

OKEECHOBEE COUNTY, FLORIDA
COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

**OKEECHOBEE COUNTY, FLORIDA
FINANCIAL STATEMENT
AND
SUPPLEMENTAL REPORTS**

September 30, 2010

OKEECHOBEE COUNTY, FLORIDA
September 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Okeechobee 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 Okeechobee County, Florida (County), as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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 the 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 opinions.

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 the County, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2011, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The NCT Group CPA's, LLP

April 4, 2011

OKEECHOBEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

Management's Discussion and Analysis is intended to provide an objective analysis of Okeechobee County's (County) financial activities. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- The County's assets exceeded its liabilities at September 30, 2010 by \$110.6 million (net assets). Of this amount, \$77.9 million was invested in capital assets, net of related debt, and \$7.8 million was restricted by law, grant agreements, debt covenants, or for capital projects. As a result, \$24.9 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets had a net increase of \$4.9 million, \$5.1 million of which was from governmental activities and net decrease of \$0.2 million from business-type activities.
- At September 30, 2010, the County's General Fund balance was \$2 million which represents an increase of \$0.8 million or 66% above the prior year. The County's Governmental Funds in total reported combined ending fund balances of \$35.2 million, an increase of \$2 million from the previous year. Of this amount, \$24.2 million is for specific purposes determined by formal action of the County (committed), \$7.2 million is for specific purposes imposed by external providers (restricted), \$1.8 million is not in a spendable form (nonspendable), \$1.9 million is available for any purpose (unassigned), and \$0.1 million is intended for specific purposes (assigned).
- At September 30, 2010, unassigned fund balance for the General Fund was \$1.9 million, or 7.5% of total general fund expenditures. Less than one month of expenditures was available in unassigned fund balance.
- The County's total liabilities decreased by \$2.4 million or 12% during the fiscal year.

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 three components: 1) government-wide financial statements, 2) fund financial statements, and 3) 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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

information showing how the government'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 result in cash flows in future fiscal periods.

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). Governmental activities include general government, public safety, transportation, human services, culture and recreation, physical environment, and economic environment. Business-type activities include the Agri-Civic Center and the Okee-Tantie campground.

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 state and local 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 to facilitate this comparison between governmental funds and governmental activities.

The County maintains 45 individual governmental 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, Transportation Trust, Public Safety, Fire/Rescue, Landfill Trust, and Capital Improvements funds. Each of these is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and the major special revenue funds to demonstrate compliance with this budget.

OKEECHOBEE COUNTY, FLORIDA
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Proprietary Funds

Enterprise Funds are a type of proprietary fund 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 the Agri-Civic Center and Okee-Tantie Campground. The major fund for the current year is the Agri-Civic Center while the Okee-Tantie Campground is considered nonmajor. The proprietary statements provide the same type of information as the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of 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.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general and major special revenue funds. The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the notes to the financial statements.

OKEECHOBEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The comparison of net assets from year-to-year serves to measure government's financial position. As of September 30, 2010, assets exceeded liabilities by \$110.6 million (net assets).

Statement of Net Assets
(in millions)

	Governmental		Business-type		Total Entity	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 39.61	\$ 39.04	\$ 0.33	\$ 0.49	\$ 39.94	\$ 39.53
Capital assets, net of	77.50	75.39	10.23	10.31	87.73	85.70
Total assets	<u>117.11</u>	<u>114.43</u>	<u>10.56</u>	<u>10.80</u>	<u>127.67</u>	<u>125.23</u>
Current and Other Liabilities	4.41	5.81	0.02	0.04	4.43	5.85
Long-term debt	12.64	13.64	-	-	12.64	13.64
Total liabilities	<u>17.05</u>	<u>19.45</u>	<u>0.02</u>	<u>0.04</u>	<u>17.07</u>	<u>19.49</u>
Net Assets:						
Invested in capital assets	67.73	64.47	10.23	10.32	77.96	74.79
Restricted	7.75	9.05	-	-	7.75	9.05
Unrestricted	24.58	21.46	0.31	0.44	24.89	21.90
Total net assets	<u>\$ 100.06</u>	<u>\$ 94.98</u>	<u>\$ 10.54</u>	<u>\$ 10.76</u>	<u>\$ 110.60</u>	<u>\$ 105.74</u>

Investment in capital assets (e.g. land, buildings and equipment), less outstanding debt used in acquiring these assets, represents 70.5% of the County's net assets. Capital assets reported net of debt are used to provide services to the citizens and, therefore, are not available for future spending. Resources necessary to cover debt must be provided from other sources.

Restricted net assets represent 7% of total net assets and are obligated for a specific purpose. Unrestricted net assets represent 22.5% of total net assets and may be used to meet ongoing obligations of the County without restriction.

The following schedule compares revenues and expenditures of the entire entity for the current and previous fiscal year. Total revenue for the County increased 5.2% above last year. Approximately 29.4% of revenues are derived from property taxes and 15.5% from other taxes. Approximately 20.4% of revenues come from charges for services, 7.3% from Solid Waste Host Fees and the remainder from other governments in the form of grants and contributions. Total expenses decreased 10% over last year. The County has reduced expenditures 15.8% over two years.

OKEECHOBEE COUNTY, FLORIDA
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	Changes in Net Assets					
	(Dollars in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for services	\$ 9.85	\$ 9.25	\$ 0.49	\$ 0.51	\$ 10.34	\$ 9.76
Grants and Contributions	6.50	7.35	-	-	6.50	7.35
General Revenues						
Taxes:						
Property taxes	14.91	13.33	-	-	14.91	13.33
Fuel taxes	4.38	4.54	-	-	4.38	4.54
Sales and use taxes	3.12	3.09	0.20	0.20	3.32	3.29
Service taxes	0.13	0.15	-	-	0.13	0.15
Franchise fees	0.36	0.36	-	-	0.36	0.36
State shared revenues	5.44	4.26	-	-	5.44	4.26
Investment earning	0.70	0.10	-	0.01	0.70	0.11
Gain/(loss) on disposal of capital assets	(0.06)	(0.30)	-	-	(0.06)	(0.30)
Insurance proceeds	0.01	0.02	-	-	0.01	0.02
Host fees	3.69	4.27	-	-	3.69	4.27
Miscellaneous revenue	0.92	1.08	0.09	-	1.01	1.08
Total revenues	<u>49.95</u>	<u>47.50</u>	<u>0.78</u>	<u>0.72</u>	<u>50.73</u>	<u>48.22</u>
Expenses:						
General government	10.96	11.94	-	-	10.96	11.94
Public safety	21.70	23.08	-	-	21.70	23.08
Physical environment	2.52	2.40	-	-	2.52	2.40
Transportation	4.52	6.00	-	-	4.52	6.00
Economic environment	1.48	2.40	-	-	1.48	2.40
Human services	1.74	1.91	-	-	1.74	1.91
Culture and recreation	1.30	1.36	-	-	1.30	1.36
Debt service:						
Interest and fiscal charges	0.45	0.51	-	-	0.45	0.51
Agricultural civic center	-	-	0.54	0.62	0.54	0.62
Campground	-	-	0.66	0.71	0.66	0.71
Total expenses	<u>44.67</u>	<u>49.60</u>	<u>1.20</u>	<u>1.33</u>	<u>45.87</u>	<u>50.93</u>
Increase (decrease) in net assets before transfers	5.28	(2.10)	(0.42)	(0.61)	4.86	(2.71)
Transfers	(0.20)	(0.08)	0.20	0.08	-	-
Change in net assets	<u>5.08</u>	<u>(2.18)</u>	<u>(0.22)</u>	<u>(0.53)</u>	<u>4.86</u>	<u>(2.71)</u>
Net assets - beginning, as restated	94.98	97.16	10.76	11.29	105.74	108.45
Net assets - ending	<u>\$ 100.06</u>	<u>\$ 94.98</u>	<u>\$ 10.54</u>	<u>\$ 10.76</u>	<u>\$ 110.60</u>	<u>\$ 105.74</u>

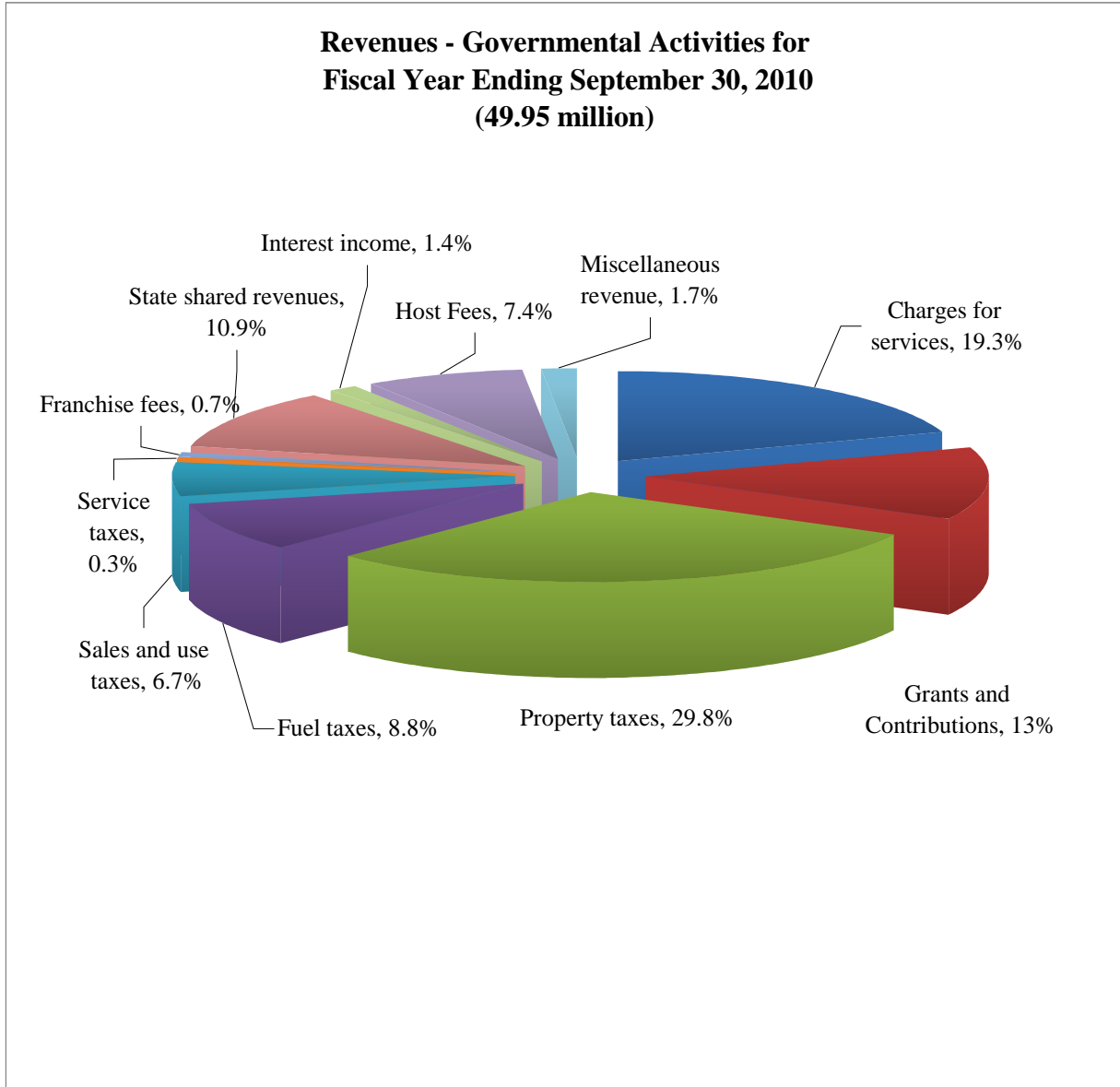
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Governmental Activities. Revenues for governmental activities increased \$2.5 million above last year. More specifically the increase is seen in property taxes which increased \$1.6 million. Charges for services increased \$0.6 million primarily from an increase in ambulance fees collected. Investment earnings on governmental activities increased by \$0.6 million during the fiscal year. This was a result of reducing expenditures in order to increase balances and an increase in interest rates and investment yields. Sales tax revenue remained relatively flat over last year. Host fees declined by \$0.6 million or 13.7%; this is as a result of a loss of out of county waste being disposed of at the landfill. Host fees have declined significantly for the second consecutive year.

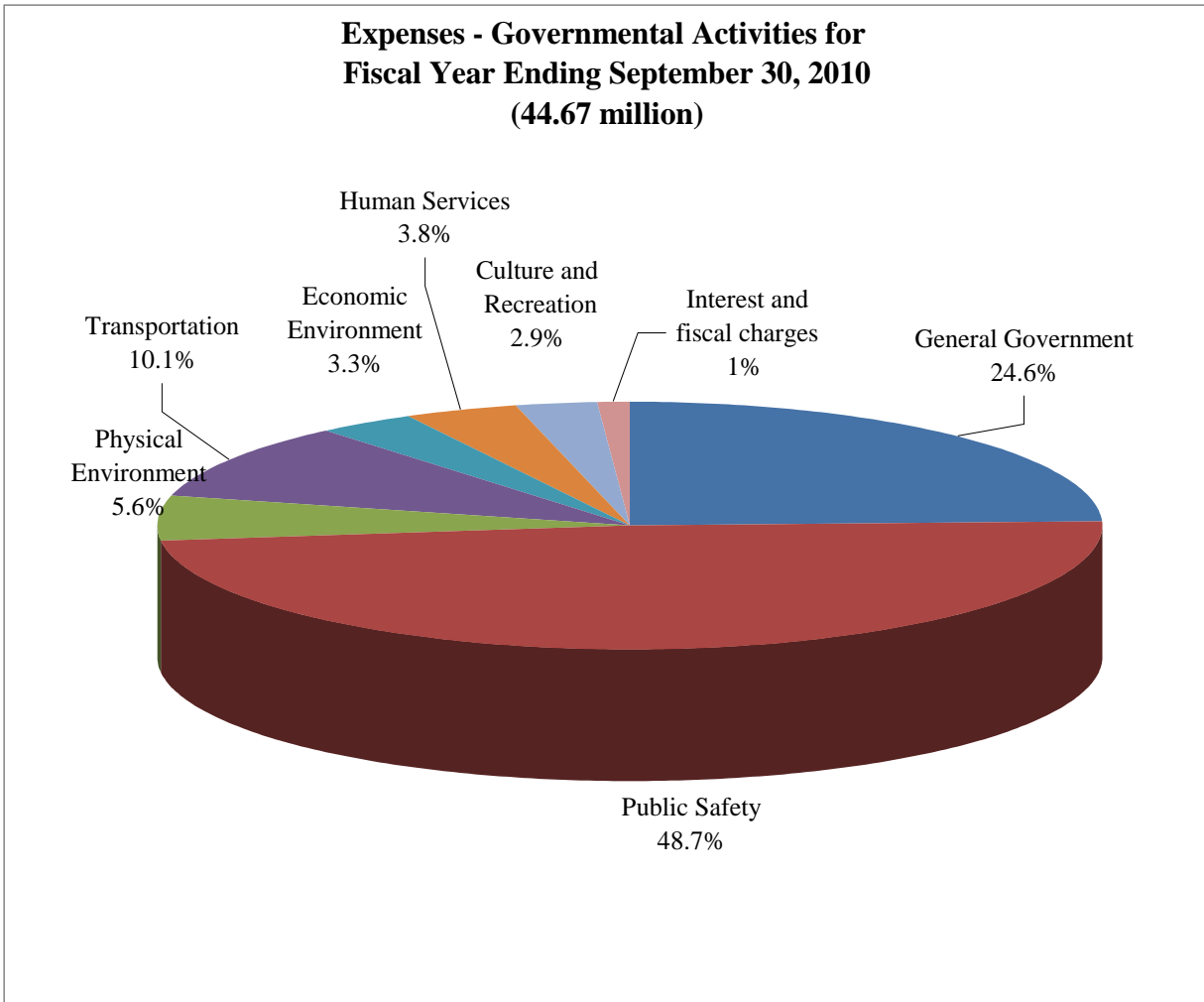
The cost of governmental activities decreased significantly by \$4.9 million or 10%. The cost of governmental activities has a two year combined reduction of 15.8%. The area representing the largest decrease for this reporting period was Public Safety, which declined \$1.4 million. Continued economic uncertainties caused the County to take further cost savings measures to operate within the annual revenues received and not utilize cash balances. The excess of revenue over expenses for the year was \$5.3 million reflecting a \$7.4 million or 352% increase over the prior year excess of expenditures over revenues of \$2.1 million. The prior year trend of expenses greater than revenues was completely reversed and expenditures were below revenues by 10.1%.

OKEECHOBEE COUNTY, FLORIDA
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The following charts depict revenues and expenses of the governmental activities for the fiscal year:



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Business-type Activities. Net assets of business-type activities decreased by \$214,000 or 2% as compared to the prior year. Revenues of business-type activities increased 8% above the prior year, or \$60,000. Expenses decreased by 9.8%, or \$130,000.

FINANCIAL ANALYSIS OF OKEECHOBEE 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 funds 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.

OKEECHOBEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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As of September 30, 2010, governmental funds reported combined fund balances of \$35.2 million, an increase of \$2 million greater than the prior year balances.

The General Fund is the operating fund of the County. At September 30, 2010, total fund balance in the General Fund was \$2.0 million, \$1.9 million of which is unassigned. As a measure of the General Fund's liquidity, the total unassigned fund balance divided by the total fund annual expenditures equals a percentage of 7.5%. This indicates that 7.5% of the year's general fund expenditures could be paid from unassigned general fund balances. The General Fund revenues and operating transfers for fiscal year 2010 exceeded expenditures by \$0.81 million.

The Transportation Trust Fund is used to fund the maintenance and operations of the County's transportation facilities, such as streets and drainage. At September 30, 2010, the total fund balance in the Transportation Trust Fund was \$3.1 million, all of which is restricted or nonspendable. Revenues exceeded expenditures by \$1.3 million, increasing fund balance for the year.

The Public Safety Fund is used to fund the Sheriff's Office and some smaller court related expenses. At September 30, 2010, the total fund balance in the Public Safety Fund was \$4.1 million, all of which is restricted or committed. The net increase in the fund balance during the current fiscal year was \$2.6 million. This net increase is substantially due to a greater than anticipated return of excess fees from the Sheriff.

The Landfill Trust Fund is the fund used to account for a portion of host fees assessed to the private contractor operating the Okeechobee Landfill committed to a reserve to provide this service should the landfill revert back to the County and, therefore, require some amount of funding to take over this service by the County. The County has established a floor for the reserve of \$8 million. Funds historically have been used to fund capital projects, grant matches and some operational components. At September 30, 2010, total fund balance was \$8.6 million. The net decrease in fund balance during the current fiscal year was \$2.0 million due to supporting the operational components of the County.

The Capital Improvement Fund has a total fund balance of \$4.9 million. The net decrease in the fund balance during the current fiscal year was \$2.3 million. Projects which were started during the fiscal year have been completed, which accounts for this net decrease in the fund balance as of September 30, 2010.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail and on a fund basis for the Enterprise Funds.

At September 30, 2010, total net assets amounted to \$10.54 million for enterprise funds. The net decrease in net assets during the fiscal year was \$.22 million which was a result of a reduction in receipt activity for facility use fees.

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The net operating income (loss) of the Enterprise Funds for the fiscal year 2010 was as follows:

Enterprise Operating Income (Loss)			
(in millions)			
	<u>2010</u>	<u>2009</u>	<u>Change</u>
Agri-Civic Center	(0.43)	(0.47)	8.51%
Okee-Tantie	(0.27)	(0.36)	25.00%
Total	<u>\$ (0.70)</u>	<u>\$ (0.83)</u>	15.66%

BUDGETARY HIGHLIGHTS

Budgetary highlights make a comparison of budget to actual. A budget column as listed in the table of contents for both the original adopted budget and final adopted budgets for fiscal year 2010, are presented. The actual results of operations are also presented with a variance column showing the difference of actual results to the final budget.

For the General Fund, a comparison of the final operating budget revenues compared to actual revenues produces a positive variance of half a million dollars, primarily due to a greater than anticipated distribution of taxes, state revenues and fees collected by the County. Actual expenditures were lower than final budgeted expenditures by \$2.78 million due primarily to a reduction in spending for personnel and capital outlay.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

As of September 30, 2010, capital assets net of depreciation for its governmental activities and business-type activities are \$77.5 and \$10.23 million, respectively. Investment in capital assets includes land, buildings, equipment, and construction in progress. As of September 30, 2010, construction in progress accounted for \$7.83 million of capital assets. The total increase in the County's investment in capital assets for the current fiscal year was \$2.11 million.

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The following is a comparison of capital asset activity for the years ending September 30, 2010 and 2009.

Capital Assets (in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Entity</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Capital assets not being depreciated:						
Land	\$ 4.94	\$ 4.78	\$ 2.47	\$ 2.47	\$ 7.40	\$ 7.25
Construction in progress	7.83	3.91	-	-	7.83	3.91
Capital assets, net of accumulated depreciation:						
Buildings and improvements	34.39	35.40	6.89	6.91	41.28	42.31
Machinery and Equipment	8.15	7.70	0.46	0.52	8.61	8.22
Infrastructure	22.19	23.60	0.41	0.42	22.60	24.02
Total capital assets, net	<u>\$ 77.50</u>	<u>\$ 75.39</u>	<u>\$ 10.23</u>	<u>\$ 10.32</u>	<u>\$ 87.73</u>	<u>\$ 85.71</u>

Additional information on the County's capital assets can be found in Note E in the financial statements.

Long-term Debt

At the end of the current fiscal year, the County had total general long-term debt outstanding of \$12.64 million. Of this amount, \$2.21 million is for a 2005 Series Note, \$5.72 million is the balance of the judicial complex (new courthouse) and agricultural civic center note, and \$1.51 million is the balance on Fire Station IV note added during fiscal year 2007.

Long-term Debt Outstanding (in millions)

	<u>Governmental Activities</u>		
	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Series 2005 note	\$ 2.21	\$ 2.60	-15.0%
Notes payable	0.32	0.35	-8.6%
Courthouse/Ag Center note	5.72	6.37	-10.2%
Fire Station IV	1.51	1.60	-5.6%
Compensated absences	2.21	2.38	-7.1%
Other post employment benefits	0.67	0.34	100.0%
Total long-term debt	<u>\$ 12.64</u>	<u>\$ 13.64</u>	-7.3%

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September 30, 2010

The \$1.0 million decrease in long-term debt is a result of principal payments made throughout the year offset by the effect of GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers For Post Employment Benefits Other Than Pensions*. Post employment benefits increased as result of several retirements during the fiscal year. Additional information on long-term debt and other post employment benefits obligations can be found in Notes F and G in the financial statements.

COMMITMENTS AND CONTINGENCIES

Contingent liabilities are disclosed in the notes to the financial statement and can be found in Note P.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Okeechobee's average unemployment rate matched the statewide unemployment rate at 14.7% for the fiscal year-end 2010, an increase of 40% over calendar year 2009, according to the State of Florida Labor Market Statistics.

Property values decreased from \$2.183 billion in 2009 to \$1.875 billion in 2010, resulting in a 14.12% reduction in taxable property. Property values have declined 26% over the past two years. This trend is expected to level off in 2011.

Okeechobee's population estimates decreased from 40,359 in 2008 to 40,241 in 2009. Okeechobee's population has increased 12.1% since April 1, 2000 according to the U.S. Census Bureau: State and County Quickfacts.

All of these factors were considered in preparing the County's budget for the 2011 fiscal year.

Request for Information

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed as follows: Okeechobee County, Finance Department, 312 NW 3rd Street, Okeechobee, FL 34972.

OKEECHOBEE COUNTY, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2010

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and investments	\$ 35,156,016	\$ 228,821	\$ 35,384,837
Accounts receivable, net	1,606,312	25,916	1,632,228
Prepaid items	236,062	12,663	248,725
Due from other governments	2,518,211	12,991	2,531,202
Inventory	-	53,434	53,434
Assets available for sale	96,000	-	96,000
Capital assets not being depreciated	12,767,942	2,468,784	15,236,726
Capital assets, net of depreciation	64,732,223	7,764,541	72,496,764
Total assets	117,112,766	10,567,150	127,679,916
Liabilities			
Accounts payable and accrued liabilities	3,337,932	23,474	3,361,406
Accrued interest payable	63,623	-	63,623
Deferred revenue	791,040	-	791,040
Deposits	197,032	-	197,032
Due to other governments	14,830	-	14,830
Noncurrent liabilities:			
Due within one year	2,879,609	-	2,879,609
Due in more than one year	9,763,708	-	9,763,708
Total liabilities	17,047,774	23,474	17,071,248
Net Assets			
Invested in capital assets, net of related debt	67,736,659	10,233,325	77,969,984
Restricted for:			
Debt service	208,987	-	208,987
Capital projects	7,540,743	-	7,540,743
Unrestricted	24,578,603	310,351	24,888,954
Total net assets	\$ 100,064,992	\$ 10,543,676	\$ 110,608,668

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities				
General government	\$ 10,955,353	\$ 1,339,675	\$ 350,694	\$ 312,335
Public safety	21,696,060	5,816,166	793,269	1,590,244
Physical environment	2,521,919	2,203,654	65,733	603,049
Transportation	4,522,657	169,943	-	243,722
Economic environment	1,480,335	14,498	1,236,969	10,584
Human services	1,734,939	-	727,728	-
Culture and recreation	1,303,848	306,559	362,782	200,000
Debt Service:				
Interest and fiscal charges	452,389	-	-	-
Total governmental activities	<u>44,667,500</u>	<u>9,850,495</u>	<u>3,537,175</u>	<u>2,959,934</u>
Business-Type Activities				
Agricultural civic center	541,751	112,493	-	-
Campground	657,688	384,036	-	-
Total business-type activities	<u>1,199,439</u>	<u>496,529</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 45,866,939</u>	<u>\$10,347,024</u>	<u>\$ 3,537,175</u>	<u>\$ 2,959,934</u>

General revenues:
Taxes:
 Property taxes
 Fuel taxes
 Sales and use taxes
 Services taxes
 Franchise fees
State shared revenues
Investment earnings
Loss on disposal of capital assets
Insurance proceeds
Host fees
Miscellaneous
Transfers
Total general revenues and transfers
Change in net assets
Net assets, beginning, as previously stated
Prior period adjustment
Net assets, beginning, as restated
Net assets - ending

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (8,952,649)	\$ -	\$ (8,952,649)
(13,496,381)	-	(13,496,381)
350,517	-	350,517
(4,108,992)	-	(4,108,992)
(218,284)	-	(218,284)
(1,007,211)	-	(1,007,211)
(434,507)	-	(434,507)
<u>(452,389)</u>	<u>-</u>	<u>(452,389)</u>
<u>(28,319,896)</u>	<u>-</u>	<u>(28,319,896)</u>
-	(429,258)	(429,258)
-	(273,652)	(273,652)
-	(702,910)	(702,910)
<u>\$ (28,319,896)</u>	<u>\$ (702,910)</u>	<u>\$ (29,022,806)</u>
14,910,831	-	14,910,831
4,383,275	-	4,383,275
3,116,872	200,158	3,317,030
128,111	-	128,111
355,333	-	355,333
5,444,121	-	5,444,121
702,391	1,323	703,714
(55,906)	-	(55,906)
14,684	-	14,684
3,690,674	-	3,690,674
917,165	88,742	1,005,907
<u>(198,283)</u>	<u>198,283</u>	<u>-</u>
<u>33,409,268</u>	<u>488,506</u>	<u>33,897,774</u>
5,089,372	(214,404)	4,874,968
94,848,805	10,758,080	105,606,885
126,815	-	126,815
<u>94,975,620</u>	<u>10,758,080</u>	<u>105,733,700</u>
<u>\$ 100,064,992</u>	<u>\$ 10,543,676</u>	<u>\$ 110,608,668</u>

OKEECHOBEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

	<u>General</u>	<u>Transportation Trust</u>	<u>Public Safety</u>
Assets			
Cash and cash equivalents	\$ 3,603,943	\$ 3,934,733	\$ 2,179,683
Investments	-	81,209	39,758
Accounts receivable, net	655,797	141	242,782
Due from other funds	-	28,669	1,852,921
Due from other governments	407,072	281,963	71,869
Prepaid items	172,239	12,865	-
Advances to other funds	-	-	-
Assets available for sale	-	-	-
Total assets	<u><u>\$ 4,839,051</u></u>	<u><u>\$ 4,339,580</u></u>	<u><u>\$ 4,387,013</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 701,868	\$ 130,635	\$ 58,560
Due to other funds	2,000,057	-	-
Deferred revenue	65,989	135,588	181,236
Deposits	24,151	-	-
Due to other governments	14,830	-	-
Advances from other funds	-	926,994	-
Total liabilities	<u>2,806,895</u>	<u>1,193,217</u>	<u>239,796</u>
Fund Balances			
Nonspendable	172,239	12,865	-
Restricted	-	3,133,498	123,960
Committed	-	-	4,023,257
Assigned	-	-	-
Unassigned	1,859,917	-	-
Total fund balances	<u>2,032,156</u>	<u>3,146,363</u>	<u>4,147,217</u>
Total liabilities and fund balances	<u><u>\$ 4,839,051</u></u>	<u><u>\$ 4,339,580</u></u>	<u><u>\$ 4,387,013</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. Long-term liabilities, including notes payable, capital leases, accrued compensated absences, and other post employment benefit obligations are not due and payable in the current period, and therefore are not reported in the funds.

Accrued general long-term debt interest expenses are not financial uses, and therefore are not reported in the funds.

Amounts due from other governments that will be collected more than 60 days after the end of the year are not reported in the funds.

Net assets of governmental activities

See accompanying notes to financial statements.

Fire/ Rescue	Landfill Trust	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,256,595	\$ 7,372,128	\$ 3,532,133	\$ 10,212,365	\$ 32,091,580
26,107	170,114	80,928	2,666,320	3,064,436
371,929	129,927	-	205,736	1,606,312
-	-	300,000	283,117	2,464,707
-	-	1,285,563	444,056	2,490,523
27,285	-	1,833	21,840	236,062
-	926,994	773,382	-	1,700,376
-	-	-	96,000	96,000
<u>\$ 1,681,916</u>	<u>\$ 8,599,163</u>	<u>\$ 5,973,839</u>	<u>\$ 13,929,434</u>	<u>\$ 43,749,996</u>
\$ 164,403	\$ -	\$ 1,088,291	\$ 1,194,175	\$ 3,337,932
-	-	-	464,650	2,464,707
-	-	-	408,227	791,040
-	-	-	172,881	197,032
-	-	-	-	14,830
773,382	-	-	-	1,700,376
<u>937,785</u>	<u>-</u>	<u>1,088,291</u>	<u>2,239,933</u>	<u>8,505,917</u>
27,285	782,145	775,215	117,840	1,887,589
-	-	-	3,925,798	7,183,256
716,846	7,817,018	4,110,333	7,548,189	24,215,643
-	-	-	98,117	98,117
-	-	-	(443)	1,859,474
<u>744,131</u>	<u>8,599,163</u>	<u>4,885,548</u>	<u>11,689,501</u>	<u>35,244,079</u>
<u>\$ 1,681,916</u>	<u>\$ 8,599,163</u>	<u>\$ 5,973,839</u>	<u>\$ 13,929,434</u>	
				77,500,165
				(12,643,317)
				(63,623)
				<u>27,688</u>
				<u>\$ 100,064,992</u>

OKEECHOBEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2010

	<u>General</u>	<u>Transportation Trust</u>	<u>Public Safety</u>
Revenues			
Taxes	\$ 1,926,688	\$ 1,754,367	\$ 16,179,306
Licenses and permits	56,254	5,840	-
Intergovernmental	4,204,339	1,728,840	26,548
Charges for services	1,298,484	15,800	237,085
Fines and forfeitures	22,698	-	99,081
Special assessments	-	2,547	-
Net change in fair value of investments	14,221	42,925	27,110
Miscellaneous	2,055,468	372,595	754,753
Total revenues	<u>9,578,152</u>	<u>3,922,914</u>	<u>17,323,883</u>
Expenditures			
Current			
General government	5,863,817	-	358,268
Public safety	14,898,088	-	37,335
Physical environment	304,751	-	-
Transportation	162,830	2,620,622	-
Economic environment	77,525	-	-
Human services	1,717,664	-	-
Culture and recreation	1,203,187	-	-
Capital outlay	450,083	2,753	-
Debt service:			
Principal retirement	-	-	-
Interest	-	37,712	-
Total expenditures	<u>24,677,945</u>	<u>2,661,087</u>	<u>395,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,099,793)</u>	<u>1,261,827</u>	<u>16,928,280</u>
Other Financing Sources (uses)			
Operating transfers in	17,774,575	2,000	2,502,921
Operating transfers out	(1,852,921)	-	(16,787,934)
Insurance proceeds	868	10,043	-
Transfers to other governments	(14,831)	-	-
Total other financing sources (uses)	<u>15,907,691</u>	<u>12,043</u>	<u>(14,285,013)</u>
Net change in fund balance	807,898	1,273,870	2,643,267
Fund balance, beginning of year, as previously stated	1,224,258	1,872,493	1,503,950
Prior period adjustment	-	-	-
Fund balance, beginning of year, as restated	<u>1,224,258</u>	<u>1,872,493</u>	<u>1,503,950</u>
Fund balance, end of year	<u>\$ 2,032,156</u>	<u>\$ 3,146,363</u>	<u>\$ 4,147,217</u>

See accompanying notes to financial statements.

Fire Rescue	Landfill Trust	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 97,255	\$ 2,266,472	\$ 22,224,088
-	-	-	366,413	428,507
42,040	-	1,898,637	4,392,771	12,293,175
920,549	-	-	918,222	3,390,140
-	-	-	97,032	218,811
3,882,900	-	-	2,255,706	6,141,153
15,271	129,363	49,692	423,810	702,392
8,569	460,862	-	963,290	4,615,537
<u>4,869,329</u>	<u>590,225</u>	<u>2,045,584</u>	<u>11,683,716</u>	<u>50,013,803</u>
-	-	323,289	2,338,196	8,883,570
4,302,023	-	-	1,601,573	20,839,019
-	-	-	2,307,598	2,612,349
-	-	-	-	2,783,452
-	-	-	1,409,458	1,486,983
-	-	-	-	1,717,664
-	-	-	6,142	1,209,329
844,133	-	3,813,875	1,556,759	6,667,603
119,147	-	-	1,038,410	1,157,557
77,843	-	-	344,147	459,702
<u>5,343,146</u>	<u>-</u>	<u>4,137,164</u>	<u>10,602,283</u>	<u>47,817,228</u>
<u>(473,817)</u>	<u>590,225</u>	<u>(2,091,580)</u>	<u>1,081,433</u>	<u>2,196,575</u>
915,106	343,500	343,550	2,292,895	24,174,547
-	(2,899,753)	(543,783)	(2,288,439)	(24,372,830)
-	-	-	3,773	14,684
-	-	-	-	(14,831)
<u>915,106</u>	<u>(2,556,253)</u>	<u>(200,233)</u>	<u>8,229</u>	<u>(198,430)</u>
441,289	(1,966,028)	(2,291,813)	1,089,662	1,998,145
176,027	10,565,191	7,177,361	10,599,839	33,119,119
126,815	-	-	-	126,815
<u>302,842</u>	<u>10,565,191</u>	<u>7,177,361</u>	<u>10,599,839</u>	<u>33,245,934</u>
<u>\$ 744,131</u>	<u>\$ 8,599,163</u>	<u>\$ 4,885,548</u>	<u>\$ 11,689,501</u>	<u>\$ 35,244,079</u>

OKEECHOBEE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

Net change in fund balances - total governmental funds		\$ 1,998,145
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This and the net effect of various other transactions involving capital assets increased net assets.</p>		
Capital asset additions	\$ 7,871,146	
Depreciation	(4,419,155)	
Assets disposed	<u>(1,343,948)</u>	
		2,108,043
<p>Accrued loan interest reported in the statement of activities does not require the use of current financial resources, and therefore is not reported as an expenditure in the governmental funds.</p>		
		7,313
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The net effect of these differences in the treatment of long-term debt and related items increased net assets.</p>		
Principal payment on Series 2005 note payable	393,959	
Principal payment on purchase agreement note payable	23,656	
Principal payment on courthouse note	644,451	
Principal payment on Fire Station IV	<u>95,491</u>	
		1,157,557
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses are:</p>		
Decrease in accrual for compensated absences	169,487	
Increase in other postemployment benefits	<u>(333,747)</u>	
		(164,260)
<p>Some revenue reported in the governmental funds was previously accrued in the statement of activities</p>		
		<u>(17,426)</u>
Change in net assets of governmental activities		<u><u>\$ 5,089,372</u></u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget -
				Positive
				(Negative)
Revenues				
Taxes	\$ 1,842,234	\$ 1,842,234	\$ 1,926,688	\$ 84,454
Licenses and permits	62,000	62,000	56,254	(5,746)
Intergovernmental	3,648,292	3,950,603	4,204,339	253,736
Charges for services	1,236,438	1,242,638	1,298,484	55,846
Fines and forfeitures	25,000	25,000	22,698	(2,302)
Net change in fair value of investments	15,962	13,962	14,221	259
Miscellaneous	1,853,421	1,920,427	2,055,468	135,041
Total revenues	8,683,347	9,056,864	9,578,152	521,288
Expenditures				
Current				
General government	6,269,180	6,327,201	5,863,817	463,384
Public safety	16,715,765	16,715,197	14,898,088	1,817,109
Physical environment	318,934	337,859	304,751	33,108
Transportation	198,630	198,630	162,830	35,800
Economic environment	85,057	85,057	77,525	7,532
Human services	1,910,539	1,976,917	1,717,664	259,253
Culture and recreation	1,244,494	1,263,791	1,203,187	60,604
Capital outlay	466,709	553,265	450,083	103,182
Total expenditures	27,209,308	27,457,917	24,677,945	2,779,972
Excess (deficiency) of revenues				
over (under) expenditures	(18,525,961)	(18,401,053)	(15,099,793)	3,301,260
Other Financing Sources (Uses)				
Operating transfers in	17,755,355	17,774,575	17,774,575	-
Operating transfers out	-	-	(1,852,921)	(1,852,921)
Insurance proceeds	-	-	868	868
Transfers to other governments	-	-	(14,831)	(14,831)
Total other financing sources (uses)	17,755,355	17,774,575	15,907,691	(1,866,884)
Net change in fund balance	(770,606)	(626,478)	807,898	1,434,376
Fund balance, beginning of year	894,108	850,919	1,224,258	373,339
Fund balance, end of year	\$ 123,502	\$ 224,441	\$ 2,032,156	\$ 1,807,715

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
TRANSPORTATION TRUST
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,868,289	\$ 1,868,289	\$ 1,754,367	\$ (113,922)
Licenses and permits	3,150	3,150	5,840	2,690
Intergovernmental	1,672,466	1,672,466	1,728,840	56,374
Charges for services	-	-	15,800	15,800
Special assessments	3,000	3,000	2,547	(453)
Net change in fair value of investments	30,000	30,000	42,925	12,925
Miscellaneous	286,300	286,300	372,595	86,295
Total revenues	3,863,205	3,863,205	3,922,914	59,709
Expenditures				
Current				
Transportation	4,199,070	4,324,502	2,620,622	1,703,880
Capital Outlay	441,700	429,809	2,753	427,056
Debt Service:				
Principal retirement	137,464	137,464	-	137,464
Interest and fiscal charges	39,761	39,761	37,712	2,049
Total expenditures	4,817,995	4,931,536	2,661,087	2,270,449
Excess (deficiency) of revenues over (under) expenditures	(954,790)	(1,068,331)	1,261,827	2,330,158
Other Financing Sources (Uses)				
Operating transfers in	-	-	2,000	2,000
Insurance proceeds	-	-	10,043	10,043
Total other financing sources (uses)	-	-	12,043	12,043
Net change in fund balances	(954,790)	(1,068,331)	1,273,870	2,342,201
Fund balances, beginning of year	1,635,055	1,831,466	1,872,493	41,027
Fund balances, end of year	\$ 680,265	\$ 763,135	\$ 3,146,363	\$ 2,383,228

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
PUBLIC SAFETY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 15,415,379	\$ 15,860,639	\$ 16,179,306	\$ 318,667
Intergovernmental	-	94,829	26,548	(68,281)
Charges for services	275,917	275,917	237,085	(38,832)
Fines and forfeitures	97,400	97,400	99,081	1,681
Net change in fair value of investments	25,000	25,000	27,110	2,110
Miscellaneous	1,390,000	709,539	754,753	45,214
Total revenues	<u>17,203,696</u>	<u>17,063,324</u>	<u>17,323,883</u>	<u>260,559</u>
Expenditures				
Current				
General government	378,673	495,061	358,268	136,793
Public safety	18,200	39,063	37,335	1,728
Total expenditures	<u>396,873</u>	<u>534,124</u>	<u>395,603</u>	<u>138,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,806,823</u>	<u>16,529,200</u>	<u>16,928,280</u>	<u>399,080</u>
Other Financing Sources (Uses)				
Operating transfers in	1,100,000	1,100,000	2,502,921	1,402,921
Operating transfers out	(16,787,934)	(16,861,900)	(16,787,934)	73,966
Total other financing sources (uses)	<u>(15,687,934)</u>	<u>(15,761,900)</u>	<u>(14,285,013)</u>	<u>1,476,887</u>
Net change in fund balances	1,118,889	767,300	2,643,267	1,875,967
Fund balances, beginning of year	<u>183,422</u>	<u>498,834</u>	<u>1,503,950</u>	<u>1,005,116</u>
Fund balances, end of year	<u><u>\$ 1,302,311</u></u>	<u><u>\$ 1,266,134</u></u>	<u><u>\$ 4,147,217</u></u>	<u><u>\$ 2,881,083</u></u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
FIRE / RESCUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final budget -
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 61,900	\$ 61,900	\$ 42,040	\$ (19,860)
Charges for services	806,900	806,900	920,549	113,649
Special assessments	3,782,733	3,782,733	3,882,900	100,167
Net change in fair value of investments	8,400	8,400	15,271	6,871
Miscellaneous	35,000	35,000	8,569	(26,431)
Total revenues	<u>4,694,933</u>	<u>4,694,933</u>	<u>4,869,329</u>	<u>174,396</u>
Expenditures				
Current				
Public safety	4,513,499	4,542,167	4,302,023	240,144
Capital outlay	206,607	1,024,201	844,133	180,068
Debt Service				
Principal	142,346	142,346	119,147	23,199
Interest	79,200	79,200	77,843	1,357
Total expenditures	<u>4,941,652</u>	<u>5,787,914</u>	<u>5,343,146</u>	<u>444,768</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(246,719)</u>	<u>(1,092,981)</u>	<u>(473,817)</u>	<u>619,164</u>
Other Financing Sources (Uses)				
Operating transfers in	915,105	1,688,487	915,106	(773,381)
Debt proceeds	110,000	110,000	-	(110,000)
Total other financing sources (uses)	<u>1,025,105</u>	<u>1,798,487</u>	<u>915,106</u>	<u>(883,381)</u>
Net change in fund balances	778,386	705,506	441,289	(264,217)
Fund balances, beginning of year				
as previously reported	331,671	(58,720)	176,027	234,747
Prior period adjustment	-	-	126,815	126,815
Fund balances, beginning of year				
as restated	331,671	(58,720)	302,842	361,562
Fund balances, end of year	<u>\$ 1,110,057</u>	<u>\$ 646,786</u>	<u>\$ 744,131</u>	<u>\$ 97,345</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
LANDFILL TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget -
				Positive
				(Negative)
Revenues				
Net change in fair value of investments	\$ 152,000	\$ 152,000	\$ 129,363	\$ (22,637)
Miscellaneous	420,000	420,000	460,862	40,862
Total revenues	<u>572,000</u>	<u>572,000</u>	<u>590,225</u>	<u>18,225</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>572,000</u>	<u>572,000</u>	<u>590,225</u>	<u>18,225</u>
Other Financing Sources (Uses)				
Operating transfers in	520,774	520,774	343,500	(177,274)
Operating transfers out	(3,560,378)	(3,560,378)	(2,899,753)	660,625
Total other financing sources (uses)	<u>(3,039,604)</u>	<u>(3,039,604)</u>	<u>(2,556,253)</u>	<u>483,351</u>
Net change in fund balances	(2,467,604)	(2,467,604)	(1,966,028)	501,576
Fund balances, beginning of year,	<u>10,846,891</u>	<u>10,536,591</u>	<u>10,565,191</u>	<u>28,600</u>
Fund balances, end of year	<u>\$ 8,379,287</u>	<u>\$ 8,068,987</u>	<u>\$ 8,599,163</u>	<u>\$ 530,176</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	Business-Type Activities		
	Agri-Civic Center	Okee-Tantie (Nonmajor fund)	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 86,491	\$ 142,330	\$ 228,821
Accounts receivable	24,494	1,422	25,916
Due from other governments	7,402	5,589	12,991
Inventory	-	53,434	53,434
Prepaid items	7,686	4,977	12,663
Total current assets	126,073	207,752	333,825
Noncurrent Assets			
Capital Assets			
Land	572,784	1,896,000	2,468,784
Infrastructure	451,611	-	451,611
Buildings and improvements	7,499,293	953,552	8,452,845
Machinery and equipment	590,616	141,290	731,906
Less accumulated depreciation	(1,365,950)	(505,871)	(1,871,821)
Total capital assets (net of accumulated depreciation)	7,748,354	2,484,971	10,233,325
Total noncurrent assets	7,748,354	2,484,971	10,233,325
Total assets	7,874,427	2,692,723	10,567,150
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	12,703	10,771	23,474
Total current liabilities	12,703	10,771	23,474
Total liabilities	12,703	10,771	23,474
Net Assets			
Invested in capital assets, net of related debt	7,748,354	2,484,971	10,233,325
Unrestricted	113,370	196,981	310,351
Total net assets	\$ 7,861,724	\$ 2,681,952	\$ 10,543,676

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Year Ended September 30, 2010

	Business-Type Activities		
	Agri-Civic Center	Okee-Tantie (Nonmajor fund)	Total
Operating Revenues			
Charges for services	\$ 112,493	\$ 384,036	\$ 496,529
Total operating revenues	<u>112,493</u>	<u>384,036</u>	<u>496,529</u>
Operating Expenses			
Personal services	142,223	387,167	529,390
General and administrative	160,141	228,857	388,998
Depreciation	239,387	41,664	281,051
Total operating expenses	<u>541,751</u>	<u>657,688</u>	<u>1,199,439</u>
Operating Loss	<u>(429,258)</u>	<u>(273,652)</u>	<u>(702,910)</u>
Nonoperating Revenues			
Taxes	105,447	94,711	200,158
Net change in fair value of investments	316	1,007	1,323
Other income	87,012	1,730	88,742
Total nonoperating revenues net	<u>192,775</u>	<u>97,448</u>	<u>290,223</u>
Loss before transfers	(236,483)	(176,204)	(412,687)
Transfers in	-	200,283	200,283
Transfers out	-	(2,000)	(2,000)
Change in net assets	<u>(236,483)</u>	<u>22,079</u>	<u>(214,404)</u>
Net assets, beginning of year	<u>8,098,207</u>	<u>2,659,873</u>	<u>10,758,080</u>
Total net assets, end of year	<u>\$ 7,861,724</u>	<u>\$ 2,681,952</u>	<u>\$10,543,676</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2010

	Business-Type Activities		
	Agri-Civic Center	Okee-Tantie (Nonmajor fund)	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 112,493	\$ 382,614	\$ 495,107
Payments to suppliers	(156,323)	(243,076)	(399,399)
Payments to employees	(142,223)	(387,167)	(529,390)
Net cash from operating activities	<u>(186,053)</u>	<u>(247,629)</u>	<u>(433,682)</u>
Cash Flows From Noncapital and Related Financing Activities			
Other income	<u>165,002</u>	<u>99,730</u>	<u>264,732</u>
Net cash from noncapital and related financing activities	<u>165,002</u>	<u>99,730</u>	<u>264,732</u>
Cash Flows From Investing Activities			
Interest and dividends from investments	<u>316</u>	<u>1,007</u>	<u>1,323</u>
Net cash from investing activities	<u>316</u>	<u>1,007</u>	<u>1,323</u>
Net change in cash and cash equivalents	(20,735)	(146,892)	(167,627)
Cash and cash equivalents, beginning of year	<u>107,226</u>	<u>289,222</u>	<u>396,448</u>
Cash and cash equivalents, end of year	<u>\$ 86,491</u>	<u>\$ 142,330</u>	<u>\$ 228,821</u>

(continued)

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
For the Year Ended September 30, 2010

	Business-Type Activities		
	Agri-Civic Center	Okee-Tantie (Nonmajor fund)	Total
Reconciliation of Net Operation (Loss) to Net Cash From Operating Activities			
Operating (loss)	\$ (429,258)	\$ (273,652)	\$ (702,910)
Adjustments to Reconcile Operating (Loss) to Net Cash From Operating Activities			
Depreciation	239,387	41,664	281,051
(Increase) Decrease in accounts receivable	-	(1,422)	(1,422)
(Increase) Decrease in inventory	-	5,104	5,104
(Increase) Decrease in prepaid items	5,249	712	5,961
Increase (Decrease) in accounts payable and accrued liabilities	(1,431)	(20,035)	(21,466)
Total adjustments	243,205	26,023	269,228
Net cash from operating activities	<u>\$ (186,053)</u>	<u>\$ (247,629)</u>	<u>\$ (433,682)</u>
Noncash Investing, Capital, and Related Financing Activities			
Contribution of capital assets from other funds, net of accumulated depreciation	<u>\$ -</u>	<u>\$ 200,283</u>	<u>\$ 200,283</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
September 30, 2010

	<u>Agency Funds</u>
Assets	
Cash	\$ 1,830,663
Due from others	<u>825</u>
Total assets	<u><u>\$ 1,831,488</u></u>
 Liabilities	
Due to individuals	\$ 1,174,033
Due to other governments	208,908
Deposits	<u>448,547</u>
Total liabilities	<u><u>\$ 1,831,488</u></u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Okeechobee County (County) is a Non-Charter County established by Article VII, Section 1 of the Florida Constitution Section 1, Laws of the State of Florida 7401 (1917). The six offices elected county-wide are as follows: Board of County Commissioners composed of five members, Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The Board of County Commissioners (Board), as the legislative body for the County, budgets and provides the funding used by the separate constitutional officers with the exception of fees collected by the Tax Collector (Collector), Property Appraiser (Appraiser), and Clerk of Circuit Court (Clerk). The Clerk maintains the accounting system for the Board's operations. The Clerk, Appraiser, Collector, Sheriff, and Supervisor of Elections (Supervisor) each maintain their own accounting system. The operations of the Board and each constitutional officer have been combined in these financial statements.

Generally accepted accounting principles require that each unit of government define a governmental reporting entity. The accompanying financial statements present the financial position and results of operations of the applicable fund types and account groups of Okeechobee County, Florida.

Generally accepted accounting principles in the United States require that these financial statements include all entities for which the County is considered to be financially accountable (component units). The County is financially responsible if it appoints a voting majority of the organization's governing body and (a) 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. If a component unit is, in substance, part of the government's operations, it should be reported as a blended component unit. Otherwise, a component unit should be discretely presented. Based on these criteria, the County management determined that there are no component units.

The County did not participate in any joint ventures during the 2009-2010 fiscal year.

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

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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. 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.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Wide Financial Statements (continued)

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, gain, 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 No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the cost of the function to be financed from the government's general revenues. Program revenues include charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. 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 expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

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

The County's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (agency). Since these assets are being held for the benefit of third parties (other local governments and individuals) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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 primary governments' 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 fund.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources and then from unrestricted resources.

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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Property taxes, intergovernmental revenues and interest earned 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 a measure of “available spendable resources.” Governmental funds operating statements present increases (revenues 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.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes 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

The County’s enterprise funds are 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 or 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 Statement of Financial Standards and Interpretations issued before November 30, 1989, except those that conflict with or contradict Statements of Government Accounting Standards. The County has elected not to apply Financial Accounting Standards Board Pronouncements issued after November 30, 1989.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Funds (continued)

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. Non-operating revenues, such as grants, investment earnings and miscellaneous other revenues 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.

Basis of Presentation

GASB Statement No. 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 Statement No. 34 minimum criteria for major fund determination. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

Governmental Major Funds

- **General Fund** – The General Fund is the County’s primary operating fund. It accounts for all the financial resources of the general government, except for those required to be accounted for in another fund. The activity for the Supervisor, Clerk, Collector, Appraiser, and Sheriff, Constitutional Officers of the County, are also included within the General Fund.
- **Transportation Trust Fund** – The Transportation Trust Fund is used to account for gas taxes distributed by the State of Florida and other intergovernmental financial resources which are restricted for the construction and maintenance of County roads and bridges.
- **Public Safety Fund** – The Public Safety Fund is used to account for ad valorem taxes and court related technology fees collected by the county that are restricted or committed for operating activity of the Sheriff, a Constitutional Officer of the County, and County funded court related functions.
- **Fire/Rescue Fund**-The Fire/Rescue Fund is used to account for the operation of the fire and emergency services department.
- **Landfill Trust Fund** – The Landfill Trust Fund is the fund used to account for a portion of host fees assessed to the private contractor operating the Okeechobee Landfill. The fees are committed to a reserve to allow the county funds to provide this service should the landfill revert back to the County.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Major Funds (continued)

- **Capital Improvement Fund** – The Capital Improvement Fund accounts for financial resources that are committed to be used for acquisition and/or construction of major capital facilities and equipment other than those financed by enterprise operations. This includes the one cent additional sales tax, state grants and federal grants.

Proprietary Major Funds

- **Agri-Civic Center Fund** – The Agri-Civic Center Enterprise Fund is used to account for the operation of the Agri-Civic Center.

Other Fund Types

- **Nonmajor Special Revenue Funds** – These funds are used to account for and report the proceeds of financial resources that are restricted, committed, or assigned to expenditure for the specific purposes of the individual funds. A description of each special revenue fund can be found on pages 65-68.
- **Nonmajor Proprietary Fund** - The Okee-Tantie Enterprise Fund is used to account for the operation of the Okee-Tantie campground.
- **Agency Funds** – These funds are used to account for all assets held by the County in its capacity as custodian or agent for individuals, other governmental units and non-public organizations. A description of each agency fund can be found on pages 119-120.

Non-current Governmental Assets/Liabilities

GASB Statement No. 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net assets.

Budgets and Budgetary Accounting

The County follows the procedures provided by Sections 129 and 195, Florida Statutes in establishing final budget balances reported on the financial statements.

The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the Board. Additionally, certain transfers or appropriations within a fund require the approval of the Board, including transfers from a reserve account and changes in the amounts transferred to a Constitutional Officer. The level of control for appropriations is otherwise exercised at the fund level. Appropriations lapse at year-end.

Budgets are adopted on a basis that does not differ materially from accounting principles generally accepted in the United States of America.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments

Cash consists of checking and saving accounts in banks, deposits with the State Board of Administration's Local Government Surplus Trust Fund, Florida PRIME pool, and petty cash.

The County follows Florida Statute 218.415, regarding the investment of surplus funds. Investments of the governmental fund types consist of monies the County invested in deposits with the Local Government Surplus Funds Trust Fund, and Florida Local Government Investment Trust.

Receivables

Receivables are shown at their net realizable value and reduced by an allowance for uncollectible accounts, where determined by management.

Interfund Transactions

Interfund transactions are accounted for in the following manner:

Transactions for services rendered are recorded as revenues in the receiving fund and as expenditures in or expenses (as appropriate) in the disbursing fund.

Transactions to reimburse a fund for expenditures made by it for the benefit of another fund are recorded as expenditures or expenses (as appropriate) in the disbursing fund and as a reduction of expenditures or expenses (as appropriate) in the receiving fund; and transactions to shift revenues from the fund budgeted to receive them to the fund budgeted to expend them are recorded as operating transfers in and out, respectively.

Operating transfers are reported in the "Other Financing Sources (Uses)" section in the Statement of Revenues, Expenditures, and Changes in Fund Balances and in the "Operating Transfers" section in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Long-term amount of advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

As of fiscal year end, all other outstanding balances are reported as due to/from other funds on the balance sheet.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventory consists primarily of merchandise held for resale at the Okee-Tantie campground and is valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as an expenditure/expense when consumed rather than when purchased. As of September 30, 2010, management has determined that there is no need for an allowance for obsolescence.

Assets Available for Sale

In the Hurricane Housing Recovery Fund there were buildable lots that were obtained through foreclosure. The amount of \$96,000 represents the appraised value at foreclosure of the remaining sixteen lots.

Deferred Revenue

Deferred revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also arises when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualified expenditures.

Deferred revenue is reported as a liability on the balance sheets. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheets and revenue is recognized.

Capital Assets

Capital assets, which include land, buildings/improvements, equipment, and infrastructure assets (e.g., roads, bridges, right-of-way, and sewer distribution systems 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 \$750 or more and an estimated useful life in excess of one year. The cost of improvements and replacements which extend the useful lives are capitalized. Repairs and maintenance costs which do not improve or extend the useful life of the respective assets are charged to expense when incurred.

Capital assets are recorded as expenditures in the general, special revenue and capital projects funds at the time of purchase. Machinery and equipment is recorded at historical cost or estimated historical cost, if actual historical cost is not available. Enterprise fund land, buildings, improvements, and equipment are valued at historical cost or at fair market value for those assets contributed.

The Board holds legal title for the capital assets used in the operations of the Board, Clerk, Appraiser, Supervisor and Collector, and is accountable for them under Florida Law. Capital assets used by the Board’s governmental funds are reported in the financial statements of the County. Capital assets of the Board’s enterprise funds are reported in the Proprietary Funds financial statements.

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.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

Depreciation on fixed assets is charged as an expense against operations which is closed to net assets. Accumulated depreciation is reported on the enterprise fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method as noted below.

The estimated useful lives are as follows:

Buildings and improvements	10 – 40 years
Operating machinery and equipment	3 – 30 years
Infrastructure	40 years

Property Taxes

Under the laws of the State of Florida, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Appraiser and Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The tax levy rate of the County for general operations was 7.503 mills and for general obligation debt was 0.26 mills for the year ended September 30, 2010.

The tax levy of the County is established by the Board prior to October 1 of each year and the Appraiser incorporates the County millages into the total tax levy, which includes the various municipalities, the County School Board, and other taxing authorities.

All property is assessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1 following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the tax certificate holder after a period of two years. Unsold tax certificates are held by the County.

The County does not accrue its portion of the County held tax certificates because such amounts are not measurable and available as of the balance sheet date.

Compensated Absences

The policies of the various County agencies allow employees to accumulate annual leave and sick leave. Various amounts of accumulated sick leave may be paid upon separation or retirement.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

The County accrues vacation and sick leave based on current employee compensation levels in accordance with accounting principles generally accepted in the United States of America. In enterprise funds, expense for compensated absences would be recorded when earned by the employee; however, such amounts are immaterial and therefore not accrued in the accompanying financial statements. In governmental fund types, the cost of accumulated sick and annual leave is recognized when payments are made to employees. As accumulated sick and annual leave would not be liquidated with expendable available resources, a long-term liability of accrued sick and annual leave has been recorded in the government-wide statement of net assets at September 30, 2010, representing the Board's commitment to fund such costs from future operations.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is at present not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Other Post Employment Benefit Obligations

Other postemployment benefits obligations are reported in conformity with GASB Statement No. 45, *Accounting and Financial Reporting by Employers For Post Employment Benefits Other Than Pensions*. The basic premise of the statement is that Other Post Employment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. The OPEB Plan currently covers certain eligible retirees of the County. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of the active premiums. Accounting for OPEB under GASB No. 45 results in the County reporting a significant actuarially-based liability for benefits.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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, \$35,244,079, differs from “net assets” of governmental activities, \$100,064,992, reported in the statement of net assets. This difference primarily results from the long term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheet.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets is 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	\$ 131,521,314
Accumulated depreciation	(54,021,149)
Total capital assets added	<u>\$ 77,500,165</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 as of September 30, 2010 were:

Series 2005 note	\$ 2,207,312
Purchase agreement note	323,085
Courthouse/Ag Center note	5,725,163
Fire station IV	1,507,946
Compensated absences	2,212,317
Other post employment benefits	667,494
Total	<u>\$ 12,643,317</u>

Accrued Interest

Accrued liabilities in the statement of net assets differ from the amount reported in governmental funds due to accrued interest on notes payable and capital leases.

Accrued interest on capital leases payable and notes payable	<u>\$ 63,623</u>
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Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets (continued):

Long-term receivables

Some receivables are not reported in the governmental funds due to their long-term nature.

Due from other Governments	<u>\$ 27,688</u>
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OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Elimination of Interfund Receivables/Payables

Interfund receivables and payables in the amount of \$4,165,083 between governmental funds must be eliminated for the statement of net assets.

Explanation of Differences Between the Governmental Fund Operating Fund Operating Statement and the Statement of Activities:

The “net change in fund balances” for governmental funds, \$1,998,145, differs from the “change in net assets” for governmental activities, \$5,089,372, reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital Related Items

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

Capital asset additions	\$ 7,871,146
Depreciation expense	<u>(4,419,155)</u>
Difference	<u><u>\$ 3,451,991</u></u>

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. In the statement of activities there are miscellaneous transactions which involve capital assets which decrease the net assets. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold and other miscellaneous transactions involving capital assets.

Assets disposed	<u><u>\$ (1,343,948)</u></u>
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Long-term Debt Transactions

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Long Term Debt Transactions (continued)

Principal repayments:	
Series 2005 note	\$ 393,959
Purchase agreement note	23,656
Courthouse/Ag Center note	644,451
Fire Station IV	95,491
Net adjustment	<u>\$ 1,157,557</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other postemployment benefits	\$ (333,747)
Net change in compensated absences	169,487
Net change in accrued interest payable	7,313
Net adjustment	<u>\$ (156,947)</u>

Revenues

Some revenue reported in the governmental funds was previously accrued in the Statement of Activities.

Accrued Revenue	<u>\$ (17,426)</u>
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Reclassification and Elimination

Transfers in and transfers out in the amount of \$24,174,547 between governmental activities are eliminated.

NOTE C – CASH AND INVESTMENTS

The County's carrying amount of cash deposits was \$34,151,064 and the bank balances were \$34,837,337 at September 30, 2010. The bank balance consisted of \$2,645,563 in deposits with financial institutions in checking accounts with an overnight repurchase agreement which was 100% collateralized by certain direct obligations of, and/or obligations fully guaranteed as to principal and interest by, the United States government or an agency thereof. At year-end the cost of the repurchase agreement approximated market value. The overnight repurchase agreement, invested September 30, 2010, matured on October 1, 2010.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE C – CASH AND INVESTMENTS (continued)

The County invests funds throughout the year with the Local Government Surplus Trust Fund, an investment pool administered by the State Board of Administration (SBA), under regulatory oversight by the State of Florida. During the County's fiscal year 2008, the SBA reported that the investment pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access a portion of their surplus fund and ultimately restructured the investment pool into two separate pools ("Florida PRIME" and "Fund B").

Throughout the year and as of September 30, 2010, the Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one or three month LIBOR rates. These investments represented 23.8% of the SBA's portfolio at September 30, 2010. In accordance with GASB Statement No. 31, the SBA has reported the Local Government Investment Trust, which it operates, is a "2A-7" like pool, and thus, these investments are valued using amortized cost. The value of the County's position in the Local Government Surplus Funds Trust Fund is the same as the value of the pools shares. On September 30, 2010, Standard and Poor's Ratings Services assigned the Florida Prime a "AAAm" rating and the weighted average days to maturity (WAM) was 52 days.

The County also has funds invested in Fund B. Fund B is accounted for as a fluctuating NAV Pool. The fair value factor at September 30, 2010 was .707058. There was \$741,795 in Pool B. Applying the fair value factor would place its value at \$524,492. The County adjusted the value of its investment to this amount, resulting in a \$215,048 increase in investment earnings.

Throughout the year and as of September 30, 2010, Fund B contained certain floating and adjustable rate securities which were indexed based upon the prime rate and/or one and three month LIBOR rates. These investments represented 99.1% of Fund B's portfolio at September 30, 2010. Fund B is not rated by any nationally recognized statistical rating agency. The weighted average life (WAL) of Fund B at September 30, 2010 was 7.49 years.

At year-end, the County had \$22,803,547 and \$524,492 invested in Florida PRIME and Fund B, respectively.

The County's investment pool also includes investment in the Florida Local Government Investment Trust (FLGIT), which is a public entity investment trust organized under the laws of the State of Florida.

At September 30, 2010, the FLGIT portfolio included certain floating and adjustable rate securities. These securities amounted to 5.07% of the FLGIT portfolio and included thirteen investments indexed on the one month LIBOR and/or the one-year CMT index. The Florida Local Government Investment Trust reports all share information at Net Asset Value (NAV) and reflects fair value accounting in accordance with GASB 31.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE C-CASH AND INVESTMENTS (continued)

At September 30, 2010, the County’s investments consisted of the following:

Investment Type	Fair Value
Florida Local Government Investment Trust	\$ 2,539,944
Local Government Surplus Trust Fund - Fund B	524,492
Total Fair Value	\$ 3,064,436

Interest rate risk. In accordance with the County’s investment policy, authorized investments shall be invested to match investment maturities with known cash needs and anticipated cash-flow requirements.

Credit Risk. Credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County had no policy on credit risk. As of September 30, 2010, the County’s investment in the Florida Local Government Investment Trust was rated AAf by Standard & Poor’s.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. Procedures are established to control risks and diversify investments regarding specific security types, maturities, and financial institutions.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government’s deposits may not be returned to it.

All bank accounts of the County are placed in banks that qualify as a public depository, as required by law (Florida Security For Public Deposits Act, Chapter 280, Florida Statutes). Chapter 280 of the Florida Statutes provides that qualified public depositories must maintain eligible collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the County’s name, nor specify which collateral is held for the County’s benefit. The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the County for any deposits not covered by depository insurance or collateral pledged by the depository as previously described.

The above bank balances are considered 100% insured for risk disclosure purposes.

Custodial Credit Risk – Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE D – RECEIVABLES

Receivables consist of the following at September 30, 2010:

	General Fund	Trans- portation Trust	Public Safety	Fire/ Rescue	Landfill Trust	Other Govern- mental Funds	Total
Receivables:							
Emergency Medical							
Service (EMS) fees	\$ -	\$ -	\$ -	\$2,332,537	\$ -	\$ -	\$ 2,332,537
Host fees	528,227	-	192,760	-	129,927	189,566	1,040,480
Airport/industrial park	146,262	-	-	-	-	-	146,262
School resource							
officers	-	-	95,879	-	-	-	95,879
Franchise fees	83,326	-	-	-	-	-	83,326
Miscellaneous	11,330	141	1,489	585	-	16,170	29,715
Accounts							
Receivable, gross	769,145	141	290,128	2,333,122	129,927	205,736	3,728,199
Less: allowance for uncollectible	(113,348)	-	(47,346)	(1,961,193)	-	-	(2,121,887)
Accounts							
Receivable, net	<u>\$655,797</u>	<u>\$ 141</u>	<u>\$ 242,782</u>	<u>\$ 371,929</u>	<u>\$ 129,927</u>	<u>\$ 205,736</u>	<u>\$ 1,606,312</u>

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE E – DETAIL OF CAPITAL ASSETS

A summary of changes in capital assets for the year follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,777,551	\$ 158,019	\$ -	\$ 4,935,570
Construction in progress	3,911,495	5,208,919	(1,288,042)	7,832,372
Total capital assets, not being depreciated	<u>8,689,046</u>	<u>5,366,938</u>	<u>(1,288,042)</u>	<u>12,767,942</u>
Capital assets, being depreciated:				
Buildings and improvements	46,943,496	251,465	(12,635)	47,182,326
Machinery and equipment	18,676,299	2,252,743	(690,972)	20,238,070
Infrastructure	51,332,976	-	-	51,332,976
Total capital assets being depreciated:	<u>116,952,771</u>	<u>2,504,208</u>	<u>(703,607)</u>	<u>118,753,372</u>
Less accumulated depreciation for:				
Buildings and improvements	(11,541,390)	(1,253,988)	2,387	(12,792,991)
Machinery and equipment	(10,971,595)	(1,759,768)	645,314	(12,086,049)
Infrastructure	(27,736,710)	(1,405,399)	-	(29,142,109)
Total accumulated depreciation	<u>(50,249,695)</u>	<u>(4,419,155)</u>	<u>647,701</u>	<u>(54,021,149)</u>
Total capital assets, being depreciated, net	<u>66,703,076</u>	<u>(1,914,947)</u>	<u>(55,906)</u>	<u>64,732,223</u>
Governmental activities capital assets, net	<u>\$ 75,392,122</u>	<u>\$ 3,451,991</u>	<u>\$ (1,343,948)</u>	<u>\$ 77,500,165</u>

Of the \$1,288,042 decrease in construction in progress \$446,621 was placed in buildings, and \$841,421 was placed in machinery and equipment.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE E - DETAIL OF CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,468,784	\$ -	\$ -	\$ 2,468,784
Total capital assets, not being depreciated	<u>2,468,784</u>	<u>-</u>	<u>-</u>	<u>2,468,784</u>
Capital assets, being depreciated:				
Buildings and improvements	8,252,561	200,284	-	8,452,845
Machinery and equipment	748,071	-	(16,165)	731,906
Infrastructure	451,611	-	-	451,611
Total capital assets being depreciated:	<u>9,452,243</u>	<u>200,284</u>	<u>(16,165)</u>	<u>9,636,362</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,344,658)	(219,469)	-	(1,564,127)
Machinery and equipment	(232,345)	(50,292)	14,165	(268,472)
Infrastructure	(27,932)	(11,290)	-	(39,222)
Total accumulated depreciation	<u>(1,604,935)</u>	<u>(281,051)</u>	<u>14,165</u>	<u>(1,871,821)</u>
Total capital assets, being depreciated, net	<u>7,847,308</u>	<u>(80,767)</u>	<u>(2,000)</u>	<u>7,764,541</u>
Business-type activities capital assets, net	<u>\$ 10,316,092</u>	<u>\$ (80,767)</u>	<u>\$ (2,000)</u>	<u>\$ 10,233,325</u>

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

Governmental activities:	
General government	\$ 1,422,169
Public safety	968,065
Transportation/public works	1,930,882
Human services	6,416
Culture/recreation	91,623
Total depreciation expense - governmental activities	<u>\$ 4,419,155</u>
Business-type activities:	
Agricultural civic center	\$ 239,387
Okee-tantie (nonmajor fund)	41,664
Total depreciation expense - business-type activities	<u>\$ 281,051</u>

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE F - LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year ended September 30, 2010:

	Balance October 1, 2009	Additions	Reductions	Balance September 30, 2010	Due Within One Year
Governmental activities:					
Series 2005 note	\$ 2,601,271	\$ -	\$ (393,959)	\$ 2,207,312	\$ 409,018
Purchase agreement note	346,741	-	(23,656)	323,085	48,724
Courthouse/Ag Center note	6,369,614	-	(644,451)	5,725,163	670,093
Fire station IV note	1,603,437	-	(95,491)	1,507,946	99,462
Compensated absences	2,381,804	1,482,825	(1,652,312)	2,212,317	1,652,312
Other post employment benefits	333,747	333,747	-	667,494	-
Total governmental activities	<u>\$13,636,614</u>	<u>\$1,816,572</u>	<u>\$ (2,809,869)</u>	<u>\$ 12,643,317</u>	<u>\$ 2,879,609</u>

Series 2005 Note

The Okeechobee County, Florida Promissory Note, Series 2005 was issued on November 22, 2005 to refinance the Series 1993 General Obligation Bonds. The note bears interest at 3.77%. The principal is payable in variable annual installments and the interest is payable in semi-annual installments from March 2006 through September 2015. The note is secured by a pledge of the County's ad valorem revenues. During the year, \$393,959 of principal and \$99,470 in interest was paid.

Fiscal Year Ending September 30,	Principal	Interest	Total
2011	\$ 409,018	\$ 84,371	\$ 493,389
2012	424,464	68,926	493,390
2013	440,877	52,513	493,390
2014	457,729	35,661	493,390
2015	475,224	18,164	493,388
Totals	<u>\$ 2,207,312</u>	<u>\$ 259,635</u>	<u>\$ 2,466,947</u>

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE F-LONG TERM DEBT (continued)

Purchase Agreement Note

The County executed a Purchase Agreement note which bears interest at 6.16%, payable in semi-annual installments of \$30,502 from November 2006 through May 2016. This note was issued to finance the cost of an ambulance, a fire truck, and a brush truck. During the year, principal and interest payments totaled \$23,656 and \$12,799, respectively.

Fiscal Year Ending September 30,	Principal	Interest	Total
2011	\$ 48,724	\$ 12,281	\$ 61,005
2012	50,667	10,338	61,005
2013	52,687	8,318	61,005
2014	54,788	6,217	61,005
2015	56,973	4,032	61,005
2016	<u>59,246</u>	<u>1,760</u>	<u>61,006</u>
Totals	<u>\$ 323,085</u>	<u>\$ 42,946</u>	<u>\$ 366,031</u>

Courthouse/Ag Center Note

The Okeechobee County, Florida promissory note, Series 2003, which bears interest at 3.94%, is payable in semi-annual installments of \$444,564 from July 2003 through January 2018. The note was issued to finance the cost of constructing the new county courthouse and agri-civic center. The note is secured by a pledge of the County's non-ad valorem revenues and half-cent sales tax. During the year, \$644,451 of principal and \$244,677 in interest was paid.

Fiscal Year Ending September 30,	Principal	Interest	Total
2011	\$ 670,093	\$ 219,035	\$ 889,128
2012	696,754	192,374	889,128
2013	724,477	164,651	889,128
2014	753,303	135,826	889,129
2015	783,275	105,853	889,128
2016-2018	<u>2,097,261</u>	<u>125,560</u>	<u>2,222,821</u>
Totals	<u>\$ 5,725,163</u>	<u>\$ 943,299</u>	<u>\$ 6,668,462</u>

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE F-LONG TERM DEBT (continued)

Fire Station IV Note

The Okeechobee County, Florida promissory note, Series 2007, dated April 19, 2007, bears interest at 4.06%, is payable in semi-annual installments of \$80,268 from February 2008 through August 2022. The note was issued to finance the cost of constructing the new county fire station located on Highway 441 North. This note is secured by a pledge of the County's fire rescue assessments. During the year, \$95,491 of principal and \$65,044 of interest was paid.

Fiscal Year Ending	Principal	Interest	Total
<u>September 30,</u>			
2011	\$ 99,462	\$ 61,073	\$ 160,535
2012	103,446	57,090	160,536
2013	107,901	52,635	160,536
2014	112,388	48,147	160,535
2015	117,062	43,274	160,336
2015-2020	662,350	140,328	802,678
2021-2022	<u>305,337</u>	<u>15,903</u>	<u>321,240</u>
Totals	<u>\$ 1,507,946</u>	<u>\$ 418,450</u>	<u>\$ 1,926,396</u>

NOTE G – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description. The County administers a single-employer defined benefit healthcare plan entitled Okeechobee County Health Plan (the Plan). The Plan provides lifetime healthcare insurance for eligible employees and their spouses through the County's group insurance plan which covers both active and retired members. Benefit provisions are established and may be amended by the County's Board of Commissioners as authorized by County ordinance. The Plan provides for the retirees to contribute 100 percent of the cost of health insurance premiums for retirees and their spouses. The Plan does not issue a publicly available report.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan:

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE G – OTHER POSTEMPLOYMENT BENEFITS PLAN (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

Annual required contribution	\$ 375,689
Interest on net OPEB obligation	-
Adjustments to annual required contribution	-
Annual OPEB cost	<u>375,689</u>
Contributions made	<u>(41,942)</u>
Increase in net OPEB obligation	333,747
Net OPEB obligation, beginning of year	333,747
Net OPEB obligation, end of year	<u><u>\$ 667,494</u></u>

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

<u>Year Ended</u> <u>September 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2010	\$ 375,689	11.16%	\$ 667,494
2009	\$ 375,689	11.16%	\$ 333,747

Funding Policy, Funded Status, and Funding Progress. The County does not contribute to the cost of current-year premiums for eligible retired Plan members and their spouses. For fiscal year 2010, the County contributed \$41,942 to the Plan, which represents benefits paid to retirees and administrative costs. Retired plan members receiving benefits contribute 100 percent of their premium costs. In fiscal year 2010, Plan member contributions totaled \$114,410.

As of September 30, 2010, the actuarial accrued liability for benefits was \$2,246,853, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$17,460,907, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 12.87 percent.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multi-year trend information indicating whether the actuarial value of plan assets is increasing over time relative to the actuarial accrued liabilities for benefits.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE G – OTHER POSTEMPLOYMENT BENEFITS PLAN (continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Assumptions About Employees and Members: Based on the historical average retirement age of the covered group, active plan members of the regular class were assumed to retire at age 62 and 6 years of service or upon completion of 30 years of service, regardless of age. Special risk class members are assumed to retire at age 55 and 6 years of service or upon completion of 25 years of special risk service, regardless of age. Marital status as of the calculation date was assumed to continue throughout retirement. Life expectancy was based on the RP-2000 combined Mortality Table.

Assumptions About Healthcare Costs: The 2009 health insurance premiums for retirees were used to calculate the present value of total benefits to be paid. The expected rate of increase in health insurance premiums initially used a select rate of 9 percent, with reduction to the ultimate rate of 5 percent in the year 2013.

Other Assumptions and Methods: The inflation rate was assumed to be 3 percent. Based on the historical and expected returns of the County's investments, the investment rate of return was assumed to be 5 percent. A simplified version of the entry age normal actuarial cost method was used in the actuarial valuation. The UAAL is amortized over a thirty-year period as a level percent of projected payroll on a closed basis. Payroll was assumed to grow over the long-term at the same rate as inflation.

NOTE H - DEFINED BENEFIT PENSION PLAN

Substantially all full-time employees of the County participate in the Florida Retirement System (the System). The System was created by the Florida Legislature and is a cost-sharing, multiple-employer public retirement plan available to governmental units within the state of Florida. Participants can choose from two options: the FRS Pension Plan or the FRS Investment Plan.

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, Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE H - DEFINED BENEFIT PENSION PLAN (continued)

The County and all full-time employees are eligible to participate in the System. Special risk employees who retire at or after age 55 with six years of creditable service and all other employees who retire at or after age 62 with six years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with one or more years of service. Retirement benefits are based on the employee's account balance. Employees are not required to contribute to the plan.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the County, are required to contribute 10.77% of the compensation for regular members, 23.25% for special risk members, 14.57% for senior management, 12.25% for DROP employees, and 18.64% for elected County officials. These rates include the health insurance subsidy contribution of 1.11% and the administrative/educational fee of 0.03%.

The County's contributions to the System for the years ended September 30, 2010, 2009 and 2008 were \$2,719,748, \$2,748,389 and \$2,860,788 respectively, equal to the required contributions for each year.

NOTE I – DEFINED CONTRIBUTION PENSION PLAN

The Sheriff and the Property Appraiser, Constitutional Officers of the County, maintain defined qualified retirement plans for governmental entities. The respective Constitutional Officers are the plan administrators. The plan was organized pursuant to Internal Revenue Code Section 401(a) by declaration of the respective Constitutional Officer. Employees eligible to elect out of the coverage by the Florida Retirement System are generally eligible to participate in the plan. The Constitutional officer determines the contribution rate for their respective plan.

The contribution rate for the Sheriff, for the fiscal year ended September 30, 2010, was 16.99%. Total employer contributions for the fiscal years ended September 30, 2010, 2009, and 2008 for the Sheriff were \$31,546, \$32,143 and \$32,243 respectively. There were no employee contributions. All assets in this plan are invested in an insurance annuity.

The contribution rate for the Property Appraiser, for the fiscal year ended September 30, 2010, was 18.64%. Total employer contributions for the fiscal years ended September 30, 2010, 2009, and 2008 for the Property Appraiser were \$17,377, \$16,788, and \$16,751 respectively. There were no employee contributions. All assets in this plan are invested in an insurance annuity.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE J – DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or for an unforeseeable emergency. The assets of the plan are not held in the fiduciary responsibility of the County, and are not reflected in the County's financial statements.

NOTE K – INTERFUND ACTIVITY

The balance of interfund receivables and payables were as follows at September 30, 2010:

Due To/From Other Funds:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ -	\$ 2,000,057
Transportation Trust	28,669	-
Public Safety	1,852,921	-
Capital Improvement	300,000	-
Nonmajor Governmental Funds	283,117	464,650
Total	<u><u>\$ 2,464,707</u></u>	<u><u>\$ 2,464,707</u></u>

Advances to/from other funds:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Landfill Trust	\$ 926,994	\$ -
Transportation Trust	-	926,994
Capital Improvement	773,382	-
Fire/Rescue	-	773,382
Total	<u><u>\$ 1,700,376</u></u>	<u><u>\$ 1,700,376</u></u>

Amounts due to and from other funds arise from timing differences as a result of transactions with Constitutional Officers and cash transfers for operating purposes. Advances between funds represent interfund loans that are not expected to be repaid within one year. On November 11, 2006 the Board approved a loan of \$1,475,277 from the Landfill Trust Fund to the Transportation Trust Fund for the widening of Berman Road. The loan is to be repaid monthly over 10 years at 3.76% interest. On December 17, 2009 the Board approved a loan of \$773,382 from the Capital Improvements Fund to Fire/Rescue. The loan is to be repaid annually over 10 years at .001% interest.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE L – FUND BALANCES-GOVERNMENTAL FUNDS

As of September 30, 2010, fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Committed – Amounts that can be spent only for specific purposes determined by a formal action of the County’s highest level of decision-making authority. The Board is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances, resolutions, or budgets approved by the Board.

Assigned – Amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned – Amounts that are available for any purposes; these amounts can be reported only in the County’s general fund.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE L – FUND BALANCES-GOVERNMENTAL FUNDS (continued)

The specific purpose detail for the fund balances are as follows:

	General Fund	Trans- portation Trust Fund	Public Safety Fund	Fire/ Rescue Fund	Landfill Trust Fund	Capital Improve- ment Fund	Other Govern- mental Funds	Total Govern- mental Funds
Nonspendable:								
Long-term portion of advance	\$ -	\$ -	\$ -	\$ -	\$ 782,145	\$ 773,382	-	\$ 1,555,527
Prepaid items	172,239	12,865	-	27,285	-	1,833	21,840	236,062
Assets available for sale	-	-	-	-	-	-	96,000	96,000
Restricted for:								
Transportation	-	3,133,498	-	-	-	-	-	3,133,498
Public safety	-	-	-	-	-	-	640,500	640,500
Capital projects	-	-	-	-	-	-	1,457,343	1,457,343
Equipment	-	-	-	-	-	-	441,886	441,886
E-911 system	-	-	-	-	-	-	505,610	505,610
Debt service	-	-	-	-	-	-	208,987	208,987
Tourism	-	-	-	-	-	-	189,835	189,835
Technology	-	-	123,960	-	-	-	-	123,960
Clerk services	-	-	-	-	-	-	114,380	114,380
Boating improvement	-	-	-	-	-	-	83,545	83,545
Substance abuse	-	-	-	-	-	-	26,431	26,431
Mediation and arbrtration	-	-	-	-	-	-	38,191	38,191
Human services	-	-	-	-	-	-	1,838	1,838
County services	-	-	-	-	-	-	893	893
Library	-	-	-	-	-	-	216,359	216,359
Committed to:								
Solid Waste	-	-	-	-	7,817,018	-	3,501,894	11,318,912
Capital Projects	-	-	-	-	-	4,110,333	2,655,195	6,765,528
Public Safety	-	-	4,023,257	716,846	-	-	325,568	5,065,671
County Services	-	-	-	-	-	-	823,522	823,522
Tourism	-	-	-	-	-	-	94,917	94,917
Housing	-	-	-	-	-	-	99,013	99,013
Library Equipment	-	-	-	-	-	-	48,080	48,080
Assigned to:								
County Services	-	-	-	-	-	-	98,117	98,117
Unassigned	1,859,917	-	-	-	-	-	(443)	1,859,474
	<u>\$ 2,032,156</u>	<u>\$ 3,146,363</u>	<u>\$ 4,147,217</u>	<u>\$ 744,131</u>	<u>\$ 8,599,163</u>	<u>\$ 4,885,548</u>	<u>\$ 11,689,501</u>	<u>\$ 35,244,079</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE L – FUND BALANCES-GOVERNMENTAL FUNDS (continued)

In the fiscal year 2009, the County adopted a minimum fund balance policy. The specifics of that policy are:

Landfill Trust Fund – The County shall maintain an \$8,000,000 minimum fund balance with the exception of the use of debt service the Board has identified for loan repayments.

Solid Waste Management Fund – The County shall maintain a minimum fund balance of \$2,000,000.

NOTE M – PRIOR PERIOD ADJUSTMENT

Certain prior year emergency medial service fee revenues totaling \$126,815 were not accrued in the Fire/Rescue Fund. To correct this error, beginning fund balance of the Fire/Rescue fund of \$176,027, as originally reported, has been increased to \$302,842. In addition, beginning net assets for governmental activities of \$94,848,805, as originally reported, have been increased to 94,975,620.

NOTE N – GRANTS

The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2010, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

NOTE O - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The County, with the exception of the Sheriff, is a member of Public Risk Management of Florida (PRM), a local government risk management pool. The PRM program is structured under a self-insured retention insurance program, whereby PRM pays claims up to a specified amount annually for property and general liability, public officials' liability, automobile liability and workers' compensation. PRM purchases excess insurance or stop loss insurance from commercial carriers to cover losses above the self-insured retention amounts.

PRM assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. PRM requires a one year advance notice for non-renewal.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE O - RISK MANAGEMENT (continued)

The Sheriff is a member of Florida Sheriff's Self-Insurance Fund, which administers insurance activities relating to property, general liability, automobile and worker's compensation. Florida Sheriff's Self-Insurance Fund absorbs losses up to a specified amount annually and purchases excess coverage from third party carriers. Florida Sheriff's Self-Insurance Fund assesses each member its pro rata share of the estimated amount required to meet current year losses and operation expenses. Losses, if any, in excess of the Florida Sheriff's Self-Insurance Fund's ability to assess its members, would revert back to the member that incurred the loss.

The County carries commercial insurance coverage to insure County employees for health and life insurance costs. The County does not retain any risk of loss under these policies.

There is no significant reduction in insurance coverage from the prior year. The insurance settlements have not exceeded the County's insurance coverage in any of the prior three fiscal years.

NOTE P - COMMITMENTS AND CONTINGENCIES

The County has entered into various contracts for design or construction, as follows:

<u>Project</u>	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Commitment</u>
Design and construction of EOC/ Sheriff's communication center	\$ 3,181,518	\$1,534,452	\$ 1,647,066
Historic Courthouse Remodeling	3,679,015	3,675,215	3,800
Country Hills Estates Drainage Construction	435,733	375,620	60,113
Relocate Rotating Beacon	18,000	12,764	5,236
SLERS Contract Management and construction	4,597,600	119,886	4,477,714
Southwest Drainage Design and Construction	1,475,830	163,515	1,312,315
Rehabilitate Taxiway A & C	1,996,356	-	1,996,356
	<u>\$ 15,384,052</u>	<u>\$5,881,452</u>	<u>\$ 9,502,600</u>

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of Okeechobee County, Florida.

OKEECHOBEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE Q - TRANSFERS

Transfers during the year ended September 30, 2010, consisted of the following:

Transfers to the General Fund from:	
Public Safety	\$ 16,774,575
Landfill Trust	1,000,000
	<u>\$ 17,774,575</u>
Transfers to the Transportation Trust from:	
Okee-Tantie	<u>\$ 2,000</u>
Transfers to the Public Safety Fund from:	
General Fund	\$ 1,852,921
Landfill Trust	350,000
Nonmajor Governmental Funds	300,000
	<u>\$ 2,502,921</u>
Transfers to the Fire/Rescue Fund from:	
Nonmajor Governmental Funds	<u>\$ 915,106</u>
Transfers to the Landfill Trust from:	
Capital Improvement Fund	<u>\$ 343,500</u>
Transfers to the Capital Improvement Fund from:	
Nonmajor Governmental Funds	<u>\$ 343,550</u>
Transfers to the Nonmajor Governmental Funds from:	
Public Safety	\$ 13,359
Landfill Trust	1,549,753
Nonmajor Governmental Funds	729,783
	<u>\$ 2,292,895</u>
Transfers to Okee-Tantie from:	
Capital Improvement Fund	<u>\$ 200,283</u>

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

OKEECHOBEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Fiscal Year Ended September 30, 2010

Schedule of Funding Progress – Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2009	\$ -	\$ 2,246,853	\$ 2,246,853	0.00%	\$ 17,460,907	12.87%
10/1/2008	\$ -	\$ 2,246,853	\$ 2,246,853	0.00%	\$ 17,460,907	12.87%
10/1/2007	N/A	N/A	N/A	N/A	N/A	N/A

OTHER MAJOR GOVERNMENTAL FUND

CAPITAL PROJECTS FUND

Capital Projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital –related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Capital Improvement Fund – The Capital Improvement Fund accounts for financial resources that are committed to be used for acquisition and/or construction of major capital facilities and equipment other than those financed by enterprise operations. This includes the one-cent additional sales tax, state grants, and federal grants.

OKEECHOBEE COUNTY, FLORIDA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ 235,201	\$ 97,255	\$ (137,946)
Intergovernmental	4,590,964	5,140,972	1,898,637	(3,242,335)
Net change in fair value of investments	100,000	18,000	49,692	31,692
Total revenues	<u>4,690,964</u>	<u>5,394,173</u>	<u>2,045,584</u>	<u>(3,348,589)</u>
Expenditures				
Current				
General government	775,919	780,852	323,289	457,563
Capital Outlay	5,002,991	11,642,284	3,813,875	7,828,409
Total expenditures	<u>5,778,910</u>	<u>12,423,136</u>	<u>4,137,164</u>	<u>8,285,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,087,946)</u>	<u>(7,028,963)</u>	<u>(2,091,580)</u>	<u>4,937,383</u>
Other Financing Sources (Uses)				
Operating Transfers in	343,550	343,550	343,550	-
Operating transfers out	(343,550)	(1,116,932)	(543,783)	573,149
Total other financing sources (uses)	<u>-</u>	<u>(773,382)</u>	<u>(200,233)</u>	<u>573,149</u>
Net change in fund balances	(1,087,946)	(7,802,345)	(2,291,813)	5,510,532
Fund balance, beginning of year	<u>8,747,138</u>	<u>9,834,333</u>	<u>7,177,361</u>	<u>(2,656,972)</u>
Fund balance, end of year	<u>\$7,659,192</u>	<u>\$2,031,988</u>	<u>\$4,885,548</u>	<u>\$ 2,853,560</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. Following are descriptions of each special revenue fund.

Tourist Development Fund – The Tourist Development Fund is used to account for the 3% tourist development tax collected on transient rentals. These funds are used to increase tourism through various media, trade shows and sponsorship of area events.

Criminal Justice Fund – The Criminal Justice Fund was used to account for certain fines prior to F.S. 938.05 being enacted. Those fines are no longer being put into this fund. These funds will be used for the State Attorney and Public Defender's offices until it is depleted.

Boating Improvement Fund – The Boating Improvement Fund is used to account for boater registration fees established by F.S. 328.72(15). These fees are used for providing recreational channel marking and public launching facilities and other boating related activities.

Tourism Special Revenue Fund – The Tourism Special Revenue Fund is used to account for a portion of the 3% Tourist Tax earned from the Tourist Development fund. This portion of the tourist Tax is used to enhance public uses and access to Lake Okeechobee.

Residential Solid Waste Collection Fund – The Residential Solid Waste Collection Fund is used pursuant to Local Ordinance 98-06 to account for the mandatory collection and disposal of residential solid waste.

Library Brick Fund – The Library Brick Fund is used to account for funds raised by the library brick program. These funds are used for the sole purpose of purchasing library related equipment and materials.

Enhanced 9-1-1 System Fund – The Enhanced 9-1-1 System Fund accounts for the monthly rate of 50 cents per telephone line collected for providing and maintaining an enhanced emergency telephone service.

Federal Equitable Sharing Fund – The Federal Equitable Sharing Fund is used to account for funds received as a result of federal criminal, administrative or civil proceedings and revenues received from federal asset sharing programs.

Law Library Fund- The Law Library Fund is used to account for funds created by Local Ordinance 2004-05 for the use in the local library.

Mediation and Arbitration Fund – The Mediation and Arbitration Fund was used to account for a service charge of \$5 on any Circuit Court proceeding and a \$45 fee on any petition for modification of a final judgment or dissolution. These funds are used to fund family mediation. With the enactment of Article V of the state Constitution these funds are no longer collected. This fund will be closed out when the remainder of the funds are spent.

(continued)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Drug Abuse Trust Fund – The Drug Abuse Trust Fund is used to account for funds collected by authority of Florida Statutes to be disbursed as assistance grants to drug abuse treatment and education programs.

Law Enforcement Trust Fund – The Law Enforcement Trust fund is used to account for funds received pursuant to F.S. 895.05 and used for school resource officers, crime prevention, drug education or other law enforcement purposes.

Local Law Enforcement Block Grant Fund – The Local Law Enforcement Block Grant Fund is used to account for federal grant funds received for the use of law enforcement.

Unincorporated Service Area Fund – The Unincorporated Service Area fund is used to account for the Planning & Zoning, Animal Control, Building Department, Code Enforcement and Economic development activities within the unincorporated area of the County.

State Housing Initiative Program Fund – The State Housing Initiative Fund is used to account for a grant from the State of Florida derived from doc stamps to provide down payment, loan fees and repair costs to bring a house up to code requirements for qualified home buyers in the county.

HRS Building Maintenance Fund – The HRS Building Maintenance Fund is used to account for the maintenance of a building leased to the State of Florida Department of General Services.

Cemetery Trust Fund – The Cemetery Trust Fund is used to account for the operation and maintenance of the Okeechobee County cemeteries.

Hurricane Housing Recovery Fund – The Hurricane Housing Recovery Fund is used to account for a grant from the State of Florida following the 2004 hurricane season for housing recovery for County residents.

Driver's Education Safety Trust Fund – The Driver's Education Safety Trust Fund is used to account for a \$3 fee for every civil traffic penalty to be used for driver's education programs in schools.

C.D.B.G. Disaster Relief Fund – The CDBG Disaster Relief Fund is used to account for grant funds received for recovery from the 2004 and 2005 hurricane seasons.

Court Innovation Fund – The Court Innovation Fund is used to account for funds created by Local Ordinance 2004-05 for use in the Court System.

Legal Aid Fund – The Legal Aid Fund is used to account for funds created by Local Ordinance 2004-05 for the use of legal aid.

Impact Fees Fund – The Impact Fees Fund is used to account for revenues received from impact fees that are restricted to new capital facilities that increase the level of service for roads, fire rescue corrections and fire.

(continued)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Teen Court Fund – The Teen Court Fund is used to account for funds created by Local Ordinance 2004-05 for the use of Teen Court.

Special Grants Fund – The Special Grants Fund is used to account for grants funded by the South Florida Water Management District and the Florida Department of Environmental Protection Agency for Storm water drainage improvements in the southwest section of the County

Solid Waste Management Fund – The Solid Waste Management Fund accounts for all assets, liabilities, expenses and a portion of the host fees assessed to the private contractor operating the Okeechobee landfill.

Feline Facility Trust Fund – The Feline Facility Trust Fund is used to account for donated funds to be used solely for the feline facility.

Counseling/Adoption Trust Fund – The Counseling/Adoption Trust Fund is used to account for “Choose Life” license tag funds. These funds are no longer collected by the County.

Mathewson Library Trust Fund – The Mathewson Library Trust Fund is used to account for funds bequeathed to the County for library use.

Sheriff’s Special Suspense Forfeiture Fund – The Sheriff’s Special Suspense Forfeiture Fund accounts for the Edward Byrne Memorial State and Local Law Enforcement Assistant Grant program.

Sheriff’s Inmate Welfare Fund – The Sheriff’s Inmate Welfare Fund accounts for revenues earned by providing goods and services to inmates. These resources are used for the benefit of the inmates.

Tax Collector’s Coquina Fund – The Tax Collector’s Coquina Fund accounts for revenues received from the Coquina district.

Clerk’s PRMT Fund – The Public Records Modernization Trust Fund (“PRMT”) reports the revenues and expenditures pursuant to Chapter 29.008, Florida Statutes.

Clerk’s Court Related Fund – The Clerk’s court Related Fund is used to account for the State of Florida appropriations for and the expenditures made for the Clerk’s court related activities.

Clerk’s Court Related PRMT Fund – The Clerk’s Court Related PRMT Fund is used to report the revenues and expenditures for the 10% PRMT pursuant to Chapter 28.37(2), Florida Statutes.

Property Appraiser’s Coquina Fund – The Property Appraiser’s Coquina Fund accounts for revenues received from the Coquina district.

(continued)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for and payment of the County's long term debt other than those payable from the operations of enterprise funds.

Jail Loan Redemption Fund – The Jail Loan Redemption Fund is used to account for the collection of ad valorem tax money to be used to pay off the debt incurred to construct the jail.

Courthouse/Ag Center Loan Fund – The Courthouse-Ag Center Loan Fund is used to account for the payments on the debt incurred for the construction of the Courthouse and Ag Center.

CAPITAL PROJECTS FUNDS

Capital Projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital –related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Road Improvement Fund – The Road Improvement Fund is used to account for the local option 5 cents fuel tax enacted effective January 1, 2008.

OKEECHOBEE COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

September 30, 2010

	Special Revenue			
	Tourist Development	Criminal Justice	Boating Improvement	Tourism Special Revenue
Assets				
Cash and cash equivalents	\$ 53,285	\$ 18	\$ 83,539	\$ 226,402
Investments	121	-	6	95
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	9,005	-	-	-
Prepaid items	299	-	-	-
Assets available for sale	-	-	-	-
Total assets	\$ 62,710	\$ 18	\$ 83,545	\$ 226,497
 Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 4,156	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Total liabilities	4,156	-	-	-
 Fund Balances				
Nonspendable	299	-	-	-
Restricted	38,837	18	83,545	150,998
Committed	19,418	-	-	75,499
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	58,554	18	83,545	226,497
 Total liabilities and fund balances	\$ 62,710	\$ 18	\$ 83,545	\$ 226,497

Special Revenue

Residential Solid Waste Collection	Library Brick	Enhanced 9-1-1 System	Federal Equitable Sharing	Law Library	Mediation and Arbitration	Drug Abuse Trust
\$1,096,858	\$ 48,027	\$ 1,087,282	\$ 12,806	\$ 10,905	\$ 38,152	\$ 29,096
25,184	53	22,558	-	-	39	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	37,278	-	-	-	-
-	-	111	-	-	-	-
-	-	-	-	-	-	-
<u>\$1,122,042</u>	<u>\$ 48,080</u>	<u>\$ 1,147,229</u>	<u>\$ 12,806</u>	<u>\$ 10,905</u>	<u>\$ 38,191</u>	<u>\$ 29,096</u>
\$ 169,346	\$ -	\$ 641,508	\$ -	\$ -	\$ -	\$ 2,665
-	-	-	-	10,905	-	-
-	-	-	8,000	-	-	-
-	-	-	-	-	-	-
<u>169,346</u>	<u>-</u>	<u>641,508</u>	<u>8,000</u>	<u>10,905</u>	<u>-</u>	<u>2,665</u>
-	-	111	-	-	-	-
-	-	505,610	4,806	-	38,191	26,431
952,696	48,080	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>952,696</u>	<u>48,080</u>	<u>505,721</u>	<u>4,806</u>	<u>-</u>	<u>38,191</u>	<u>26,431</u>
<u>\$1,122,042</u>	<u>\$ 48,080</u>	<u>\$ 1,147,229</u>	<u>\$ 12,806</u>	<u>\$ 10,905</u>	<u>\$ 38,191</u>	<u>\$ 29,096</u>

(continued)

OKEECHOBEE COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
September 30, 2010

	Special Revenue			
	Law Enforcement Trust	Local Law Enforcement Block Grant	Unin- corporated Service Area	State Housing Initiative Program
Assets				
Cash and cash equivalents	\$ 148,865	\$ 206,815	\$ 455,347	\$ 311,802
Investments	-	-	2,659	-
Accounts receivable, net	-	-	149,097	-
Due from other funds	259,074	-	-	-
Due from other governments	76,008	-	54,362	-
Prepaid items	-	-	8,970	443
Assets available for sale	-	-	-	-
Total assets	\$ 483,947	\$ 206,815	\$ 670,435	\$ 312,245
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 38,390	\$ 1,752
Due to other funds	300,000	109,914	-	-
Deferred revenue	-	26,712	-	310,493
Deposits	-	-	6,450	-
Total liabilities	300,000	136,626	44,840	312,245
Fund Balances				
Nonspendable	-	-	8,970	443
Restricted	183,947	-	-	-
Committed	-	70,189	616,625	-
Assigned	-	-	-	-
Unassigned	-	-	-	(443)
Total fund balances	183,947	70,189	625,595	-
Total liabilities and fund balances	\$ 483,947	\$ 206,815	\$ 670,435	\$ 312,245

Special Revenue

HRS Building Maintenance	Cemetery Trust	Hurricane Housing Recovery Fund	Driver's Education Safety Trust	CDBG Disaster Relief	Court Innovation
\$ 122,162	\$ 54,452	\$ 109,588	\$156,354	\$ 114,588	\$ 244,853
1,426	-	-	-	-	-
-	40,469	-	-	-	-
-	-	-	-	-	24,043
-	-	-	-	51,067	-
5,591	1,415	-	-	-	-
-	-	96,000	-	-	-
<u>\$ 129,179</u>	<u>\$ 96,336</u>	<u>\$ 205,588</u>	<u>\$156,354</u>	<u>\$ 165,655</u>	<u>\$ 268,896</u>
\$ 9,540	\$ 2,072	\$ 103,000	\$ -	\$ 66,642	\$ 13,517
-	-	-	-	-	-
-	-	6,588	-	-	-
-	-	-	-	-	-
<u>9,540</u>	<u>2,072</u>	<u>109,588</u>	<u>-</u>	<u>66,642</u>	<u>13,517</u>
5,591	1,415	96,000	-	-	-
-	-	-	156,354	-	-
114,048	92,849	-	-	99,013	255,379
-	-	-	-	-	-
-	-	-	-	-	-
<u>119,639</u>	<u>94,264</u>	<u>96,000</u>	<u>156,354</u>	<u>99,013</u>	<u>255,379</u>
<u>\$ 129,179</u>	<u>\$ 96,336</u>	<u>\$ 205,588</u>	<u>\$156,354</u>	<u>\$ 165,655</u>	<u>\$ 268,896</u>

(continued)

OKEECHOBEE COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
September 30, 2010

	<u>Special Revenue</u>			
	<u>Legal Aid</u>	<u>Impact Fees</u>	<u>Teen Court</u>	<u>Special Grants</u>
Assets				
Cash and cash equivalents	\$ 1,187	\$ 794,778	\$ 11,951	\$ 605,271
Investments	-	18,044	-	-
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	117,768
Prepaid items	-	-	-	-
Assets available for sale	-	-	-	-
Total assets	<u>\$ 1,187</u>	<u>\$ 812,822</u>	<u>\$ 11,951</u>	<u>\$ 723,039</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 78,518
Due to other funds	1,187	-	11,951	-
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>1,187</u>	<u>-</u>	<u>11,951</u>	<u>78,518</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	812,822	-	644,521
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>812,822</u>	<u>-</u>	<u>644,521</u>
Total liabilities and fund balances	<u>\$ 1,187</u>	<u>\$ 812,822</u>	<u>\$ 11,951</u>	<u>\$ 723,039</u>

Special Revenue

Solid Waste Management	Feline Facility Trust	Counseling Adoption Trust	Mathewson Library Trust	Sheriff's Special Suspense Forfeiture	Sheriff's Inmate Welfare
\$ 15,121	\$ 890	\$ 1,838	\$ 216,359	\$ 23,150	\$ 288,658
2,539,945	3	-	-	-	-
-	-	-	-	7,830	8,340
-	-	-	-	-	-
4,609	-	-	-	-	-
577	-	-	-	-	-
-	-	-	-	-	-
\$ 2,560,252	\$ 893	\$ 1,838	\$ 216,359	\$ 30,980	\$ 296,998
\$ 10,477	\$ -	\$ -	\$ -	\$ 287	\$ 1,623
-	-	-	-	30,693	-
-	-	-	-	-	-
-	-	-	-	-	-
10,477	-	-	-	30,980	1,623
577	-	-	-	-	-
-	893	1,838	216,359	-	295,375
2,549,198	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,549,775	893	1,838	216,359	-	295,375
\$ 2,560,252	\$ 893	\$ 1,838	\$ 216,359	\$ 30,980	\$ 296,998

(continued)

OKEECHOBEE COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
September 30, 2010

	Special Revenue			
	Tax Collector's Coquina Fund	Clerk's PRMT	Clerk's Court Related	Clerk's Court Related PRMT
Assets				
Cash and cash equivalents	\$ 58,660	\$ 442,585	\$ 313,009	\$ 52,838
Investments	-	-	-	-
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	28	-	21,381	-
Prepaid items	-	-	4,434	-
Assets available for sale	-	-	-	-
Total assets	\$ 58,688	\$ 442,585	\$ 338,824	\$ 52,838
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 699	\$ 49,983	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	56,434	-
Deposits	-	-	166,431	-
Total liabilities	-	699	272,848	-
Fund Balances				
Nonspendable	-	-	4,434	-
Restricted	-	441,886	61,542	52,838
Committed	-	-	-	-
Assigned	58,688	-	-	-
Unassigned	-	-	-	-
Total fund balances	58,688	441,886	65,976	52,838
Total liabilities and fund balances	\$ 58,688	\$ 442,585	\$ 338,824	\$ 52,838

<u>Special Revenue</u>	<u>Debt Service</u>		<u>Capital Projects</u>	<u>Total All Nonmajor Governmental Funds</u>
<u>Property Appraiser's Coquina Fund</u>	<u>Jail Loan Redemption</u>	<u>Courthouse Ag Center Loan</u>	<u>Road Improvement</u>	
\$ 39,429	\$ 202,529	\$ 6,458	\$ 2,526,458	\$ 10,212,365
-	-	-	56,187	2,666,320
-	-	-	-	205,736
-	-	-	-	283,117
-	-	-	72,550	444,056
-	-	-	-	21,840
-	-	-	-	96,000
<u>\$ 39,429</u>	<u>\$ 202,529</u>	<u>\$ 6,458</u>	<u>\$ 2,655,195</u>	<u>\$ 13,929,434</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,194,175
-	-	-	-	464,650
-	-	-	-	408,227
-	-	-	-	172,881
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,239,933</u>
-	-	-	-	117,840
-	202,529	6,458	-	3,925,798
-	-	-	2,655,195	7,548,189
39,429	-	-	-	98,117
-	-	-	-	(443)
<u>39,429</u>	<u>202,529</u>	<u>6,458</u>	<u>2,655,195</u>	<u>11,689,501</u>
<u>\$ 39,429</u>	<u>\$ 202,529</u>	<u>\$ 6,458</u>	<u>\$ 2,655,195</u>	<u>\$ 13,929,434</u>

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

	Special Revenue			
	Tourist Development	Criminal Justice	Boating Improvement	Tourism Special Revenue
Revenues				
Taxes	\$ 179,192	\$ -	\$ -	\$ -
Licenses and permits	-	-	29,336	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Net change in fair value of investments	292	18	284	966
Miscellaneous	-	-	-	-
Total revenues	<u>179,484</u>	<u>18</u>	<u>29,620</u>	<u>966</u>
Expenditures				
Current:				
General government	-	4,556	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Economic environment	159,085	-	-	-
Culture and recreation	-	-	-	5,792
Capital outlay	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>159,085</u>	<u>4,556</u>	<u>-</u>	<u>5,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,399</u>	<u>(4,538)</u>	<u>29,620</u>	<u>(4,826)</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	17,500
Operating transfers out	(17,500)	-	-	-
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	<u>(17,500)</u>	<u>-</u>	<u>-</u>	<u>17,500</u>
Net change in fund balances	2,899	(4,538)	29,620	12,674
Fund balances, beginning of year	<u>55,655</u>	<u>4,556</u>	<u>53,925</u>	<u>213,823</u>
Fund balances, end of year	<u>\$ 58,554</u>	<u>\$ 18</u>	<u>\$ 83,545</u>	<u>\$ 226,497</u>

Special Revenue

Residential Solid Waste Collection	Library Brick	Enhanced 9-1-1 System	Federal Equitable Sharing	Law Library	Mediation and Arbitration	Drug Abuse Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	898,629	-	-	-	-
-	-	159,400	-	-	-	-
-	-	-	-	11,961	-	12,570
1,989,231	-	-	-	-	-	-
14,990	225	12,478	-	15	178	165
-	400	-	-	-	-	-
<u>2,004,221</u>	<u>625</u>	<u>1,070,507</u>	<u>-</u>	<u>11,976</u>	<u>178</u>	<u>12,735</u>
-	-	-	-	1,071	-	28,433
-	-	135,991	-	-	-	-
2,067,740	-	-	-	-	-	-
-	-	-	-	-	-	-
-	350	-	-	-	-	-
-	-	841,421	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,067,740</u>	<u>350</u>	<u>977,412</u>	<u>-</u>	<u>1,071</u>	<u>-</u>	<u>28,433</u>
(63,519)	275	93,095	-	10,905	178	(15,698)
-	-	-	-	-	-	-
-	-	-	-	(10,905)	-	-
-	-	-	-	-	-	-
-	-	-	-	(10,905)	-	-
(63,519)	275	93,095	-	-	178	(15,698)
1,016,215	47,805	412,626	4,806	-	38,013	42,129
<u>\$ 952,696</u>	<u>\$ 48,080</u>	<u>\$ 505,721</u>	<u>\$ 4,806</u>	<u>\$ -</u>	<u>\$ 38,191</u>	<u>\$ 26,431</u>

OKEECHOBEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2010

	Special Revenue			
	Law Enforcement Trust	Local Law Enforcement Block Grant	Unin- corporated Service Area	State Housing Initiative Program
Revenues				
Taxes	\$ -	\$ -	\$ 629,983	\$ -
Licenses and permits	-	-	337,077	-
Intergovernmental	565,979	19,220	4,804	173,829
Charges for services	81,633	-	129,042	-
Fines and forfeitures	-	-	15,611	-
Special assessments	-	-	-	-
Net change in fair value of investments	968	-	1,986	-
Miscellaneous	-	-	536,782	-
Total revenues	<u>648,580</u>	<u>19,220</u>	<u>1,655,285</u>	<u>173,829</u>
Expenditures				
Current:				
General government	-	-	455,998	-
Public safety	-	-	888,532	-
Physical environment	-	-	-	-
Economic environment	-	-	10,000	173,829
Culture and recreation	-	-	-	-
Capital Outlay	-	-	1,345	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal charge	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,355,875</u>	<u>173,829</u>
Excess (deficiency) of revenues over (under) expenditures	<u>648,580</u>	<u>19,220</u>	<u>299,410</u>	<u>-</u>
Other Financing Sources (Uses)				
Operating transfers in	30,693	-	-	-
Operating transfers out	(938,327)	(19,220)	-	-
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	<u>(907,634)</u>	<u>(19,220)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(259,054)	-	299,410	-
Fund balances, beginning of year	<u>443,001</u>	<u>70,189</u>	<u>326,185</u>	<u>-</u>
Fund balances, end of year	<u>\$ 183,947</u>	<u>\$ 70,189</u>	<u>\$ 625,595</u>	<u>\$ -</u>

Special Revenue

HRS Building Maintenance	Cemetery Trust	Hurricane Housing Recovery Fund	Driver's Education Safety Trust	CDBG Disaster Relief	Court Innovation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	467,060	-	595,963	-
-	87,919	-	-	-	-
-	-	-	20,913	-	11,956
-	-	-	-	-	-
1,512	70	271,682	615	-	1,019
56,741	152,949	-	-	-	-
<u>58,253</u>	<u>240,938</u>	<u>738,742</u>	<u>21,528</u>	<u>595,963</u>	<u>12,975</u>
135,691	146,674	54,000	-	-	-
-	-	-	-	-	-
-	-	-	1,012	-	-
-	-	738,742	-	327,802	-
-	-	-	-	-	-
47,848	-	-	-	297,108	13,517
-	-	-	-	-	-
-	-	-	-	-	-
<u>183,539</u>	<u>146,674</u>	<u>792,742</u>	<u>1,012</u>	<u>624,910</u>	<u>13,517</u>
<u>(125,286)</u>	<u>94,264</u>	<u>(54,000)</u>	<u>20,516</u>	<u>(28,947)</u>	<u>(542)</u>
-	-	-	-	-	24,043
-	-	-	-	-	-
3,773	-	-	-	-	-
<u>3,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,043</u>
(121,513)	94,264	(54,000)	20,516	(28,947)	23,501
241,152	-	150,000	135,838	127,960	231,878
<u>\$ 119,639</u>	<u>\$ 94,264</u>	<u>\$ 96,000</u>	<u>\$ 156,354</u>	<u>\$ 99,013</u>	<u>\$ 255,379</u>

OKEECHOBEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Special Revenue</u>			
	<u>Legal Aid</u>	<u>Impact Fees</u>	<u>Teen Court</u>	<u>Special Grants</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	117,768
Charges for services	-	-	-	-
Fines and forfeitures	12,086	-	11,935	-
Special assessments	-	266,475	-	-
Net change in fair value of investments	1	8,296	16	-
Miscellaneous	-	-	-	-
Total revenues	<u>12,087</u>	<u>274,771</u>	<u>11,951</u>	<u>117,768</u>
Expenditures				
Current:				
General government	10,900	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	177
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	168,195
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal charge	-	-	-	-
Total expenditures	<u>10,900</u>	<u>-</u>	<u>-</u>	<u>168,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,187</u>	<u>274,771</u>	<u>11,951</u>	<u>(50,604)</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	660,625
Operating transfers out	(1,187)	(43,550)	(11,951)	-
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	<u>(1,187)</u>	<u>(43,550)</u>	<u>(11,951)</u>	<u>660,625</u>
Net change in fund balances	-	231,221	-	610,021
Fund balances, beginning of year	<u>-</u>	<u>581,601</u>	<u>-</u>	<u>34,500</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 812,822</u>	<u>\$ -</u>	<u>\$ 644,521</u>

Special Revenue

Solid Waste Management	Feline Facility Trust	Counseling / Adoption Trust	Mathewson Library Trust	Sheriffs Special Suspense Forfeiture	Sheriff's Inmate Welfare
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
60,053	-	-	-	9,496	-
214,422	-	-	-	-	135,983
-	-	-	-	-	-
-	-	-	-	-	-
70,923	5	8	84	326	695
-	-	-	216,275	-	-
<u>345,398</u>	<u>5</u>	<u>8</u>	<u>216,359</u>	<u>9,822</u>	<u>136,678</u>
-	-	-	-	-	-
-	-	-	-	499,161	77,889
238,669	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	150,874	2,180
-	-	-	-	-	-
-	-	-	-	-	-
<u>238,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,035</u>	<u>80,069</u>
106,729	5	8	216,359	(640,213)	56,609
-	-	-	-	670,906	-
(1,215,106)	-	-	-	(30,693)	-
-	-	-	-	-	-
<u>(1,215,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,213</u>	<u>-</u>
(1,108,377)	5	8	216,359	-	56,609
3,658,152	888	1,830	-	-	238,766
<u>\$ 2,549,775</u>	<u>\$ 893</u>	<u>\$ 1,838</u>	<u>\$ 216,359</u>	<u>\$ -</u>	<u>\$ 295,375</u>

OKEECHOBEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2010

	Special Revenue			
	Tax Collector's Coquina Fund	Clerk's PRMT	Clerk's Court Related	Clerk's Court Related PRMT
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	1,479,970	-
Charges for services	8,093	50,453	-	43,182
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Net change in fair value of investments	205	2,367	-	118
Miscellaneous	143	-	-	-
Total revenues	8,441	52,820	1,479,970	43,300
Expenditures				
Current:				
General government	965	4,151	1,489,723	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	34,271	-	-
Debt Service				
Principal retirement	-	-	-	-
Interest and fiscal charge	-	-	-	-
Total expenditures	965	38,422	1,489,723	-
Excess (deficiency) of revenues over (under) expenditures	7,476	14,398	(9,753)	43,300
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	7,476	14,398	(9,753)	43,300
Fund balances, beginning of year	51,212	427,488	75,729	9,538
Fund balances, end of year	\$ 58,688	\$ 441,886	\$ 65,976	\$ 52,838

Special Revenue	Debt Service		Capital Projects	Total All Nonmajor Governmental Funds
Property Appraiser's Coquina Fund	Jail Loan Redemption	Courthouse Ag Center Loan	Road Improvement	
\$ -	\$ 507,648	\$ -	\$ 949,649	\$ 2,266,472
-	-	-	-	366,413
-	-	-	-	4,392,771
8,095	-	-	-	918,222
-	-	-	-	97,032
-	-	-	-	2,255,706
96	1,732	67	31,408	423,810
-	-	-	-	963,290
<u>8,191</u>	<u>509,380</u>	<u>67</u>	<u>981,057</u>	<u>11,683,716</u>
6,034	-	-	-	2,338,196
-	-	-	-	1,601,573
-	-	-	-	2,307,598
-	-	-	-	1,409,458
-	-	-	-	6,142
-	-	-	-	1,556,759
-	393,959	644,451	-	1,038,410
-	99,470	244,677	-	344,147
<u>6,034</u>	<u>493,429</u>	<u>889,128</u>	<u>-</u>	<u>10,602,283</u>
<u>2,157</u>	<u>15,951</u>	<u>(889,061)</u>	<u>981,057</u>	<u>1,081,433</u>
-	-	889,128	-	2,292,895
-	-	-	-	(2,288,439)
-	-	-	-	3,773
<u>-</u>	<u>-</u>	<u>889,128</u>	<u>-</u>	<u>8,229</u>
2,157	15,951	67	981,057	1,089,662
<u>37,272</u>	<u>186,578</u>	<u>6,391</u>	<u>1,674,138</u>	<u>10,599,839</u>
<u>\$ 39,429</u>	<u>\$ 202,529</u>	<u>\$ 6,458</u>	<u>\$ 2,655,195</u>	<u>\$ 11,689,501</u>

OKEECHOBEE COUNTY, FLORIDA
TOURIST DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 185,000	\$ 185,000	\$ 179,192	\$ (5,808)
Intergovernmental	1,500	1,500	-	(1,500)
Net change in fair value of investments	800	800	292	(508)
Total revenues	<u>187,300</u>	<u>187,300</u>	<u>179,484</u>	<u>(7,816)</u>
Expenditures				
Current				
Economic Environment	206,189	206,189	159,085	47,104
Total expenditures	<u>206,189</u>	<u>206,189</u>	<u>159,085</u>	<u>47,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,889)</u>	<u>(18,889)</u>	<u>20,399</u>	<u>39,288</u>
Other Financing Sources (Uses)				
Operating Transfers Out	(17,500)	(17,500)	(17,500)	-
Total other financing sources (uses)	<u>(17,500)</u>	<u>(17,500)</u>	<u>(17,500)</u>	<u>-</u>
Net change in fund balances	(36,389)	(36,389)	2,899	39,288
Fund balances, beginning of year	<u>63,056</u>	<u>46,290</u>	<u>55,655</u>	<u>9,365</u>
Fund balances, end of year	<u>\$ 26,667</u>	<u>\$ 9,901</u>	<u>\$ 58,554</u>	<u>\$ 48,653</u>

OKEECHOBEE COUNTY, FLORIDA
CRIMINAL JUSTICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Net change in fair value of investments	\$ -	\$ -	\$ 18	\$ 18
Total revenues	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>
Expenditures				
Current				
General government	228	4,556	4,556	-
Total expenditures	<u>228</u>	<u>4,556</u>	<u>4,556</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(228)	(4,556)	(4,538)	18
Fund balances, beginning of year	<u>228</u>	<u>4,556</u>	<u>4,556</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18</u></u>	<u><u>\$ 18</u></u>

OKEECHOBEE COUNTY, FLORIDA
BOATING IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 30,000	\$ 30,000	\$ 29,336	\$ (664)
Net change in fair value of investments	1,000	1,000	284	(716)
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>29,620</u>	<u>(1,380)</u>
Expenditures				
Current				
Culture and recreation	3,000	3,000	-	3,000
Capital Outlay	9,600	9,600	-	9,600
Total expenditures	<u>12,600</u>	<u>12,600</u>	<u>-</u>	<u>12,600</u>
Excess (deficiency) of revenues over (under) expenditures	18,400	18,400	29,620	11,220
Fund balances, beginning of year	<u>51,244</u>	<u>52,375</u>	<u>53,925</u>	<u>1,550</u>
Fund balances, end of year	<u>\$ 69,644</u>	<u>\$ 70,775</u>	<u>\$ 83,545</u>	<u>\$ 12,770</u>

OKEECHOBEE COUNTY, FLORIDA
TOURISM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Net change in fair value of investments	\$ 2,400	\$ 2,400	\$ 966	\$ (1,434)
Total revenues	<u>2,400</u>	<u>2,400</u>	<u>966</u>	<u>(1,434)</u>
Expenditures				
Current				
Culture and recreation	500	6,000	5,792	208
Total expenditures	<u>500</u>	<u>6,000</u>	<u>5,792</u>	<u>208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,900</u>	<u>(3,600)</u>	<u>(4,826)</u>	<u>(1,226)</u>
Other Financing Sources (Uses)				
Operating Transfers In	17,500	17,500	17,500	-
Total other financing sources (uses)	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Net change in fund balances	19,400	13,900	12,674	(1,226)
Fund balances, beginning of year	<u>213,857</u>	<u>213,857</u>	<u>213,823</u>	<u>(34)</u>
Fund balances, end of year	<u><u>\$ 233,257</u></u>	<u><u>\$ 227,757</u></u>	<u><u>\$ 226,497</u></u>	<u><u>\$ (1,260)</u></u>

OKEECHOBEE COUNTY, FLORIDA
RESIDENTIAL SOLID WASTE COLLECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$2,026,331	\$2,026,331	\$1,989,231	\$ (37,100)
Net change in fair value of investments	21,000	21,000	14,990	(6,010)
Total revenues	<u>2,047,331</u>	<u>2,047,331</u>	<u>2,004,221</u>	<u>(43,110)</u>
Expenditures				
Current				
Physical environment	<u>2,277,053</u>	<u>2,277,053</u>	<u>2,067,740</u>	<u>209,313</u>
Total expenditures	<u>2,277,053</u>	<u>2,277,053</u>	<u>2,067,740</u>	<u>209,313</u>
Excess (deficiency) of revenues over (under) expenditures	(229,722)	(229,722)	(63,519)	166,203
Fund balances, beginning of year	<u>1,016,854</u>	<u>913,848</u>	<u>1,016,215</u>	<u>102,367</u>
Fund balances, end of year	<u><u>\$ 787,132</u></u>	<u><u>\$ 684,126</u></u>	<u><u>\$ 952,696</u></u>	<u><u>\$ 268,570</u></u>

OKEECHOBEE COUNTY, FLORIDA
LIBRARY BRICK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Net change in fair value of investments	\$ 500	\$ 500	\$ 225	\$ (275)
Miscellaneous	-	-	400	400
Total revenues	<u>500</u>	<u>500</u>	<u>625</u>	<u>125</u>
Expenditures				
Current				
Culture and Recreation	42,634	42,634	350	42,284
Capital outlay	9,500	9,500	-	9,500
Total expenditures	<u>52,134</u>	<u>52,134</u>	<u>350</u>	<u>51,784</u>
Excess (deficiency) of revenues over (under) expenditures	(51,634)	(51,634)	275	51,909
Fund balances, beginning of year	<u>51,634</u>	<u>51,634</u>	<u>47,805</u>	<u>(3,829)</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 48,080</u></u>	<u><u>\$ 48,080</u></u>

OKEECHOBEE COUNTY, FLORIDA
ENHANCED 9-1-1 SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 898,629	\$ 898,629
Charges for services	164,300	164,300	159,400	(4,900)
Net change in fair value of investments	8,600	8,600	12,478	3,878
Total revenues	<u>172,900</u>	<u>172,900</u>	<u>1,070,507</u>	<u>897,607</u>
Expenditures				
Current				
Public safety	177,988	182,158	135,991	46,167
Capital Outlay	1,103,095	1,103,095	841,421	261,674
Total expenditures	<u>1,281,083</u>	<u>1,285,253</u>	<u>977,412</u>	<u>307,841</u>
Excess (deficiency) of revenues over (under) expenditures	(1,108,183)	(1,112,353)	93,095	1,205,448
Fund balances, beginning of year	<u>1,368,303</u>	<u>1,312,360</u>	<u>412,626</u>	<u>(899,734)</u>
Fund balances, end of year	<u>\$ 260,120</u>	<u>\$ 200,007</u>	<u>\$ 505,721</u>	<u>\$ 305,714</u>

OKEECHOBEE COUNTY, FLORIDA
FEDERAL EQUITABLE SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Net change in fair value of investments	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Other Financing Sources (Uses)				
Operating Transfers Out	<u>(9,878)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(9,878)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(9,778)	100	-	(100)
Fund balances, beginning of year	<u>9,778</u>	<u>12,752</u>	<u>4,806</u>	<u>(7,946)</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ 12,852</u></u>	<u><u>\$ 4,806</u></u>	<u><u>\$ (8,046)</u></u>

OKEECHOBEE COUNTY, FLORIDA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 13,000	\$ 13,000	\$ 11,961	\$ (1,039)
Net change in fair value of investments	35	35	15	(20)
Total revenues	<u>13,035</u>	<u>13,035</u>	<u>11,976</u>	<u>(1,059)</u>
Expenditures				
Current				
General government	1,050	2,121	1,071	1,050
Total expenditures	<u>1,050</u>	<u>2,121</u>	<u>1,071</u>	<u>1,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,985</u>	<u>10,914</u>	<u>10,905</u>	<u>(9)</u>
Other Financing Sources (Uses)				
Operating transfers out	(11,333)	(10,262)	(10,905)	(643)
Total other financing sources (uses)	<u>(11,333)</u>	<u>(10,262)</u>	<u>(10,905)</u>	<u>(643)</u>
Net change in fund balances	652	652	-	(652)
Fund balances, beginning of year	<u>(652)</u>	<u>(652)</u>	<u>-</u>	<u>652</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OKEECHOBEE COUNTY, FLORIDA
MEDIATION AND ARBITRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Net change in fair value of investments	\$ 450	\$ 450	\$ 178	\$ (272)
Total Revenues	<u>450</u>	<u>450</u>	<u>178</u>	<u>(272)</u>
Expenditures				
Current				
General government	5,300	5,300	-	5,300
Total expenditures	<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>5,300</u>
Excess (deficiency) of revenues over (under) expenditures	(4,850)	(4,850)	178	5,028
Fund balances, beginning of year	<u>38,046</u>	<u>38,046</u>	<u>38,013</u>	<u>(33)</u>
Fund balances, end of year	<u>\$ 33,196</u>	<u>\$ 33,196</u>	<u>\$ 38,191</u>	<u>\$ 4,995</u>

OKEECHOBEE COUNTY, FLORIDA
DRUG ABUSE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 9,200	\$ 9,200	\$ 12,570	\$ 3,370
Net change in fair value of investments	600	600	165	(435)
Total revenues	<u>9,800</u>	<u>9,800</u>	<u>12,735</u>	<u>2,935</u>
Expenditures				
Current				
General government	29,000	29,000	28,433	567
Total expenditures	<u>29,000</u>	<u>29,000</u>	<u>28,433</u>	<u>567</u>
Excess (deficiency) of revenues over (under) expenditures	(19,200)	(19,200)	(15,698)	3,502
Fund balances, beginning of year	<u>42,588</u>	<u>42,588</u>	<u>42,129</u>	<u>(459)</u>
Fund balances, end of year	<u><u>\$ 23,388</u></u>	<u><u>\$ 23,388</u></u>	<u><u>\$ 26,431</u></u>	<u><u>\$ 3,043</u></u>

OKEECHOBEE COUNTY, FLORIDA
LAW ENFORCEMENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 597,367	\$ 597,367	\$ 565,979	\$ (31,388)
Charges for Services	-	-	81,633	81,633
Net change in fair value of investments	6,200	6,200	968	(5,232)
Total revenues	<u>603,567</u>	<u>603,567</u>	<u>648,580</u>	<u>45,013</u>
Expenditures				
Current				
Public safety	1,000	1,000	-	1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>602,567</u>	<u>602,567</u>	<u>648,580</u>	<u>46,013</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	30,693	30,693
Operating transfers out	(897,367)	(938,327)	(938,327)	-
	<u>(897,367)</u>	<u>(938,327)</u>	<u>(907,634)</u>	<u>-</u>
Total other financing sources (uses)	<u>(294,800)</u>	<u>(335,760)</u>	<u>(259,054)</u>	<u>46,013</u>
Net change in fund balances				
Fund balances, beginning of year	<u>371,541</u>	<u>412,821</u>	<u>443,001</u>	<u>30,180</u>
Fund balances, end of year	<u>\$ 76,741</u>	<u>\$ 77,061</u>	<u>\$ 183,947</u>	<u>\$ 76,193</u>

OKEECHOBEE COUNTY, FLORIDA
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 26,712	\$ 26,712	\$ 19,220	\$ (7,492)
Total revenues	<u>26,712</u>	<u>26,712</u>	<u>19,220</u>	<u>(7,492)</u>
Expenditures				
Capital outlay	45,932	26,712	-	26,712
Total expenditures	<u>45,932</u>	<u>26,712</u>	<u>-</u>	<u>26,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,220)</u>	<u>-</u>	<u>19,220</u>	<u>19,220</u>
Other Financing Sources (Uses)				
Operating transfers out	-	(19,220)	(19,220)	-
Total other financing sources (uses)	<u>-</u>	<u>(19,220)</u>	<u>(19,220)</u>	<u>-</u>
Net change in fund balances	(19,220)	(19,220)	-	19,220
Fund balances, beginning of year	<u>87,578</u>	<u>87,578</u>	<u>70,189</u>	<u>(17,389)</u>
Fund balances, end of year	<u>\$ 68,358</u>	<u>\$ 68,358</u>	<u>\$ 70,189</u>	<u>\$ 1,831</u>

OKEECHOBEE COUNTY, FLORIDA
UNINCORPORATED SERVICE AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 579,857	\$ 579,857	\$ 629,983	\$ 50,126
Licenses and permits	405,000	345,000	337,077	(7,923)
Intergovernmental	-	4,500	4,804	304
Charges for services	174,300	174,300	129,042	(45,258)
Fines and forfeitures	133,000	33,000	15,611	(17,389)
Net change in fair value of investments	3,000	800	1,986	1,186
Miscellaneous	302,725	482,725	536,782	54,057
Total revenues	<u>1,597,882</u>	<u>1,620,182</u>	<u>1,655,285</u>	<u>35,103</u>
Expenditures				
Current				
General government	572,459	595,209	455,998	139,211
Public safety	1,067,380	1,009,708	888,532	121,176
Economic environment	10,000	10,000	10,000	-
Capital Outlay	2,000	2,430	1,345	1,085
Total expenditures	<u>1,651,839</u>	<u>1,617,347</u>	<u>1,355,875</u>	<u>261,472</u>
Excess (deficiency) of revenues over (under) expenditures	(53,957)	2,835	299,410	296,575
Fund balances, beginning of year	<u>228,866</u>	<u>269,040</u>	<u>326,185</u>	<u>57,145</u>
Fund balances, end of year	<u>\$ 174,909</u>	<u>\$ 271,875</u>	<u>\$ 625,595</u>	<u>\$ 353,720</u>

OKEECHOBEE COUNTY, FLORIDA
STATE HOUSING INITIATIVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 350,000	\$ 350,000	\$ 173,829	\$ (176,171)
Net change in fair value of investments	1,500	1,500	-	(1,500)
Total revenues	<u>351,500</u>	<u>351,500</u>	<u>173,829</u>	<u>(177,671)</u>
Expenditures				
Current				
Economic environment	<u>361,758</u>	<u>361,758</u>	<u>173,829</u>	<u>187,929</u>
Total expenditures	<u>361,758</u>	<u>361,758</u>	<u>173,829</u>	<u>187,929</u>
Excess (deficiency) of revenues over (under) expenditures	(10,258)	(10,258)	-	10,258
Fund balances, beginning of year	<u>332,868</u>	<u>292,911</u>	<u>-</u>	<u>(292,911)</u>
Fund balances, end of year	<u><u>\$ 322,610</u></u>	<u><u>\$ 282,653</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (282,653)</u></u>

OKEECHOBEE COUNTY, FLORIDA
HRS BUILDING MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Net change in fair value of investments	\$ 2,100	\$ 2,100	\$ 1,512	\$ (588)
Miscellaneous	61,388	61,388	56,741	(4,647)
Total revenues	<u>63,488</u>	<u>63,488</u>	<u>58,253</u>	<u>(5,235)</u>
Expenditures				
Current				
General government	173,573	157,189	135,691	21,498
Capital Outlay	35,000	51,384	47,848	3,536
Total expenditures	<u>208,573</u>	<u>208,573</u>	<u>183,539</u>	<u>25,034</u>
Excess (deficiency) of revenues over (under) expenditures	(145,085)	(145,085)	(125,286)	19,799
Other Financing Sources(Uses)				
Insurance proceeds	-	-	3,773	3,773
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,773</u>	<u>3,773</u>
Net change in fund balances	(145,085)	(145,085)	(121,513)	23,572
Fund balances, beginning of year	<u>254,812</u>	<u>237,977</u>	<u>241,152</u>	<u>3,175</u>
Fund balances, end of year	<u>\$ 109,727</u>	<u>\$ 92,892</u>	<u>\$ 119,639</u>	<u>\$ 26,747</u>

OKEECHOBEE COUNTY, FLORIDA
CEMETERY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 66,750	\$ 66,750	\$ 87,919	\$ 21,169
Net change in fair value of investments	10	10	70	60
Miscellaneous	108,325	138,325	152,949	14,624
Total revenues	<u>175,085</u>	<u>205,085</u>	<u>240,938</u>	<u>35,853</u>
Expenditures				
Current				
General government	146,824	146,824	146,674	150
Total expenditures	<u>146,824</u>	<u>146,824</u>	<u>146,674</u>	<u>150</u>
Excess (deficiency) of revenues over (under) expenditures	28,261	58,261	94,264	36,003
Fund balances, beginning of year	<u>4,437</u>	<u>(3,754)</u>	<u>-</u>	<u>3,754</u>
Fund balances, end of year	<u>\$ 32,698</u>	<u>\$ 54,507</u>	<u>\$ 94,264</u>	<u>\$ 39,757</u>

OKEECHOBEE COUNTY, FLORIDA
HURRICANE HOUSING RECOVERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 467,060	\$ 467,060
Net change in fair value of investments	-	-	271,682	271,682
Total revenues	<u>-</u>	<u>-</u>	<u>738,742</u>	<u>738,742</u>
Expenditures				
Current				
General government	-	-	54,000	(54,000)
Economic environment	208,558	799,132	738,742	60,390
Total expenditures	<u>208,558</u>	<u>799,132</u>	<u>792,742</u>	<u>6,390</u>
Excess (deficiency) of revenues over (under) expenditures	(208,558)	(799,132)	(54,000)	745,132
Fund balances, beginning of year	<u>208,558</u>	<u>799,132</u>	<u>150,000</u>	<u>(649,132)</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 96,000</u></u>	<u><u>\$ 96,000</u></u>

OKEECHOBEE COUNTY, FLORIDA
DRIVER'S EDUCATION SAFETY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 21,000	\$ 21,000	\$ 20,913	\$ (87)
Net change in fair value of investments	1,500	1,500	615	(885)
Total revenues	<u>22,500</u>	<u>22,500</u>	<u>21,528</u>	<u>(972)</u>
Expenditures				
Current				
Physical Environment	120,000	120,000	1,012	118,988
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>1,012</u>	<u>118,988</u>
Excess (deficiency) of revenues over (under) expenditures	(97,500)	(97,500)	20,516	118,016
Fund balances, beginning of year	<u>121,917</u>	<u>134,713</u>	<u>135,838</u>	<u>1,125</u>
Fund balances, end of year	<u><u>\$ 24,417</u></u>	<u><u>\$ 37,213</u></u>	<u><u>\$ 156,354</u></u>	<u><u>\$ 119,141</u></u>

OKEECHOBEE COUNTY, FLORIDA
CDBG DISASTER RELIEF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,219,228	\$1,219,228	\$ 595,963	\$ (623,265)
Total revenues	<u>1,219,228</u>	<u>1,219,228</u>	<u>595,963</u>	<u>(623,265)</u>
Expenditures				
Current				
Economic environment	540,552	722,257	327,802	394,455
Capital Outlay	741,954	953,840	297,108	656,732
Total expenditures	<u>1,282,506</u>	<u>1,676,097</u>	<u>624,910</u>	<u>1,051,187</u>
Excess (deficiency) of revenues over (under) expenditures	(63,278)	(456,869)	(28,947)	427,922
Fund balances, beginning of year	<u>63,278</u>	<u>456,869</u>	<u>127,960</u>	<u>(328,909)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,013</u>	<u>\$ 99,013</u>

OKEECHOBEE COUNTY, FLORIDA
COURT INNOVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 17,000	\$ 17,000	\$ 11,956	\$ (5,044)
Net change in fair value of investments	-	-	1,019	1,019
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>12,975</u>	<u>(4,025)</u>
Expenditures				
Current				
Capital outlay	<u>13,518</u>	<u>13,518</u>	<u>13,517</u>	<u>1</u>
Total expenditures	<u>13,518</u>	<u>13,518</u>	<u>13,517</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,482</u>	<u>3,482</u>	<u>(542)</u>	<u>(4,024)</u>
Other Financing Sources (Uses)				
Operating transfers in	<u>2,406</u>	<u>2,406</u>	<u>24,043</u>	<u>21,637</u>
Total other financing sources (uses)	<u>2,406</u>	<u>2,406</u>	<u>24,043</u>	<u>21,637</u>
Net change in fund balances	5,888	5,888	23,501	17,613
Fund balances, beginning of year	<u>173,127</u>	<u>231,028</u>	<u>231,878</u>	<u>850</u>
Fund balances, end of year	<u>\$ 179,015</u>	<u>\$ 236,916</u>	<u>\$ 255,379</u>	<u>\$ 18,463</u>

OKEECHOBEE COUNTY, FLORIDA
LEGAL AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 14,000	\$ 14,000	\$ 12,086	\$ (1,914)
Net change in fair value of investments	6	6	1	(5)
Total revenues	<u>14,006</u>	<u>14,006</u>	<u>12,087</u>	<u>(1,919)</u>
Expenditures				
Current				
General government	<u>10,900</u>	<u>10,900</u>	<u>10,900</u>	<u>-</u>
Total expenditures	<u>10,900</u>	<u>10,900</u>	<u>10,900</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,106</u>	<u>3,106</u>	<u>1,187</u>	<u>(1,919)</u>
Other Financing Sources (Uses)				
Operating transfers out	<u>(2,406)</u>	<u>(2,406)</u>	<u>(1,187)</u>	<u>1,219</u>
Total other financing sources (uses)	<u>(2,406)</u>	<u>(2,406)</u>	<u>(1,187)</u>	<u>1,219</u>
Net change in fund balances	700	700	-	(700)
Fund balances, beginning of year	<u>(700)</u>	<u>(700)</u>	<u>-</u>	<u>700</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OKEECHOBEE COUNTY, FLORIDA
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ 62,800	\$ 62,800	\$ 266,475	\$ 203,675
Net change in fair value of investments	4,600	4,600	8,296	3,696
Total revenues	<u>67,400</u>	<u>67,400</u>	<u>274,771</u>	<u>207,371</u>
Expenditures				
Capital Outlay	491,412	-	-	-
Total expenditures	<u>491,412</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(424,012)	67,400	274,771	207,371
Other Financing Sources(Uses)				
Operating transfers out	(43,550)	(43,550)	(43,550)	-
Total other financing sources (uses)	<u>(43,550)</u>	<u>(43,550)</u>	<u>(43,550)</u>	<u>-</u>
Net change in fund balances	(467,562)	23,850	231,221	207,371
Fund balances, beginning of year	<u>506,964</u>	<u>578,231</u>	<u>581,601</u>	<u>3,370</u>
Fund balances, end of year	<u><u>\$ 39,402</u></u>	<u><u>\$ 602,081</u></u>	<u><u>\$ 812,822</u></u>	<u><u>\$ 210,741</u></u>

OKEECHOBEE COUNTY, FLORIDA
TEEN COURT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 13,500	\$ 13,500	\$ 11,935	\$ (1,565)
Net change in fair value of investments	-	-	16	16
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>11,951</u>	<u>(1,549)</u>
Expenditures				
Current				
General government	<u>12,825</u>	<u>12,825</u>	-	<u>12,825</u>
Total expenditures	<u>12,825</u>	<u>12,825</u>	<u>-</u>	<u>12,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>675</u>	<u>675</u>	<u>11,951</u>	<u>11,276</u>
Other Financing Sources (Uses)				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(11,951)</u>	<u>(11,951)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,951)</u>	<u>(11,951)</u>
Net change in fund balances	675	675	-	(675)
Fund balances, beginning of year	<u>(675)</u>	<u>(675)</u>	<u>-</u>	<u>675</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OKEECHOBEE COUNTY, FLORIDA
SPECIAL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,635,000	\$2,635,000	\$ 117,768	\$ (2,517,232)
Total revenues	<u>2,635,000</u>	<u>2,635,000</u>	<u>117,768</u>	<u>(2,517,232)</u>
Expenditures				
Current				
Physical environment	-	-	177	(177)
Capital Outlay	3,956,250	3,956,250	168,195	3,788,055
Total expenditures	<u>3,956,250</u>	<u>3,956,250</u>	<u>168,372</u>	<u>3,787,878</u>
Excess (deficiency) of revenues over (under) expenditures	(1,321,250)	(1,321,250)	(50,604)	1,270,646
Other Financing Sources (Uses)				
Operating Transfers in	1,321,250	1,321,250	660,625	(660,625)
Total other financing sources (uses)	<u>1,321,250</u>	<u>1,321,250</u>	<u>660,625</u>	<u>(660,625)</u>
Net change in fund balances	-	-	610,021	610,021
Fund balances, beginning of year	<u>-</u>	<u>34,500</u>	<u>34,500</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 34,500</u>	<u>\$ 644,521</u>	<u>\$ 610,021</u>

OKEECHOBEE COUNTY, FLORIDA
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 77,316	\$ 77,316	\$ 60,053	\$ (17,263)
Charges for services	220,154	220,154	214,422	(5,732)
Net change in fair value of investments	90,000	90,000	70,923	(19,077)
Total revenues	<u>387,470</u>	<u>387,470</u>	<u>345,398</u>	<u>(42,072)</u>
Expenditures				
Current				
Physical environment	444,704	444,704	238,669	206,035
Total expenditures	<u>444,704</u>	<u>444,704</u>	<u>238,669</u>	<u>206,035</u>
Excess (deficiency) of revenues over (under) expenditures	(57,234)	(57,234)	106,729	163,963
Other Financing Sources (Uses)				
Transfers out	(1,215,105)	(1,215,105)	(1,215,106)	(1)
Total other financing sources (uses)	<u>(1,215,105)</u>	<u>(1,215,105)</u>	<u>(1,215,106)</u>	<u>(1)</u>
Net change in fund balances	(1,272,339)	(1,272,339)	(1,108,377)	163,962
Fund balances, beginning of year	<u>3,550,525</u>	<u>3,638,779</u>	<u>3,658,152</u>	<u>19,373</u>
Fund balances, end of year	<u><u>\$2,278,186</u></u>	<u><u>\$2,366,440</u></u>	<u><u>\$2,549,775</u></u>	<u><u>\$ 183,335</u></u>

OKEECHOBEE COUNTY, FLORIDA
FELINE FACILITY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Net change in fair value of investments	\$ 10	\$ 10	\$ 5	\$ (5)
Total revenues	<u>10</u>	<u>10</u>	<u>5</u>	<u>(5)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	10	10	5	(5)
Fund balances, beginning of year	<u>891</u>	<u>891</u>	<u>888</u>	<u>(3)</u>
Fund balances, end of year	<u>\$ 901</u>	<u>\$ 901</u>	<u>\$ 893</u>	<u>\$ (8)</u>

OKEECHOBEE COUNTY, FLORIDA
MATHEWSON LIBRARY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final budget -
				Positive
				(Negative)
Revenues				
Net change in fair value of investments	\$ -	\$ -	\$ 84	\$ 84
Miscellaneous	-	216,275	216,275	-
Total revenues	<u>-</u>	<u>216,275</u>	<u>216,359</u>	<u>84</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues				
over (under) expenditures	-	216,275	216,359	84
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 216,275</u>	<u>\$ 216,359</u>	<u>\$ 84</u>

OKEECHOBEE COUNTY, FLORIDA
SHERIFF'S SPECIAL SUSPENSE FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final budget -
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 9,496	\$ 9,496
Net change in fair value of investments	-	-	326	326
Total revenues	<u>-</u>	<u>-</u>	<u>9,822</u>	<u>9,822</u>
Expenditures				
Current				
Public safety	520,032	520,032	499,161	20,871
Capital Outlay	109,914	150,874	150,874	-
Total expenditures	<u>629,946</u>	<u>670,906</u>	<u>650,035</u>	<u>20,871</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(629,946)</u>	<u>(670,906)</u>	<u>(640,213)</u>	<u>30,693</u>
Other Financing Sources (Uses)				
Operating transfers in	629,946	670,906	670,906	-
Operating transfers out	-	-	(30,693)	(30,693)
Total other financing sources (uses)	<u>629,946</u>	<u>670,906</u>	<u>640,213</u>	<u>(30,693)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

OKEECHOBEE COUNTY, FLORIDA
SHERIFF'S INMATE WELFARE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 137,646	\$ 137,646	\$ 135,983	\$ (1,663)
Net change in fair value of investments	5,000	5,000	695	(4,305)
Total revenues	<u>142,646</u>	<u>142,646</u>	<u>136,678</u>	<u>(5,968)</u>
Expenditures				
Current				
Public safety	148,926	148,926	77,889	71,037
Capital outlay	8,400	8,400	2,180	6,220
Total expenditures	<u>157,326</u>	<u>157,326</u>	<u>80,069</u>	<u>77,257</u>
Excess (deficiency) of revenues over (under) expenditures	(14,680)	(14,680)	56,609	71,289
Fund balances, beginning of year	<u>14,680</u>	<u>14,680</u>	<u>238,766</u>	<u>224,086</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,375</u>	<u>\$ 295,375</u>

OKEECHOBEE COUNTY, FLORIDA
CLERK'S COURT RELATED FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,065,812	\$ 1,416,916	\$ 1,479,970	\$ 63,054
Miscellaneous	-	75,000	-	(75,000)
Total revenues	<u>1,065,812</u>	<u>1,491,916</u>	<u>1,479,970</u>	<u>(11,946)</u>
Expenditures				
Current				
General government	1,065,812	1,491,916	1,489,723	2,193
Total expenditures	<u>1,065,812</u>	<u>1,491,916</u>	<u>1,489,723</u>	<u>2,193</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(9,753)	(9,753)
Fund balances, beginning of year	-	-	75,729	75,729
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,976</u>	<u>\$ 65,976</u>

OKEECHOBEE COUNTY, FLORIDA
JAIL LOAN REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 487,503	\$ 487,503	\$ 507,648	\$ 20,145
Net change in fair value of investments	3,200	3,200	1,732	(1,468)
Total revenues	<u>490,703</u>	<u>490,703</u>	<u>509,380</u>	<u>18,677</u>
Expenditures				
Debt Service				
Principal retirement	393,960	393,960	393,959	1
Interest	100,339	100,339	99,470	869
Total expenditures	<u>494,299</u>	<u>494,299</u>	<u>493,429</u>	<u>870</u>
Excess (deficiency) of revenues over (under) expenditures	(3,596)	(3,596)	15,951	19,547
Fund balances, beginning of year	<u>153,980</u>	<u>162,043</u>	<u>186,578</u>	<u>24,535</u>
Fund balances, end of year	<u><u>\$ 150,384</u></u>	<u><u>\$ 158,447</u></u>	<u><u>\$ 202,529</u></u>	<u><u>\$ 44,082</u></u>

OKEECHOBEE COUNTY, FLORIDA
COURTHOUSE / AG CENTER LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Net change in fair value of investments	\$ 250	\$ 250	\$ 67	\$ (183)
Total revenues	<u>250</u>	<u>250</u>	<u>67</u>	<u>(183)</u>
Expenditures				
Debt Service				
Principal retirement	644,400	644,452	644,451	1
Interest	244,728	244,677	244,677	-
Total expenditures	<u>889,128</u>	<u>889,129</u>	<u>889,128</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(888,878)</u>	<u>(888,879)</u>	<u>(889,061)</u>	<u>(182)</u>
Other Financing Sources (Uses)				
Operating transfers in	889,128	889,128	889,128	-
Total other financing sources (uses)	<u>889,128</u>	<u>889,128</u>	<u>889,128</u>	<u>-</u>
Net change in fund balances	250	249	67	(182)
Fund balances, beginning of year	<u>(109)</u>	<u>6,379</u>	<u>6,391</u>	<u>12</u>
Fund balances, end of year	<u>\$ 141</u>	<u>\$ 6,628</u>	<u>\$ 6,458</u>	<u>\$ (170)</u>

OKEECHOBEE COUNTY, FLORIDA
ROAD IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 985,165	\$ 985,165	\$ 949,649	\$ (35,516)
Net change in fair value of investments	11,000	11,000	31,408	20,408
Total revenues	<u>996,165</u>	<u>996,165</u>	<u>981,057</u>	<u>(15,108)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	996,165	996,165	981,057	(15,108)
Fund balances, beginning of year	<u>1,643,707</u>	<u>1,624,330</u>	<u>1,674,138</u>	<u>49,808</u>
Fund balances, end of year	<u><u>\$2,639,872</u></u>	<u><u>\$2,620,495</u></u>	<u><u>\$2,655,195</u></u>	<u><u>\$ 34,700</u></u>

TRUST AND AGENCY FUNDS (FIDUCIARY FUNDS)

These funds are used to account for assets held by the County in its capacity as custodian or agent for individuals, other governmental units and non-public organizations.

The County maintains the following Fiduciary Funds:

Agency Funds:

Clerk's Tax Deed – The Clerk's Tax Deed Fund is used to account for amounts collected through tax deed application transactions that are due to other governmental agencies.

Clerk's Documentary Stamps – The Clerk's Documentary Stamps Fund is used to account for amounts collected through official records transactions that are due to the State of Florida.

Clerk's Intangible Taxes – The Clerk's Intangible Taxes fund is used to account for amounts collected through official records transactions that are due to the State of Florida.

Clerk's Cash Bond – The Clerk's Cash Bond Fund is used to account for cash bonds posted by inmates at the County jail.

Clerk's Registry of the Court – The Clerk's Registry of the Court Fund is used to account for amounts ordered by the Court to be retained for future dispensation.

Clerk's Escrow – The Clerk's Escrow Fund is used to account for amounts that have yet to be determined how they are to be treated.

Clerk's Child Support – The Clerk's Child Support Fund is used to account for child support and/or alimony payments collected by the Clerk and remitted to the State Disbursement Unit to be forwarded to the recipients.

Clerk's Fines and Costs – The Clerk's Fines and Costs Fund is used to account for amounts collected through court transactions that are to be remitted to other governmental agencies.

Clerk's Restitution – The Clerk's Restitution Fund is used to account for Court ordered restitution received that is due to other individuals.

Tax Collector's Tax Collector Fund – The Tax Collector's Tax Collector Fund is used to account for collection of ad valorem and non-ad valorem taxes, tangible personal property taxes, and hunting and fishing licenses remitted to various taxing agencies and the State of Florida.

Tax Collector's Tax Fund – The Tax Collector's Tax Fund is used to account for the collection of redeemed tax certificates issued in connection with delinquent ad valorem taxes and remittance to the certificate holders.

Tax Collector's Tag Fund – The Tax Collector's Tag Fund is used to account for motor vehicle and vessel registration, title, and transfer fees remitted to the State of Florida.

(continued)

TRUST AND AGENCY FUNDS (FIDUCIARY FUNDS)

Sheriff's Individual Depositor – The Sheriff's Individual Depositor Fund is used to account for fees charged to serve civil process. Fees are collected and held until month end and then remitted to other governmental agencies.

Sheriff's Cash Bond – The Sheriff's Cash Bond Fund is used to account for all cash bonds collected on a daily bases. Bonds are collected and remitted to other governmental agencies.

Sheriff's Inmate Trust – The Sheriff's Inmate Trust Fund is used to account for monies collected from inmates who have money in their possession at the time of their arrest and subsequent deposits to their accounts during incarceration. This fund also includes booking fees and charges to the inmate for medical visits and property damage which is collected and remitted to other governmental agencies.

Sheriff's Special Suspense – The Sheriff's Special Suspense Fund is used to account for forfeitures, vehicle administrative fees, court order payments and other amounts collected for various agencies. These funds are remitted to the County and other governmental agencies.

Sheriff's Trident Fund – The Sheriff's Trident Fund is used to account for monies collected from Children's Service Council of Okeechobee and the UDT-SEAL Association for the purpose of official US Navy Development Activity; proactive youth development activity; career orientation; and completion allows entry into military services at an advanced pay grade. Unused funds are remitted back to the Children's Service Council of Okeechobee and the UDT-SEAL Association.

Sheriff's D.A.R.E Fund – The Sheriff's D.A.R.E. Fund is used to account for the accumulation of donations to support the Drug Abuse Resistance Education program.

Sheriff's COPS Fund – The Sheriff's COPS Fund is used to account for the accumulation of donations to support the Citizens Observation Patrol.

Sheriff's Search and Rescue – The Sheriff's Search and Rescue Fund is used to account for the accumulation of donations to support the Search & Rescue functions on Lake Okeechobee.

Sheriff's Child Restraint – The Sheriff's Child Restraint Fund is used to account for accumulation of donations to support the child restraint program.

Sheriff's Flower Fund – The Sheriff's Flower Fund is used to account for accumulation of monies from employees to support the flower fund.

Sheriff's Neighborhood Watch – The Sheriff's Neighborhood Watch Fund is used to account for accumulation of monies to support neighborhood watch program.

Sheriff's Special Duty Detail – The Sheriff's Special Duty Detail Fund is used to account for monies collected from the State of Florida that are due to off-duty officers in their performance of services for the State.

OKEECHOBEE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
September 30, 2010

	Clerk's Tax Deed	Clerk's Documentary Stamps	Clerk's Intangible Taxes	Clerk's Cash Bond	Clerk's Registry of the Court
Assets					
Cash	\$ 108,710	\$ 4,720	\$ 883	\$ 49,450	\$ 1,014,683
Due from others	-	-	-	-	-
Total assets	\$ 108,710	\$ 4,720	\$ 883	\$ 49,450	\$ 1,014,683
Liabilities					
Due to individuals	\$ 108,710	\$ -	\$ -	\$ 49,450	\$ 1,014,683
Due to other governments	-	4,720	883	-	-
Deposit	-	-	-	-	-
Total liabilities	\$ 108,710	\$ 4,720	\$ 883	\$ 49,450	\$ 1,014,683

<u>Clerk's Escrow</u>	<u>Clerk's Child Support</u>	<u>Clerk's Fines and Costs</u>	<u>Clerk's Restitution</u>	<u>Tax Collector's Tax Collector Fund</u>	<u>Tax Collector's Tax Fund</u>	<u>Tax Collector's Tag Fund</u>
\$ 1,190	\$ 406	\$ 143,336	\$ -	\$ 363,076	\$ 48,102	\$ 55,590
-	-	-	-	-	-	825
<u>\$ 1,190</u>	<u>\$ 406</u>	<u>\$ 143,336</u>	<u>\$ -</u>	<u>\$ 363,076</u>	<u>\$ 48,102</u>	<u>\$ 56,415</u>
\$ 1,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	406	143,336	-	3,064	84	56,415
-	-	-	-	360,012	48,018	-
<u>\$ 1,190</u>	<u>\$ 406</u>	<u>\$ 143,336</u>	<u>\$ -</u>	<u>\$ 363,076</u>	<u>\$ 48,102</u>	<u>\$ 56,415</u>

(continued)

OKEECHOBEE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS (continued)
September 30, 2010

	Sheriff's Individual Depositor	Sheriff's Cash Bond	Sheriff's Inmate Trust	Sheriff's Special Suspense	Sheriff's Trident Fund
Assets					
Cash	\$ 6,894	\$ 1,000	\$ 10,414	\$ 518	\$ -
Due from others	-	-	-	-	-
Total assets	\$ 6,894	\$ 1,000	\$ 10,414	\$ 518	\$ -
Liabilities					
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-
Deposits	6,894	1,000	10,414	518	-
Total liabilities	\$ 6,894	\$ 1,000	\$ 10,414	\$ 518	\$ -

Sheriff's D.A.R.E. Fund	Sheriff's COPS Fund	Sheriff's Search & Rescue	Sheriff's Child Restraint	Sheriff's Flower Fund	Sheriff's Neighborhood Watch
\$ 5,156	\$ 5,853	\$ 4,287	\$ 6	\$ 2,814	\$ 1,667
-	-	-	-	-	-
<u>\$ 5,156</u>	<u>\$ 5,853</u>	<u>\$ 4,287</u>	<u>\$ 6</u>	<u>\$ 2,814</u>	<u>\$ 1,667</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
5,156	5,853	4,287	6	2,814	1,667
<u>\$ 5,156</u>	<u>\$ 5,853</u>	<u>\$ 4,287</u>	<u>\$ 6</u>	<u>\$ 2,814</u>	<u>\$ 1,667</u>

(continued)

OKEECHOBEE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS (continued)
September 30, 2010

	Sheriff's Special Duty Detail	Total
Assets		
Cash	\$ 1,908	\$ 1,830,663
Due from others	-	825
Total assets	\$ 1,908	\$ 1,831,488
 Liabilities		
Due to individuals	\$ -	\$ 1,174,033
Due to other governments	-	208,908
Deposits	1,908	448,547
Total liabilities	\$ 1,908	\$ 1,831,488

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>Clerk's Tax Deed</u>				
Assets				
Cash	\$ 91,953	\$ 504,387	\$ (487,630)	\$ 108,710
Liabilities				
Due to individuals	\$ 91,953	\$ 504,387	\$ (487,630)	\$ 108,710
<u>Clerk's Documentary Stamps</u>				
Assets				
Cash	\$ 22,902	\$ 940,959	\$ (959,141)	\$ 4,720
Liabilities				
Due to other governments	\$ 22,902	\$ 940,959	\$ (959,141)	\$ 4,720
<u>Clerk's Intangible Taxes</u>				
Assets				
Cash	\$ 3,154	\$ 148,785	\$ (151,056)	\$ 883
Liabilities				
Due to other governments	\$ 3,154	\$ 148,785	\$ (151,056)	\$ 883
<u>Clerk's Cash Bond</u>				
Assets				
Cash	\$ 77,387	\$ 214,411	\$ (242,348)	\$ 49,450
Liabilities				
Due to individuals	\$ 77,387	\$ 214,028	\$ (241,965)	\$ 49,450

(continued)

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>Clerk's Registry of the Court</u>				
Assets				
Cash	\$ 232,779	\$ 2,407,100	\$ (1,625,196)	\$ 1,014,683
Liabilities				
Due to individuals	\$ 232,779	\$ 2,407,100	\$ (1,625,196)	\$ 1,014,683
<u>Clerk's Escrow</u>				
Assets				
Cash	\$ 3,441	\$ 2,175	\$ (4,426)	\$ 1,190
Liabilities				
Due to individuals	\$ 3,441	\$ 2,175	\$ (4,426)	\$ 1,190
<u>Clerk's Child Support</u>				
Assets				
Cash	\$ 410	\$ 513,218	\$ (513,222)	\$ 406
Due from others	225	-	(225)	-
	<u>\$ 635</u>	<u>\$ 513,218</u>	<u>\$ (513,447)</u>	<u>\$ 406</u>
Liabilities				
Due to other governments	\$ 635	\$ 513,218	\$ (513,447)	\$ 406
<u>Clerk's Fines and Costs</u>				
Assets				
Cash	\$ 195,276	\$ 2,336,379	\$ (2,388,319)	\$ 143,336
Liabilities				
Due to other governments	\$ 195,276	\$ 2,318,757	\$ (2,370,697)	\$ 143,336

(continued)

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>Clerk's Restitution</u>				
Assets				
Cash	\$ 71	\$ 2,803	\$ (2,874)	\$ -
Liabilities				
Due to individuals	\$ 71	\$ 2,803	\$ (2,874)	\$ -
<u>Tax Collector's Tax Collector Fund</u>				
Assets				
Cash	\$ 415,719	\$ 24,810,670	\$ (24,863,313)	\$ 363,076
Due from others	-	47,904	(47,904)	-
	<u>415,719</u>	<u>24,858,574</u>	<u>(24,911,217)</u>	<u>363,076</u>
Liabilities				
Due to individuals	\$ 8,417	\$ 2,425,245	\$ (2,433,662)	\$ -
Due to other governments	3,436	21,712,195	(21,712,567)	3,064
Deposits	403,866	360,012	(403,866)	360,012
	<u>\$ 415,719</u>	<u>\$ 24,497,452</u>	<u>\$ (24,550,095)</u>	<u>\$ 363,076</u>
<u>Tax Collector's Tax Fund</u>				
Assets				
Cash	\$ 75,654	\$ 5,777,711	\$ (5,805,263)	\$ 48,102
Due from others	-	2,476	(2,476)	-
	<u>75,654</u>	<u>5,780,187</u>	<u>(5,807,739)</u>	<u>48,102</u>
Liabilities				
Due to individuals	\$ -	\$ 5,058,587	\$ (5,058,587)	\$ -
Due to other governments	248	438,747	(438,911)	84
Deposits	75,406	191,943	(219,331)	48,018
	<u>\$ 75,654</u>	<u>\$ 5,689,277</u>	<u>\$ (5,716,829)</u>	<u>\$ 48,102</u>

(continued)

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>Tax Collector's Tag Fund</u>				
Assets				
Cash	\$ 68,695	\$ 4,826,895	\$ (4,840,000)	\$ 55,590
Due from others	257	11,633	(11,065)	825
	<u>\$ 68,952</u>	<u>\$ 4,838,528</u>	<u>\$ (4,851,065)</u>	<u>\$ 56,415</u>
Liabilities				
Due to individuals	\$ -	\$ 9,068	\$ (9,068)	\$ -
Due to other governments	68,952	4,675,363	(4,687,900)	56,415
	<u>\$ 68,952</u>	<u>\$ 4,684,431</u>	<u>\$ (4,696,968)</u>	<u>\$ 56,415</u>
<u>Sheriff's Individual Depositor</u>				
Assets				
Cash	<u>\$ 9,769</u>	<u>\$ 62,932</u>	<u>\$ (65,807)</u>	<u>\$ 6,894</u>
Liabilities				
Deposits	<u>\$ 9,769</u>	<u>\$ 62,932</u>	<u>\$ (65,807)</u>	<u>\$ 6,894</u>
<u>Sheriff's Cash Bond</u>				
Assets				
Cash	<u>\$ -</u>	<u>\$ 213,836</u>	<u>\$ (212,836)</u>	<u>\$ 1,000</u>
Liabilities				
Deposits	<u>\$ -</u>	<u>\$ 213,836</u>	<u>\$ (212,836)</u>	<u>\$ 1,000</u>
<u>Sheriff's Inmate Trust</u>				
Assets				
Cash	<u>\$ 10,883</u>	<u>\$ 258,362</u>	<u>\$ (258,831)</u>	<u>\$ 10,414</u>
Liabilities				
Deposits	<u>\$ 10,883</u>	<u>\$ 258,362</u>	<u>\$ (258,831)</u>	<u>\$ 10,414</u>

(continued)

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>Sheriff's Special Suspense</u>				
Assets				
Cash	\$ 518	\$ -	\$ -	\$ 518
Liabilities				
Deposits	\$ 518	\$ -	\$ -	\$ 518
<u>Sheriff's Trident Fund</u>				
Assets				
Cash	\$ 2,501	\$ 154,223	\$ (156,724)	\$ -
Liabilities				
Deposits	\$ 2,501	\$ 154,223	\$ (156,724)	\$ -
<u>Sheriff's D.A.R.E. Fund</u>				
Assets				
Cash	\$ 5,143	\$ 13	\$ -	\$ 5,156
Liabilities				
Deposits	\$ 5,143	\$ 13	\$ -	\$ 5,156
<u>Sheriff's COPS Fund</u>				
Assets				
Cash	\$ 6,415	\$ 391	\$ (953)	\$ 5,853
Liabilities				
Deposits	\$ 6,415	\$ 391	\$ (953)	\$ 5,853

(continued)

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>Sheriff's Search and Rescue</u>				
Assets				
Cash	\$ 1,106	\$ 3,453	\$ (272)	\$ 4,287
Liabilities				
Deposits	\$ 1,106	\$ 3,453	\$ (272)	\$ 4,287
 <u>Sheriff's Child Restraint</u>				
Assets				
Cash	\$ 6	\$ -	\$ -	\$ 6
Liabilities				
Deposits	\$ 6	\$ -	\$ -	\$ 6
 <u>Sheriff's Flower Fund</u>				
Assets				
Cash	\$ 2,408	\$ 2,120	\$ (1,714)	\$ 2,814
Liabilities				
Deposits	\$ 2,408	\$ 2,120	\$ (1,714)	\$ 2,814
 <u>Sheriff's Neighborhood Watch</u>				
Assets				
Cash	\$ 1,663	\$ 4	\$ -	\$ 1,667
Liabilities				
Deposits	\$ 1,663	\$ 4	\$ -	\$ 1,667

(continued)

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>Sheriff's Special Duty Detail</u>				
Assets				
Cash	\$ 17,113	\$ 120,502	\$ (135,707)	\$ 1,908
Liabilities				
Deposits	\$ 17,113	\$ 120,502	\$ (135,707)	\$ 1,908
 <u>Total - All Agency Funds</u>				
Assets				
Cash	\$ 1,244,966	\$ 43,301,329	\$ (42,715,632)	\$ 1,830,663
Due from others	482	62,013	(61,670)	825
Total assets	<u>\$ 1,245,448</u>	<u>\$ 43,363,342</u>	<u>\$ (42,777,302)</u>	<u>\$ 1,831,488</u>
 Liabilities				
Due to individuals	\$ 414,048	\$ 10,623,393	\$ (9,863,408)	\$ 1,174,033
Due to other governments	294,603	30,748,024	(30,833,719)	208,908
Deposits	536,797	1,367,791	(1,456,041)	448,547
Total Liabilities	<u>\$ 1,245,448</u>	<u>\$ 42,739,208</u>	<u>\$ (42,153,168)</u>	<u>\$ 1,831,488</u>

**ADDITIONAL ELEMENTS OF REPORT PREAPRED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES AND THE *RULES OF THE AUDITOR GENERAL*
OF THE STATE OF FLORIDA**

**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***

Board of County Commissioners
Okeechobee County, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Okeechobee County, Florida (County) as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2010-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 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*.

We noted certain other matters that we reported to management of the County in a separate letter dated April 4, 2011.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it

This report is intended solely for the information and use of the Board of County Commissioners, management, others within the entity, federal and state awarding agencies, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPA's, LLP

April 4, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Board of County Commissioners
Okeechobee County, Florida

Compliance

We have audited Okeechobee County's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Chapter 10.550, Rules of the Auditor General that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2010. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County'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 program or state project occurred. An audit includes examining, on a test basis, evidence about the County'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 the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2010.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified the deficiency in internal control over compliance that we consider to be significant a deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-02. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board of County Commissioners, management, others within the entity, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPA's, LLP
April 4, 2011

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

Federal Grantor/Pass-Through Program Title	CFDA / CSFA Number	Contract Grant Number	Expenditures	Grant Award
<u>Federal Awards</u>				
U.S. Department of Homeland Security				
Pass-through from Florida Department of Community Affairs:				
Emergency Management Performance Grants	97.042	10-BG-25-07-57-01-092	21,592	21,592
Homeland Security Grant Program	97.067	09-DS-51-07-57-01-274	14,368	18,000
Hazard Mitigation Grant	97.039	07HM-6@-07-57-01-036	10,584	120,960
Hazard Mitigation Grant	97.039	07-EC-33-07-57-01-487	489,961	605,509
Hazard Mitigation Grant	97.039	10HM-23-07-57-01-001	113,088	1,616,714
U.S. Department of Agriculture				
Pass-through from Florida Department of Community Affairs:				
Summer Food Service Program for Children	10.559	04-0743	14,695	14,695
U.S. Department of Health and Human Services				
Pass-through Florida Department of Revenue:				
Child Support Enforcement	93.563	CD347	125,554	125,554
Pass-through Department of Community Affairs:				
Community Services Block Grant	93.569	10SB-7Q-12-00-01-027	60,252	60,378
Pass-through Florida Department of Elder Affairs and the Area Agency on Aging, Inc.:				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers:				
Title III Part B	93.044	IA009-9400	20,226	64,196
Title III Part B	93.044	IA010-9400	49,578	63,820
Special Programs for the Aging Title III, Part C Nutrition:				
Title III Part C (C1) Congregate Meals	93.045	IA009-9400	12,618	45,241
Title III Part C (C1) Congregate Meals	93.045	IA010-9400	32,637	33,645
Title III Part C (C2) Home Delivered Meals	93.045	IA009-9400	65,998	133,330
Title III Part C (C2) Home Delivered Meals	93.045	IA010-9400	68,340	68,548
Nutrition Services Incentive Program	93.053	IU009-9400	145,608	171,962
Nutrition Services Incentive Program	93.053	IU010-9400	21,264	21,264
National Family Caregiver Support, Title III, Part E:				
Title III Part E	93.052	IA009-9400	7,681	22,187
Title III Part E	93.052	IA010-9400	13,853	13,921
Low-Income Home Energy Assistance:				
Emergency Home Energy Assistance	93.568	IP009-9400	13,531	24,428
Emergency Home Energy Assistance	93.568	IP010-9400	7,778	8,028
U.S. Department of Housing and Urban Development				
Pass-through Florida Department of Community Affairs:				
Community Development Block Grant	14.228	07DB-3V-07-57-01-Z11	357,348	1,642,251
Community Development Block Grant	14.228	08DB-D3-07-57-01-A04	238,616	238,616
U.S. Election Assistance Commission				
Pass-through Florida Department of State, Division of Elections:				
Help America Vote Act Requirements Payments:				
Federal Election Activities Grant	90.401	SA3257	1,596	3,628
Federal Election Activities Grant	90.401	SA3149	2,077	5,224
Military and Overseas Empowerment (MOVE) ACT Implementati	90.401	MOA #2009-2010-0001a	1,589	1,589
National Endowment for the Humanities				
Pass-through Florida Department of State, Division of Library & Information Services:				
Promotion of the Humanities Federal/State Partnership	45.129	GR_0709_3504P2_2129	3,000	3,000

(continued)

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

Federal Grantor/Pass-Through Program Title	CFDA CSFA Number	Contract Grant Number	Expenditures	Grant Award
<u>Federal Awards - continued</u>				
U.S. Department of Justice				
Direct programs:				
State Criminal Alien Assistance Program	16.606	2009-AP-BX-007	20,862	94,829
Bulletproof Vest Partnership Program	16.607		5,686	10,998
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-1268	19,220	24,512
ARRA - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to Units of Local Government	16.804	2009-SB-B9-0354	109,914	109,914
Pass-through from Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-JAGC-OKEE-1-4X-016	87,865	95,489
ARRA - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to States and Territories	16.803	2010-ARRC-OKEE-1-W7-291	368,200	391,964
U.S. Department of Transportation				
Airport Improvement Program - Beacon & Taxiway A&C Rehab.	20.106	3-12-0056-017-2009	179,873	256,638
Airport Improvement Program - Improve Runway 5/23 Safety	20.106	3-12-0056-016-2008	24,852	849,348
Total Expenditures of Federal Awards			<u>\$ 2,729,904</u>	
<u>State Financial Assistance</u>				
Florida Department of Community Affairs				
Emergency Management Programs	52.008	10-BG-25-07-57-01-092	94,027	102,724
Local Emergency Management & Mitigation Initiatives - EOC Building	52.010	07-EC-33-07-57-01-487	756,000	958,463
Florida Department of Elder Affairs				
Home Care for the Elderly	65.001	IH009-9400	443	1,475
Home Care for the Elderly	65.001	IH010-9400	396	1,475
Alzheimer's Respite Services	65.004	IZ009-9400	8,142	12,026
Alzheimer's Respite Services	65.004	IZ010-9400	3,180	12,026
Community Care for the Elderly	65.010	IC009-9400	119,465	160,418
Community Care for the Elderly	65.010	IC010-9400	36,402	144,972
Florida Department of Environmental Protection				
Florida Recreation Development Assistance Program	37.017	A08206	200,000	200,000
Small County Consolidated (Solid Waste) Grant	37.012	SC025	60,053	78,787
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP6114	4,680	1,500,000
Florida Department of Highway Safety and Motor Vehicles				
Florida Arts License Plates Project	76.041		118	118
Florida Department of Health				
County Grant Awards - EMS County Grants	64.005	C9047	33,124	35,105
Florida Department of Management Services				
E911 State Grant Program - E911 Rural County Grant	72.002	08-10-05	878,092	878,092
Florida Department of State				
State Aid to Libraries	45.030	02-ST-18	1,039	366,063
State Aid to Libraries	45.030	10-ST-19	139,968	139,968
Florida Housing Finance Corporation				
State Housing Initiative Partnership (SHIP)	52.901	N/A	173,829	173,829
Hurricane Housing Recovery Program	52.902	N/A	738,742	7,173,464

(continued)

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

Federal Grantor/Pass-Through Program Title	CFDA CSFA Number	Contract Grant Number	Expenditures	Grant Award
<u>State Financial Assistance - continued</u>				
State Courts System				
Small County Courthouse Facilities	22.004	SA2670E	12,335	700,000
Small County Courthouse Facilities	22.004	SA2998A	12,000	300,000
Small County Courthouse Facilities	22.004	SA3333A	<u>288,000</u>	288,000
Total Expenditures of State Financial Assistance			<u>\$ 3,560,035</u>	

OKEECHOBEE COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE

For the Year Ended September 30, 2010

NOTE A – GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal and state financial award programs of Okeechobee County, Florida (County). The County reporting entity is defined in Note 1 to the County's basic financial statements for the year ended September 30, 2010. All federal financial awards received directly from federal agencies, as well as federal financial awards passed through other government agencies are included in the schedule.

NOTE B – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual basis of accounting for awards recorded in governmental fund types and the accrual basis of accounting for awards recorded in the proprietary fund types which are described in Note 2 to the County's basic financial statements for the year ended September 30, 2010.

NOTE C - CONTINGENCIES

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of April 4, 2011 there were no material questioned or disallowed costs as a result of grant audits in process or completed.

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS AND STATE PROJECTS
For the Year Ended September 30, 2010

A. SUMMARY OF AUDITOR’S RESULTS

1. The type of report issued on the financial statements:	Unqualified opinion
2. Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	None reported
3. Noncompliance material to the financial statements:	No
4. Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	Yes
5. Type of auditor’s report issued on compliance for major programs:	Unqualified opinion
6. Any audit findings which are required to be reported Under Section 510(a) of Circular A-133 or Chapter 10.650, Rules of the Auditor General:	Yes
7. Major Federal programs:	
	<u>CFDA #</u>
Hazard Mitigation Grant	97.039
Special Programs for the Aging – Title III, Part C –Nutrition	93.044, 93.045, & 93.053
ARRA – Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories	16.803
ARRA – Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government	16.804
8. Major state projects:	
	<u>CSFA #</u>
Local Emergency Management & Mitigation Initiatives	52.010
Florida Recreational Development Assistance Program	37.017
E911 State Grant Program	72.002
9. Dollar threshold used to distinguish between Type A and Type B programs for Federal programs and state projects:	\$300,000
10. Auditee qualified as low-risk auditee under OMB Circular A-133?	No

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS AND STATE PROJECTS (continued)
For the Year Ended September 30, 2010

B. FINDINGS – FINANCIAL STATEMENTS

2010-01: Internal Control Over Financial Reporting

Criteria:

Internal control over financial reporting should be in place to ensure that financial statements are fairly presented in accordance with accounting principles generally accepted in the United States (GAAP).

Condition:

A material weakness in internal control over financial reporting existed as of September 30, 2010 because material adjusting journal entries needed to be posted to the trial balances originally presented for audit in order for the financial statements to be presented fairly in accordance with GAAP.

Context:

Substantive testing of account balances noted the necessary adjustments.

Effect:

This weakness resulted in material misstatements of the County's account balances at September 30, 2010.

Cause:

Review and reconciliation of account balances during the year end closing process did not identify the misstated account balances.

Recommendation:

We recommend developing additional year-end closing procedures to ensure account balances are correctly stated in accordance with GAAP.

Management Response:

Management concurs with the auditor's recommendation and has developed a new procedure to ensure the account balances are correctly stated.

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS AND STATE PROJECTS (continued)
For the Year Ended September 30, 2010

C. FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS OR STATE PROJECTS

**U.S. Department of Homeland Security, Federal Emergency Management Agency, CFDA No. 97.039
– Hazard Mitigation Grant**

2010-02: Suspension and Debarment

Criteria:

OMB Circular A-110 and the terms and conditions of the State-Funded Subgrant Agreement requires compliance with suspension and debarment guidelines. The guidelines restrict subawards and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs.

Condition:

For two contracts related to the emergency operations center, the County did not obtain the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion.

Context:

Suspension and debarment guidelines and compliance requirements apply to procurement contracts for goods and services awarded under the Hazard Mitigation Grant that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

Effect:

The County has not demonstrated compliance with OMB guidelines for suspension and debarment.

Cause:

Lack of familiarity with federal grant compliance requirements outlined in the OMB Compliance Supplement and subgrant agreement resulted in this finding.

Recommendation:

We recommend that management consider developing procedures focused on monitoring compliance with grant awards.

Management Response:

Management concurs with the auditor's recommendation and will develop procedures for monitoring compliance with grant awards.

OKEECHOBEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS AND STATE PROJECTS (continued)
For the Year Ended September 30, 2010

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

U.S. Department of Transportation, Federal Aviation Administration, CFDA No. 20.106 - Airport Improvement Program

2008-01 – Cash Management

Criteria:

The Office of Management and Budget's (OMB) Compliance Supplement states that when grant funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement of those funds for the authorized purpose. In addition, the Federal Aviation Administration (FAA) states that drawdowns should be for immediate disbursement needs, which has been defined as two to three calendar days.

Condition:

This finding was a material weakness stating that the County had not demonstrated compliance with U.S. Department of the Treasury regulations for cash management. Funds drawn were not immediately disbursed.

Recommendation:

We recommended that additional communication between those approving draws and those overseeing the project should be developed to ensure the time frame for advances is in compliance with the Federal Requirements. In addition, the County should review controls related to cash management for grants and should consider additional training related to cash management requirements.

Current Status:

This finding was not noted in the current audit.

MANAGEMENT LETTER

Board of County Commissioners
Okeechobee County, Florida

We have audited the financial statements of Okeechobee County, Florida (County), as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated March XX, 2011.

We conducted our audit 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 with Requirements that Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated April 4, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below under the heading "Prior Year Findings and Recommendations."

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the County complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Our recommendations are included below under the heading "Current Year Comments."

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. Our recommendations are included below under the heading “Current Year Comments.”

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note A in the Notes to Financial Statements.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the County for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management’s responsibility to monitor the County’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The results of our financial condition assessment procedures are included below as item 2010-07 – Financial Condition Assessment.

Prior Year Findings and Recommendations

2008-02 – Emergency Medical Services Billing and Collections

Criteria:

Internal control over financial reporting includes monitoring financial applications which are processed, in part, by an external service organization.

Condition:

During the year ending September 30, 2008, the County contracted with a third-party for emergency medical services (EMS) billing and collection services. A deficiency in internal control over financial reporting existed because of a lack of monitoring the third-party service provider for EMS billing and collection.

Context:

EMS charges for services are a material source of revenue for the County. Our procedures included testing a sample of EMS billings.

Effect:

This weakness resulted in instances of billing processing errors and unbilled services that were not detected by the County. The potential effects are that more errors or discrepancies may exist.

Cause:

Lack of reviewing the processed billing and collection data led to the finding.

Recommendation:

Management should consider reviewing new monthly charges against the original run reports to ensure billings are complete and accurate; reviewing and approving all adjustments; and monitoring of the monthly reporting for trends in billing and collections that could indicate other issues.

Status of Finding:

After the finding was communicated to management in February 2010, a review process was developed and implemented. Errors and discrepancies identified in our current audit occurred early in the fiscal year before the deficiency was communicated to management.

Management Response:

Management and Staff implemented and placed into writing in February, 2010 a review process by both staff and the third-party service provider ADP, which increased our accuracy rate with initial billings. These procedures for monitoring the reliability of the third-party service provider, ADP, by reviewing the new monthly charges against the original run reports to ensure billings are complete and accurate; by reviewing in detail and approving all adjustments; and by monitoring the monthly reports for trends in billing and collections will decrease the number of unidentified issues in the future.

2009-04 – Processing Cash Receipts**Criteria:**

The County's Collection of Cash Receipt policy states that deposits are to be turned in on a daily basis.

Condition:

A deficiency in internal control over processing of Okee-Tantie Campground & Marina receipts existed because monies collected were being deposited between two and six days after initially received.

Context:

Test of controls applied to a sample of forty receipts disclosed the deficiency.

Effect:

Risk of loss from burglary, misplacement, or misappropriation is increased when cash is retained on site.

Cause:

Daily receipts were accumulated for a number of days before the deposit was prepared and taken to the bank.

Recommendation:

We recommend following the County's policy of making daily deposits.

Status of Finding:

This finding was noted again in the current year. In four of forty receipts sampled monies were deposited more than four days after receipts. The instances of this finding observed in the current year occurred before the deficiency was communicated to management.

Management Response:

Management concurs with the auditor's recommendation to follow the County's policy of making daily deposits and continues to track and monitor on a monthly basis deposit receipt dates. Management will continue to communicate this policy to the deficient department for compliance.

Current Year Comments

2010-03 – Inventory

Criteria:

Internal control over financial reporting for inventory includes ensuring that inventory counts and adjustments to inventory records are complete and accurate.

Condition:

Audit procedures identified seven errors in the fiscal year-end inventory count at the Okee-Tantie Campground & Marina.

Context:

Test counts of a sample of 60 items disclosed the deficiency.

Effect:

The inventory balance as of September 30, 2010 is misstated by the value of the items that were incorrectly counted.

Cause:

Errors occurred in the manual counting and recording of inventory.

Recommendation:

We recommend that the County develop written physical inventory procedures including detailed instructions on how the inventory is to be performed. Test counts should be performed by an individual not involved in the inventory process to ensure the accuracy of the count.

Management Response:

Management concurs with the auditor's recommendation and will develop procedures for physical inventories.

2010-04 – Impact Fees

Criteria:

The County has provisions for the assessment and collection of impact fees. The amount of impact fees to be assessed is outlined in the impact fee schedule adopted and by the Board.

Condition:

Our audit procedures identified one error in the amount charged for impact fees on a building permit.

Context:

Tests of controls applied to a sample of five building permits that included impact fees disclosed the deficiency.

Effect:

The impact fee charged on the building permit was greater than the adopted fee.

Cause:

The incorrect building type was used when determining the amount of impact fee to assess.

Recommendation:

We recommend that the County coordinate a refund in accordance with the impact fee ordinance. The County has in place a procedure to review and reconcile impact fees on monthly basis. We recommend evaluating the process to determine where improvements can be made.

Management Response:

Management concurs with the auditor's recommendation to refund the applicant the amount collected in excess of the approved fee and will evaluate the process for review and reconciliation of impact fees.

2010-05 – Edward Byrne Memorial Justice Assistance Grant

Criteria:

The County received an Edward Byrne Memorial Justice Assistance Grant (JAG) to acquire five pursuit vehicles for the Sheriff's office. The County submits quarterly Federal Financial Reports (OMB SF-425) on the grant's financial progress.

Condition:

One quarterly report omitted the expenditure for one vehicle purchased during that period.

Context:

The finding was identified during testing of compliance with Edward Byrne Memorial JAG requirements.

Effect:

Expenditures incurred and paid on the project were not included in the financial report submitted for the quarter ended March 31, 2010.

Cause:

Inaccurate completion of the financial report resulted in the error.

Recommendation:

Grant reporting should be reconciled to the accounting records and reviewed by an individual other than the preparer of the report to identify errors.

Management Response:

Management concurs with the auditor's recommendation that staff should reconcile the accounting records and reviewed by someone other than the preparer to identify errors.

2010-06 – Write-Off of Accounts Receivable

Criteria:

The County's Write-Off of Uncollectible Accounts Receivable policy (Policy) states that County Administrator approval is required prior to recording the write-off in the accounting records.

Condition:

Amounts for Emergency Medical Services (EMS) accounts were adjusted off the accounting records without County Administrator approval.

Context:

The County is continually determining delinquent accounts receivable which should be considered as bad debts and written off. The write-off was approved by the Deputy County Administrator and subsequently by the County Administrator.

Effect:

Accounting procedure failures can result in noncompliance with County policies and unauthorized write-off of accounts receivable.

Cause:

The request and supporting documentation for the write-off was not brought to the County Administrator for approval prior to recording the write-off in the accounting records.

Recommendation:

We recommend following the County's policy for the write-off of uncollectible accounts receivable.

Management Response:

Management concurs with the auditor's recommendation that staff follow the write-off of uncollectible accounts receivable adopted by the County.

2010-07 – Financial Condition Assessment**Criteria:**

Financial condition refers to a local governmental entity's ability to provide services at the level and quality required for the health, safety, and welfare of the community and that its citizens desire.

Condition:

Financial condition assessment procedures disclosed deteriorating financial conditions as of September 30, 2010. Of 18 financial indicators, 6 indicated an unfavorable rating and 1 of those was considered a critical indicator. The following unfavorable rated financial indicators are the most significant.

- Unassigned fund balance plus unrestricted net assets, at a constant dollar rate, have declined significantly since the fiscal year 2006.
- The ratio of unassigned fund balance to total expenditures in governmental funds has declined significantly since fiscal year 2006.
- The ratio of unassigned fund balance to total revenue in the governmental funds has declined significantly since the fiscal year 2006.
- The ratio of cash and investments to average monthly operating expenses in proprietary funds has declined significantly since the fiscal year 2007.
- The business-type activities net assets have experienced decreases over the last three years.

Context:

Each fiscal year financial condition assessment procedures are performed. Our assessment of the County's financial condition was based on certain financial indicator trends evaluated over a five-year period (fiscal years 2006 through 2010) and financial indicator benchmark comparisons evaluated for the current year's financial conditions.

Financial condition assessment procedures disclosed deteriorating financial conditions for the years ended September 30, 2009 and 2010. Three of the financial indicators with an unfavorable rating reported slightly positive trend changes since the 2009 assessment; however, trends should be evaluated over a three to five year period.

Effect:

We believe that the result of the indicators listed above indicate that the County's overall financial condition is deteriorating. The unfavorably rated financial indicators may indicate: difficulties in maintaining an adequate level of service; continued budgetary concerns; raising cash needed to meet current needs; a reduction in the ability to fund capital purchases without having to borrow; and a reduction in the ability to withstand financial emergencies, as contemplated by Section 218.503(1), Florida Statutes.

Cause:

While there are many factors that have contributed to the deteriorating financial condition of the County, those of significance include: reductions in governmental fund revenues that have not been met by equal reductions in governmental fund expenditures; and proprietary fund operating revenues that have been inadequate to meet operating expenses.

Recommendation:

The County should take appropriate corrective actions to address the above-noted factor to strengthen the County's financial condition. The financial plans should include: (1) a review of spending needs; (2) immediately determining the need for any revision to line-item appropriations using available mid-year actual financial data, with a focus on general fund and other operational funds; and (3) a continual monitoring of budget and actual expenditures and revenues on at least a monthly basis. Rate structures of the proprietary funds should be analyzed as they relate to covering intended expenses and options should be explored to decrease expenditures.

Management Response:

Management concurs with the auditor's recommendation and is continuing to monitor on a monthly basis through the monthly Financial Report presented to the BOCC a comparison of revenues to expenditures. Management is reviewing line-item appropriations on an on-going basis and making adjustments as needed. Management is reviewing the spending needs and is making recommendations to the BOCC on current year spending requirements. Rate structures for the proprietary funds were analyzed and new rates implemented in FY10/11. Operational expenses in the proprietary funds have been reduced and positions eliminated. Management will continue to meet with the Constitutional Officers at BOCC's direction and to communicate the deteriorating financial condition, forecast the next budget year and advise of the BOCC's spending priorities.

This report is intended solely for the information and use of the County, management, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties; however, this management letter is a public records and its distribution is not limited.

We would like to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports or other matters.

The NCT Group CPAs, LLP

April 4, 2011

**OKEECHOBEE COUNTY
CLERK OF CIRCUIT COURT**

**SPECIAL-PURPOSE
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL REPORTS**

September 30, 2010

OKEECHOBEE COUNTY CLERK OF CIRCUIT COURT
OKEECHOBEE COUNTY, FLORIDA
September 30, 2010

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Sharon Robertson
Okeechobee County Clerk of Circuit Court
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund, PRMT fund, court related fund, court related PRMT fund, and aggregate agency fund information of the Okeechobee County Clerk of Circuit Court, Okeechobee, Florida (Clerk), as of and for the year ended September 30, 2010. These special-purpose financial statements are the responsibility of the Clerk's management. Our responsibility is to express opinions on these special-purpose 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 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 management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the Rules of the Auditor General, State of Florida, and are not intended to be a complete presentation under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Additionally, the special-purpose statements present only the Clerk and are not intended to present fairly the financial position and changes in financial position of Okeechobee County, Florida, in conformity with accounting principles generally accepted in the United States.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the general fund, PRMT fund, court related fund, court related PRMT fund and aggregate agency fund information of the Clerk as of September 30, 2010, and the respective changes in financial position of its general fund, PRMT fund, court related fund, court related PRMT fund, and budgetary comparisons of its general fund, and court related fund for the year then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2011 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.

Our audit was conducted for the purpose of forming an opinion on the fund financial statements that collectively comprise the Clerk's special-purpose financial statements. The accompanying information identified in the Table of Contents as combining special-purpose financial statement and schedule is presented for the purpose of additional analysis and is not a required part of the fund financial statements. The combining statement and schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Clerk and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP

January 5, 2011

OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

	<u>General</u>	<u>PRMT</u>	<u>Court Related</u>
ASSETS			
Cash	\$ 412,301	\$ 442,585	\$ 313,009
Due from other governments	-	-	21,381
Prepaid items	51,591	-	4,434
Total assets	<u>\$ 463,892</u>	<u>\$ 442,585</u>	<u>\$ 338,824</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 37,887	\$ 699	\$ 49,983
Due to Board of County Commissioners	417,984	-	-
Deposits	8,021	-	166,431
Deferred revenue	-	-	56,434
Total liabilities	<u>463,892</u>	<u>699</u>	<u>272,848</u>
 Fund Balances			
Nonspendable	-	-	4,434
Restricted	-	441,886	61,542
Total fund balances	<u>-</u>	<u>441,886</u>	<u>65,976</u>
 Total liabilities and fund balances	 <u>\$ 463,892</u>	 <u>\$ 442,585</u>	 <u>\$ 338,824</u>

See accompanying notes to financial statements.

(Non-major fund)	
Court Related PRMT	Total
\$ 52,838	\$ 1,220,733
-	21,381
-	56,025
<u>\$ 52,838</u>	<u>\$ 1,298,139</u>

\$ -	\$ 88,569
-	417,984
-	174,452
-	56,434
<u>-</u>	<u>737,439</u>

-	4,434
<u>52,838</u>	<u>556,266</u>
<u>52,838</u>	<u>560,700</u>
<u>\$ 52,838</u>	<u>\$ 1,298,139</u>

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2010

	<u>General</u>	<u>PRMT</u>	<u>Court Related</u>
REVENUES			
Appropriations from Board of County Commissioners	\$ 1,276,456	\$ -	\$ -
Intergovernmental	-	-	1,479,970
Charges for services	206,659	50,453	-
Interest	2,807	2,367	-
Miscellaneous	16	-	-
Total revenues	<u>1,485,938</u>	<u>52,820</u>	<u>1,479,970</u>
EXPENDITURES			
Current			
General Government:			
Salaries and benefits	891,875	-	1,099,736
Operating expenditures	137,154	4,151	78,753
Excess fees to the State	-	-	311,234
Capital outlay	38,925	34,271	-
Total expenditures	<u>1,067,954</u>	<u>38,422</u>	<u>1,489,723</u>
Excess (deficiency) of revenues	417,984	14,398	(9,753)
OTHER FINANCING (USES)			
Excess fees to Board of County Commissioners	(417,984)	-	-
Total other financing (uses)	<u>(417,984)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	14,398	(9,753)
Fund balances, beginning of year	<u>-</u>	<u>427,488</u>	<u>75,729</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 441,886</u>	<u>\$ 65,976</u>

See accompanying notes to financial statements.

(Non-major fund)	
Court Related PRMT	
PRMT	Total
\$ -	\$1,276,456
-	1,479,970
43,182	300,294
118	5,292
-	16
<u>43,300</u>	<u>3,062,028</u>
-	1,991,611
-	220,058
-	311,234
-	73,196
<u>-</u>	<u>2,596,099</u>
43,300	465,929
-	(417,984)
<u>-</u>	<u>(417,984)</u>
43,300	47,945
<u>9,538</u>	<u>512,755</u>
<u>\$ 52,838</u>	<u>\$ 560,700</u>

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended September 30, 2010

	<u>Budget</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Appropriations from Board of County Commissioners	\$1,252,049	\$1,276,456	\$1,276,456	\$ -
Charges for services	239,038	239,038	206,659	(32,379)
Interest	10,962	10,962	2,807	(8,155)
Miscellaneous	-	-	16	16
Total revenues	<u>1,502,049</u>	<u>1,526,456</u>	<u>1,485,938</u>	<u>(40,518)</u>
EXPENDITURES				
Current				
General Government:				
Salaries and benefits	1,191,043	1,172,593	891,875	280,718
Operating expenditures	267,860	276,860	137,154	139,706
Capital outlay	43,146	77,003	38,925	38,078
Total expenditures	<u>1,502,049</u>	<u>1,526,456</u>	<u>1,067,954</u>	<u>458,502</u>
Excess revenues over expenditures	-	-	417,984	417,984
OTHER FINANCING (USES)				
Excess fees to Board of County Commissioners	-	-	(417,984)	(417,984)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(417,984)</u>	<u>(417,984)</u>
Net changes in fund balance	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COURT RELATED FUND**

For the Year Ended September 30, 2010

	<u>Budget</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 1,065,812	\$ 1,416,916	\$ 1,479,970	\$ 63,054
Miscellaneous	-	75,000	-	(75,000)
Total revenues	<u>1,065,812</u>	<u>1,491,916</u>	<u>1,479,970</u>	<u>(11,946)</u>
EXPENDITURES				
Current				
General Government:				
Salaries and benefits	926,358	1,227,353	1,099,736	127,617
Operating expenditures	139,454	189,563	78,753	110,810
Excess fees to the State	-	75,000	311,234	(236,234)
Total expenditures	<u>1,065,812</u>	<u>1,491,916</u>	<u>1,489,723</u>	<u>2,193</u>
Excess of revenues over expenditures	-	-	(9,753)	(9,753)
Fund balance, beginning of year	-	-	<u>75,729</u>	<u>75,729</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,976</u>	<u>\$ 65,976</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
SPECIAL-PURPOSE STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
September 30, 2010

ASSETS	
Cash	<u>\$ 1,336,759</u>
Total assets	<u><u>\$ 1,336,759</u></u>
LIABILITIES	
Due to individuals	\$ 1,174,033
Due to Board of County Commissioners	13,381
Due to other governments	<u>149,345</u>
Total liabilities	<u><u>\$ 1,336,759</u></u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY CLERK OF CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Okeechobee County, Florida (County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Okeechobee County Clerk of Circuit Court (Clerk), were prepared in conformity with accounting principals generally accepted in the United States of America (GAAP).

The Clerk is an elected official of the County, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Clerk is part of the primary government of the County. The Clerk is responsible for the administration and operation of the Clerk's office. The Clerk's financial statements include only the funds of the Clerk's office. There are no separate legal entities (component units) for which the Clerk is considered to be financially accountable.

The Clerk is funded as a budget officer for court related functions. The Clerk receives appropriations from the State of Florida for these functions. These appropriations are recorded as revenue on the Clerk's financial statements. Any excess appropriations over expenditures will be remitted back to the State per Florida Statute Chapter 28. The Clerk's court related budget is submitted based on the fiscal year July 1 through June 30.

As Clerk to the Board, the Clerk is funded as a budget officer pursuant to Florida Statutes Chapters 218 and 129, respectively. As a budget officer, the operations as Clerk to the Board are approved and funded by the Board. The budgeted receipts from the Board are recorded as revenue on the Clerk's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures as Clerk to the Board are remitted to the Board at year end.

The accounting policies of the Clerk conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant principles and policies used in the preparation of these financial statements:

Fund Accounting

The accounts of the Clerk 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, as appropriate.

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 purposes of the Clerk's funds are as follows:

OKEECHOBEE COUNTY CLERK OF CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Governmental Funds

- **General Fund** – The General Fund is the general operating fund of the Clerk. It is used to account for general revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds.
- **PRMT Fund** – The Public Records Modernization Trust Fund (PRMT) reports the revenues and expenditures pursuant to Chapter 29.008, Florida Statutes.
- **Court Related Fund**- The Court Related Fund reports the State of Florida appropriations for and the expenditures made for the Clerk’s court related activities.
- **Court Related PRMT (non-major fund)** - The Court Related PRMT Fund reports the revenues and expenditures for the 10% PRMT pursuant to Chapter 28.37(2), Florida Statutes.

Fiduciary Fund Type

- **Agency Fund** – Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or funds.

Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. 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 Clerk considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Budgetary Requirements

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the General Fund and the Court Related Fund. Budget to actual comparisons are provided in the financial statements for the General Fund and the Court Related Fund, where the Clerk has legally adopted an annual budget. The Clerk is not legally required to adopt a budget for the PRMT Fund and

OKEECHOBEE COUNTY CLERK OF CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Requirements (continued)

Court Related PRMT Fund. Therefore, budget comparison information is not included in the Clerk's financial statements. Final budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual (GAAP) basis of accounting. The Clerk's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Deferred Revenue

Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the government before it has legal claim to them.

Deferred revenue is reported as a liability on the balance sheets. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheets and revenue is recognized.

Capital Assets

Capital assets are recorded as expenditures in the general and special revenue funds at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost and are reported with the County as a whole.

Accrued Compensated Absences

It is the Clerk's policy to grant permanent full-time employees vacation and sick leave. For all full-time employees hired prior to January 15, 1996, the maximum vacation and sick leave to be reimbursed upon termination will be 240 hours, unless the employee has 25 years of service with the County. An employee with 25 years of service or more will be reimbursed for all accrued and unused vacation and sick leave. For all full-time employees hired after January 15, 1996, the maximum vacation to be reimbursed upon termination will be 240 hours; the maximum sick leave to be reimbursed will also be 240 hours.

The Clerk's liability for compensated absences is reported as noncurrent liabilities in the records of the County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Restricted Fund Balance

The PRMT restricted fund balance is set aside for records modernization purposes and court-related technology. The Court Related restricted fund balance is to be carried forward until June 30, 2011. At

OKEECHOBEE COUNTY CLERK OF CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Fund Balance (continued)

that time if there is any remaining fund balance it will be remitted to the State of Florida. The Court Related PRMT restricted fund balance is to be used for additional Clerk court related operational needs and program enhancements.

Use of Estimates

The preparation of the special-purpose financial statements is in conformity with accounting principals prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

Other Post Employment Benefit Obligations

Other postemployment benefit obligations are reported in conformity with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. The basic premise of the statement is that Other Post Employment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. The Clerk's employees are included as part of the Other Post Employment Health Benefits Plan (OPEB plan) administered by the Board and the Constitutional Officers of the County. The OPEB plan currently covers certain eligible retirees of the Board and the Constitutional Officers of the County. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of the active premiums. Accounting for OPEB under GASB No. 45 results in the County reporting a significant actuarially-based liability for benefits.

NOTE B – CASH

Cash Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. At September 30, 2010, the carrying amount of the Clerk's deposits was \$2,557,492 and the bank balance was \$2,648,644. Deposits in banks and savings associations are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

NOTE C – FUND BALANCES-GOVERNMENTAL FUNDS

As of September 30, 2010, fund balances of the governmental funds are classified as follows:

Nonspendable—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

OKEECHOBEE COUNTY CLERK OF CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE C – FUND BALANCES-GOVERNMENTAL FUNDS (continued)

Restricted—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Committed—amounts that can be spent only for specific purposes determined by a formal action of the government’s highest level of decision-making authority.

Assigned—amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned—amounts that are available for any purpose; these amounts can be reported only in the Clerk’s General Fund.

As of September 30, 2010, the fund balances in the PRMT Fund and Court Related Fund are composed of restricted amounts. The fund balances in the Court Related Fund are composed of nonspendable amounts for prepaid items and restricted amounts.

NOTE D – CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations of the Clerk for the year ended September 30, 2010:

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
Accrued Compensated Absences	\$ 158,311	\$ 112,661	\$ (116,010)	\$ 154,962

Accrued compensated absences represent the vested portion of accrued annual leave. See Note A for a summary of the Clerk’s compensated absences policy.

NOTE E – EMPLOYEE BENEFITS

Pension Plan

All full-time employees of the Clerk participate in the Florida Retirement System (System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer public retirement plan available to governmental units within the state of Florida. Participants can choose from two options: the FRS Pension Plan or the FRS Investment Plan.

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, Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

OKEECHOBEE COUNTY CLERK OF CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE E – EMPLOYEE BENEFITS (continued)

The Clerk and all full-time employees are eligible to participate in the System. The Pension Plan provides that special risk employees who retire at or after age 55 with six years of creditable service and all other employees who retire at or after age 62 with six years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with one or more years of service. Retirement benefits are based on the employee's account balance. Employees are not required to contribute to the plan.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. The acts provide that employers, such as the Clerk are required to contribute 10.77 percent of the compensation for regular members, 14.57 percent for senior management and 18.64 percent for county officials, which includes the health insurance subsidy contribution of 1.11 percent.

The Clerk's contributions to the System for the years ended September 30, 2010, 2009, and 2008 were \$146,914, \$148,736, and \$163,331, respectively, equal to the required contributions for each year.

Deferred Compensation Plan

The Clerk offers to its employees a Deferred Compensation Plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all Clerk employees, permits participants to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of the Plan are not held in the fiduciary responsibility of the Clerk and are not included in the Clerk's special-purpose financial statements.

NOTE F – RELATED PARTY TRANSACTIONS

Transactions with the Okeechobee County Board of County Commissioners for the year ended September 30, 2010 were as follows:

Budget Appropriation – The General Fund of the Clerk received payments from the Board of County Commissioners for non-court related and accounting services in the amount of \$1,276,456. Excess fees payable to the Board at September 30, 2010 was \$417,984.

NOTE G – RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. Insurance for the Clerk relating

OKEECHOBEE COUNTY CLERK OF CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE G – RISK MANAGEMENT (continued)

to property, general liability and workers' compensation is included in the policies maintained by the Okeechobee County Board of County Commissioners. The amount of insurance settlements has not exceeded the Clerk's insurance coverage in any prior fiscal year. There has been no significant reduction in the insurance coverage from the prior year.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING SPECIAL-PURPOSE STATEMENT OF FIDUCIARY NET ASSETS
 ALL AGENCY FUNDS**

September 30, 2010

	<u>Tax Deed</u>	<u>Documentary Stamps</u>	<u>Intangible Taxes</u>	<u>Cash Bond</u>
ASSETS				
Cash	<u>\$ 108,710</u>	<u>\$ 4,720</u>	<u>\$ 883</u>	<u>\$ 49,450</u>
Total assets	<u><u>\$ 108,710</u></u>	<u><u>\$ 4,720</u></u>	<u><u>\$ 883</u></u>	<u><u>\$ 49,450</u></u>
LIABILITIES				
Due to individuals	\$ 108,710	\$ -	\$ -	\$ 49,450
Due to Board of County Commissioners	-	-	-	-
Due to other governments	<u>-</u>	<u>4,720</u>	<u>883</u>	<u>-</u>
Total liabilities	<u><u>\$ 108,710</u></u>	<u><u>\$ 4,720</u></u>	<u><u>\$ 883</u></u>	<u><u>\$ 49,450</u></u>

<u>Registry of the Court</u>	<u>Escrow</u>	<u>Child Support</u>	<u>Fines and Costs</u>	<u>Restitution</u>	<u>Total</u>
\$ 1,014,683	\$ 1,190	\$ 406	\$ 156,717	\$ -	\$ 1,336,759
<u>\$ 1,014,683</u>	<u>\$ 1,190</u>	<u>\$ 406</u>	<u>\$ 156,717</u>	<u>\$ -</u>	<u>\$ 1,336,759</u>
\$ 1,014,683	\$ 1,190	\$ -	\$ -	\$ -	\$ 1,174,033
-	-	-	13,381	-	13,381
-	-	406	143,336	-	149,345
<u>\$ 1,014,683</u>	<u>\$ 1,190</u>	<u>\$ 406</u>	<u>\$ 156,717</u>	<u>\$ -</u>	<u>\$ 1,336,759</u>

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
COMBINING SPECIAL-PURPOSE SCHEDULE OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS**

For the Year Ended September 30, 2010

	Balance October 1, 2009	Increases	(Decreases)	Balance September 30, 2010
TAX DEED				
Assets				
Cash	\$ 91,953	\$ 504,387	\$ (487,630)	\$ 108,710
LIABILITIES				
Due to individuals	\$ 91,953	\$ 504,387	\$ (487,630)	\$ 108,710
DOCUMENTARY STAMPS				
Assets				
Cash	\$ 22,902	\$ 940,959	\$ (959,141)	\$ 4,720
LIABILITIES				
Due to other governments	\$ 22,902	\$ 940,959	\$ (959,141)	\$ 4,720
INTANGIBLE TAXES				
Assets				
Cash	\$ 3,154	\$ 148,785	\$ (151,056)	\$ 883
LIABILITIES				
Due to other governments	\$ 3,154	\$ 148,785	\$ (151,056)	\$ 883
CASH BOND				
Assets				
Cash	\$ 77,387	\$ 214,411	\$ (242,348)	\$ 49,450
LIABILITIES				
Due to Individuals	\$ 77,387	\$ 214,028	\$ (241,965)	\$ 49,450

(continued)

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING SPECIAL-PURPOSE SCHEDULE OF CHANGES IN
 ASSETS AND LIABILITIES - ALL AGENCY FUNDS (continued)**

For the Year Ended September 30, 2010

	Balance October 1, 2009	Increases	(Decreases)	Balance September 30, 2010
REGISTRY OF THE COURT				
Assets				
Cash	\$ 232,779	\$ 2,407,100	\$ (1,625,196)	\$ 1,014,683
LIABILITIES				
Due to Individuals	\$ 232,779	\$ 2,407,100	\$ (1,625,196)	\$ 1,014,683
ESCROW				
Assets				
Cash	\$ 3,441	\$ 2,175	\$ (4,426)	\$ 1,190
LIABILITIES				
Due to individuals	\$ 3,441	\$ 2,175	\$ (4,426)	\$ 1,190
CHILD SUPPORT				
Assets				
Cash	\$ 410	\$ 513,218	\$ (513,222)	\$ 406
Due from others	225	-	(225)	-
Total assets	\$ 635	\$ 513,218	\$ (513,447)	\$ 406
LIABILITIES				
Due to other governments	\$ 635	\$ 513,218	\$ (513,447)	\$ 406

(continued)

OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
OKEECHOBEE COUNTY, FLORIDA
COMBINING SPECIAL-PURPOSE SCHEDULE OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
FINES & COSTS				
Assets				
Cash	\$ 212,653	\$ 2,518,608	\$ (2,574,544)	\$ 156,717
LIABILITIES				
Due to Board of County Commissioners	\$ 17,377	\$ 182,229	\$ (186,225)	\$ 13,381
Due to other governments	195,276	2,318,757	(2,370,697)	143,336
Total liabilities	<u>\$ 212,653</u>	<u>\$ 2,500,986</u>	<u>\$ (2,556,922)</u>	<u>\$ 156,717</u>
RESTITUTION				
Assets				
Cash	\$ 71	\$ 2,803	\$ (2,874)	\$ -
LIABILITIES				
Due to individuals	\$ 71	\$ 2,803	\$ (2,874)	\$ -
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash	\$ 644,750	\$ 7,252,446	\$ (6,560,437)	\$ 1,336,759
Due from others	225	-	(225)	-
Total assets	<u>\$ 644,975</u>	<u>\$ 7,252,446</u>	<u>\$ (6,560,662)</u>	<u>\$ 1,336,759</u>
LIABILITIES				
Due to individuals	\$ 405,631	\$ 3,130,493	\$ (2,362,091)	\$ 1,174,033
Due to Board of County Commissioners	17,377	182,229	(186,225)	13,381
Due to other governments	221,967	3,921,719	(3,994,341)	149,345
Total liabilities	<u>\$ 644,975</u>	<u>\$ 7,234,441</u>	<u>\$ (6,542,657)</u>	<u>\$ 1,336,759</u>

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES AND THE *RULES OF THE AUDITOR GENERAL*
OF THE STATE OF FLORIDA**

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF
SPECIAL-PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Sharon Robertson
Okeechobee County Clerk of Circuit Court
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund, PRMT fund, court related fund, court related PRMT fund, and aggregate agency fund information of the Okeechobee County Clerk of Circuit Court, Okeechobee, Florida (Clerk), as of and for the year ended September 30, 2010 and have issued our report thereon dated January 5, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk'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 with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Clerk, management and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP

January 5, 2011

MANAGEMENT LETTER

The Honorable Sharon Robertson
Okeechobee County Clerk of Circuit Court
Okeechobee County, Florida

We have audited special-purpose financial statements of the Okeechobee County Clerk of Circuit Court, Okeechobee, Florida (Clerk), as of and for the year ended September 30, 2010 and have issued our report thereon dated January 5, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated January 5, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Clerk complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the special-purpose financial statements. See Note A in the Notes to the special-purpose financial statements.

Section 10.554(1)(i)8., Rules of the Auditor General, requires a statement as to whether or not the clerk of the courts complied with Section 28.35 and 28.36, Florida Statutes. In connection with our audit, we determined that the Clerk complied with such requirements.

This letter is intended solely for the information and use of the Clerk, management and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties; however this management letter is a public record and its distribution is not limited.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports or other matters.

The NCT Group CPAs, LLP

January 5, 2011

**OKEECHOBEE COUNTY
PROPERTY APPRAISER**

**AUDITED SPECIAL-PURPOSE
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL REPORTS**

September 30, 2010

OKEECHOBEE COUNTY PROPERTY APPRAISER
September 30, 2010

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable W. C. Sherman
Okeechobee County Property Appraiser
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund and special revenue fund of the Okeechobee County Property Appraiser, Okeechobee, Florida (Appraiser), as of and for the year ended September 30, 2010. These special-purpose financial statements are the responsibility of the Appraiser's management. Our responsibility is to express opinions on these special-purpose 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 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 management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the Rules of the Auditor General, State of Florida, and are not intended to be a complete presentation under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Additionally, the special-purpose statements present only the Appraiser and are not intended to present fairly the financial position and changes in financial position of Okeechobee County, Florida, in conformity with accounting principles generally accepted in the United States.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the general fund and special revenue fund of the Appraiser as of September 30, 2010 and the respective changes in financial position of its general fund and special revenue fund, and budgetary comparison of its 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 December 9, 2010, on our consideration of the Appraiser'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.

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

The NCT Group CPAs, LLP

December 9, 2010

**OKEECHOBEE COUNTY PROPERTY APPRAISER
SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010**

	General	Non-major Fund Coquina	Total
ASSETS			
Cash	\$ 380,222	\$ 39,429	\$ 419,651
TOTAL ASSETS	\$ 380,222	\$ 39,429	\$ 419,651
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 5,105	\$ -	\$ 5,105
Deferred revenue	375,117	-	375,117
Total liabilities	380,222	-	380,222
 Fund Balances			
Assigned	-	39,429	39,429
Total fund balances	-	39,429	39,429
 Total liabilities and fund balances	 \$ 380,222	 \$ 39,429	 \$ 419,651

See accompanying notes to financial statements.

**OKEECHOBEE COUNTY PROPERTY APPRAISER
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2010

	<u>General</u>	<u>Non-major Fund Coquina</u>	<u>Total</u>
REVENUES			
Charges for services -			
Board of County Commissioners	\$ 1,182,258	\$ -	\$ 1,182,258
Charges for services	70,134	8,095	78,229
Interest	877	96	973
Miscellaneous	2,569	-	2,569
Total revenues	<u>1,255,838</u>	<u>8,191</u>	<u>1,264,029</u>
EXPENDITURES			
Current			
General government:			
Salaries and benefits	964,367	-	964,367
Operating expenditures	282,604	6,034	288,638
Capital outlay	8,867	-	8,867
Total expenditures	<u>1,255,838</u>	<u>6,034</u>	<u>1,261,872</u>
Excess of revenues over expenditures	-	2,157	2,157
Fund balances, beginning of year	<u>-</u>	<u>37,272</u>	<u>37,272</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 39,429</u>	<u>\$ 39,429</u>

See accompanying notes to financial statements.

**OKEECHOBEE COUNTY PROPERTY APPRAISER
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Charges for services				
Board of County Commissioners	\$ 1,536,369	\$ 1,536,369	\$ 1,182,258	\$ (354,111)
Charges for services	91,140	91,140	70,134	(21,006)
Interest	-	-	877	877
Miscellaneous	-	-	2,569	2,569
Total revenues	<u>1,627,509</u>	<u>1,627,509</u>	<u>1,255,838</u>	<u>(371,671)</u>
EXPENDITURES				
Current				
General government:				
Salaries and benefits	1,234,214	1,193,214	964,367	228,847
Operating expenditures	388,095	425,428	282,604	142,824
Capital outlay	5,200	8,867	8,867	-
Total expenditures	<u>1,627,509</u>	<u>1,627,509</u>	<u>1,255,838</u>	<u>371,671</u>
Excess of revenues over expenditures	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Okeechobee County, Florida, is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes of the funds of the Okeechobee County Property Appraiser (Appraiser), were prepared in conformity with accounting principals generally accepted in the United States of America (GAAP).

The Appraiser is an elected official of Okeechobee County, Florida, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Appraiser is part of the primary government of Okeechobee County, Florida. Although the Board and the Florida Department of Revenue approve the Appraiser's total operating budget, the Appraiser is responsible for the administration and the operation of the Appraiser's office. The Appraiser's financial statements include only the funds of the Appraiser's office. There are no separate legal entities (component units) for which the Appraiser is considered to be financially accountable.

The operations of the Appraiser are funded by the Board, the South Florida Water Management District, St. Johns Water Management District, and the Children's Services Council. The balance of fees in excess of expenditures remaining at September 30 are divided among the various taxing governmental units in the same proportion as that particular unit's payments to the Appraiser during the year relates to the total payments from all taxing governmental units. The excess fees related to the Board and other taxing governmental units are applied as an advance payment to the ensuing year's total fees due.

Revenues are collected from commissions earned on the drainage taxes assessed for the Coquina Water Control District pursuant to Florida Statute 298.401.

The accounting policies of the Appraiser conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Fund Accounting

The accounts of the Appraiser 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 as appropriate. 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.

OKEECHOBEE COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

The purposes of the Appraiser's funds are as follows:

Governmental Funds:

- **General Fund** – The General Fund is the general operating fund of the Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.
- **Coquina Fund** (non-major fund) – The Coquina Fund is used to account for the revenues received from the Coquina District.

Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. 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 Appraiser considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgetary Requirements

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the General Fund. A budget to actual comparison is provided in the financial statements for the General Fund where the Appraiser has legally adopted an annual budget. Final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual (GAAP) basis of accounting. The Appraiser's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Capital assets are recorded as expenditures in the general and special revenue funds at the time an asset is acquired. Assets acquired by the Appraiser are capitalized at cost and are reported with Okeechobee County as a whole.

OKEECHOBEE COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures held by a property appraiser be allocated to each governmental unit which was billed and paid for the operation of the Property Appraiser's Office. This excess can be treated as an advance on the following year's bill. Accounting principles generally accepted in the United States of America require that revenues collected in advance of the fiscal year be recorded as revenue of the period to which they apply. Therefore, the excess of revenues over expenditures at the end of each fiscal year is reflected as deferred revenue on the balance sheet.

Accrued Compensated Absences

It is the Appraiser's policy to allow employees to accumulate vacation and sick leave. Upon satisfactory separation of employment or retirement, a maximum of 240 hours of accumulated sick leave and all accumulated vacation leave is paid to the employee, except that after 25 years of service, an employee will receive compensation for all accrued leave.

The Appraiser's liability for compensated absences is reported as noncurrent liabilities in the records of Okeechobee County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Use of Estimates

The preparation of the special-purpose financial statements is in conformity with accounting principals prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations

Other postemployment benefit obligations are reported in conformity with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. The Appraiser's employees are included as part of the Other Postemployment Health Benefits Plan (OPEB Plan) administered by the Board and the Constitutional Officers of the County. The OPEB Plan currently covers certain eligible retirees of the Board and the Constitutional Officers of the County. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of the active premiums. Accounting for OPEB under GASB No. 45 results in the County reporting a significant actuarially-based liability for benefits.

OKEECHOBEE COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE B – CASH

Cash Deposits

Custodial credit risk is the risk that in the event of bank failure, the government’s deposits may not be returned to it. At September 30, 2010, the carrying amount of the Appraiser’s deposits was \$419,651 and the bank balance was \$435,487. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository’s collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

NOTE C – FUND BALANCES-GOVERNMENTAL FUNDS

As of September 30, 2010, fund balances of the governmental funds are classified as follows:

Nonspendable—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Committed—amounts that can be spent only for specific purposes determined by a formal action of the government’s highest level of decision-making authority.

Assigned—amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned—amounts that are available for any purpose; these amounts can be reported only in the Appraiser’s General Fund.

As of September 30, 2010, fund balances of the Coquina Fund are composed of assigned amounts.

NOTE D – CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations of the Appraiser for the year ended September 30, 2010:

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
Compensated absences	\$ 19,851	\$ 50,691	\$ (49,794)	\$ 20,748

OKEECHOBEE COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE D – CHANGES IN LONG-TERM OBLIGATIONS (continued)

Accrued compensated absences represent the vested portion of accrued annual leave. See Note A for a summary of the Appraiser's compensated absences policy.

The Appraiser's long-term obligations are reported in the financial statements of Okeechobee County as a whole.

NOTE E – EMPLOYEE BENEFITS

Pension Plan

All full-time employees of the Appraiser participate in the Florida Retirement System (the System). The System was created by the Florida Legislature and is a cost-sharing, multiple-employer public retirement plan available to governmental units within the state of Florida. Participants can choose from two options: the FRS Pension Plan or the FRS Investment Plan.

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, Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

The Appraiser and all full-time employees are eligible to participate in the System. The Pension Plan provides that special risk employees who retire at or after age 55 with six years of creditable service and all other employees who retire at or after age 62 with six years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with one or more years of service. Retirement benefits are based on the employee's account balance. Employees are not required to contribute to the plan.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. The acts provide that employers, such as the Appraiser, are required to contribute 10.77 percent of the compensation for regular members, which includes the health insurance subsidy contribution of 1.11 percent.

The Appraiser's contributions to the System for the years ended September 30, 2010, 2009, and 2008 were \$59,514, \$69,456 and \$72,049, respectively, equal to the required contributions for each year.

OKEECHOBEE COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE F – DEFINED CONTRIBUTION PENSION PLAN

The Appraiser maintains a defined contribution qualified retirement plan for governmental entities. The Appraiser is the Plan Administrator. The Plan was organized by declaration of the Appraiser. Employees eligible to elect out of coverage by the Florida Retirement System are generally eligible to participate in the Plan. The Appraiser determines the contribution rate. The contribution rate for the fiscal year ended September 30, 2010 was 18.64%. There were no employee contributions. All assets in this Plan are invested with Edward Jones. Contributions to the Plan for fiscal years ended September 30, 2010, 2009 and 2008 were \$ 17,377, \$16,788 and \$16,751, respectively.

NOTE G – RELATED PARTY TRANSACTIONS

Transactions with the Board for the year ended September 30, 2010 were as follows:

Charges for Services - The General Fund of the Appraiser received revenue from the Board in the amount of \$1,182,258 for the year ended September 30, 2010.

NOTE H – RISK MANAGEMENT

The Appraiser is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. Insurance for the Appraiser relating to property, general liability and workers' compensation is included in the policies maintained by the Board. The amount of insurance settlements has not exceeded the Appraiser's insurance coverage in any prior fiscal year. There has been no significant reduction in the insurance coverage from the prior year.

NOTE I – COMMITMENTS AND CONTINGENCIES

In June 2010, the Appraiser entered into a \$122,770 contract for the production of aerial photography the Appraiser is required to maintain in accordance with Florida Administrative Code 12D-1.009 and Florida Statute 195.022. The Appraiser paid \$41,000 as a down payment at the time of contract signing. The payment schedule for the remaining amount is due as follows:

Fiscal Year 2011	\$ 40,885
Fiscal Year 2012	<u>40,885</u>
Total	<u><u>\$ 81,770</u></u>

The Appraiser is named as a defendant in several lawsuits concerning assessment and collection of prior years' ad valorem taxes on real and personal property located in Okeechobee County, Florida, as of September 30, 2010. The outcome of these matters turns upon disputed questions of property classifications and tax values. As of September 30, 2010, based on management's opinion, it does not appear the Appraiser's assets will be affected and, consequently, no provision has been made in any of the funds for any liability that might arise from these claims.

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES AND THE *RULES OF THE AUDITOR GENERAL*
OF THE STATE OF FLORIDA**

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF
SPECIAL-PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable W. C. Sherman
Okeechobee County Property Appraiser
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund and special revenue fund of the Okeechobee County Property Appraiser, Okeechobee, Florida (Appraiser), as of and for the year ended September 30, 2010 and have issued our report thereon dated December 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Appraiser's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Appraiser's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Appraiser's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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*.

We noted certain matters that we reported to management of the Appraiser in a separate letter dated December 9, 2010.

This report is intended solely for the information and use of the Appraiser, management and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP

December 9, 2010

MANAGEMENT LETTER

The Honorable W. C. Sherman
Okeechobee County Property Appraiser
Okeechobee County, Florida

We have audited the special-purpose financial statements of the Okeechobee County Property Appraiser, Okeechobee, Florida (Appraiser), as of and for the fiscal year ended September 30, 2010 and have issued our report thereon dated December 9, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated December 9, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Appraiser complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the special-purpose financial statements. See Note A in the Notes to the special-purpose financial statements.

This report is intended solely for the information and use of the Appraiser, management, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties; however, this management letter is a public record and its distribution is not limited.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports or other matters.

The NCT Group CPA's, LLP

December 9, 2010

**OKEECHOBEE COUNTY
SHERIFF**

**AUDITED SPECIAL-PURPOSE
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL REPORTS**

September 30, 2010

OKEECHOBEE COUNTY SHERIFF
September 30, 2010

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Paul C. May
Okeechobee County Sheriff
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund, special suspense forfeiture fund, inmate welfare fund, and aggregate agency fund information of the Okeechobee County Sheriff, Okeechobee, Florida (Sheriff), as of and for the year ended September 30, 2010. These special-purpose financial statements are the responsibility of the Sheriff's management. Our responsibility is to express opinions on these special-purpose 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 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 management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the Rules of the Auditor General, State of Florida, and are not intended to be a complete presentation under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Additionally, the special-purpose statements present only the Sheriff and are not intended to present fairly the financial position and changes in financial position of Okeechobee County, Florida, in conformity with accounting principles generally accepted in the United States.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the general fund, special suspense forfeiture fund, inmate welfare fund, and aggregate agency fund information of the Sheriff as of September 30, 2010 and the changes in financial position and budgetary comparison of its general fund, special suspense forfeiture fund, and inmate welfare 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 December 15, 2010 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 conducted for the purpose of forming an opinion on the fund financial statements that collectively comprise the Sheriff's special-purpose financial statements as a whole. The Combining Special-purpose Financial Statement and Schedule are presented for the purpose of additional analysis and are not a required part of the fund financial statements. The combining statement and schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Sheriff and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP

December 15, 2010

**OKEECHOBEE COUNTY SHERIFF
SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2010

	General Fund	Suspense Special Suspense Forfeiture	Inmate Welfare	Total Governmental Funds
Assets				
Cash	\$ 2,085,221	\$ 23,150	\$ 288,658	\$ 2,397,029
Accounts receivable	10,496	7,830	8,340	26,666
Total assets	\$ 2,095,717	\$ 30,980	\$ 296,998	\$ 2,423,695
 Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 214,127	\$ 287	\$ 1,623	\$ 216,037
Due to Board of County Commissioners	1,881,590	30,693	-	1,912,283
Total liabilities	2,095,717	30,980	1,623	2,128,320
 Fund Balances				
Restricted	-	-	295,375	295,375
Total fund balances	-	-	295,375	295,375
Total liabilities and fund balances	\$ 2,095,717	\$ 30,980	\$ 296,998	\$ 2,423,695

See accompanying notes to financial statements.

**OKEECHOBEE COUNTY SHERIFF
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2010

	<u>General Fund</u>	<u>Special Suspense Forfeiture</u>	<u>Inmate Welfare</u>	<u>Total Governmental Funds</u>
Revenues				
Appropriations from Board of County Commissioners	\$ 16,774,575	\$ 670,906	\$ -	\$ 17,445,481
Intergovernmental	8,315	9,496	-	17,811
Charges for services - senior meals	108,953	-	-	108,953
Charges for services	22,701	-	135,983	158,684
Interest	8,528	326	695	9,549
Miscellaneous	6,320	-	-	6,320
Total revenues	<u>16,929,392</u>	<u>680,728</u>	<u>136,678</u>	<u>17,746,798</u>
Expenditures				
Current:				
Public safety:				
Salaries and benefits	12,055,658	470,183	54,017	12,579,858
Operating expenditures	2,694,916	28,978	23,872	2,747,766
Capital outlay	325,897	150,874	2,180	478,951
Total expenditures	<u>15,076,471</u>	<u>650,035</u>	<u>80,069</u>	<u>15,806,575</u>
Excess of revenues over expenditures	<u>1,852,921</u>	<u>30,693</u>	<u>56,609</u>	<u>1,940,223</u>
Other Financing (Uses)				
Excess fees to Board of County Commissioners	(1,852,921)	(30,693)	-	(1,883,614)
Total other financing (uses)	<u>(1,852,921)</u>	<u>(30,693)</u>	<u>-</u>	<u>(1,883,614)</u>
Excess of revenues and other sources over expenditures and other uses	-	-	56,609	56,609
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>238,766</u>	<u>238,766</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,375</u>	<u>\$ 295,375</u>

See accompanying notes to financial statements.

**OKEECHOBEE COUNTY SHERIFF
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Appropriation from Board of County Commissioners	\$ 16,755,355	\$ 16,774,575	\$16,774,575	\$ -
Intergovernmental	9,694	9,694	8,315	(1,379)
Charges for services - senior meals	-	-	108,953	108,953
Charges for services	-	-	22,701	22,701
Interest	-	-	8,528	8,528
Miscellaneous	-	-	6,320	6,320
Total revenues	<u>16,765,049</u>	<u>16,784,269</u>	<u>16,929,392</u>	<u>145,123</u>
Expenditures				
Current:				
Public safety:				
Salaries and benefits	13,006,032	13,006,032	12,055,658	950,374
Operating expenditures	3,436,017	3,439,365	2,694,916	744,449
Capital outlay	323,000	338,872	325,897	12,975
Total expenditures	<u>16,765,049</u>	<u>16,784,269</u>	<u>15,076,471</u>	<u>1,707,798</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,852,921</u>	<u>1,852,921</u>
Other Financing (Uses)				
Excess fees to Board of County Commissioners	-	-	(1,852,921)	(1,852,921)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(1,852,921)</u>	<u>(1,852,921)</u>
Excess of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY SHERIFF
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL SUSPENSE FORFEITURE FUND
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final budget -
				Positive
				(Negative)
Revenues				
Appropriations from Board of County Commissioners	\$ 629,946	\$ 670,906	\$ 670,906	\$ -
Intergovernmental	-	-	9,496	9,496
Interest	-	-	326	326
Total revenues	<u>629,946</u>	<u>670,906</u>	<u>680,728</u>	<u>9,822</u>
Expenditures				
Current:				
Public safety:				
Salaries and benefits	485,669	485,669	470,183	15,486
Operating expenditures	34,363	34,363	28,978	5,385
Capital outlay	109,914	150,874	150,874	-
Total expenditures	<u>629,946</u>	<u>670,906</u>	<u>650,035</u>	<u>20,871</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>30,693</u>	<u>30,693</u>
Other Financing (Uses)				
Excess fees to Board of County Commissioners	-	-	(30,693)	(30,693)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(30,693)</u>	<u>(30,693)</u>
Excess of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**OKEECHOBEE COUNTY SHERIFF
SPECIAL-PURPOSE SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
INMATE WELFARE FUND**

For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 137,646	\$ 137,646	\$ 135,983	\$ (1,663)
Interest	5,000	5,000	695	(4,305)
Total Revenues	<u>142,646</u>	<u>142,646</u>	<u>136,678</u>	<u>(5,968)</u>
Expenditures				
Current:				
Public safety:				
Salaries and benefits	65,446	65,446	54,017	11,429
Operating expenditures	83,480	83,480	23,872	59,608
Capital outlay	8,400	8,400	2,180	6,220
Total expenditures	<u>157,326</u>	<u>157,326</u>	<u>80,069</u>	<u>77,257</u>
Excess of revenues over expenditures	(14,680)	(14,680)	56,609	71,289
Fund balances, beginning of year	<u>14,680</u>	<u>14,680</u>	<u>238,766</u>	<u>224,086</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,375</u>	<u>\$ 295,375</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY SHERIFF
SPECIAL-PURPOSE STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
September 30, 2010

Assets	
Cash	<u>\$ 162,929</u>
Total Assets	<u><u>\$ 162,929</u></u>
Liabilities	
Due to Board of County Commissioners	\$ 122,412
Deposits	<u>40,517</u>
Total liabilities	<u><u>\$ 162,929</u></u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Okeechobee County, Florida (County), is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Okeechobee County Sheriff (Sheriff), were prepared in conformity with accounting principals generally accepted in the United States of America (GAAP).

The Sheriff is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Sheriff is part of the primary government of the County. The Sheriff is responsible for the administration and operation of the Sheriff's office. The Sheriff's financial statements include only the funds of the Sheriff's office. There are no separate legal entities (component units) for which the Sheriff is considered to be financially accountable.

The operations of the Sheriff are funded by the Board. The receipts from the Board are recorded as revenue on the Sheriff's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

The accounting policies of the Sheriff confirm to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Fund Accounting

The accounts of the Sheriff 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 as appropriate. 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 purposes of the Sheriff's funds are as follows:

Governmental Funds:

- **General Fund** – The General Fund is the general operating fund of the Sheriff. It is used to account for all financial resources except for those required to be accounted for in other funds.

OKEECHOBEE COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds (continued):

- **Special Suspense Forfeiture Fund** – The Special Suspense Forfeiture Fund is used to account for the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program expenditures.
- **Inmate Welfare Fund** – The Inmate Welfare Fund is used to account for revenues earned by providing goods and services to the inmates. These resources are used for the benefit of the inmates.

Fiduciary Funds:

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

Major Fund Determination

GASB Statement No. 34 sets forth minimum criteria for the determination of major funds: percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category, or the governmental and enterprise funds combined.

The Sheriff considers the Special Suspense Forfeiture Fund important to financial statement users because of public interest and is, therefore, reporting that governmental fund as major even though the quantitative criteria have not been met.

Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. 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 Sheriff considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgetary Requirements

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is

OKEECHOBEE COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Requirements (continued)

adopted by the Sheriff for the general fund and special revenue funds. Budgets are prepared on the modified accrual (GAAP) basis of accounting.

The Sheriff's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Capital assets are recorded as expenditures in the general and special revenue funds at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost and are reported with the County as a whole.

Donated and confiscated assets are recorded at fair market value at the time received.

Accrued Compensated Absences

It is the Sheriff's policy to allow employees to accumulate annual and sick leave. Employees can accumulate up to 240 hours of annual leave and an unlimited amount of sick leave. Annual leave is paid out at separation of service. Sick leave is paid out in varying amounts. Employees with at least one year or more of satisfactory, continuous, and creditable service, who separate in good standing shall be paid for a quarter of unused sick leave accumulated up to a cap of 1,600 hours. Employees with twenty-five or more year of satisfactory and creditable service with the County, who separate in good standing, shall be paid for one-half of unused sick leave accumulated up to a cap of 2,000 hours.

The Sheriff's liability for compensated absences is reported as noncurrent liabilities in the records of the County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Use of Estimates

The preparation of the special-purpose financial statements is in conformity with accounting principals prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations

Other postemployment benefit obligations are reported in conformity with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. The Sheriff's employees are included as part of the Other Postemployment Health Benefits Plan (OPEB Plan)

OKEECHOBEE COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Postemployment Benefit Obligations (continued)

administered by the Board and Constitutional Officers of the County. The OPEB Plan currently covers certain eligible retirees of the Board and the Constitutional Officers of the County. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of the active premiums. Accounting for OPEB under GASB No. 45 results in the County reporting a significant actuarially-based liability for benefits.

NOTE B – CASH

Cash Deposits

The Sheriff follows an investment policy pursuant to Chapter 218.415, Florida Statutes which authorizes the Sheriff to invest in interest-bearing time deposits accounts in qualified public depositories, repurchase agreements which are issued, unconditionally guaranteed, and/or backed by the full faith and credit of the United States Government, and other indentified instruments.

Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. At September 30, 2010, the carrying amount of the Sheriff's deposits was \$2,559,958 and the bank balance was \$2,834,980. The bank balance consisted of \$2,645,563 in deposits with financial institutions in checking accounts with an overnight repurchase agreement which was 100% collateralized by certain direct obligations of, and/or obligations fully guaranteed as to principal and interest by, the United States government or an agency thereof. At year-end the cost of the repurchase agreement approximated market value. The overnight repurchase agreement, invested September 30, 2010, matured on October 1, 2010.

NOTE C – CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets which is comprised of vehicles, equipment and furniture for the year ended September 30, 2010:

<u>Governmental Activities</u>	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
Capital Assets	\$ 4,772,163	\$ 396,358	\$ (451,383)	\$ 4,717,138

OKEECHOBEE COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE D – FUND BALANCES-GOVERNMENTAL FUNDS

As of September 30, 2010, fund balances of the governmental funds are classified as follows:

Nonspendable—Amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Committed—Amounts that can be spent only for specific purposes determined by a formal action of the government’s highest level of decision-making authority.

Assigned—Amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned—Amounts that are available for any purpose; these amounts can be reported only in the Sheriff’s General Fund.

As of September 30, 2010, fund balances of the Inmate Welfare Fund are composed of restricted amounts.

NOTE E – CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations of the Sheriff for the year ended September 30, 2010:

<u>Governmental Activities</u>	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
Compensated absences	\$ 889,639	\$ 676,747	\$ (772,508)	\$ 793,878

Accrued compensated absences represent the vested portion of accrued annual leave. See Note A for a summary of the Sheriff’s compensated absences policy.

NOTE F – EMPLOYEE BENEFITS

Pension Plan

All full-time employees of the Sheriff participate in the Florida Retirement System (the System). The System was created by the Florida Legislature and is a cost-sharing, multiple-employer public retirement plan available to governmental units within the state of Florida. Participants can choose from two options: the FRS Pension Plan or the FRS Investment Plan.

OKEECHOBEE COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE F – EMPLOYEE BENEFITS (continued)

Pension Plan (continued)

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, Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

The Sheriff and all full-time employees are eligible to participate in the System. The Pension Plan provides that special risk employees who retire at or after age 55 with six years of creditable service and all other employees who retire at or after age 62 with six years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with one or more years of service. Retirement benefits are based on the employee's account balance. Employees are not required to contribute to the plan.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. The acts provide that employers, such as the Sheriff, are required to contribute 10.77 percent of the compensation for regular members, 23.25 percent for special risk members and 18.64 percent for county officials which includes the health insurance subsidy contribution of 1.11 percent.

The Sheriff's contributions to the System for the years ended September 30, 2010, 2009 and 2008 were \$1,484,058, \$1,467,963, and \$1,493,395, respectively, equal to the required contributions for each year.

Defined Contribution Pension Plan

The Sheriff maintains a defined contribution qualified retirement plan for governmental entities, the Okeechobee County Sheriff's Office 401(a) Plan. The Sheriff is the Plan Administrator. The Plan was organized pursuant to Internal Revenue Code Section 401(a) by declaration of the Sheriff. Employees eligible to elect out of coverage by the Florida Retirement System are generally eligible to participate in the Plan. The Sheriff determines the contribution rate. The contribution rate for the fiscal year ended September 30, 2010 was 16.99%. There were no employee contributions. Contributions to the plan for fiscal years ended September 30, 2010, 2009 and 2008 were \$31,546, \$32,143 and \$32,243, respectively.

Deferred Compensation Plan

The Sheriff offers to its employees a Deferred Compensation Plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all Sheriff's employees, permits participants to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation

OKEECHOBEE COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE F – EMPLOYEE BENEFITS (continued)

Deferred Compensation Plan (continued)

is not available to employees until termination, retirement, death or unforeseeable emergency. The assets of the Plan are not held in the fiduciary responsibility of the Sheriff and are not included in the Sheriff's financial statements.

NOTE G – RELATED PARTY TRANSACTIONS

Transactions with the Board for the year ended September 30, 2010 were as follows:

Board Appropriation – The General Fund and Special Suspense Forfeiture Fund of the Sheriff received revenues from the Board in the amount of \$17,445,481 for the fiscal year ended September 30, 2010. Amounts due to the Board were \$1,883,614 at September 30, 2010.

Charges for Services - The General Fund of the Sheriff received revenue from the Board for preparation of the meals for Okeechobee Senior Services totaling \$108,953 for the fiscal year ended September 30, 2010.

Operating Expenditures – The General Fund of the Sheriff paid the Board \$328,607 for fuel for the fiscal year ended September 30, 2010. Amounts due to the Board were \$28,669 at September 30, 2010

NOTE H – RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Sheriff is a member of Florida Sheriffs' Self-Insurance Fund, which administers insurance activities relating to property and general liability; Florida Sheriffs' Workers' Compensation Self-Insurance Fund, which administers workers' compensation insurance; and Sheriffs' Automobile Risk Program which administers automobile liability and physical damage insurance. Those funds and program absorb losses up to a specified amount annually and purchases excess coverage from third party carriers. Each member is assessed his/her pro rata share of the estimated amount required to meet current year losses and operating expenses. Losses, if any, in excess of the fund or program ability to assess its members would revert back to the member that incurred the loss.

The Sheriff carries commercial insurance coverage to insure employees for health and life insurance costs. The Sheriff does not retain any risk of loss under these policies.

There are no significant reductions in insurance coverage during the fiscal year ended September 30, 2010.

OKEECHOBEE COUNTY SHERIFF
COMBINING SPECIAL-PURPOSE STATEMENT OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS
September 30, 2010

	<u>Individual Depositor</u>	<u>Cash Bond</u>	<u>Inmate Trust</u>	<u>Special Suspense</u>
Assets				
Cash	\$ 6,894	\$ 1,000	\$ 51,064	\$ 82,280
Total assets	<u>\$ 6,894</u>	<u>\$ 1,000</u>	<u>\$ 51,064</u>	<u>\$ 82,280</u>
Liabilities				
Due to Board of County Commissioners	\$ -	\$ -	\$ 40,650	\$ 81,762
Deposits	<u>6,894</u>	<u>1,000</u>	<u>10,414</u>	<u>518</u>
Total liabilities	<u>\$ 6,894</u>	<u>\$ 1,000</u>	<u>\$ 51,064</u>	<u>\$ 82,280</u>

<u>Trident</u>	<u>D.A.R.E.</u>	<u>COPS</u>	<u>Search and Rescue</u>	<u>Child Restraint</u>	<u>Flower</u>	<u>Special Duty Detail</u>
\$ -	\$ 5,156	\$ 5,853	\$ 4,287	\$ 6	\$ 2,814	\$ 1,908
<u>\$ -</u>	<u>\$ 5,156</u>	<u>\$ 5,853</u>	<u>\$ 4,287</u>	<u>\$ 6</u>	<u>\$ 2,814</u>	<u>\$ 1,908</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,156	5,853	4,287	6	2,814	1,908
<u>\$ -</u>	<u>\$ 5,156</u>	<u>\$ 5,853</u>	<u>\$ 4,287</u>	<u>\$ 6</u>	<u>\$ 2,814</u>	<u>\$ 1,908</u>

(continued)

OKEECHOBEE COUNTY SHERIFF
COMBINING SPECIAL-PURPOSE STATEMENT OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS (continued)
September 30, 2010

	<u>Neighborhood Watch</u>	<u>Total</u>
Assets		
Cash	\$ 1,667	\$ 162,929
Total assets	<u>\$ 1,667</u>	<u>\$ 162,929</u>
Liabilities		
Due to Board of County Commissioners	\$ -	\$ 122,412
Deposits	<u>1,667</u>	<u>40,517</u>
Total liabilities	<u>\$ 1,667</u>	<u>\$ 162,929</u>

**OKEECHOBEE COUNTY SHERIFF
COMBINING SPECIAL-PURPOSE SCHEDULE OF
CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS**

For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>INDIVIDUAL DEPOSITOR</u>				
Assets				
Cash	\$ 9,769	\$ 62,932	\$ (65,807)	\$ 6,894
Liabilities				
Deposits	\$ 9,769	\$ 62,932	\$ (65,807)	\$ 6,894
 <u>CASH BOND</u>				
Assets				
Cash	\$ -	\$ 213,836	\$ (212,836)	\$ 1,000
Liabilities				
Deposits	\$ -	\$ 213,836	\$ (212,836)	\$ 1,000
 <u>INMATE TRUST</u>				
Assets				
Cash	\$ 52,273	\$ 299,012	\$ (300,221)	\$ 51,064
Liabilities				
Due to Board of County Commissioners	\$ 41,390	\$ 40,650	\$ (41,390)	\$ 40,650
Deposits	10,883	258,362	(258,831)	10,414
Total liabilities	<u>\$ 52,273</u>	<u>\$ 299,012</u>	<u>\$ (300,221)</u>	<u>\$ 51,064</u>

(continued)

OKEECHOBEE COUNTY SHERIFF
COMBINING SPECIAL-PURPOSE SCHEDULE OF
CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>SPECIAL SUSPENSE</u>				
Assets				
Cash	\$ 42,151	\$ 125,913	\$ (85,784)	\$ 82,280
Liabilities				
Due to Board of County Commissioners	\$ 41,633	\$ 125,913	\$ (85,784)	\$ 81,762
Deposits	518	-	-	518
Total liabilities	\$ 42,151	\$ 125,913	\$ (85,784)	\$ 82,280
 <u>TRIDENT</u>				
Assets				
Cash	\$ 2,501	\$ 154,223	\$ (156,724)	\$ -
Liabilities				
Deposits	\$ 2,501	\$ 154,223	\$ (156,724)	\$ -
 <u>D.A.R.E.</u>				
Assets				
Cash	\$ 5,143	\$ 13	\$ -	\$ 5,156
Liabilities				
Deposits	\$ 5,143	\$ 13	\$ -	\$ 5,156

(continued)

OKEECHOBEE COUNTY SHERIFF
COMBINING SPECIAL-PURPOSE SCHEDULE OF
CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>COPS</u>				
Assets				
Cash	\$ 6,415	\$ 391	\$ (953)	\$ 5,853
Liabilities				
Deposits	\$ 6,415	\$ 391	\$ (953)	\$ 5,853
 <u>SEARCH & RESCUE</u>				
Assets				
Cash	\$ 1,106	\$ 3,453	\$ (272)	\$ 4,287
Liabilities				
Deposits	\$ 1,106	\$ 3,453	\$ (272)	\$ 4,287
 <u>CHILD RESTRAINT</u>				
Assets				
Cash	\$ 6	\$ -	\$ -	\$ 6
Liabilities				
Deposits	\$ 6	\$ -	\$ -	\$ 6
 <u>FLOWER</u>				
Assets				
Cash	\$ 2,408	\$ 2,120	\$ (1,714)	\$ 2,814
Liabilities				
Deposits	\$ 2,408	\$ 2,120	\$ (1,714)	\$ 2,814

(continued)

OKEECHOBEE COUNTY SHERIFF
COMBINING SPECIAL-PURPOSE SCHEDULE OF
CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS (continued)
For the Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
<u>SPECIAL DUTY DETAIL</u>				
Assets				
Cash	\$ 17,113	\$ 120,502	\$ (135,707)	\$ 1,908
Liabilities				
Deposits	\$ 17,113	\$ 120,502	\$ (135,707)	\$ 1,908
 <u>NEIGHBORHOOD WATCH</u>				
Assets				
Cash	\$ 1,663	\$ 4	\$ -	\$ 1,667
Liabilities				
Deposits	\$ 1,663	\$ 4	\$ -	\$ 1,667
 <u>TOTAL ALL AGENCY FUNDS</u>				
Assets				
Cash	\$ 140,548	\$ 982,399	\$ (960,018)	\$ 162,929
Total assets	<u>\$ 140,548</u>	<u>\$ 982,399</u>	<u>\$ (960,018)</u>	<u>\$ 162,929</u>
Liabilities				
Due to Board of County Commissioners	\$ 83,023	\$ 166,563	\$ (127,174)	\$ 122,412
Deposits	57,525	815,836	(832,844)	40,517
Total liabilities	<u>\$ 140,548</u>	<u>\$ 982,399</u>	<u>\$ (960,018)</u>	<u>\$ 162,929</u>

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES AND THE *RULES OF THE AUDITOR GENERAL*
OF THE STATE OF FLORIDA**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF SPECIAL-PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Paul C. May
Okeechobee County Sheriff
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund, special suspense forfeiture fund, inmate welfare fund, and aggregate agency fund information of the Okeechobee County Sheriff, Okeechobee, Florida (Sheriff), as of and for the year ended September 30, 2010 and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described below as 2010-01 that we consider to be significant deficiencies in internal control over financial reporting.

2010-01 – Internal Control Over Financial Reporting – Financial Statement Adjustments

Criteria:

Internal control over financial reporting should be in place to ensure that financial statements are fairly presented in accordance with accounting principles generally accepted in the United States (GAAP).

Condition:

A significant deficiency in internal control over financial reporting existed as of September 30, 2010 because significant adjusting journal entries needed to be posted to the trial balances originally presented for audit in order for the financial statements to be presented fairly in accordance with GAAP.

Context:

Review of journal entries and substantive testing of the account balances noted the necessary adjustments.

Effect:

This significant deficiency resulted in understated revenues and expenditures and a misstated beginning fund balance at September 30, 2010.

Cause:

Netting intergovernmental revenue and expenditures in the Special Suspense Forfeiture Fund and a journal entry posted directly to fund balance in the Inmate Welfare Fund caused the misstatements.

Recommendation:

We recommend additional year-end closing procedures to ensure account balances are correctly stated in accordance with GAAP.

Management Response:

Measures have been taken to conform to this recommendation, such as, the proper revenue account has been established in the Special Suspense Forfeiture Fund to post any revenue received and no future netting will be done and corrections have been made to the Inmate Welfare Fund.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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*.

We noted certain matters that we reported to management of the Sheriff in a separate letter dated December 15, 2010.

The Sheriff's response to the finding identified in our audit is described above. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Sheriff, management and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP
December 15, 2010

MANAGEMENT LETTER

The Honorable Paul C. May
Okeechobee County Sheriff
Okeechobee County, Florida

We have audited special-purpose financial statements of the Okeechobee County Sheriff, Okeechobee, Florida (Sheriff), as of and for the fiscal year ended September 30, 2010 and have issued our report thereon dated December 15, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated December 15, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Sheriff complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provide that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we have the following finding:

2010-02 – Bank Reconciliations

Criteria:

Internal control over financial reporting should be in place to maintain adequate control over bank reconciliations and the associated cash receipts and disbursements.

Condition:

The bank accounts for two agency funds were not adequately monitored by management during a portion of the fiscal year. Two other agency fund bank accounts did not contain documentation of management review for one month each.

Context:

Test of controls over the bank reconciliation process identified the deficiency.

Effect:

Bank reconciliations may not be prepared timely, contain errors in the agreement to the general ledger and bank statements, or contain reconciling items which have not been investigated.

Cause:

Management did not review the two agency fund bank accounts for a portion of the fiscal year, and two agency fund bank reconciliations did not contain management sign-off.

Recommendation:

Bank reconciliations for all agency fund bank accounts should be reviewed by management on a monthly basis to maintain adequate controls over both cash receipts and disbursements of the Sheriff.

Management Response:

Corrected measures have been made by bringing the two offsite agency funds onsite and will be verified. All agency funds will have the proper documentation of management review monthly.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter unless disclosed in the notes to the special-financial statements. See Note A in the notes to the special-purpose financial statements.

This report is intended solely for the information and use of the Sheriff, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties; however this management letter is a public record and its distribution is not limited.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports or other matters.

The NCT Group CPAs, LLP

December 15, 2010

**OKEECHOBEE COUNTY
SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL REPORTS**

September 30, 2010

OKEECHOBEE COUNTY SUPERVISOR OF ELECTIONS
OKEECHOBEE COUNTY, FLORIDA
September 30, 2010

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Gwen Chandler
Okeechobee County Supervisor of Elections
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund of the Okeechobee County Supervisor of Elections, Okeechobee, Florida (Supervisor), as of and for the year ended September 30, 2010. These special-purpose financial statements are the responsibility of the Supervisor's management. Our responsibility is to express opinions on these special-purpose 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 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 management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the Rules of the Auditor General, State of Florida, and are not intended to be a complete presentation under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Additionally, the special-purpose statements present only the Supervisor and are not intended to present fairly the financial position and changes in financial position of Okeechobee County, Florida, in conformity with accounting principles generally accepted in the United States.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Supervisor as of September 30, 2010 and the changes in financial position and budgetary comparison of its 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 25, 2011 on our consideration of the Supervisor'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.

This report is intended solely for the information and use of the Supervisor and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP

January 25, 2011

OKEECHOBEE COUNTY SUPERVISOR OF ELECTIONS
SPECIAL-PURPOSE BALANCE SHEET
GENERAL FUND
September 30, 2010

ASSETS

Due from Board of County Commissioners \$ 19,805

Total assets \$ 19,805

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable and accrued expenses \$ 13,269

Deferred Revenue 6,536

Total liabilities 19,805

Fund balance

Unassigned -

Total fund balance -

Total liabilities and fund balance \$ 19,805

See accompanying notes to financial statements.

**OKEECHOBEE COUNTY SUPERVISOR OF ELECTIONS
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Appropriation from Board of County Commissioners	\$ 427,035	\$ 450,995	\$ 380,675	\$ (70,320)
Intergovernmental	3,100	11,589	14,059	2,470
Interest	-	-	44	44
Total revenues	<u>430,135</u>	<u>462,584</u>	<u>394,778</u>	<u>(67,806)</u>
EXPENDITURES				
Current				
General government:				
Salaries and benefits	269,308	269,308	256,455	12,853
Operating expenditures	143,827	154,316	96,224	58,092
Capital outlay	17,000	38,960	42,099	(3,139)
Total expenditures	<u>430,135</u>	<u>462,584</u>	<u>394,778</u>	<u>67,806</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Okeechobee County, Florida (County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Okeechobee County Supervisor of Elections (Supervisor), were prepared in conformity with accounting principals generally accepted in the United States of America (GAAP).

The Supervisor is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Supervisor is part of the primary government of the County. The Board approves the Supervisor's total operating budget. The Supervisor is responsible for the administration and the operation of the Supervisors' office. The Supervisor's financial statements include only the funds of the Supervisor's office. There are no separate legal entities (component units) for which the Supervisor is considered to be financially accountable.

The operations of the Supervisor are funded by the Board. The receipts from the Board are recorded as revenue on the Supervisor's financial statements and as other financing uses on the Board's financial statements.

The accounting policies of the Supervisor conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements:

Fund Accounting

The accounts of the Supervisor are organized on the basis of a fund, which is considered an accounting entity. The operations of a fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate.

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 purpose of the Supervisor's fund is as follows:

Governmental Funds

- **General Fund** – The General Fund is the general operating fund of the Supervisor. All receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

OKEECHOBEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

The general fund is accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. 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 Supervisor considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgetary Requirements

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the General Fund. Budget to actual comparisons are provided in the financial statements for the General Fund, where the Supervisor has legally adopted an annual budget. Final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual (GAAP) basis of accounting. The Supervisor's budget is monitored at varying levels of classification detail. However for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Deferred Revenue

Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the government before it has legal claim to them, as when grant monies are received prior to incurring qualified expenditures.

Deferred revenue is reported as a liability on the balance sheets. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheets and revenue is recognized.

Capital Assets

Capital assets are recorded as expenditures in the General Fund at the time an asset is acquired. Assets acquired by the Supervisor are capitalized at cost and are reported with the County as a whole.

Accrued Compensated Absences

It is the Supervisor's policy to grant permanent full-time employees vacation and sick leave. For all full-time employees hired prior to January 15, 1996, the maximum vacation and sick leave to be reimbursed upon termination will be 240 hours, unless the employee has 25 years of service with the County. An employee with 25 years of service or more will be reimbursed for all accrued and unused vacation and

OKEECHOBEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrued Compensated Absences (continued)

sick leave. For all full-time employees hired after January 15, 1996, the maximum vacation to be reimbursed upon termination will be 240 hours; the maximum sick leave to be reimbursed will also be 240 hours.

The Supervisor's liability for compensated absences is reported as noncurrent liabilities in the records of the County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Use of Estimates

The preparation of the special-purpose financial statements is in conformity with accounting principals prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

Other Postemployment Benefits

Other postemployment benefit obligations are reported in conformity with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. The Supervisor's employees are included as part of the Other Postemployment Health Benefits Plan (OPEB) administered by the Board and the Constitutional Officers of the County. The OPEB Plan currently covers certain eligible retirees of the Board and the Constitutional Officers of the County. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of the active premiums. Accounting for OPEB under GASB No. 45 results in the County reporting a significant actuarially-based liability for benefits.

NOTE B - CASH

Cash Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Supervisor does not maintain her own deposit account as all of her transactions are processed by the Board. Deposits in banks and saving and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280 of the Florida Statutes. Financial institutions qualifying as public depositories place with the State Board of Administration securities which have a market value equal to 50 percent of the average daily balances for each month of all public deposits in excess of any applicable deposit insurance. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Supervisor are placed with qualified financial institutions.

OKEECHOBEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE C - FUND BALANCES-GOVERNMENTAL FUNDS

As of September 30, 2010, fund balances of the governmental funds are classified as follows:

Nonspendable—Amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Committed—Amounts that can be spent only for specific purposes determined by a formal action of the government’s highest level of decision-making authority.

Assigned—Amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned—Amounts that are available for any purpose; these amounts can be reported only in the Supervisor’s General Fund.

As of September 30, 2010, there is no fund balance in the Supervisor’s general fund.

NOTE D – CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations for the year ended September 30, 2010:

<u>Governmental Activities</u>	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2010</u>
Compensated absences	\$ 4,429	\$ 8,791	\$ (8,255)	\$ 4,965

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note A for a summary of the Supervisor’s compensated absences policy.

NOTE E – EMPLOYEE BENEFITS

Pension Plan

All full-time employees of the Supervisor participate in the Florida Retirement System (the “System”). The System was created by the Florida Legislature and is a cost-sharing, multiple-employer public retirement plan available to governmental units within the state of Florida. Participants can choose from two options: the FRS Pension Plan or the FRS Investment Plan.

OKEECHOBEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE E – EMPLOYEE BENEFITS (continued)

Pension Plan (continued)

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, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

The Supervisor and all full-time employees are eligible to participate in the System. The Pension Plan provides that special risk employees who retire at or after age 55 with six years of creditable service and all other employees who retire at or after age 62 with six years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with one or more years of service. Retirement benefits are based on the employee's account balance. Employees are not required to contribute to the plan.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. The acts provide that employers, such as the Supervisor, are required to contribute 10.77 percent of the compensation for regular members and 18.64 percent for county elected officials, which includes the health insurance subsidy contribution of 1.11%.

The Okeechobee county Supervisor of Elections' contributions to the System for the years ended September 30, 2010, 2009, and 2008 were \$23,063, \$22,285, and \$22,974, respectively, equal to the required contributions for each year.

NOTE F – RELATED PARTY TRANSACTIONS

The General Fund of the Supervisor received payments from the Board in the amount of \$380,675 for the fiscal year ended September 30, 2010.

NOTE G – RISK MANAGEMENT

The Supervisor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. Insurance for the Supervisor relating to property, general liability and workers' compensation is included in the policies maintained by the Board. The amount of insurance settlements has not exceeded the Supervisor's insurance coverage in any prior fiscal year. There has been no significant reduction in the insurance coverage from the prior year.

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES AND THE *RULES OF THE AUDITOR GENERAL*
OF THE STATE OF FLORIDA**

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF
SPECIAL-PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Gwen Chandler
Okeechobee County Supervisor of Elections
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund of the Okeechobee County Supervisor of Elections, Okeechobee, Florida (Supervisor), as of and for the year ended September 30, 2010, and have issued our report thereon dated January 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Supervisor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Supervisor's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor'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 with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Supervisor, management and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP

January 25, 2011

MANAGEMENT LETTER

The Honorable Gwen Chandler
Okeechobee County, Supervisor of Elections
Okeechobee County, Florida

We have audited special-purpose financial statements of the Okeechobee Supervisor of Elections, Okeechobee County, Florida (Supervisor), as of and for the fiscal year ended September 30, 2010 and have issued our report thereon dated January 25, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated January 25, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Supervisor complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of their reporting entity be disclosed in this management letter unless disclosed in the notes to the special-purpose financial statements. See Note A in the Notes to the Special-purpose Financial Statements.

This report is intended solely for the information and use of the Supervisor, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties; however this management letter is a public record and its distribution is not limited.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports or other matters.

The NCT Group CPAs, LLP

January 25, 2011

**OKEECHOBEE COUNTY
TAX COLLECTOR**

**AUDITED SPECIAL-PURPOSE
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL REPORTS**

September 30, 2010

OKEECHOBEE COUNTY TAX COLLECTOR
September 30, 2010

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Celeste Watford
Okeechobee County Tax Collector
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund, special revenue fund and aggregate agency fund information of the Okeechobee County Tax Collector, Okeechobee, Florida (Collector), as of and for the year ended September 30, 2010. These special-purpose financial statements are the responsibility of the Collector's management. Our responsibility is to express opinions on these special-purpose 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 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 management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the Rules of the Auditor General, State of Florida, and are not intended to be a complete presentation under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Additionally, the special-purpose statements present only the Collector and are not intended to present fairly the financial position and changes in financial position of Okeechobee County, Florida, in conformity with accounting principles generally accepted in the United States.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund, special revenue fund and aggregate agency fund information of the Collector as of September 30, 2010 and the respective changes in financial position, where applicable, and budgetary comparison of its 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 25, 2011 on our consideration of the 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 conducted for the purpose of forming an opinion on the fund financial statements taken as a whole. The accompanying information identified in the table of contents as Combining Special-purpose Financial Statements and Schedules is presented for the purpose of additional analysis and is not a required part of the fund financial statements. The information has been subjected to the auditing procedures applied in our audit of the fund financial statements taken as a whole.

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

The NCT Group CPA's, LLP

January 25, 2011

**OKEECHOBEE COUNTY TAX COLLECTOR
SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010**

	<u>General</u>	<u>Coquina</u>	<u>Total</u>
ASSETS			
Cash	\$ 236,969	\$ 58,660	\$ 295,629
Due from other governments	-	28	28
Prepaid items	<u>4,875</u>	<u>-</u>	<u>4,875</u>
Total assets	<u><u>\$ 241,844</u></u>	<u><u>\$ 58,688</u></u>	<u><u>\$ 300,532</u></u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Due to Board of County Commissioners	\$ 227,014	\$ -	\$ 227,014
Due to other governments	<u>14,830</u>	<u>-</u>	<u>14,830</u>
Total liabilities	<u><u>241,844</u></u>	<u><u>-</u></u>	<u><u>241,844</u></u>
 Fund Balance			
Assigned	<u>-</u>	<u>58,688</u>	<u>58,688</u>
Total fund balance	<u><u>-</u></u>	<u><u>58,688</u></u>	<u><u>58,688</u></u>
 Total liabilities and fund balances	 <u><u>\$ 241,844</u></u>	 <u><u>\$ 58,688</u></u>	 <u><u>\$ 300,532</u></u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY TAX COLLECTOR
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2010

	General	Coquina	Total
REVENUES			
Charges for services -			
Board of County Commissioners	\$ 608,156	\$ -	\$ 608,156
Charges for services	571,149	8,093	579,242
Interest	1,281	205	1,486
Miscellaneous	49,267	143	49,410
Total revenues	1,229,853	8,441	1,238,294
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	673,531	-	673,531
Operating expenditures	164,777	965	165,742
Capital outlay	6,544	-	6,544
Total expenditures	844,852	965	845,817
Excess of revenues over expenditures	385,001	7,476	392,477
Other Financing Sources (Uses):			
Excess fees to Board of County Commissioners	(370,170)	-	(370,170)
Excess fees to other governments	(14,831)	-	(14,831)
Total other financing sources (uses)	(385,001)	-	(385,001)
Excess of revenues and other sources over expenditures and other uses	-	7,476	7,476
Fund balance, beginning of year	-	51,212	51,212
Fund balance, end of year	\$ -	\$ 58,688	\$ 58,688

See accompanying notes to financial statements.

OKEECHOBEE COUNTY TAX COLLECTOR
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
REVENUES				
Charges for services -				
Board of County Commissioners	\$ 500,000	\$ 500,000	\$ 608,156	\$ 108,156
Charges for services	446,760	446,760	571,149	124,389
Interest	2,000	2,000	1,281	(719)
Miscellaneous	16,000	16,000	49,267	33,267
Total revenues	<u>964,760</u>	<u>964,760</u>	<u>1,229,853</u>	<u>265,093</u>
EXPENDITURES				
Current:				
General government:				
Salaries and benefits	685,383	685,383	673,531	11,852
Operating expenditures	162,902	162,902	164,777	(1,875)
Capital outlay	6,812	6,812	6,544	268
Total expenditures	<u>855,097</u>	<u>855,097</u>	<u>844,852</u>	<u>10,245</u>
Excess of revenues				
over expenditures	<u>109,663</u>	<u>109,663</u>	<u>385,001</u>	<u>275,338</u>
Other Financing (Uses):				
Excess fees to Board of				
County Commissioners	(109,663)	(109,663)	(370,170)	(260,507)
Excess fees to other governments	-	-	(14,831)	(14,831)
Total other financing (uses)	<u>(109,663)</u>	<u>(109,663)</u>	<u>(385,001)</u>	<u>(275,338)</u>
Excess of revenues and other sources				
over expenditures and other uses	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY TAX COLLECTOR
SPECIAL-PURPOSE STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
September 30, 2010

	<u>Total</u>
ASSETS	
Cash	\$ 481,680
Due from others	<u>825</u>
Total assets	<u><u>\$ 482,505</u></u>
LIABILITIES	
Due to Board of County Commissioners	\$ 14,912
Due to other governments	59,563
Deposits	<u>408,030</u>
Total liabilities	<u><u>\$ 482,505</u></u>

See accompanying notes to financial statements.

OKEECHOBEE COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Okeechobee County, Florida is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes of the funds of the Okeechobee County Tax Collector (Collector), were prepared in conformity with accounting principals generally accepted in the United States of America (GAAP).

The Collector is an elected official of Okeechobee County, Florida (County), pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Collector is part of the primary government of Okeechobee County, Florida. Although the Board and the Florida Department of Revenue approve the Collector's operating budget, the Collector is responsible for the administration and the operation of the Collector's office. The Collector's financial statements include only the funds of the Collector's office. There are no separate legal entities (component units) for which the Collector is considered to be financially accountable.

Upon approval of the operating budget, revenues are collected from the fees for the sale of tags and sports licenses and from commissions earned for the collection of taxes for Okeechobee County, Florida, the Okeechobee County School Board, South Florida Water Management District, St. John's Water Management District, Children's Services Council, Okeechobee Utility Authority pursuant to Florida Statute Chapter 192.091 (2) as a Fee Officer. Any excess revenues received over expenditures made are remitted to the Board and the other taxing districts and recorded as other financing uses.

Revenues are collected from commissions earned from the collection of taxes for the Coquina Water Control District pursuant to Florida Statute 298.401.

The accounting policies of the Collector conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Fund Accounting

The accounts of the Collector 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 as appropriate. 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 purposes of the Collector's funds are as follows:

OKEECHOBEE COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Governmental Funds:

- **General Fund** – The General Fund is the general operating fund of the Collector. It is used to account for all financial resources except for those required to be accounted for in another fund.
- **Coquina Fund** – The Coquina Fund is used to account for the revenues received from the Coquina District.

Fiduciary Funds:

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

Basis of Accounting

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

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. 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 Collector considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgetary Requirements

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the General Fund. A budget to actual comparison is provided in the financial statements for the General Fund where the Collector has legally adopted an annual budget. Final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual (GAAP) basis of accounting. The Collector's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

OKEECHOBEE COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are recorded as expenditures in the general and special revenue funds at the time an asset is acquired. Assets acquired by the Collector are capitalized at cost and are reported with Okeechobee County as a whole.

Accrued Compensated Absences

It is the Collector's policy to allow employees to accumulate vacation and sick leave. After one year of creditable and continuous service, employees shall be paid for accumulated and unused sick leave up to a maximum of 120 hours. After one year of creditable and continuous service, employees shall be paid for accumulated and unused vacation leave up to a maximum of 120 hours. As an additional incentive, all employees who have been employed 30 years or more are eligible to receive all accumulated sick and vacation time upon their resignation or retirement.

The Collector's liability for compensated absences is reported as noncurrent liabilities in the records of Okeechobee County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Use of Estimates

The preparation of the special-purpose financial statements is in conformity with accounting principals prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations

Other postemployment benefit obligations are reported in conformity with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. The Collector's employees are included as part of the Other Postemployment Health Benefits Plan (OPEB Plan) administered by the Board and the Constitutional Officers of the County. The OPEB Plan currently covers certain eligible retirees of the Board and the Constitutional Officers of the County. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of active premiums. Accounting for OPEB under GASB No. 45 results in the County reporting a significant actuarially-based liability for benefits.

OKEECHOBEE COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE B – CASH

Cash Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. At September 30, 2010, the carrying amount of the Collector's deposits was \$777,309 and the bank balance was \$775,483. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

NOTE C – FUND BALANCES-GOVERNMENTAL FUNDS

As of September 30, 2010, fund balances of the governmental funds are classified as follows:

Nonspendable—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Committed—amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned—amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned—amounts that are available for any purpose; these amounts can be reported only in the Collector's General Fund.

As of September 30, 2010, fund balances of the Coquina Fund are composed of assigned amounts.

OKEECHOBEE COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE D – CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations of the Collector for the year ended September 30, 2010:

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
Compensated absences	\$ 25,877	\$ 40,323	\$ (40,038)	\$ 26,162

Accrued compensated absences represent the vested portion of accrued annual leave. See Note A for a summary of the Collector’s compensated absences policy.

NOTE E – EMPLOYEE BENEFITS

Pension Plan

All full-time employees of the Collector participate in the Florida Retirement System (System). The System was created by the Florida Legislature and is a cost-sharing, multiple-employer public retirement plan available to governmental units within the state of Florida. Participants can choose from two options: the FRS Pension Plan or the FRS Investment Plan.

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, Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

The Collector and all full-time employees are eligible to participate in the System. The Pension Plan provides that special risk employees who retire at or after age 55 with six years of creditable service and all other employees who retire at or after age 62 with six years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with one or more years of service. Retirement benefits are based on the employee’s account balance. Employees are not required to contribute to the plan.

OKEECHOBEE COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
September 30, 2010

NOTE E – EMPLOYEE BENEFITS (continued)

Pension Plan (continued)

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. The acts provide that employers, such as the Collector, are required to contribute 10.77 percent of the compensation for regular members, 12.25 for DROP employees, and 18.64 percent for county officials, which includes the health insurance subsidy contribution of 1.11 percent.

The Collector's contributions to the System for the years ended September 30, 2010, 2009, and 2008 were \$58,060, \$54,265 and \$53,514, respectively, equal to the required contributions for each year.

NOTE F – RISK MANAGEMENT

The Collector is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. Insurance for the Collector relating to property, general liability and workers' compensation is included in the policies maintained by the Board. The amount of insurance settlements has not exceeded the Collector's insurance coverage in any prior fiscal year. There has been no significant reduction in the insurance coverage from the prior year.

NOTE G – RELATED PARTY TRANSACTIONS

Transactions with the Board for the year ended September 30, 2010 were as follows:

Charges for Services - The General Fund of the Collector received revenue from the Board in the amount of \$608,156 for the year ended September 30, 2010. Excess fees payable to the Board at September 30, 2010 was \$227,014.

NOTE H – CONTINGENCY

The Collector is named as a defendant in several lawsuits concerning assessment and collection of prior years' ad valorem taxes on real and personal property located in Okeechobee County, Florida, as of September 30, 2010. The outcome of these matters turns upon disputed questions of property tax values. As of September 30, 2010, based on management's opinion, it does not appear the Collector's assets will be affected and, consequently, no provision has been made in any of the funds for any liability that might arise from these claims.

OKEECHOBEE COUNTY TAX COLLECTOR
COMBINING SPECIAL-PURPOSE STATEMENT OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS
September 30, 2010

	Tax Collector Fund	Tax Fund	Tag Fund	Total
ASSETS				
Cash	\$ 376,429	\$ 48,152	\$ 57,099	\$ 481,680
Accounts receivable	-	-	825	825
Total assets	\$ 376,429	\$ 48,152	\$ 57,924	\$ 482,505
LIABILITIES				
Due to Board of County Commissioners	\$ 13,353	\$ 50	\$ 1,509	\$ 14,912
Due to other governments	3,064	84	56,415	59,563
Deposits	360,012	48,018	-	408,030
Total liabilities	\$ 376,429	\$ 48,152	\$ 57,924	\$ 482,505

OKEECHOBEE COUNTY TAX COLLECTOR
COMBINING SPECIAL-PURPOSE SCHEDULE OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS

For the Year Ended September 30, 2010

	Balance October 1, 2009	Increases	(Decreases)	Balance September 30, 2010
<u>TAX COLLECTOR FUND</u>				
Assets				
Cash	\$ 430,240	\$ 45,063,818	\$(45,117,629)	\$ 376,429
Accounts receivable	-	47,904	(47,904)	-
Total assets	\$ 430,240	\$ 45,111,722	\$(45,165,533)	\$ 376,429
Liabilities				
Due to individuals	\$ 8,417	\$ 2,425,245	\$ (2,433,662)	\$ -
Due to Board of County Commissioners	14,521	20,253,148	(20,254,316)	13,353
Due to other governments	3,436	21,712,195	(21,712,567)	3,064
Deposits	403,866	360,012	(403,866)	360,012
Total liabilities	\$ 430,240	\$ 44,750,600	\$(44,804,411)	\$ 376,429
<u>TAX FUND</u>				
Assets				
Cash	\$ 75,877	\$ 6,174,341	\$ (6,202,066)	\$ 48,152
Accounts receivable	-	2,476	(2,476)	-
Total assets	\$ 75,877	\$ 6,176,817	\$ (6,204,542)	\$ 48,152
Liabilities				
Due to individuals	\$ -	\$ 5,058,587	\$ (5,058,587)	\$ -
Due to Board of County Commissioners	223	396,630	(396,803)	50
Due to other governments	248	438,747	(438,911)	84
Deposits	75,406	191,943	(219,331)	48,018
Total liabilities	\$ 75,877	\$ 6,085,907	\$ (6,113,632)	\$ 48,152

(continued)

OKEECHOBEE COUNTY TAX COLLECTOR
COMBINING SPECIAL-PURPOSE SCHEDULE OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS (continued)

For the Year Ended September 30, 2010

	Balance October 1, 2009	Increases	(Decreases)	Balance September 30, 2010
<u>TAG FUND</u>				
Assets				
Cash	\$ 69,687	\$ 4,852,696	\$ (4,865,284)	\$ 57,099
Accounts receivable	257	11,633	(11,065)	825
Total assets	\$ 69,944	\$ 4,864,329	\$ (4,876,349)	\$ 57,924
Liabilities				
Due to individuals	\$ -	\$ 9,068	\$ (9,068)	\$ -
Due to Board of County Commissioners	992	25,801	(25,284)	1,509
Due to other governments	68,952	4,675,363	(4,687,900)	56,415
Total liabilities	\$ 69,944	\$ 4,710,232	\$ (4,722,252)	\$ 57,924
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash	\$ 575,804	\$ 56,090,855	\$(56,184,979)	\$ 481,680
Accounts receivable	257	62,013	(61,445)	825
Total assets	\$ 576,061	\$ 56,152,868	\$(56,246,424)	\$ 482,505
Liabilities				
Due to individuals	\$ 8,417	\$ 7,492,900	\$ (7,501,317)	\$ -
Due to Board of County Commissioners	15,736	20,675,579	(20,676,403)	14,912
Due to other governments	72,636	26,826,305	(26,839,378)	59,563
Deposits	479,272	551,955	(623,197)	408,030
Total liabilities	\$ 576,061	\$ 55,546,739	\$(55,640,295)	\$ 482,505

**ADDITIONAL ELEMENTS OF REPORT
PREPARED IN ACCORDANCE WITH THE
RULES OF THE AUDITOR GENERAL
OF THE STATE OF FLORIDA**

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF
SPECIAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Celeste Watford
Okeechobee County Tax Collector
Okeechobee County, Florida

We have audited the special-purpose financial statements of the general fund, special revenue fund and aggregate agency fund information of the Okeechobee County Tax Collector, Okeechobee, Florida (Collector), as of and for the year ended September 30, 2010 and have issued our report thereon dated January 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 Collector's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Collector's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Collector in a separate letter dated January 25, 2011.

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

The NCT Group CPAs, LLP

January 25, 2011

MANAGEMENT LETTER

The Honorable Celeste Watford
Okeechobee County Tax Collector
Okeechobee County, Florida

We have audited the special-purpose financial statements of the Okeechobee County Tax Collector, Okeechobee, Florida (Collector), as of and for the fiscal year ended September 30, 2010 and have issued our report thereon dated January 25, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated January 25, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida. This letter includes the following information which is not included in the aforementioned auditor's report:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Collector complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of their reporting entity be disclosed in this management letter unless disclosed in the notes to the special-purpose financial statements. See Note A in the Notes to the Special-purpose Financial Statements.

This report is intended solely for the information and use of the Collector, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties; however this management letter is a public record and its distribution is not limited.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports or other matters.

The NCT Group CPA's, LLP

January 25, 2011