530	\$ -	\$ 16,461	\$ -	\$ 22,821	\$ 7,544	\$ 51,286	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	529	-
Due from other funds	-	-	-	1,587	-	1,197	-	3,040	-	-
Due from other governmental units	509,978	-	-	-	-	-	4,661	-	2,500	23,772
Prepaid expenses	-	287	-	-	-	-	-	-	-	-
Total assets	\$ 509,978	\$ 238,817	\$ -	\$ 18,048	\$ -	\$ 24,018	\$ 12,205	\$ 54,326	\$ 3,029	\$ 23,772
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ 4,801	\$ -	\$ -	\$ -	\$ -	\$ 14,988	\$ 382	\$ -	\$ -
Accrued liabilities	-	375	-	-	-	-	-	-	-	-
Due to other funds	524,884	-	-	-	-	-	-	-	-	11,886
Deferred revenue	-	147,061	-	-	-	-	482	-	-	-
Total liabilities	524,884	152,237	-	-	-	-	15,470	382	-	11,886
Fund balances										
Reserved	(14,906)	86,580	-	18,048	-	24,018	(3,265)	53,944	3,029	11,886
Total fund balances	(14,906)	86,580	-	18,048	-	24,018	(3,265)	53,944	3,029	11,886
Total liabilities and fund balances	\$ 509,978	\$ 238,817	\$ -	\$ 18,048	\$ -	\$ 24,018	\$ 12,205	\$ 54,326	\$ 3,029	\$ 23,772

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2008**

Board of County Commissioners

	Special Revenue Funds									
	Mediation Dispute	Miscellaneous Grants	Mosquito Control	Moving Violation Fee	Panacea Vision Grant	Planning and Design Grant	Shell Point Beach Acquisition	Solid Waste Grants	Wakulla Airport	Weatherization LIHEA
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ 30,521	\$ 112,467	\$ 3,231	\$ -	\$ 20,000	\$ 6,912	\$ -	\$ 34,451
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	2,870	-	-	-	-	-	-
Due from other governmental units	-	18,000	-	-	-	55,858	678	93,941	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	101
Total assets	\$ -	\$ 18,000	\$ 30,521	\$ 115,337	\$ 3,231	\$ 55,858	\$ 20,678	\$ 100,853	\$ -	\$ 34,552
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ 7,929	\$ -	\$ 3,367	\$ -	\$ 32,098	\$ -	\$ 45,619	\$ 16,656	\$ 237
Accrued liabilities	-	-	-	-	-	-	-	-	-	1,198
Due to other funds	-	10,071	-	-	-	63,046	20,678	-	-	-
Deferred revenue	-	-	36,839	-	-	-	-	-	-	243
Total liabilities	-	18,000	36,839	3,367	-	95,144	20,678	45,619	16,656	1,678
Fund balances										
Reserved	-	-	(6,318)	111,970	3,231	(39,286)	-	55,234	(16,656)	32,874
Total fund balances	-	-	(6,318)	111,970	3,231	(39,286)	-	55,234	(16,656)	32,874
Total liabilities and fund balances	\$ -	\$ 18,000	\$ 30,521	\$ 115,337	\$ 3,231	\$ 55,858	\$ 20,678	\$ 100,853	\$ -	\$ 34,552

See notes to financial statements.

WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2008

	Board of County Commissioners				Sheriff					
	Special	Capital Projects Funds			Special Revenue Funds					
	Revenue Funds	Building	Capital	Road	\$2	Bulletproof	Byrne	Civil	Court	Donated
	Weatherization Grant	Inspection Impact Fee	Projects	Impact Fees	Training	Vest	Memorial	Citation/RAP	Maintenance	Funds
ASSETS										
Cash and cash equivalents	\$ 2,636	\$ -	\$ 322,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,164
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	265	-	-	-	-	3,610	12,824	2,977	-	-
Prepaid expenses	24	-	-	-	-	-	-	-	-	-
Total assets	\$ 2,925	\$ -	\$ 322,646	\$ -	\$ -	\$ 3,610	\$ 12,824	\$ 2,977	\$ -	\$ 22,164
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 354	\$ -	\$ 5,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	3,610	12,824	2,977	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	354	-	5,003	-	-	3,610	12,824	2,977	-	-
Fund balances										
Reserved	2,571	-	317,643	-	-	-	-	-	-	22,164
Total fund balances	2,571	-	317,643	-	-	-	-	-	-	22,164
Total liabilities and fund balances	\$ 2,925	\$ -	\$ 322,646	\$ -	\$ -	\$ 3,610	\$ 12,824	\$ 2,977	\$ -	\$ 22,164

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2008**

Sheriff										
Special Revenue Funds										
	EMPA	Federal Forfeiture Trust	FEMA	Firing Range	Florida Sheriffs' Association	Homeland Security	Housing Trust	Impact Fees	Inmate Welfare	
ASSETS										
Cash and cash equivalents	\$ -	\$ 1,887	\$ -	\$ 1,308	\$ -	\$ -	\$ 1,180,147	\$ -	\$ 182,223	
Investments	-	-	-	-	-	-	-	-	-	
Accounts receivable, net	-	-	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	27,998	-	11,882	
Due from other governmental units	43,496	-	54,888	-	-	-	-	-	-	
Prepaid expenses	-	-	-	-	-	-	-	-	-	
Total assets	\$ 43,496	\$ 1,887	\$ 54,888	\$ 1,308	\$ -	\$ -	\$ 1,208,145	\$ -	\$ 194,105	
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 6,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Accrued liabilities	-	-	-	-	-	-	-	-	-	
Due to other funds	36,994	-	54,888	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	-	-	
Total liabilities	43,496	-	54,888	-	-	-	-	-	-	
Fund balances										
Reserved	-	1,887	-	1,308	-	-	1,208,145	-	194,105	
Total fund balances	-	1,887	-	1,308	-	-	1,208,145	-	194,105	
Total liabilities and fund balances	\$ 43,496	\$ 1,887	\$ 54,888	\$ 1,308	\$ -	\$ -	\$ 1,208,145	\$ -	\$ 194,105	

See notes to financial statements.

**WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2008**

Sheriff

	Special Revenue Funds										Totals
	Law	Litter	Moving	One	School	Teen	US	VOCA	Youth		
	Enforcement	Control	Violation	Cent	Resource	Outreach	Forestry		Coalition		
KWCB	Trust			Sales Tax	Officer						
ASSETS											
Cash and cash equivalents	\$ -	\$ 46,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,160,452
Investments	-	-	-	-	-	-	-	-	-	-	2,079
Accounts receivable, net	4,238	-	46,709	-	-	30,800	254	2,640	-	-	91,969
Due from other funds	-	-	7,446	-	-	-	-	-	-	-	104,743
Due from other governmental units	-	-	-	-	-	-	-	-	11,348	3,301	981,353
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	786
Total assets	\$ 4,238	\$ 46,183	\$ 54,155	\$ -	\$ -	\$ 30,800	\$ 254	\$ 2,640	\$ 11,348	\$ 3,301	5,341,382
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ -	\$ -	\$ 3,575	\$ -	\$ -	\$ 6,048	\$ -	\$ -	\$ 3,427	\$ -	248,494
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	3,109
Due to other funds	4,238	-	50,580	-	-	24,752	254	2,640	7,921	3,301	883,581
Deferred revenue	-	-	-	-	-	-	-	-	-	-	209,833
Total liabilities	4,238	-	54,155	-	-	30,800	254	2,640	11,348	3,301	1,345,017
Fund balances											
Reserved	-	46,183	-	-	-	-	-	-	-	-	3,996,365
Total fund balances	-	46,183	-	-	-	-	-	-	-	-	3,996,365
Total liabilities and fund balances	\$ 4,238	\$ 46,183	\$ 54,155	\$ -	\$ -	\$ 30,800	\$ 254	\$ 2,640	\$ 11,348	\$ 3,301	\$ 5,341,382

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, 2008

Board of County Commissioners

	Special Revenue Funds									
	Ambulance Grant	Corrections Impact Fee	County Awards	County Visions Process	Court Maintenance	Disaster Relief	Domestic Violence	E-911 Surcharge	Energy Assistance	Fire Departments
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	14,666	-	99,992	-	-	-	88,209	-
Charges for services	-	-	-	-	197,944	-	-	177,504	-	-
Fines	-	-	-	-	-	-	6,012	-	-	-
Miscellaneous	-	-	1,947	-	-	681	-	-	-	857,041
Total revenues	-	-	16,613	-	297,936	681	6,012	177,504	88,209	857,041
EXPENDITURES										
Current operating										
Public safety	-	-	14,509	-	-	-	-	-	-	360,822
Physical environment	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	67,985	-	-	-	-
Human services	-	-	-	-	-	-	-	-	94,695	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	191,419	-	-	-	-	-
Capital outlay										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	19,597
Culture/recreation	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	-	-	-	-	-	-	-	-	-	245,413
Interest	-	-	-	-	-	-	-	-	-	32,412
Total expenditures	-	-	14,509	-	191,419	67,985	-	-	94,695	658,244
Excess (deficiency) of revenues over (under) expenditures	-	-	2,104	-	106,517	(67,304)	6,012	177,504	(6,486)	198,797
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	1,083	-	-	-	1,690	-	-	33,657	-	-
Transfers to other funds	-	(109,220)	(1,083)	(6,805)	(12,541)	-	-	(178,506)	-	-
Total other financing sources (uses)	1,083	(109,220)	(1,083)	(6,805)	(10,851)	-	-	(144,849)	-	-
Net change in fund balances	1,083	(109,220)	1,021	(6,805)	95,666	(67,304)	6,012	32,655	(6,486)	198,797
Fund balance, beginning of year	(1,083)	109,220	199	6,805	556,356	171,460	33,696	307,896	(6,196)	558,204
Fund balance, end of year	\$ -	\$ -	\$ 1,220	\$ -	\$ 652,022	\$ 104,156	\$ 39,708	\$ 340,551	\$ (12,682)	\$ 757,001

WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2008

Board of County Commissioners

	Special Revenue Funds									
	Florida Boating	Housing Assistance	Hurricane Earl	Law Education	Law Enforcement Impact Fee	Law Library	Litter Grant	Local Option Tourist Development Tax	Low Income Home Improvement	Medart Park Improvement
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,787	\$ -	\$ -
Intergovernmental	509,977	922,540	21,442	-	-	-	14,988	-	8,037	-
Charges for services	-	-	-	-	-	13,288	-	-	-	-
Fines	-	-	-	23,619	-	-	-	-	-	-
Miscellaneous	-	-	-	107	-	-	-	-	-	-
Total revenues	509,977	922,540	21,442	23,726	-	13,288	14,988	43,787	8,037	-
EXPENDITURES										
Current operating										
Public safety	-	-	-	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	14,988	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic environment	-	886,482	-	-	-	-	-	29,482	5,508	-
Human services	-	-	-	-	-	-	-	-	-	-
Culture/recreation	127,743	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	5,390	-	-	-	-
Capital outlay										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Culture/recreation	399,903	-	-	-	-	-	-	-	-	-
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	527,646	886,482	-	-	-	5,390	14,988	29,482	5,508	-
Excess (deficiency) of revenues over (under) expenditures	(17,669)	36,058	21,442	23,726	-	7,898	-	14,305	2,529	-
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	1,500	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	(21,628)	(21,408)	(170,168)	-	-	-	-	-
Total other financing sources (uses)	1,500	-	(21,628)	(21,408)	(170,168)	-	-	-	-	-
Net change in fund balances	(16,169)	36,058	(186)	2,318	(170,168)	7,898	-	14,305	2,529	-
Fund balance, beginning of year	1,263	50,522	186	15,730	170,168	16,120	(3,265)	39,639	500	11,886
Fund balance, end of year	\$ (14,906)	\$ 86,580	\$ -	\$ 18,048	\$ -	\$ 24,018	\$ (3,265)	\$ 53,944	\$ 3,029	\$ 11,886

WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2008

Board of County Commissioners

	Special Revenue Funds									
	Mediation Dispute	Miscellaneous Grants	Mosquito Control	Moving Violation Fee	Panacea Vision Grant	Planning and Design Grant	Shell Point Beach Acquisition	Solid Waste Grants	Wakulla Airport	Weatherization LIHEA
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	25,933	36,158	-	-	46,184	-	285,651	27,200	43,197
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	46,603	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	-	25,933	36,158	46,603	-	46,184	-	285,651	27,200	43,197
EXPENDITURES										
Current operating										
Public safety	-	-	-	14,567	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	215,674	-	-	-
Transportation	-	18,000	-	-	-	-	-	43,856	-	-
Economic environment	-	-	-	-	-	-	-	-	-	46,622
Human services	-	-	36,158	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	91,474	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-
Capital outlay										
General government	-	7,933	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	25,933	36,158	14,567	-	91,474	-	215,674	43,856	46,622
Excess (deficiency) of revenues over (under) expenditures	-	-	-	32,036	-	(45,290)	-	69,977	(16,656)	(3,425)
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	-	-	-	-	-	-	-	-	-	-
Transfers to other funds	(1,690)	-	-	(36,018)	-	-	-	-	-	-
Total other financing sources (uses)	(1,690)	-	-	(36,018)	-	-	-	-	-	-
Net change in fund balances	(1,690)	-	-	(3,982)	-	(45,290)	-	69,977	(16,656)	(3,425)
Fund balance, beginning of year	1,690	-	(6,318)	115,952	3,231	6,004	-	(14,743)	-	36,299
Fund balance, end of year	\$ -	\$ -	\$ (6,318)	\$ 111,970	\$ 3,231	\$ (39,286)	\$ -	\$ 55,234	\$ (16,656)	\$ 32,874

WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2008

	Board of County Commissioners				Sheriff				
	Special Revenue Funds	Capital Projects Funds			Special Revenue Funds				
	Weatherization Grant	Building Inspection Impact Fee	Capital Projects	Road Impact Fees	\$2 Training	Bulletproof Vest	Byrne Memorial	Civil Citation/RAP	Court Maintenance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	68,793	-	622,440	-	-	3,610	52,081	36,485	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	68,793	-	622,440	-	-	3,610	52,081	36,485	-
EXPENDITURES									
Current operating									
Public safety	-	-	-	-	21,408	7,220	52,081	48,698	1,976
Physical environment	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Economic environment	54,152	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	1,239	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-
Capital outlay									
General government	-	-	68,601	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	10,565
Culture/recreation	-	-	234,957	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	54,152	-	304,797	-	21,408	7,220	52,081	48,698	12,541
Excess (deficiency) of revenues over (under) expenditures	14,641	-	317,643	-	(21,408)	(3,610)	-	(12,213)	(12,541)
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	-	-	-	-	21,408	3,610	-	12,213	12,541
Transfers to other funds	-	(486,897)	-	(298,402)	-	-	-	-	-
Total other financing sources (uses)	-	(486,897)	-	(298,402)	21,408	3,610	-	12,213	12,541
Net change in fund balances	14,641	(486,897)	317,643	(298,402)	-	-	-	-	-
Fund balance, beginning of year	(12,070)	486,897	-	298,402	-	-	-	-	-
Fund balance, end of year	\$ 2,571	\$ -	\$ 317,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2008

Sheriff									
Special Revenue Funds									
	Donated Funds	EMPA	Federal Forfeiture Trust	FEMA	Firing Range	Florida Sheriff's Association	Homeland Security	Housing Trust	Impact Fees
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	128,888	-	61,574	-	-	20,280	-	-
Charges for services	3,938	-	-	-	5,543	95,236	-	297,560	-
Fines	-	-	-	-	-	-	-	-	-
Miscellaneous	34,955	-	5	-	8	-	-	16,574	-
Total revenues	<u>38,893</u>	<u>128,888</u>	<u>5</u>	<u>61,574</u>	<u>5,551</u>	<u>95,236</u>	<u>20,280</u>	<u>314,134</u>	<u>-</u>
EXPENDITURES									
Current operating									
Public safety	36,051	147,971	-	62,057	4,243	95,236	14,523	-	-
Physical environment	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-
Capital outlay									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	2,698	-	-	-	-	5,350	-	7,000
Culture/recreation	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>36,051</u>	<u>150,669</u>	<u>-</u>	<u>62,057</u>	<u>4,243</u>	<u>95,236</u>	<u>19,873</u>	<u>-</u>	<u>7,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,842</u>	<u>(21,781)</u>	<u>5</u>	<u>(483)</u>	<u>1,308</u>	<u>-</u>	<u>407</u>	<u>314,134</u>	<u>(7,000)</u>
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	-	23,000	-	483	-	-	-	-	7,000
Transfers to other funds	-	(1,219)	-	-	-	-	(407)	-	-
Total other financing sources (uses)	<u>-</u>	<u>21,781</u>	<u>-</u>	<u>483</u>	<u>-</u>	<u>-</u>	<u>(407)</u>	<u>-</u>	<u>7,000</u>
Net change in fund balances	2,842	-	5	-	1,308	-	-	314,134	-
Fund balance, beginning of year	19,322	-	1,882	-	-	-	-	894,011	-
Fund balance, end of year	<u>\$ 22,164</u>	<u>\$ -</u>	<u>\$ 1,887</u>	<u>\$ -</u>	<u>\$ 1,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,208,145</u>	<u>\$ -</u>

WAKULLA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2008

Sheriff

	Special Revenue Funds											
	Inmate Welfare	KWCB	Law Enforcement Trust	Litter Control	Moving Violation	One Cent Sales Tax	School Resource Officer	Teen Outreach	US Forestry	VOCA	Youth Coalition	Totals
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,787
Intergovernmental	-	-	-	1	-	-	-	6,433	-	102,939	24,679	3,272,377
Charges for services	118,349	15,956	-	103,640	-	-	150,412	-	2,640	-	-	1,182,010
Fines	-	-	32,761	-	-	-	-	-	-	-	-	108,995
Miscellaneous	1,904	-	5,858	-	-	-	-	-	-	-	-	919,080
Total revenues	120,253	15,956	38,619	103,641	-	-	150,412	6,433	2,640	102,939	24,679	5,526,249
EXPENDITURES												
Current operating												
Public safety	2,419	15,956	1,000	158,872	-	8,628	203,221	6,433	3,518	108,702	24,679	1,414,790
Physical environment	-	-	-	-	-	-	-	-	-	-	-	230,662
Transportation	-	-	-	-	-	-	-	-	-	-	-	61,856
Economic environment	-	-	-	-	-	-	-	-	-	-	-	1,090,231
Human services	-	-	-	-	-	-	-	-	-	-	-	130,853
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	220,456
Court-related	-	-	-	-	-	-	-	-	-	-	-	196,809
Capital outlay												
General government	-	-	-	-	-	-	-	-	-	-	-	76,534
Public safety	-	-	5,020	-	9,600	149,977	-	-	-	-	-	209,807
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	634,860
Debt service												
Principal	-	-	-	-	19,970	-	-	-	-	-	-	265,383
Interest	-	-	-	-	6,448	-	-	-	-	-	-	38,860
Total expenditures	2,419	15,956	6,020	158,872	36,018	158,605	203,221	6,433	3,518	108,702	24,679	4,571,101
Excess (deficiency) of revenues over (under) expenditures	117,834	-	32,599	(55,231)	(36,018)	(158,605)	(52,809)	-	(878)	(5,763)	-	955,148
OTHER FINANCING SOURCES (USES)												
Transfers from other funds	-	-	-	55,231	36,018	158,605	52,809	-	878	5,763	-	427,489
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	(1,345,992)
Total other financing sources (uses)	-	-	-	55,231	36,018	158,605	52,809	-	878	5,763	-	(918,503)
Net change in fund balances	117,834	-	32,599	-	-	-	-	-	-	-	-	36,645
Fund balance, beginning of year	76,271	-	13,584	-	-	-	-	-	-	-	-	3,959,720
Fund balance, end of year	\$ 194,105	\$ -	\$ 46,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,996,365

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 September 30, 2008

	Board of County Commissioners					Clerk of Circuit Court
	Wilderness Coast Library	Bookmobile	Literacy Grant	TCPL Tree Frog 2	Born to Read	Agency
	ASSETS					
Cash and cash equivalents	\$ 64,971	\$ 85	\$ -	\$ -	\$ -	\$ 457,825
Accounts receivable	-	-	-	-	-	-
Due from individuals	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Total assets	\$ 64,971	\$ 85	\$ -	\$ -	\$ -	\$ 457,825
LIABILITIES AND NET ASSETS						
Liabilities						
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,614
Due to other funds	-	-	-	-	-	119,424
Due to other governmental units	64,971	85	-	-	-	50,787
Interest payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total liabilities	64,971	85	-	-	-	457,825
Net assets	-	-	-	-	-	-
Total liabilities and net assets	\$ 64,971	\$ 85	\$ -	\$ -	\$ -	\$ 457,825

(Continued)

WAKULLA COUNTY, FLORIDA

AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 September 30, 2008

	Sheriff			Tax Collector			
	Individual Depository	Inmate Trust	Suspense	Bankruptcy	Boating	Delinquent Tax	Hunting and Fishing
ASSETS							
Cash and cash equivalents	\$ 314,396	\$ 18,517	\$ 5,715	\$ 16,363	\$ -	\$ 10,029	\$ 977
Accounts receivable	-	-	-	-	-	-	-
Due from individuals	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
Total assets	\$ 314,396	\$ 18,517	\$ 5,715	\$ 16,363	\$ -	\$ 10,029	\$ 977
LIABILITIES AND NET ASSETS							
Liabilities							
Due to individuals	\$ -	\$ 18,517	\$ -	\$ -	\$ -	\$ 7,279	\$ -
Due to other funds	314,395	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	977
Interest payable	-	-	-	-	-	-	-
Other current liabilities	-	-	5,715	16,363	-	2,750	-
Total liabilities	314,395	18,517	5,715	16,363	-	10,029	977
Net assets	-	-	-	-	-	-	-
Total liabilities and net assets	\$ 314,395	\$ 18,517	\$ 5,715	\$ 16,363	\$ -	\$ 10,029	\$ 977

(Continued)

WAKULLA COUNTY, FLORIDA

AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 September 30, 2008

	Tax Collector							
	Litigation	MSBU	Old Delinquent	Tag	Tax	Tax Escrow	Waste- water Assess- ment	Totals
ASSETS								
Cash and cash equivalents	\$ 21,061	\$ -	\$ 64,648	\$ -	\$ -	\$ 247,377	\$ -	\$ 1,221,964
Accounts receivable	-	-	-	-	-	-	-	-
Due from individuals	-	-	-	935	-	-	-	935
Due from other funds	-	-	6,594	-	-	-	-	6,594
Due from other governmental units	-	-	-	5,723	-	-	-	5,723
Total assets	\$ 21,061	\$ -	\$ 71,242	\$ 6,658	\$ -	\$ 247,377	\$ -	\$ 1,235,216
LIABILITIES AND NET ASSETS								
Liabilities								
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,410
Due to other funds	-	-	-	6,594	-	-	-	440,413
Due to other governmental units	-	-	71,242	-	-	245,938	-	434,000
Interest payable	-	-	-	-	-	1,108	-	1,108
Other current liabilities	21,061	-	-	64	-	331	-	46,284
Total liabilities	21,061	-	71,242	6,658	-	247,377	-	1,235,215
Net assets	-	-	-	-	-	-	-	-
Total liabilities and net assets	\$ 21,061	\$ -	\$ 71,242	\$ 6,658	\$ -	\$ 247,377	\$ -	\$ 1,235,215

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, 2008, and have issued our report thereon dated April 7, 2009. 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.

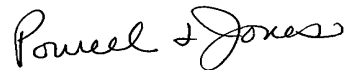
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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 April 7, 2009 on pages 91 - 94.

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

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

POWELL & JONES
Certified Public Accountants
April 7, 2009

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, 2008. 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, 2008.

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

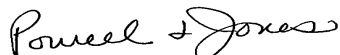
expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

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, 2008, and have issued our report thereon dated April 7, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



POWELL & JONES
Certified Public Accountants
April 7, 2009

WAKULLA COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2008

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
FEDERAL AWARDS						
<i>MAJOR PROGRAMS</i>						
<i>Federal Environmental Protection Agency passed through Florida Department of Environmental Protection</i>						
Capitalization Grant for Clean Water State Revolving Funds	66.458	WW64206P	\$1,256,500	\$ 360,370	\$ -	\$ -
<i>US Department of Housing and Urban Development</i>						
Housing Choice Voucher Grant	14.871	FL096	922,539	-	922,539	922,539
Community Development Block Grant-Buckhorn Village	14.228	06-DB-3K-02-75-01-E-01	750,000	37,888	314,176	314,176
			<u>1,672,539</u>	<u>37,888</u>	<u>1,236,715</u>	<u>1,236,715</u>
Total major programs			<u>2,929,039</u>	<u>398,258</u>	<u>1,236,715</u>	<u>1,236,715</u>
<i>NONMAJOR PROGRAMS</i>						
<i>US Department of Justice</i>						
<i>Bureau of Justice Assistance/Office of Criminal Justice Grants</i>						
Bulletproof Vest Grant	16.607	FY2005	8,959	3,455	3,610	3,610
Bulletproof Vest Grant	16.607	FY2006	2,690	-	-	-
Bulletproof Vest Grant	16.607	FY2008	4,097	-	-	-
			<u>15,746</u>	<u>3,455</u>	<u>3,610</u>	<u>3,610</u>
<i>passed through Florida Department of Law Enforcement</i>						
E. Byrne Memorial Justice Assistance Grant	16.738	2008-JAGC-WAKU-1-Q9-044	52,081	-	52,081	52,081
<i>passed through Florida Office of the Attorney General</i>						
Victims of Crime Act (VOCA) Grant	16.575	V7009	114,750	-	102,939	102,939
			<u>182,577</u>	<u>3,455</u>	<u>158,630</u>	<u>158,630</u>
<i>US Department of Homeland Security</i>						
Disaster Assistance Grant	97.036	TNT002B	62,729	-	61,574	61,574
<i>passed through Florida Department of Emergency Management</i>						
State Homeland Security Grant Program	97.067	07-DS-5N-02-47-01-499	6,281	-	6,281	6,281
<i>passed through the Florida Department of Community Affairs</i>						
Disaster Assistance Grant	97.036	06DN-@G-02-75-01-586	589,641	41,431	21,442	21,442
Emergency Management Performance Grant	97.042	08-BG-24-02-75-01-280	23,310	-	23,310	23,310
Homeland Security Planning Assistance Grant	97.067	08-DS-60-02-75-01-322	51,282	-	-	-
Homeland Security Grant	97.067	07-DS-5N-02-75-01-262	13,999	-	13,999	13,999
			<u>747,242</u>	<u>41,431</u>	<u>126,607</u>	<u>126,607</u>
<i>US Department of Housing and Urban Development</i>						
Community Center Grant	14.251	B-06-SP-FL-0230	396,000	-	-	-

WAKULLA COUNTY FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE For The Fiscal Year Ended September 30, 2008

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
<i>US Department of Energy</i>						
<i>passed through Florida Department of Community Affairs</i>						
Weatherization Assistance Program (WAP) Grant	81.042	08WX-7H-02-75-01-036	\$ 25,749	\$ -	\$ 26,058	\$ 26,058
Weatherization Assistance Program (WAP) Grant	81.042	07WX-6P-02-75-01-036	67,323	-	42,735	42,735
			<u>93,072</u>	<u>-</u>	<u>68,793</u>	<u>68,793</u>
<i>US Department of Interior</i>						
<i>Fish and Wildlife Service</i>						
Land and Water Conservation Fund Grant	15.916	401814G209	228,580	58,750	46,184	46,184
<i>U.S. Department of Transportation</i>						
<i>passed through Florida Department of Transportation</i>						
Highway Safety/Teen Outreach Grant	20.605	A0Y92	10,000	-	6,433	6,433
Ochlockonee Bay Trail Grant Phase II	20.205	ANR31	601,700	15,353	-	-
Ochlockonee Bay Trail Grant Phase I	20.205		78,798	29,645	-	-
Sign Fabrication Grant	20.600	AP298	18,000	-	18,000	18,000
EMSTAR Hardware/Software Grant	20.605	A0062	8,500	-	-	-
			<u>716,998</u>	<u>44,998</u>	<u>24,433</u>	<u>24,433</u>
<i>US Department of Commerce</i>						
<i>National Oceanic and Atmospheric Administration</i>						
Mashes Sands Beach Erosion Control Grant	11.419	NA170Z2144	81,411	29,891	-	-
<i>U.S. Department of Health and Human Services</i>						
<i>passed through Florida Department of Revenue</i>						
Title IV-D Funds	93.563	CC365	66,361	-	66,361	66,361
<i>passed through Florida State University</i>						
Strategic Prevention Framework State Incentive Grant	93.243	R00993	31,237	-	3,594	3,594
Strategic Prevention Framework State Incentive Grant	93.243	R00840	28,881	4,008	21,085	21,085
<i>passed through Florida Department of Community Affairs</i>						
Low Income Home Energy Assistance Grant	93.568	07EA-6J-02-75-01-032	76,645	39,196	34,436	34,436
Low Income Home Energy Assistance Grant	93.568	08EA-7B-02-75-01-032	78,707	-	53,773	53,773
Low Income Home Energy Assistance Grant	93.568	07LH-6S-02-75-01-036	64,750	-	34,185	34,185
Low Income Home Energy Assistance Grant	93.568	08LH-7B-02-75-01-036	112,369	-	9,012	9,012
			<u>458,950</u>	<u>43,204</u>	<u>222,447</u>	<u>222,447</u>
<i>U.S. Elections Assistance Commission</i>						
<i>Help America Vote Act</i>						
<i>passed through State of Florida Division of Elections</i>						
Election Reform Payments/Voter Education Funds	39.011	FY07/08	2,989	160	1,026	1,026
Voting Systems Assistance/Pollworker Recruitment	90.401	FY07/08	3,207	-	3,207	3,207
			<u>6,196</u>	<u>160</u>	<u>4,233</u>	<u>4,233</u>
Total nonmajor programs			<u>2,911,025</u>	<u>221,889</u>	<u>651,326</u>	<u>651,326</u>
Total federal awards			<u>\$5,840,064</u>	<u>\$ 620,147</u>	<u>\$ 1,888,041</u>	<u>\$ 1,888,041</u>

WAKULLA COUNTY FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE For The Fiscal Year Ended September 30, 2008

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
STATE FINANCIAL ASSISTANCE						
<i>MAJOR PROGRAMS</i>						
<i>Florida Department of Transportation</i>						
Small County Outreach Program	55.009	AOZ91	\$ 1,019,268	\$ -	\$ 914,926	\$ 914,926
Small County Outreach Program/CR365	55.009	AOZ92	2,346,000	-	2,144,236	2,144,236
Small County Road Assistance Program (SCRAP) CR 368	55.016	A0417	743,942	49,789	-	-
<i>Total major programs</i>			<u>4,109,210</u>	<u>49,789</u>	<u>3,059,162</u>	<u>3,059,162</u>
<i>NONMAJOR PROGRAMS:</i>						
<i>Department of State</i>						
<i>Division of Cultural of Cultural Affairs</i>						
Florida State Touring Program Grant	45.002	09-3798	667	-	-	-
<i>Division of Library Information Services</i>						
State Aid to Libraries Operating/Equalization Grant	45.030	07-ST-93	100,600	64,770	35,830	35,830
State Aid to Libraries Operating/Equalization Grant	45.030	08-ST-94	111,561	-	112,229	112,229
			<u>212,161</u>	<u>64,770</u>	<u>148,059</u>	<u>148,059</u>
<i>State Housing Initiatives Program</i>						
SHIP Funds 2007/2008	52.901	2007/2008	350,000	-	214,704	214,704
<i>Florida Department of Transportation</i>						
Airport Improvement Grant	55.004	A0Q91	75,000	32,150	27,200	27,200
<i>Department of Environmental Protection</i>						
Mashes Sands/Shell Pt. Feasibility Grant	37.003	H5WK1	200,000	-	178,440	178,440
Mashes Sands/Shell Pt. Feasibility Grant	37.065	H5WK1	119,400	-	-	-
Recreation Development Assistance Program (FRDAP) Hickory Park	37.017	A8039	200,000	-	-	-
Recreation Development Assistance Program (FRDAP) Medart Park	37.017	A09102	101,708	-	-	-
Recreation Development Assistance Program (FRDAP) Equestrian Center	37.017	A09103	135,611	-	-	-
Sewer Extension-Wakulla Gardens	37.039	LP6792	850,000	-	26,566	26,566
Small County Solid Waste Grant Agreement	37.012	SC832	300,639	-	300,639	300,639
			<u>1,907,358</u>	<u>-</u>	<u>505,645</u>	<u>505,645</u>
<i>Department of Agriculture and Consumer Services</i>						
Mosquito Control State Aid	42.003		37,000	-	36,158	36,158
<i>Florida Fish and Wildlife Conservation Commission</i>						
Channel Markers Grant	77.006	FWC 06065	44,820	-	-	-
Old Fort Boat Ramp	77.006	FWC 03062	445,000	-	445,000	445,000
Rock Landing Boat Ramp Grant	77.006	FWC 07104	522,685	-	64,978	64,978
Mashes Sands Improvement Grant	77.006	FWC 03064	150,000	150,000	-	-
			<u>1,162,505</u>	<u>150,000</u>	<u>509,978</u>	<u>509,978</u>
<i>Department of Community Affairs</i>						
Hazardous Materials Analysis Grant	52.023	08CP-04-02-75-01-032	2,619	-	2,619	2,619
Emergency Management Performance Grant/MATCH	52.008	08-BG-24-02-75-01-280	102,959	-	102,959	102,959
Low Income Emergency Home Repair Grant	52.015	08LE-12-75-01-036	8,037	-	8,037	8,037
			<u>113,615</u>	<u>-</u>	<u>113,615</u>	<u>113,615</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2008

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, 2008

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting	
? Material weakness identified?	No
? Reportable condition identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements	No
Federal Awards	
Internal control over major programs:	
? Material weaknesses identified?	No
? Reportable condition identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
14.871	U.S. Department of Housing and Urban Development Housing Choice Voucher Act
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
Auditee qualified as low-risk auditee?	No

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

WAKULLA COUNTY, FLORIDA

SCHEDULE OF FINDINGS

For the Fiscal Year Ended September 30, 2008

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
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Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, <i>Rules of the Auditor General</i> ?	No
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<u>CFDA Number</u>	<u>Name of State Programs</u>
55.009	Department of Transportation Small County Outreach Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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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, 2008

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 in the current year, we found instances where prenumbered receipts were not fully accounted for in bank deposits.

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

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. This finding was improved 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.

RECOMMENDATION: See recommendations in Management Letter on pages 90 – 94.

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, 2008, and have issued our report thereon dated April 7, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project, and Schedule of Findings. Disclosures in those reports and schedule, which are dated March 2, 2009, 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

Cash Receipts – From our tests of selected receipts in the prior and current years, we found that receipts related to the Planning and Zoning Department were not always promptly deposited. To increase internal control over these receipts, we again recommend that bank deposits be made daily if possible, and always by the end of each work week.

Sewer Billing Services - The Panacea Area Water System, Inc. (PAWS) provides billing and collection services for the County's sewer system. These services are delineated in an agreement between the Board of County Commissioners and PAWS dated June 23, 1987. Included in this agreement are the following requirements regarding the billing services.

Section 4 states that PAWS shall notify the County of sewer customers who are 30 days delinquent in paying their accounts, and the County will disconnect these accounts from the sewer system until the bills are paid in full.

We found the following deficiencies regarding this requirement:

According to County personnel, PAWS does not regularly provide the County with a notice of delinquent accounts or disconnect accounts that are appropriately delinquent. The County also does not receive a monthly detail aging report of its sewer accounts receivable. Such a report is necessary to properly account for and administer accounts receivable balances by the County.

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

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

CURRENT YEAR FINDINGS

SHIP Grant Accounting – From our audit of selected transactions from the State Housing Initiatives Program (SHIP), we found the following deficiencies:

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

We recommend that the Board in cooperation with the Finance Office, establish a system whereby all SHIP financial transactions are identified as to specific grant program year and programmatic type.

Prior to finalization of the annual grant reports, all financial information on the reports should be fully and formally reconciled with the related Board financial records. The reconciliations should be filed with the annual reports.

Ambulance Billings – From our audit of ambulance billings we found that for the two week period of June 1 to June 14, 2008 there were 30 runs with no charges out of the 123 recorded runs made. According to the EMS personnel "dry runs" are generally the result of one of the following:

The run resulted in a non-transport (e.g., car accident where no one was injured); the run was for an elderly patient who suffers financial hardship; or the run was for an injured/distressed infant.

Our subsequent review of selected dry run reports revealed that one of these reasons was generally documented on the run reports not being billed. We were informed by County personnel that there was not a formal written policy regarding this procedure and that the decision to bill or not to bill a run was generally made by the Ambulance billing clerk and was not subject to subsequent review and approval.

Due to the fact that unbilled ambulance runs likely total 25% of all ambulance runs made, we recommend the following to increase accountability and internal control over the ambulance billing process:

1. A formal policy should be adopted that clearly specifies conditions where an ambulance run should not be billed.
2. The policy should require review and approval for all unbilled runs by a supervisory person not involved in the billing process.

Small County Outreach Program – In November, 2007 the County was awarded two grants under the Small County Outreach Program (SCOP) for resurfacing and improvements on CR 365 and Jack Crum Road, in the subsequently amended total amount of \$3,365,268.

The grant Joint Participation Agreement contains a provision that allowed the County to submit monthly invoices for grant reimbursements. During the year the County expended \$3,059,162 on these projects which included payments from March through September, 2008. However, we could not find where any grant reimbursements were filed for or received by the County. This resulted in negative cash of \$2.9 million in the Road Paving Fund which was in effect borrowed from other County funds.

This situation created both substantial lost interest opportunities for the County, as well as provided the possibility for utilization of restricted fund balances for non-allowed purposes. To avoid such occurrences in the future, we recommend that the Board establish a centralized system to monitor grant financial activities, including reimbursement processes.

Ochlockonee Trail Grants – In January 2005 the County was awarded a grant in the amount of \$601,700 for the design and construction of a multiuse Ochlockonee Bay Trail. The grant agreement specified a December 31, 2008 expiration date for the project. During the prior and current year a total of \$46,184 was received under this grant. During our field work we could find no documentation whether additional reimbursement requests had been submitted for this project or whether the grant period had been extended beyond December 31, 2008.

In May, 2007 the County was awarded additional funds in the amount of \$228,580 from the U.S. Department of Interior for this project. Although project expenditures of \$70,267 were recorded for this project during the current year, we could find no evidence whether reimbursement requests were submitted or funds received for this program. Also, we could not determine whether this grant program was in an active status or had expired.

We recommend that appropriate Board personnel research these grant programs and accurately determine the current status of each. Reimbursement billings should be made for all funds due and required reports should be prepared and filed.

Employee Taxable Fringe Benefits – From our review of expenditures we found that the Board provides cell phones to certain employees, without charging them for personal use. While this practice is allowed under Florida law it constitutes taxable benefits under applicable Internal Revenue Service regulations. Although the amounts involved are not large, we recommend that the Board take necessary steps to fully comply with Internal Revenue Service regulations regarding taxable fringe benefits.

CLERK OF THE CIRCUIT COURT

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

PROPERTY APPRAISER

PRIOR YEAR FINDINGS

The prior year finding was corrected during the current year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SHERIFF

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SUPERVISOR OF ELECTIONS

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

TAX COLLECTOR

PRIOR YEAR FINDINGS

All prior year findings were corrected during the current year.

CURRENT YEAR FINDINGS

There were no reportable findings during the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual 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, 2008.

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.

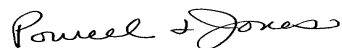
Requirements of Section 28.35, Florida Statutes - For the fiscal year ended September 30, 2008, the Clerk of the Circuit Court complied with the following:

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

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

CONCLUSION

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



POWELL & JONES
Certified Public Accountants
April 7, 2009

CLERK OF THE CIRCUIT COURT

WAKULLA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2008

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
Wakulla County, Florida

We have audited the accompanying special purpose fund financial statements of the Wakulla County Clerk of the Circuit Court (the Clerk) as of and for the year ended September 30, 2008, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Clerk. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Wakulla County Clerk of the Circuit Court, as of September 30, 2008, and the results of its operations and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2009, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Powell & Jones

POWELL & JONES
Certified Public Accountants
March 30, 2009

FINANCIAL STATEMENTS

WAKULLA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

GENERAL FUND
BALANCE SHEET
September 30, 2008

ASSETS

Cash and cash equivalents	\$ 237,521
Due from other funds	95,662
Due from other governmental units	67,363
Prepaid expenses	12,940
Total assets	<u>\$ 413,486</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 11,637
Accrued liabilities	41,265
Due to Board of County Commissioners	124,587
Due to State of Florida	47,762
Total liabilities	<u>225,251</u>

Fund balance

Reserved	188,235
Total liabilities and fund balance	<u>\$ 413,486</u>

WAKULLA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2008

REVENUES	
Intergovernmental	\$ 66,361
Charges for services	
General government	280,412
Court related	990,851
Miscellaneous	258,637
Total revenues	<u>1,596,261</u>
EXPENDITURES	
Current operating	
General government	897,658
Court related	694,119
Capital outlay	
General government	8,530
Total expenditures	<u>1,600,307</u>
Deficiency of revenues over expenditures	<u>(4,046)</u>
OTHER FINANCING SOURCES (USES)	
Transfers from the Board of County Commissioners	454,699
Transfers to the Board of County Commissioners	(117,966)
Transfer to the State of Florida	(249,439)
Total other financing sources (uses)	<u>87,294</u>
Net change in fund balance	83,248
Fund balance, beginning of year	104,987
Fund balance, end of year	<u>\$ 188,235</u>

WAKULLA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 29,727	\$ 29,727	\$ 66,361	\$ 36,634
Charges for services				
General government	388,000	392,000	280,412	(111,588)
Court related	947,236	947,236	990,851	43,615
Miscellaneous	183,600	179,600	258,637	79,037
Total revenues	1,548,563	1,548,563	1,596,261	47,698
EXPENDITURES				
Current operating				
General government	981,700	992,346	897,658	94,688
Court related	715,623	712,070	694,119	17,951
Capital outlay				
General government	42,000	20,000	8,530	11,470
Court related	2,000	-	-	-
Total expenditures	1,741,323	1,724,416	1,600,307	124,109
Excess (deficiency) of revenues over (under) expenditures	(192,760)	(175,853)	(4,046)	171,807
OTHER FINANCING SOURCES (USES)				
Transfers from the Board of County Commissioners	454,700	454,700	454,699	(1)
Transfers to the Board of County Commissioners	-	(41,081)	(117,966)	(76,885)
Transfer to the State of Florida	(261,940)	(237,766)	(249,439)	(11,673)
Total other financing sources (uses)	192,760	175,853	87,294	(88,559)
Net change in fund balance	-	-	83,248	83,248
Fund balance, beginning of year	104,987	104,987	104,987	-
Fund balance, end of year	\$ 104,987	\$ 104,987	\$ 188,235	\$ 83,248

WAKULLA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT

AGENCY FUND
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2008

ASSETS

Cash and cash equivalents	\$ 457,826
Total assets	<u>\$ 457,826</u>

LIABILITIES AND NET ASSETS

Liabilities

Due to individuals	\$ 287,614
Due to other funds	95,662
Due to Board of County Commissioners	23,761
Due to other governmental units	<u>50,789</u>
Total liabilities	<u>457,826</u>

Net assets

Total liabilities and net assets	<u>\$ -</u>
	<u>\$ 457,826</u>

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

September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

Measurement Focus, Basis of Accounting, and Basis of Presentation -- Fund financial statements report detailed information about the Clerk. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. For the year ended September 30, 2008, the Clerk reported its only governmental fund, the General Fund, as a major fund.

Governmental Funds

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

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

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

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

Approximately 20% of the Clerk's funding is appropriated by the Board of County Commissioners. In applying the susceptible to accrual concept to intergovernmental revenue, there are essentially two types of revenue. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Clerk; therefore, revenue is recognized based upon the expenditures incurred. Grant revenue is recorded in this manner. In the other, moneys are virtually unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt, or earlier, if the "susceptible to accrual" criteria are met.

Additionally, the Clerk reports the following fund types:

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

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

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

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

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

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$70,424 is reported in the General Long-Term Debt Accounts of Wakulla County, Florida.

NOTE 2. PENSION PLANS

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

Funding Policy: The Clerk is required to contribute 9.85% for regular annually covered employees' salary, 13.12% for senior management annually covered employees' salary, 16.53% for elected County official's annual salary, and 10.91% for employees participating in the Deferred Retirement Option Program (DROP). Employees are not required to contribute to the Retirement System. The contribution requirements may be changed by the Florida Retirement System. For each of the three years ended September 30, 2008, 2007 and 2006, the Clerk contributed 100% of the required contribution to the Florida Retirement System. The Clerk contributions to the Florida Retirement System for the three years ended September 30, 2008, 2007 and 2006 were \$114,558, \$107,291, and \$77,651, respectively.

NOTE 3. DEPOSITS

At year end, the carrying amount of the Clerk's deposits was \$695,347 and the bank balances were \$714,256. Of the bank balances, \$100,000 was covered by federal depository insurance. Any balance in excess of FDIC insurance is covered by collateral held by the Clerk's custodial banks which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, *Florida Statutes*.

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

NOTE 4. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; and damage to property of others. The Clerk participates in the risk management program through the Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

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

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

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

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

NOTE 5. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2008 were:

	Interfund Receivables	Interfund Payables
General Fund	\$ 95,662	\$ -
Trust Agency Fund	-	95,662
	<u>\$ 95,662</u>	<u>\$ 95,662</u>

NOTE 6. CONTINGENT LIABILITIES

The Clerk is defendant in pending litigation regarding a former employee. Although the outcome of the lawsuit is not presently determinable, in the opinion of the Clerk's attorney, the resolution of this matter will not have a material adverse effect on the financial condition of the Clerk of the Circuit Court.

COMPLIANCE SECTION

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

To the Clerk of the Circuit Court
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Clerk of the Circuit Court, as of and for the year ended September 30, 2008, and have issued our report thereon dated March 30, 2009. Our report included a paragraph stating that the Clerk of the Circuit Court is an integral part of Wakulla County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

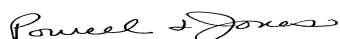
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control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

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

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

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

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



POWELL & JONES
Certified Public Accountants
March 30, 2009

MANAGEMENT LETTER

Honorable Clerk of the Circuit Court
Wakulla County, Florida

We have audited the financial statements of the Wakulla County Clerk of the Circuit Court (Clerk), as of and for the year ended September 30, 2008, and have issued our report thereon dated March 30, 2009. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Wakulla County, Florida, for the year ended September 30, 2008. The financial statements of the Clerk of Circuit Court are combined with other County agencies in that report.

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

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

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

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

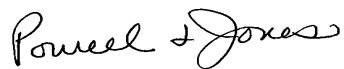
Requirements of Section 28.35, Florida Statutes - For the fiscal year ended September 30, 2008, the Clerk complied with the following:

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

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

CONCLUSION

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



POWELL & JONES
Certified Public Accountants
March 30, 2009

PROPERTY APPRAISER

WAKULLA COUNTY, FLORIDA
PROPERTY APPRAISER

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2008

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Powell & Jones
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INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Wakulla County, Florida

We have audited the accompanying special purpose fund financial statements of the Wakulla County Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Property Appraiser. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Wakulla County Property Appraiser, as of September 30, 2008, and the results of its operations and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2009, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

POWELL & JONES
Certified Public Accountants
March 5, 2009

COMBINED FINANCIAL STATEMENTS

WAKULLA COUNTY, FLORIDA

PROPERTY APPRAISER

GENERAL FUND
BALANCE SHEET
September 30, 2008

ASSETS

Cash and cash equivalents	\$	22,337
Accounts receivable		9,000
Prepaid expenses		669
Total assets	\$	<u>32,006</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Due to Board of County Commissioners		31,929
Due to other governmental units		<u>77</u>
Total liabilities		32,006
Fund balance		-
Total liabilities and fund balance	\$	<u>32,006</u>

WAKULLA COUNTY, FLORIDA

PROPERTY APPRAISER

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2008

REVENUES	
Charges for services	\$ 2,209
Miscellaneous	
Interest	535
Other	5,169
Total revenue	<u>7,913</u>
EXPENDITURES	
General government	
Current operating	910,504
Capital outlay	17,958
	<u>928,462</u>
Deficiency of revenues over expenditures	<u>(920,549)</u>
OTHER FINANCING SOURCES (USES)	
Transfers from the Board of County Commissioners	952,478
Transfer to the Board of County Commissioners	(31,929)
Total other financing sources (uses)	<u>920,549</u>
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	<u>\$ -</u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

PROPERTY APPRAISER

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ 2,286	\$ 2,209	(77)
Miscellaneous	-	-	5,704	5,704
Total revenues	<u>-</u>	<u>2,286</u>	<u>7,913</u>	<u>5,627</u>
EXPENDITURES				
General government				
Current operating	940,959	944,358	910,504	33,854
Capital outlay	8,120	8,120	17,958	(9,838)
Total expenditures	<u>949,079</u>	<u>952,478</u>	<u>928,462</u>	<u>24,016</u>
Deficiency of revenues over expenditures	<u>(949,079)</u>	<u>(950,192)</u>	<u>(920,549)</u>	<u>29,643</u>
OTHER FINANCING SOURCES (USES)				
Transfers from the Board of County Commissioners	949,079	950,192	952,478	2,286
Transfer to the Board of County Commissioners	-	-	(31,929)	(31,929)
Total other financing sources (uses)	<u>949,079</u>	<u>950,192</u>	<u>920,549</u>	<u>(29,643)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WAKULLA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Fund Accounting

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

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

C. Basis of Accounting

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

D. Budget

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

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

E. Cash and Investments

Deposits are carried at cost which equals market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2008, the book balance of the Property Appraiser's deposits was \$22,337. The total bank balance was covered by federal depository insurance and pledged collateral.

F. Inventories

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

G. Fixed Assets

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

H. Compensated Absences

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$28,149 is reported in the General Long-Term Debt Accounts of Wakulla County, Florida.

I. Estimates

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

J. Risk Management

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Property Appraiser directly purchases insurance and participates in the risk management program through the Wakulla County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

NOTE 2. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Property Appraiser is required to contribute at an actuarially determined rate. The rates at September 30, 2008 were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53%, and employees electing the DROP Program 10.91%. The contribution requirements of plan members and the Property Appraiser are established and may be amended by the Florida Legislature. The Property Appraiser's contributions to the System for the years ending September 30, 2008, 2007 and 2006 were \$39,412, \$39,629, and \$20,533, respectively, equal to the required contributions for each year.

NOTE 3. LEASE COMMITMENTS

The Property Appraiser has an operating lease agreement for copier equipment with Dolphin Capital for 36 months beginning May 16, 2006. Under the terms of this lease, the Property Appraiser is obligated to pay monthly payments of \$286. The future minimum lease payments at September 30, 2008, are as follows:

Year Ending September 30,	Minimum Lease Payments
<u>2009</u>	<u>\$ 2,288</u>

COMPLIANCE SECTION

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

To the Property Appraiser
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Property Appraiser, as of and for the year ended September 30, 2008, and have issued our report thereon dated March 5, 2009. Our report included a paragraph stating that the Property Appraiser is an integral part of Wakulla County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

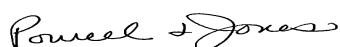
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control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

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

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

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

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



POWELL & JONES
Certified Public Accountants
March 5, 2009

MANAGEMENT LETTER

Honorable Property Appraiser
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Property Appraiser, as of and for the year ended September 30, 2008, and have issued our report thereon dated March 5, 2009. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

PRIOR YEAR FINDINGS

The prior year finding was corrected during the current year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the audited financial statements of Wakulla County, Florida, for the year ended September 30, 2007. The financial statements of the Property Appraiser are combined with other County agencies in that report.

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

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

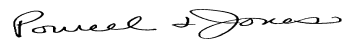
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition

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

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

CONCLUSION

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



POWELL & JONES
Certified Public Accountants
March 5, 2009

SHERIFF

WAKULLA COUNTY, FLORIDA
SHERIFF
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2008

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff
Wakulla County, Florida

We have audited the accompanying special purpose fund financial statements of the Wakulla County Sheriff (the Sheriff), as of and for the year ended September 30, 2008, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Office of the Sheriff. Our responsibility is to express an opinion on these special purpose fund financial statements based on our audit.

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

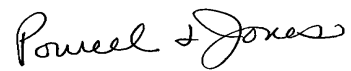
The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements,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

In our opinion, the Sheriff's special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Wakulla County Sheriff, as of September 30, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2009, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the special purpose fund financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of

the special purpose fund financial statements of the Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the special purpose fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.

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

POWELL & JONES
Certified Public Accountants
January 16, 2009

BASIC FINANCIAL STATEMENTS

**SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINED BALANCE SHEET - ALL FUND TYPES
SEPTEMBER 30, 2008**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	<u>2008</u>
Assets				
Current:				
Cash and cash equivalents	\$ 475,050	\$ 1,433,910	\$ 338,628	\$ 2,247,588
Accounts receivable	8,232	50,947	-	59,179
Due from other governmental units	-	166,138	-	166,138
Due from other funds	225,821	39,880	-	265,701
Due from Board of County Commissioners	-	7,446	-	7,446
Prepaid items	434,875	-	-	434,875
Total Assets	\$ 1,143,978	\$ 1,698,321	\$ 338,628	\$ 3,180,927
Liabilities and Fund Balances				
Liabilities				
Accounts payable and other accrued liabilities	\$ 542,399	\$ 19,552	\$ -	\$ 561,951
Due to Board of County Commissioners	154,822	2,601	262,955	420,378
Due to other funds	11,882	202,378	51,441	265,701
Due to individuals	-	-	24,232	24,232
Total Liabilities	709,103	224,531	338,628	1,272,262
Fund Balances				
Fund balances:				
Reserved	434,875	1,473,790	-	1,908,665
Total fund balances	434,875	1,473,790	-	1,908,665
Total Liabilities and Fund Balances	\$ 1,143,978	\$ 1,698,321	\$ 338,628	\$ 3,180,927

See notes to financial statements.

**SHERIFF
WAKULLA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Revenues			
Intergovernmental	\$ -	\$ 436,970	\$ 436,970
Charges for services	89,142	791,251	880,393
Fines	-	32,761	32,761
Miscellaneous	11,632	61,326	72,958
Total revenues	<u>100,774</u>	<u>1,322,308</u>	<u>1,423,082</u>
Expenditures			
Public safety			
Current	10,198,923	1,016,265	11,215,188
Capital outlay	67,716	198,838	266,554
Debt service			
Principal	10,073	19,970	30,043
Interest	3,828	6,448	10,276
Total expenditures	<u>10,280,540</u>	<u>1,241,521</u>	<u>11,522,061</u>
Excess (deficiency) of revenues over expenditures	<u>(10,179,766)</u>	<u>80,787</u>	<u>(10,098,979)</u>
Other financing sources (uses)			
Transfers from Board of County Commissioners	10,437,358	264,389	10,701,747
Transfers to Board of County Commissioners	(134,047)	-	(134,047)
Operating transfers in (out)	(123,545)	123,545	-
Total other financing sources	<u>10,179,766</u>	<u>387,934</u>	<u>10,567,700</u>
Net change in fund balances	-	468,721	468,721
Fund balances, beginning of year	434,875	1,005,069	1,439,944
Fund balances, end of year	<u>\$ 434,875</u>	<u>\$ 1,473,790</u>	<u>\$ 1,908,665</u>

WAKULLA COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

(i) Governmental Funds

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. During the fiscal year end September 30, 2008, the Sheriff maintained the following special revenue funds:

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

(ii) Fiduciary Funds

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

Individual Depository Fund
Inmate Trust Fund
Suspense Fund

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

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

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

resources are reflected as revenue at the time of receipt, or earlier, if the "susceptible to accrual" criteria are not met.

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

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

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2008, the book balance of the Sheriff's deposits was \$2,247,588. This balance was covered by federal depository insurance and collateral held at various qualified public depositories. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

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

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

G. Fixed Assets – Capital asset activity for the year ended September 30, 2008, which is reported in the basic financial statements of Wakulla County, Florida is as follows:

	Balance October 1, 2007	Prior Period Adjustment	Additions	Donations	Disposals	Balance September 30, 2008
Equipment	\$ 4,327,638	\$ 59,624	\$ 310,776	\$ 9,895	\$ (355,585)	\$ 4,352,348
Accumulated depreciation	(3,302,091)	-	(396,011)	-	248,189	(3,449,913)
	<u>\$ 1,025,547</u>	<u>\$ 59,624</u>	<u>\$ (85,235)</u>	<u>\$ 9,895</u>	<u>\$ (107,396)</u>	<u>\$ 902,435</u>

Prior period adjustment of \$59,624 was made to include equipment financed as a capital lease in the prior year.

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

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008	Due in One Year
Compensated absences	\$ 458,725	\$ 15,270	\$ -	\$ 473,995	\$ -
Capital lease payable	138,673	-	30,043	108,630	34,712
Equipment and vehicles	<u>\$ 597,398</u>	<u>\$ 15,270</u>	<u>\$ 30,043</u>	<u>\$ 582,625</u>	<u>\$ 34,712</u>

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

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

NOTE 2. RETIREMENT PROGRAMS

Florida Retirement System

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

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

The State of Florida establishes contribution rates for participating employers. Contribution rates during the 2007-08 fiscal year were as follows:

Class or Plan	Percent of Gross Salary (A)
Florida Retirement System, Regular	9.85
Florida Retirement System, Senior Management Services	13.12
Florida Retirement System, Special Risk	20.92
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plan	10.91
Florida Retirement System, Reemployed Retiree	(B)

- Notes: (A) Employer rates include 1.11 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .05 percent for administrative costs of the Public Employee Optional Retirement Program.
- (B) Contribution rates are dependent upon retirement class or plan in which reemployed.

The Sheriff's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the Sheriff. The Sheriff's contributions for the fiscal years ended September 30, 2006, September 30, 2007, and September 30, 2008 totaled \$801,532, \$990,109, and \$1,042,367, respectively, which were equal to the required contributions for each fiscal year.

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

NOTE 3. UNEXPENDED BUDGET BALANCE

The General Fund's unexpended budget balance at September 30, 2008, has subsequently been remitted to the Board of County Commissioners in accordance with Section 30.50, *Florida Statutes*. This balance has been recorded as due to the Board as reflected on the Governmental Fund Balance Sheet and consists of the following:

Actual transfers	\$ 10,437,358
Other revenues	89,142
Less: Transfer to other funds	(123,545)
Less: Expenditures	<u>(10,280,540)</u>
	122,415
Interest earnings	<u>11,632</u>
	<u><u>\$ 134,047</u></u>

NOTE 4. RISK MANAGEMENT

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

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

NOTE 5. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal governments. Any disallowed claims, including

amounts already collected, may constitute a liability of the applicable funds. The amount if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Sheriff and Board of County Commissioners expect such amounts, if any, to be immaterial.

NOTE 6. CAPITAL LEASES

The Sheriff has two capital leases for equipment purchases. Total payments made for the fiscal year including interest totaled \$40,318. The future minimum payments under these leases at September 30, 2008, are as follows:

Year Ending September 30,	Principal	Interest	Total
2009	\$ 34,712	\$ 5,588	\$ 40,300
2010	36,855	3,445	40,300
2011	32,494	1,202	33,696
2012	4,569	58	4,627
	<u>\$ 108,630</u>	<u>\$ 10,293</u>	<u>\$ 118,923</u>

NOTE 7. RESERVED FUND BALANCE

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

COMBINING AND INDIVIDUAL FUND STATEMENTS

**SHERIFF
WAKULLA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended September 30, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 50,004	\$ 50,004	\$ 89,142	\$ 39,138
Miscellaneous	-	-	11,632	11,632
Total revenues	<u>50,004</u>	<u>50,004</u>	<u>100,774</u>	<u>50,770</u>
Expenditures				
Public safety				
Current	10,361,005	10,192,569	10,198,923	(6,354)
Capital outlay	48,300	48,300	67,716	(19,416)
Debt service				
Principal	10,073	10,073	10,073	-
Interest	3,828	3,828	3,828	-
Total expenditures	<u>10,423,206</u>	<u>10,254,770</u>	<u>10,280,540</u>	<u>(25,770)</u>
Deficiency of revenues over expenditures	<u>(10,373,202)</u>	<u>(10,204,766)</u>	<u>(10,179,766)</u>	<u>25,000</u>
Other financing sources (uses)				
Transfers from Board of County Commissioners	10,462,358	10,462,358	10,437,358	(25,000)
Transfers to Board of County Commissioners	-	(134,047)	(134,047)	-
Operating transfers in (out)	(89,156)	(123,545)	(123,545)	-
Total other financing sources (uses)	<u>10,373,202</u>	<u>10,204,766</u>	<u>10,179,766</u>	<u>(25,000)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>434,875</u>	<u>434,875</u>	<u>434,875</u>	-
Fund balance, end of year	<u>\$ 434,875</u>	<u>\$ 434,875</u>	<u>\$ 434,875</u>	<u>\$ -</u>

**SHERIFF
WAKULLA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 436,970	\$ 436,970	\$ -
Charges for services	-	791,251	791,251	-
Fines	-	32,761	32,761	-
Miscellaneous	-	61,326	61,326	-
Total revenues	<u>-</u>	<u>1,322,308</u>	<u>1,322,308</u>	<u>-</u>
Expenditures				
Public safety				
Current	1,976	1,016,265	1,016,265	-
Capital outlay	185,770	198,838	198,838	-
Debt service				
Principal	19,970	19,970	19,970	-
Interest	6,448	6,448	6,448	-
Total expenditures	<u>214,164</u>	<u>1,241,521</u>	<u>1,241,521</u>	<u>-</u>
Excess of revenues over expenditures	<u>(214,164)</u>	<u>80,787</u>	<u>80,787</u>	<u>-</u>
Other financing sources (uses)				
Transfers from Board of County Commissioners	214,164	264,389	264,389	-
Operating transfers in (out)	-	123,545	123,545	-
Total other financing sources (uses)	<u>214,164</u>	<u>387,934</u>	<u>387,934</u>	<u>-</u>
Net change in fund balances	-	468,721	468,721	-
Fund balances, beginning of year	<u>1,005,069</u>	<u>1,005,069</u>	<u>1,005,069</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,005,069</u>	<u>\$ 1,473,790</u>	<u>\$ 1,473,790</u>	<u>\$ -</u>

**SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING BALANCES SHEET - ALL SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2008**

	<u>Grants and Contracts</u>	<u>Court Maintenance</u>	<u>Donated Funds</u>	<u>Federal Forfeiture Trust</u>	<u>Firing Range</u>	<u>Housing Trust</u>	<u>Impact Fees</u>	<u>Inmate Welfare</u>	<u>Law Enforcement Trust</u>	<u>Moving Violation</u>	<u>One Cent Sales Tax</u>	<u>Totals</u>
Assets												
Cash and cash equivalents	\$ -	\$ -	\$ 22,164	\$ 1,887	\$ 1,308	\$ 1,180,146	\$ -	\$ 182,223	\$ 46,182	\$ -	\$ -	\$ 1,433,910
Due from other funds	-	-	-	-	-	27,998	-	11,882	-	-	-	39,880
Accounts receivable	50,947	-	-	-	-	-	-	-	-	-	-	50,947
Due from other governmental units	166,138	-	-	-	-	-	-	-	-	-	-	166,138
Due from Board of County Commissioners	7,446	-	-	-	-	-	-	-	-	-	-	7,446
Total Assets	\$ 224,531	\$ -	\$ 22,164	\$ 1,887	\$ 1,308	\$ 1,208,144	\$ -	\$ 194,105	\$ 46,182	\$ -	\$ -	\$ 1,698,321
Liabilities and Fund Balances												
Liabilities												
Due to other funds	\$ 202,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,378
Accounts payable and accrued expenses	19,552	-	-	-	-	-	-	-	-	-	-	19,552
Due to Board of County Commissioners	2,601	-	-	-	-	-	-	-	-	-	-	2,601
Total Liabilities	224,531	-	-	-	-	-	-	-	-	-	-	224,531
Fund Balances												
Fund Balances:												
Reserved	-	-	22,164	1,887	1,308	1,208,144	-	194,105	46,182	-	-	1,473,790
Total Liabilities and Fund Balances	\$ 224,531	\$ -	\$ 22,164	\$ 1,887	\$ 1,308	\$ 1,208,144	\$ -	\$ 194,105	\$ 46,182	\$ -	\$ -	\$ 1,698,321

**SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2008**

	Grants and Contracts	Court Maintenance	Donated Funds	Federal Forfeiture Trust	Firing Range	Housing Trust	Impact Fees	Inmate Welfare	Law Enforcement Trust	Moving Violation	One Cent Sales Tax	Totals
Revenues												
Intergovernmental	\$ 436,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 436,970
Charges for services	367,884	-	3,938	-	3,520	297,560	-	118,349	-	-	-	791,251
Fines	-	-	-	-	-	-	-	-	32,761	-	-	32,761
Miscellaneous	-	-	34,955	5	2,031	16,573	-	1,905	5,857	-	-	61,326
Total revenues	804,854	-	38,893	5	5,551	314,133	-	120,254	38,618	-	-	1,322,308
Expenditures												
Current												
Public safety	970,576	1,976	36,051	-	4,243	-	-	2,419	1,000	-	-	1,016,265
Capital outlay												
Public safety	8,048	10,565	-	-	-	-	7,000	-	5,020	9,600	158,605	198,838
Debt service												
Principal	-	-	-	-	-	-	-	-	-	19,970	-	19,970
Interest	-	-	-	-	-	-	-	-	-	6,448	-	6,448
Total expenditures	978,624	12,541	36,051	-	4,243	-	7,000	2,419	6,020	36,018	158,605	1,241,521
Excess (deficiency) of revenues over expenditures	(173,770)	(12,541)	2,842	5	1,308	314,133	(7,000)	117,835	32,598	(36,018)	(158,605)	80,787
Other financing sources (uses)												
Transfers from Board of County Commissioners	50,225	12,541	-	-	-	-	7,000	-	-	36,018	158,605	264,389
Operating transfers in (out)	123,545	-	-	-	-	-	-	-	-	-	-	123,545
Total other financing sources (uses)	173,770	12,541	-	-	-	-	7,000	-	-	36,018	158,605	387,934
Net change in fund balances	-	-	2,842	5	1,308	314,133	-	117,835	32,598	-	-	468,721
Fund balances, beginning of year	-	-	19,322	1,882	-	894,011	-	76,270	13,584	-	-	1,005,069
Fund balances, end of year	\$ -	\$ -	\$ 22,164	\$ 1,887	\$ 1,308	\$ 1,208,144	\$ -	\$ 194,105	\$ 46,182	\$ -	\$ -	\$ 1,473,790

**SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING BALANCES SHEET - ALL GRANTS AND CONTRACTS
September 30, 2008**

	\$2 Training	Bullet Proof Vest	Byrne Memorial	Civil Citation/RAP	EMPA	FEMA	Florida Sheriff's Association	Homeland Security
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-	-
Due from other governmental units	-	3,610	12,824	2,977	43,496	54,888	-	-
Due from Board of County Commissioners	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 3,610	\$ 12,824	\$ 2,977	\$ 43,496	\$ 54,888	\$ -	\$ -
Liabilities and Fund Balances								
Liabilities								
Due to other funds	\$ -	\$ 3,610	\$ 12,824	\$ 2,977	\$ 36,308	\$ 54,888	\$ -	\$ -
Accounts payable and accrued liabilities	-	-	-	-	6,502	-	-	-
Due to Board of County Commissioners	-	-	-	-	686	-	-	-
Total Liabilities	-	3,610	12,824	2,977	43,496	54,888	-	-
Fund Balances								
Fund Balances:								
Unreserved, undesignated	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ 3,610	\$ 12,824	\$ 2,977	\$ 43,496	\$ 54,888	\$ -	\$ -

(Continued)

**SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING BALANCES SHEET - ALL GRANTS AND CONTRACTS
September 30, 2008**

	<u>KWCB</u>	<u>Litter Control</u>	<u>School Resource Officer</u>	<u>Teen Outreach</u>	<u>U.S. Forestry</u>	<u>VOCA</u>	<u>Youth Coalition</u>	<u>TOTALS</u>
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
Accounts receivable	4,238	46,709	-	-	-	-	-	50,947
Due from other governmental units	-	-	30,800	254	2,640	11,348	3,301	166,138
Due from Board of County Commissioners	-	7,446	-	-	-	-	-	7,446
Total Assets	<u>\$ 4,238</u>	<u>\$ 54,155</u>	<u>\$ 30,800</u>	<u>\$ 254</u>	<u>\$ 2,640</u>	<u>\$ 11,348</u>	<u>\$ 3,301</u>	<u>\$ 224,531</u>
Liabilities and Fund Balances								
Liabilities								
Due to other funds	\$ 4,238	\$ 49,775	\$ 23,642	\$ 254	\$ 2,640	\$ 7,921	\$ 3,301	202,378
Accounts payable and accrued liabilities	-	3,575	6,048	-	-	3,427	-	19,552
Due to Board of County Commissioners	-	805	1,110	-	-	-	-	2,601
Total Liabilities	<u>4,238</u>	<u>54,155</u>	<u>30,800</u>	<u>254</u>	<u>2,640</u>	<u>11,348</u>	<u>3,301</u>	<u>224,531</u>
Fund Balances								
Fund Balances:								
Unreserved, undesignated	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	<u>\$ 4,238</u>	<u>\$ 54,155</u>	<u>\$ 30,800</u>	<u>\$ 254</u>	<u>\$ 2,640</u>	<u>\$ 11,348</u>	<u>\$ 3,301</u>	<u>\$ 224,531</u>

**SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GRANTS AND CONTRACTS
For the Fiscal Year Ended September 30, 2008**

	<u>\$2 Training</u>	<u>Bullet Proof Vest</u>	<u>Byrne Memorial</u>	<u>Civil Citation/RAP</u>	<u>EMPA</u>	<u>FEMA</u>	<u>Florida Sheriff's Association</u>	<u>Homeland Security</u>
Revenues								
Intergovernmental	\$ -	\$ 3,610	\$ 52,081	\$ 36,485	\$ 128,888	\$ 61,574	\$ -	\$ 20,280
Charges for services	-	-	-	-	-	-	95,236	-
Total revenues	<u>-</u>	<u>3,610</u>	<u>52,081</u>	<u>36,485</u>	<u>128,888</u>	<u>61,574</u>	<u>95,236</u>	<u>20,280</u>
Expenditures								
Current								
Public safety	21,408	7,220	52,081	48,698	147,971	62,057	95,236	14,523
Capital outlay								
Public safety	-	-	-	-	2,698	-	-	5,350
Total expenditures	<u>21,408</u>	<u>7,220</u>	<u>52,081</u>	<u>48,698</u>	<u>150,669</u>	<u>62,057</u>	<u>95,236</u>	<u>19,873</u>
Excess (deficiency) of revenues over expenditures	<u>(21,408)</u>	<u>(3,610)</u>	<u>-</u>	<u>(12,213)</u>	<u>(21,781)</u>	<u>(483)</u>	<u>-</u>	<u>407</u>
Other financing sources (uses)								
Transfers from Board of County Commissioners	21,408	-	-	-	23,000	-	-	-
Operating transfers in (out)	-	3,610	-	12,213	(1,219)	483	-	(407)
Total other financing sources (uses)	<u>21,408</u>	<u>3,610</u>	<u>-</u>	<u>12,213</u>	<u>21,781</u>	<u>483</u>	<u>-</u>	<u>(407)</u>
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SHERIFF
WAKULLA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GRANTS AND CONTRACTS
For the Fiscal Year Ended September 30, 2008**

	KWCB	Litter Control	School Resource Officer	Teen Outreach	U.S. Forestry	VOCA	Youth Coalition	TOTALS
Revenues								
Intergovernmental	\$ -	\$ 1	\$ -	\$ 6,433	\$ -	\$ 102,939	\$ 24,679	\$ 436,970
Charges for services	15,956	103,640	150,412	-	2,640	-	-	367,884
Total revenues	15,956	103,641	150,412	6,433	2,640	102,939	24,679	804,854
Expenditures								
Current								
Public safety	15,956	158,872	203,222	6,433	3,518	108,702	24,679	970,576
Capital outlay								
Public safety	-	-	-	-	-	-	-	8,048
Total expenditures	15,956	158,872	203,222	6,433	3,518	108,702	24,679	978,624
Excess (deficiency) of revenues over expenditures	-	(55,231)	(52,810)	-	(878)	(5,763)	-	(173,770)
Other financing sources (uses)								
Transfers from Board of County Commissioners	-	5,817	-	-	-	-	-	50,225
Operating transfers in (out)	-	49,414	52,810	-	878	5,763	-	123,545
Total other financing sources (uses)	-	55,231	52,810	-	878	5,763	-	173,770
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SHERIFF
WAKULLA COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
SEPTEMBER 30, 2008**

	<u>Individual Depository</u>	<u>Suspense</u>	<u>Inmate Trust</u>	<u>Totals</u>
Assets				
Cash and cash equivalents	<u>\$ 314,396</u>	<u>\$ 5,715</u>	<u>\$ 18,517</u>	<u>\$ 338,628</u>
Liabilities				
Due to other funds	\$ 51,441	\$ -	\$ -	\$ 51,441
Due to Board of County Commissioners	262,955	-	-	262,955
Due to individuals	<u>-</u>	<u>5,715</u>	<u>18,517</u>	<u>24,232</u>
Total Liabilities	<u>\$ 314,396</u>	<u>\$ 5,715</u>	<u>\$ 18,517</u>	<u>\$ 338,628</u>

**SHERIFF
WAKULLA COUNTY, FLORIDA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	Balance Oct. 1, 2007	Additions	Deductions	Balance Sept. 30, 2008
INMATE TRUST				
Assets				
Cash	\$ 28,899	\$ 296,519	\$ 306,901	\$ 18,517
Total assets	\$ 28,899	\$ 296,519	\$ 306,901	\$ 18,517
Liabilities				
Due to individuals	\$ 28,899	\$ 296,519	\$ 306,901	\$ 18,517
Total liabilities	\$ 28,899	\$ 296,519	\$ 306,901	\$ 18,517
INDIVIDUAL DEPOSITORY				
Assets				
Cash	\$ 62,970	\$ 3,242,114	\$ 2,990,688	\$ 314,396
Total assets	\$ 62,970	\$ 3,242,114	\$ 2,990,688	\$ 314,396
Liabilities				
Due to other funds	\$ 5,490	\$ 134,987	\$ 89,036	\$ 51,441
Due to Board of County Commissioners	57,480	3,107,127	2,901,652	262,955
Total liabilities	\$ 62,970	\$ 3,242,114	\$ 2,990,688	\$ 314,396
SUSPENSE				
Assets				
Cash	\$ 11,666	\$ 279,703	\$ 285,654	\$ 5,715
Total assets	\$ 11,666	\$ 279,703	\$ 285,654	\$ 5,715
Liabilities				
Due to individuals	\$ 11,666	\$ 279,703	\$ 285,654	\$ 5,715
Total liabilities	\$ 11,666	\$ 279,703	\$ 285,654	\$ 5,715
TOTAL ALL AGENCY FUNDS				
Assets				
Cash	\$ 103,535	\$ 3,818,336	\$ 3,583,243	\$ 338,628
Total assets	\$ 103,535	\$ 3,818,336	\$ 3,583,243	\$ 338,628
Liabilities				
Due to individuals	\$ 40,565	\$ 576,222	\$ 592,555	\$ 24,232
Due to other funds	5,490	134,987	89,036	51,441
Due to Board of County Commissioners	57,480	3,107,127	2,901,652	262,955
Total liabilities	\$ 103,535	\$ 3,818,336	\$ 3,583,243	\$ 338,628

COMPLIANCE SECTION

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

To the Sheriff
Wakulla County, Florida

We have audited the special purpose financial statements of the Wakulla County Sheriff, as of and for the year ended September 30, 2008, and have issued our report thereon dated January 16, 2009. Our report included a paragraph stating that the Sheriff is an integral part of Wakulla County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

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

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



POWELL & JONES
Certified Public Accountants
January 16, 2009

MANAGEMENT LETTER

Honorable Sheriff
Wakulla County, Florida

We have audited the financial statements of the Wakulla County Sheriff, as of and for the year ended September 30, 2008, and have issued our report thereon dated January 16, 2009. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is an agreement with the audited financial statements of Wakulla County, Florida, for the year ended September 30, 2008. The financial statements of the Sheriff are combined with other County agencies in that report.

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

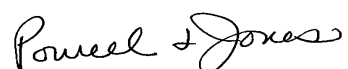
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Sheriff had met any of the conditions described in Section 218.503(1)(a), *Florida Statutes*, that might result in a financial emergency.

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.

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

CONCLUSION

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

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

POWELL & JONES
Certified Public Accountants
January 16, 2009

SUPERVISOR OF ELECTIONS

WAKULLA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2008

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Wakulla County, Florida

We have audited the accompanying special purpose fund financial statements of the Wakulla County Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2008, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Supervisor of Elections. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Wakulla County Supervisor of Elections, as of September 30, 2008, and the results of its operations and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 6, 2009, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

POWELL & JONES
Certified Public Accountants
January 6, 2009

FINANCIAL STATEMENTS

WAKULLA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

**GENERAL FUND
BALANCE SHEET
September 30, 2008**

ASSETS

Cash and cash equivalents	\$	27,186
Total assets	\$	<u>27,186</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	16,005
Accrued liabilities		<u>8,390</u>
Total liabilities		24,395

Fund balance

Reserved for State grants		<u>2,791</u>
Total liabilities and fund balance	\$	<u>27,186</u>

WAKULLA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2008

REVENUES

Intergovernmental
Federal grants \$ 4,233

EXPENDITURES

General government
Current operating 416,255
Total expenditures 416,255

Deficiency of revenues over expenditures (412,022)

OTHER FINANCING SOURCES

Transfers from the Board of County Commissioners 411,468
Total other financing sources 411,468

Net change in fund balance (554)
Fund balance, beginning of year 3,345
Fund balance, end of year \$ 2,791

WAKULLA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

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

For the Fiscal Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Intergovernmental				
Federal grants	\$ -	\$ -	\$ 4,233	\$ 4,233
EXPENDITURES				
General government				
Current operating	374,756	401,832	416,255	(14,423)
Capital outlay	1,000	1,000	-	1,000
Total expenditures	<u>375,756</u>	<u>402,832</u>	<u>416,255</u>	<u>(13,423)</u>
Deficiency of revenues over expenditures	<u>(375,756)</u>	<u>(402,832)</u>	<u>(412,022)</u>	<u>(9,190)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from the Board of County Commissioners	375,756	402,832	411,468	8,636
Total other financing sources (uses)	<u>375,756</u>	<u>402,832</u>	<u>411,468</u>	<u>8,636</u>
Net change in fund balance	-	-	(554)	(554)
Fund balance, beginning of year	3,345	3,345	3,345	-
Fund balance, end of year	<u>\$ 3,345</u>	<u>\$ 3,345</u>	<u>\$ 2,791</u>	<u>\$ (554)</u>

WAKULLA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS

September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

(i) Governmental Fund

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

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

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

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

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

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2008, the book balance of the Supervisor of Elections' deposits was \$27,186.

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

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

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$2,776 is reported in the General Long-Term Debt Accounts of Wakulla County, Florida.

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

J. Risk Management - The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and

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

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

NOTE 2. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Supervisor of Elections is required to contribute at an actuarially determined rate. The rates at September 30, 2008, were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53%, and employees electing the DROP Program 10.91%. The contribution requirements of plan members and the Supervisor of Elections are established and may be amended by the Florida Legislature. The Supervisor of Elections' contributions to the System for the years ending September 30, 2008, 2007 and 2006 were \$19,112, \$18,523, and \$14,191, respectively, equal to the required contributions for each year.

COMPLIANCE SECTION

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

Honorable Supervisor of Elections
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Supervisor of Elections, as of and for the year ended September 30, 2008, and have issued our report thereon dated January 6, 2009. Our report included a paragraph stating that the Supervisor of Elections is an integral part of Wakulla County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

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

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


POWELL & JONES
Certified Public Accountants
January 6, 2009

MANAGEMENT LETTER

Honorable Supervisor of Elections
Wakulla County, Florida

We have audited the financial statements of the Supervisor of Elections, as of and for the year ended September 30, 2008, and have issued our report thereon dated January 6, 2009. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is an agreement with the audited financial statements of Wakulla County, Florida, for the year ended September 30, 2008. The financial statements of the Supervisor of Elections are combined with other County agencies in that report.

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

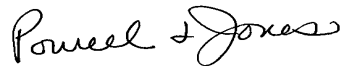
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Supervisor of Elections had met any of the conditions described in Section 218.503(1)(a), *Florida Statutes*, that might result in a financial emergency.

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.

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

CONCLUSION

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

A handwritten signature in cursive script, appearing to read "Powell & Jones".

POWELL & JONES
Certified Public Accountants
January 6, 2009

TAX COLLECTOR

WAKULLA COUNTY, FLORIDA
TAX COLLECTOR

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2008

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Wakulla County, Florida

We have audited the accompanying special purpose fund financial statements of the Wakulla County Tax Collector (the Tax Collector), as of and for the year ended September 30, 2008, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Tax Collector. Our responsibility is to express an opinion on these financial statements based on our audit.

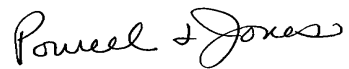
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

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

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Tax Collector, as of September 30, 2008, and the results of its operations and budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2009, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

POWELL & JONES
Certified Public Accountants
January 26, 2009

COMBINED FINANCIAL STATEMENTS

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR

COMBINED BALANCE SHEET - ALL FUND TYPES

September 30, 2008

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 1,034	\$ 360,455	\$ 361,489
Due from individuals	-	936	936
Due from other funds	-	6,594	6,594
Due from other governmental units	-	5,723	5,723
Total assets	<u><u>\$ 1,034</u></u>	<u><u>\$ 373,708</u></u>	<u><u>\$ 374,742</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Due to individuals	\$ -	\$ 7,279	\$ 7,279
Due to other funds	-	6,594	6,594
Due to other governmental units	-	318,157	318,157
Interest payable	-	1,108	1,108
Other current liabilities	1,034	40,570	41,604
Total liabilities	<u>1,034</u>	<u>373,708</u>	<u>374,742</u>
Fund balance	-	-	-
Total liabilities and fund balance	<u><u>\$ 1,034</u></u>	<u><u>\$ 373,708</u></u>	<u><u>\$ 374,742</u></u>

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2008

REVENUES	
Charges for services	<u>\$ 5,337</u>
EXPENDITURES	
General government	
Current operating	631,935
Capital outlay	<u>9,397</u>
Total expenditures	<u>641,332</u>
Deficiency of revenues over expenditures	<u>(635,995)</u>
OTHER FINANCING SOURCES	
Transfers from the Board of County Commissioners	<u>635,995</u>
Net change in fund balance	-
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>

See notes to financial statements.

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for services	\$ -	\$ -	\$ 5,337	\$ 5,337
EXPENDITURES				
General government				
Current operating	623,732	627,836	631,935	(4,099)
Capital outlay	-	8,160	9,397	(1,237)
Total expenditures	<u>623,732</u>	<u>635,996</u>	<u>641,332</u>	<u>(5,336)</u>
Deficiency of revenues over expenditures	<u>(623,732)</u>	<u>(635,996)</u>	<u>(635,995)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers from the Board of County Commissioners	<u>623,732</u>	<u>635,995</u>	<u>635,995</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

WAKULLA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

- (i) Governmental Fund
General Fund - The General Fund of the Tax Collector is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.
- (ii) Fiduciary Funds
Agency Funds - Agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following Agency Funds are maintained by the Tax Collector:

- Bankruptcy
- Boating
- Delinquent Tax
- Hunting and Fishing

Litigation
MSBU
Old Delinquent
Tag
Tax
Tax Escrow
Wastewater Assessment

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

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

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

E. Cash - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2008, the book balance of the Tax Collector's deposits was \$360,455. Of this balance, all was covered by federal depository insurance. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

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

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

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

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

event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$18,348 is reported in the General Long-Term Debt Accounts of Wakulla County, Florida.

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

J. Risk Management - The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Tax Collector directly purchases insurance and participates in the risk management program through the Wakulla County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

NOTE 2. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Tax Collector is required to contribute at an actuarially determined rate. The rates at September 30, 2008, were as follows: Regular Employees 8.69%; Senior Management 11.96%; Elected Officials 15.33% and employees electing the DROP Program 10.91%. The contribution requirements of plan members and the Tax Collector are established and may be amended by the Florida Legislature. The Tax Collector's contributions to the System for the years ending September 30, 2008, 2007 and 2006 were \$40,013, \$41,298, and \$35,698, respectively, equal to the required, contributions for each year.

NOTE 3. OPERATING LEASE

The Tax Collector leases a mailing machine under an operating lease expiring in 2010.

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2009	\$ 3,336
2010	1,668
	<u>\$ 5,004</u>

The Tax Collector leases software/server under a lease purchase agreement expiring in 2011.

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2009	\$ 7,772
2010	7,772
2011	3,568
	<u>\$ 19,112</u>

COMBINING FUND STATEMENT

WAKULLA COUNTY, FLORIDA

TAX COLLECTOR

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2008

	Bankruptcy	Boating	Delinquent Tax	Hunting and Fishing	Litigation	MSBU	Old Delinquent	Tag	Tax	Tax Escrow	Waste- water Assess- ment	Totals
ASSETS												
Cash and cash equivalents	\$ 16,363	\$ -	\$ 10,029	\$ 977	\$ 21,061	\$ -	\$ 64,648	\$ -	\$ -	\$ 247,377	\$ -	\$ 360,455
Due from individuals	-	-	-	-	-	-	-	936	-	-	-	936
Due from other funds	-	-	-	-	-	-	6,594	-	-	-	-	6,594
Due from other governmental units	-	-	-	-	-	-	-	5,723	-	-	-	5,723
Total assets	<u>\$ 16,363</u>	<u>\$ -</u>	<u>\$ 10,029</u>	<u>\$ 977</u>	<u>\$ 21,061</u>	<u>\$ -</u>	<u>\$ 71,242</u>	<u>\$ 6,659</u>	<u>\$ -</u>	<u>\$ 247,377</u>	<u>\$ -</u>	<u>\$ 373,708</u>
LIABILITIES AND NET ASSETS												
Liabilities												
Due to individuals	\$ -	\$ -	\$ 7,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,279
Due to other funds	-	-	-	-	-	-	-	6,594	-	-	-	6,594
Due to other governmental units	-	-	-	977	-	-	71,242	-	-	245,938	-	318,157
Interest payable	-	-	-	-	-	-	-	-	-	1,108	-	1,108
Other current liabilities	16,363	-	2,750	-	21,061	-	-	65	-	331	-	40,570
Total liabilities	<u>16,363</u>	<u>-</u>	<u>10,029</u>	<u>977</u>	<u>21,061</u>	<u>-</u>	<u>71,242</u>	<u>6,659</u>	<u>-</u>	<u>247,377</u>	<u>-</u>	<u>373,708</u>
Net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 16,363</u>	<u>\$ -</u>	<u>\$ 10,029</u>	<u>\$ 977</u>	<u>\$ 21,061</u>	<u>\$ -</u>	<u>\$ 71,242</u>	<u>\$ 6,659</u>	<u>\$ -</u>	<u>\$ 247,377</u>	<u>\$ -</u>	<u>\$ 373,708</u>

COMPLIANCE SECTION

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

To the Tax Collector
Wakulla County, Florida

We have audited the special purpose fund financial statements of the Wakulla County Tax Collector, as of and for the year ended September 30, 2008, and have issued our report thereon dated January 26, 2009. Our report included a paragraph stating that the Tax Collector is an integral part of Wakulla County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

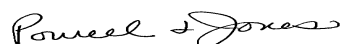
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control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

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

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

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

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



POWELL & JONES
Certified Public Accountants
January 26, 2009

MANAGEMENT LETTER

Honorable Tax Collector
Wakulla County, Florida

We have audited the financial statements of the Wakulla County Tax Collector, as of and for the year ended September 30, 2008, and have issued our report thereon dated January 26, 2009. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

PRIOR YEAR FINDINGS

All prior year findings were corrected during the current year.

CURRENT YEAR FINDINGS

There were no reportable findings during the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the audited financial statements of Wakulla County, Florida, for the year ended September 30, 2008. The financial statements of the Tax Collector are combined with other County agencies in that report.

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

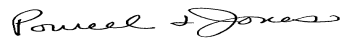
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Tax Collector had met any of the conditions described in Section 218.503(1)(a), *Florida Statutes*, that might result in a financial emergency.

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.

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

CONCLUSION

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



POWELL & JONES
Certified Public Accountants
January 26, 2009