

Santa Rosa County Florida



Comprehensive Annual
Financial Report
For the Year Ended
September 30, 2007

SANTA ROSA COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2007**

SANTA ROSA COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2007**

**Mary M. Johnson
Clerk of the Circuit Court and County Court**

**Prepared By:
Clerk of the Circuit Court and County Court
Internal Audit Department**

**William W. Burroughs
Internal Auditor**

Santa Rosa County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
Fiscal Year Ended September 30, 2007

INTRODUCTORY SECTION

	<u>Page</u>
LETTER OF TRANSMITTAL	1
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING	6
PRINCIPAL OFFICIALS.....	7
ORGANIZATION CHART	8

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	9
MANAGEMENT’S DISCUSSION AND ANALYSIS	12
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets.....	20
Statement of Activities	21
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Assets – Proprietary Funds.....	26
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28

Santa Rosa County, Florida
COMPREHENSIVE ANNUAL FINIANCIAL REPORT
TABLE OF CONTENTS-CONTINUED
September 30, 2007

Statement of Fiduciary Net Assets	29
Notes to the Financial Statements	30
 REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	57
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road and Bridge Fund	58
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Electricity Franchise Fee Fund.....	59
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – HHR (Hurricane Housing Recovery) Fund	60
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Disaster Fund.....	61
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – MSBU (Municipal Service Benefit Unit) Fund.....	62
Notes to Required Supplemental Information	63
 COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	68
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds	69
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	70
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Special Revenue Funds	72
Budgetary Comparison Schedule (GAAP Basis)	
Fine and Forfeiture Fund	74
State Match Fund.....	75
Grants Fund	76
Enhanced 911 Program Fund	77
Local Option Tourist Tax Fund.....	78

Santa Rosa County, Florida
COMPREHENSIVE ANNUAL FINIANCIAL REPORT
TABLE OF CONTENTS-CONTINUED
September 30, 2007

Industrial Park Fund	79
Impact Fees	80
Santa Rosa Aging Services Fund	81
SHIP Program Fund.....	82
Emergency Housing Grants Fund	83
Clerk’s Courts Fund.....	84
Clerk’s Courts Technology Fund	85
Clerk’s Record Modernization Trust Fund	86
 Budgetary Comparison Schedule (GAAP Basis)	
Debt Service Fund.....	87
 Combining Balance Sheet – Nonmajor Capital Project Funds	88
 Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Capital Project Funds	89
 Budgetary Comparison Schedule (GAAP Basis)	
District One Capital Project Fund	90
District Two Capital Project Fund.....	91
District Three Capital Project Fund.....	92
District Four Capital Project Fund.....	93
District Five Capital Project Fund.....	94
Other Capital Projects Fund.....	95
 Fiduciary Funds:	
Combining Statement of Changes in Assets and Liabilities – Agency Funds	98

STATISTICAL SECTION

Fund Information:	
Net Assets by Category	106
Changes in Net Assets - Expenses	107
Changes in Net Assets – Program Expenses	108
Changes in Net Assets – General Revenues and Other Changes.....	109
Fund Balances – Governmental Funds.....	110
Changes in Fund Balances.....	111
Just and Taxable Value of Real and Personal Property	112
Property Tax Rates - Direct and Overlapping Governments	113
Principal Tax Payers – Current and Two Years Ago.....	114
Property Tax Levies and Collections – All Governmental Fund Types.....	115
Ratios of Outstanding Debt by Type.....	116
Ratios of General Obligation Debt.....	117
Pledged Revenue Coverage.....	118
Demographic Statistics	119

Santa Rosa County, Florida
COMPREHENSIVE ANNUAL FINIANCIAL REPORT
TABLE OF CONTENTS-CONTINUED
September 30, 2007

Principal Employers – Current and Two Years Ago.....	120
County Employees by Function.....	121
Operating Indicators by Function	122
Capital Asset Statistics by Function.....	123



INTRODUCTORY SECTION

Mary M. Johnson

**Clerk Circuit Court
Santa Rosa County**

P.O. Box 472

Milton, Florida 32572-0472

Telephone:

(850) 983-1974

(850) 939-1259

Service Center

(850) 934-8187

Pace Office

(850) 995-3752

March 26, 2008

To the Citizens of Santa Rosa County:

State law requires that every general-purpose local government publish within twelve months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

O'Sullivan Creel, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Santa Rosa County's financial statements for the year ended September 30, 2007. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic

financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Santa Rosa County, established in 1842, by an act of the Florida Legislature, is on the Northwest Florida Gulf Coast, bordered by Escambia County to the West, Okaloosa County to the East, the State of Alabama to the North and the Gulf of Mexico to the South. The City of Milton is the seat of County government as well as the largest municipality in the County. Santa Rosa County is 1024 square miles of various demographics and environments. Santa Rosa County is empowered to levy a property tax on both real and personal property located within its boundaries.

Santa Rosa County is a Non-Charter County established under the Constitution and the Laws of the State of Florida. Santa Rosa County includes the Board of County Commissioners, the Clerk of the Courts, the Property Appraiser, the Sheriff, the Supervisor of Elections and the Tax Collector.

The Board of County Commissioners serves as the legislative and policy setting body of Santa Rosa County as established under Section 125 of the Florida Statutes. As such, the Board enacts all legislation and authorizes programs and expenditures within the County. The Board appoints a professionally trained County Administrator who is responsible for policy and budget development and implementation.

The Board is comprised of five members elected countywide. Each member must reside within the particular district for which seat he/she seeks election. Each year the Board organizes itself selecting a Chair and Vice-Chair from among its members to preside at Commission meetings.

The Clerk of Circuit Court performs a wide range of record keeping, information management and financial management in the judicial system and county government.

The Property Appraiser is primarily responsible for identifying, locating and valuing all property within the county for ad valorem tax purposes. He is also responsible for administering exemptions, mapping all parcels and classifying agricultural lands.

The Sheriff provides for the public safety of the citizens of Santa Rosa County through the enforcement of state criminal laws and county ordinances. Preventing and reducing crime and violence through departmental and community based programs.

The Supervisor of Elections administers the election of the elected officials within the county. She maintains the voter registration list, establishes polling places, and educates voters.

The Tax Collector collects and distributes taxes established by city, county, state and other local governments.

Santa Rosa County provides a full range of services including police and fire protection; the construction and maintenance of streets and other infrastructure; water and sewer service on Navarre Beach; the Peter Prince Airport; Industrial Park facilities and recreational and cultural activities.

Local Economy

Santa Rosa County has long been considered a “bedroom community” of the larger Pensacola metropolitan statistical area. Knowing that residential growth does not sustain a healthy tax base, the County has aggressively been promoting the area as a good place to bring new and expanding businesses. The County established an Industrial Park several years ago to provide attractive inducements to businesses willing to invest capital and hire employees at above average wages.

In 1991, Santa Rosa County established the Economic Development Council. At the recommendation of this Council, TEAM Santa Rosa was created one year later. In 2001, TEAM Santa Rosa re-organized and became very active in promoting Santa Rosa County with the purpose of retaining and expanding the growth of established businesses, and the recruiting of new businesses to the County. In 2007 several businesses moved into the area. In addition Santa Rosa County has prospects for growth in industrial development and job creation.

Long-Term Financial Planning and Relevant Financial Policies

Santa Rosa County has undergone significant growth in recent years and the prospects for further growth is very good. The infrastructure to support that growth lags behind. To reduce that lag in infrastructure growth the County established an impact fee. The impact fee is to be levied against new residential and commercial construction. This fee is restricted to the construction of new roads and other infrastructure. After seven years, any unused funds are to be refunded.

Tourism, a significant industry for the County, suffered considerable damage from the destruction caused by hurricanes in recent years. To provide funding to rebuild that industry the Tourist Development Tax was increased by 1%.

Major Initiatives

For the Year. The staff, following specific directives from the Board of County Commissioners and the County Administrator, was involved in a variety of projects throughout the year. These projects reflect the County's commitment to ensuring that its citizens are able to live and work in a desirable environment.

To meet the citizens' demands for services and to safeguard the environment in conformity with applicable federal and state standards, the Board of County Commissioners identified several areas that needed improvement. These improvements included the expansion of the Class I Central landfill and creation of a Class III Central landfill.

The County is also in the midst of a multi-year project to expand and upgrade the Navarre Beach water and sewer system.

Recent hurricanes and changes in military personnel anticipated by the Base Realignment Commission's report has emphasized a severe need for housing. A Workforce Housing Coalition has been established to better plan and provide workforce housing.

The County is researching locations for a new courthouse facility. Also, the County has begun the process to expand the jail.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Santa Rosa County, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

A comprehensive annual financial report of this nature could not have been prepared on a timely basis without the dedicated efforts of the Finance Department who worked many hours on this project. I would like to thank them for their invaluable assistance in the preparation of this report.

I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and dedicated support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Mary M. Johnson
Mary M. Johnson
Clerk of the Courts

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Santa Rosa County
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emmer

Executive Director

Santa Rosa County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2007

Board of County Commissioners

John Broxson
Chairman
W.D. "Don" Salter
Vice Chairman

Tom Stewart
Gordon Goodin
Robert A. "Bob" Cole

Elected Constitutional Officers

Mary M. Johnson
Clerk of the Circuit and County Court

Gregory S. Brown
Property Appraiser

Ann Bodenstein
Supervisor of Elections

Wendell Hall
Sheriff

Robert McClure
Tax Collector

County Management

Hunter Walker
County Administrator

Tom Dannheisser
County Attorney

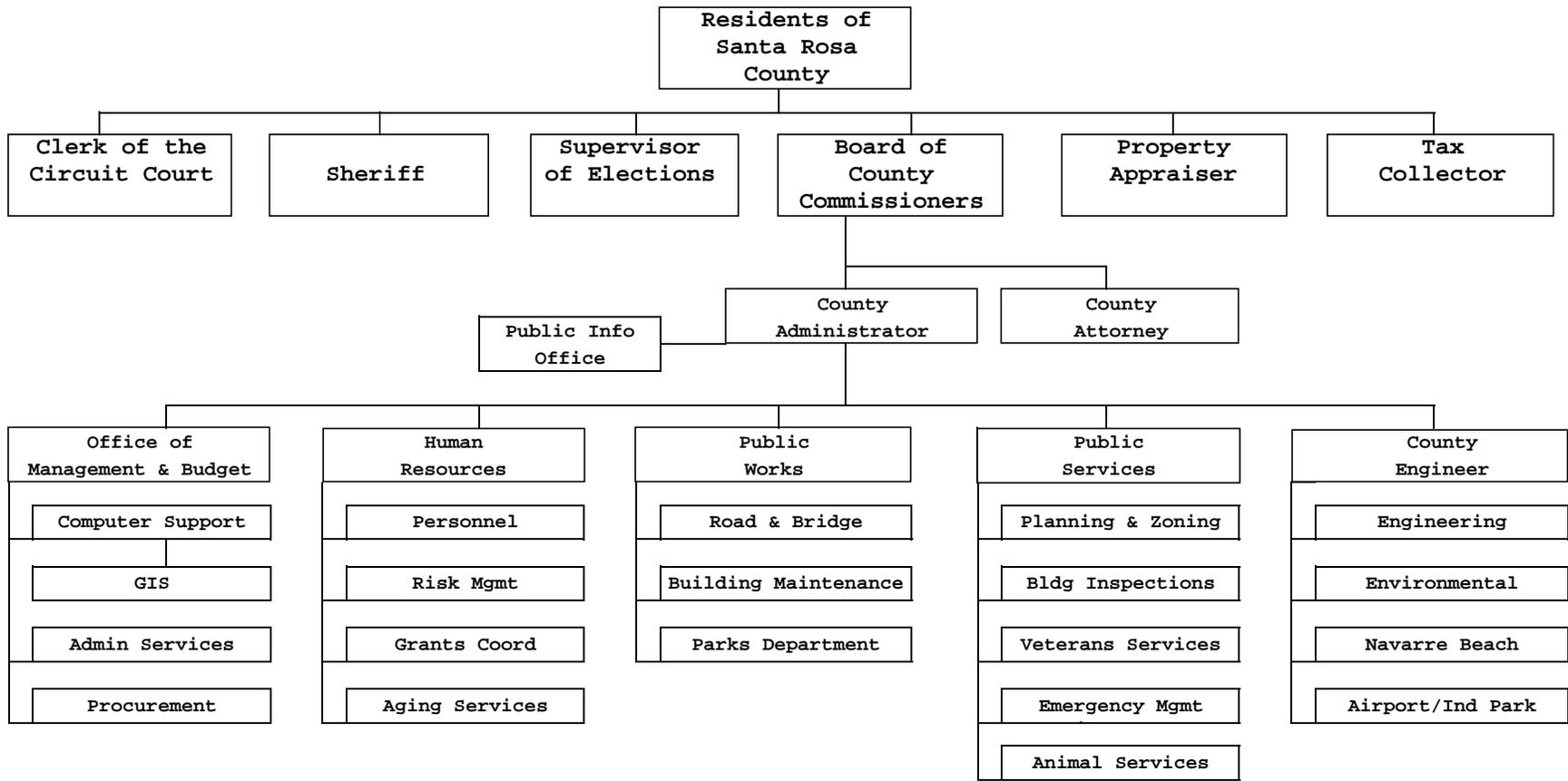
Joel Haniford
Office of Management and Budget

DeVann Cook
Director of Human Resources

Tony Gomillion
Director of Public Services

Avis Whitfield
Director of Public Works

Roger Blaylock
County Engineer





FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

Honorable Board of County Commissioners
Santa Rosa 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 Santa Rosa County, Florida, as of and for the year ended September 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Santa Rosa County, Florida'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Rosa County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Santa Rosa County, Florida, as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2008 on our consideration of Santa Rosa County, Florida'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.

The management's discussion and analysis on pages 12 through 18 and budgetary comparison information on pages 57 through 62 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Santa Rosa County, Florida's basic financial statements. The introductory section, combining individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

O'Sullivan Greel, LLP

March 26, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

Santa Rosa County, Florida
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2007

Management's discussion and analysis provides an objective and easily readable analysis of the County's financial activities. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to the financial statements*. The *Government-wide financial statements* present an overall picture of the County's financial position and results of operations. The *Fund financial statements* present financial information for the County's major funds and non-major funds in the aggregate. The *Notes to the financial statements* provide additional information essential to a full understanding of the data provided in the Government-wide and Fund financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The *Government-wide financial statements* are the **statement of net assets** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net assets of governmental activities and business-type activities and the change in net assets. Governmental Activities are primarily supported by property taxes, sales taxes, federal and state grants, and state shared revenues. Business-type Activities are supported by charges to the users of those activities, such as water and sewer service charges.

The **statement of net assets** presents information on all assets and liabilities of the County, with the difference between assets and liabilities reported as net assets. Net assets are reported in three categories: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Assets, liabilities, and net assets are reported for all Governmental Activities separate from the assets, liabilities and net assets of Business-type Activities.

The **statement of activities** presents information on all revenues and expenses of the County and the change in net assets. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the County. To assist in understanding the County's operations, expenses have been reported as governmental activities or business-type activities. Governmental Activities financed by the County include public safety, physical environment, transportation, economic environment, human services, culture and recreation, and general government services. Business-type Activities financed by user charges include water and sewer services, solid waste disposal, and hangar leases.

Fund financial statements present financial information for governmental funds and proprietary funds. These statements provide financial information for the major funds of the County. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances - budget and actual**, is provided for the County's General Fund and major governmental funds as required supplemental information. For the proprietary funds, which include an internal service fund in addition to business-type activities, a **statement of net assets**; a **statement of revenues, expenses, and changes in fund**

Santa Rosa County, Florida
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2007

net assets; and a **statement of cash flows** are presented. *Fund financial statements* provide more detailed information about the County's activities. Individual funds are established by the County to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the County. The government-wide financial statements provide an overall picture of the County's financial standing, split between Governmental Activities and Business-type Activities. These statements are comparable to private-sector companies and give a good understanding of the County's overall financial health and how the County paid for the various activities, or functions, provided by the County. All assets of the County, including buildings, tangible property, land, roads, bridges, and similar infrastructure are reported in the **statement of net assets**. All liabilities, including principal outstanding on bonds, capital leases, and future employee benefits obligated but not paid by the County, are included. The **statement of activities** includes depreciation on all long lived assets of the County. The *fund financial statements* provide a picture of the major funds of the County and a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities are not included in the fund financial statements. Reconciliations are provided from the *fund financial statements* to the *government-wide financial statements* to facilitate a comparison between governmental funds and governmental activities. *Notes to the financial statements* provide additional detail concerning the financial activities and financial balances of the County. Additional information about the accounting practices of the County, investments of the County, long-term debt, and pension plans are some of the items included in the *notes to the financial statements*.

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

Government-Wide Financial Analysis

Net assets may serve over time as a useful indicator of government's financial position. In the case of the County, assets exceeded liabilities by \$170 million as of September 30, 2007.

The largest portion of the County's net assets (85%) reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets for the County as a whole, as well as for its governmental activities. The business-type activities ended the year with a deficit unrestricted net asset balance due mainly to increased closure cost liability from increases to the landfill capacity.

There was an increase in net assets from governmental activities of \$76.3 million. This consisted of an increase of \$68.9 million to invested in capital assets net of related debt, an increase of \$6.4 million to unrestricted net assets and an increase of \$1 million to restricted net assets. The primary reason for this net increase was the prior period adjustment to put the infrastructure (roads and bridges) on the books as required by Governmental Accounting Standards Board (GASB) Statement Number 34. Prior to implementing GASB 34, infrastructure was expensed in the year it was acquired or constructed. Now infrastructure is capitalized and depreciated over its useful life.

Santa Rosa County, Florida
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2007

There was a decrease in net assets from business-type activities of \$5.2 million. This consisted of a decrease of \$6.7 million to invested in capital assets net of related debt, a decrease of \$127 thousand to unrestricted net assets and an increase of \$1.5 million to restricted net assets. The primary reason for this net decrease was the increased closure liability from increases to landfill capacity. The increase in landfill capacity increased the liabilities and restricted net assets required by state regulators for the eventual closure and long term monitoring of the landfills.

Following is a comparative statement of net assets (amounts expressed in thousands):

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 58,075	\$ 56,274	\$ 12,165	\$ 11,727	\$ 70,240	\$ 68,001
Capital assets	<u>133,550</u>	<u>64,849</u>	<u>16,666</u>	<u>17,438</u>	<u>150,216</u>	<u>82,287</u>
Total assets	191,625	121,123	28,831	29,165	220,456	150,288
Long-term liabilities outstanding	22,728	23,241	17,119	10,496	39,847	33,737
Other liabilities	<u>10,309</u>	<u>15,636</u>	<u>207</u>	<u>1,883</u>	<u>10,516</u>	<u>17,519</u>
Total liabilities	<u>33,037</u>	<u>38,877</u>	<u>17,326</u>	<u>12,379</u>	<u>50,363</u>	<u>51,256</u>
Net Assets:						
Invested in capital assets, net of related debt	131,253	62,346	8,299	15,041	139,552	77,387
Restricted	12,900	11,872	3,109	1,521	16,009	13,393
Unrestricted	<u>14,435</u>	<u>8,028</u>	<u>97</u>	<u>224</u>	<u>14,532</u>	<u>8,252</u>
Total net assets	<u>\$ 158,588</u>	<u>\$ 82,246</u>	<u>\$ 11,505</u>	<u>\$ 16,786</u>	<u>\$ 170,093</u>	<u>\$ 99,032</u>

Financial Analysis of Governmental Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 financing requirements. 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. The County's governmental funds reported combined ending fund balances of \$44.1 million (68% is unreserved), an increase of \$3.3 from last year. The bulk of the increase was from the reclassification of the Industrial Park fund from an enterprise fund to a governmental fund.

Santa Rosa County, Florida
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2007

Following is a comparative statement of changes in net assets (amounts expressed in thousands):

	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues						
Charges for services	\$ 30,148	\$ 19,616	\$ 6,055	\$ 5,691	\$ 36,203	\$ 29,950
Operating grants & contributions	25,140	31,813	-	-	25,140	31,813
Capital grants & contributions	667	3,000	406	883	1,073	3,883
General revenues:						
Property tax	56,309	44,801	-	-	56,309	44,801
Sales, use and fuel tax	4,917	4,517	-	-	4,917	4,517
Franchise fees	5,111	4,643	-	-	5,111	4,643
Communication services	1,274	1,296	-	-	1,274	1,296
Grants & contributions	12,675	13,703	-	-	12,675	13,703
Investment earnings	3,517	2,282	439	527	3,956	2,809
Other	<u>1,870</u>	<u>1,692</u>	<u>340</u>	<u>265</u>	<u>2,210</u>	<u>1,957</u>
Total revenues	<u>141,628</u>	<u>127,363</u>	<u>7,240</u>	<u>7,366</u>	<u>148,868</u>	<u>134,729</u>
Expenses:						
General government	33,874	30,163	-	-	33,874	30,163
Public safety	48,885	44,252	-	-	48,885	44,252
Physical environment	6,989	21,245	-	-	6,989	21,245
Transportation	16,514	17,990	-	-	16,514	17,990
Economic environment	9,328	3,223	-	-	9,328	3,223
Human services	4,522	4,258	-	-	4,522	4,258
Culture and recreation	3,291	3,912	-	-	3,291	3,912
Interest on long-term debt	447	433	-	-	447	433
Loss on disposal of assets	322	-	-	-	322	-
Water and sewer	-	-	1,865	1,680	1,865	1,680
Airport	-	-	226	218	226	218
Industrial park*	-	-	-	84	-	84
Landfill	-	-	<u>3,767</u>	<u>3,067</u>	<u>3,767</u>	<u>3,067</u>
Total expenses	<u>124,172</u>	<u>125,476</u>	<u>5,858</u>	<u>5,049</u>	<u>130,030</u>	<u>130,525</u>
Increase in net assets						
before transfers	17,456	1,887	1,382	2,317	18,838	4,204
Transfers	<u>-</u>	<u>(2,222)</u>	<u>-</u>	<u>2,222</u>	<u>-</u>	<u>-</u>
Change in net assets	17,456	(335)	1,382	4,539	18,838	4,204
Net assets, beg. of year*	88,909	68,320	10,123	12,247	99,032	80,567
Prior period adjustment	<u>52,223</u>	<u>14,261</u>	<u>-</u>	<u>-</u>	<u>52,223</u>	<u>14,261</u>
Net assets,						
beg. of year, restated	<u>141,132</u>	<u>82,581</u>	<u>10,123</u>	<u>12,247</u>	<u>151,255</u>	<u>94,828</u>
Net assets, end of year	<u>\$ 158,588</u>	<u>\$ 82,246</u>	<u>\$ 11,505</u>	<u>\$ 16,786</u>	<u>\$ 170,093</u>	<u>\$ 99,032</u>

* Industrial Park fund reclassified from proprietary to governmental fund type.

Santa Rosa County, Florida
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2007

The General fund is the primary operating fund of the County. Revenues exceeded expenditures by \$3.5 million. Planned operating transfers depleted the excess and drew down fund balance by \$500,000.

The Road and Bridge fund accounts for fuel and other taxes designated for road improvements. During the year Revenues exceeded expenditures by \$500,000. Planned operating transfers increased this surplus by \$2 million.

The Electricity Franchise Fee fund is use to finance many projects. Transfers of \$4.8 million from this fund were made to the Road and Bridge fund and all the District Capital Improvement funds.

The Hurricane Housing Recovery (HHR) Program fund is used to track the revenues and expenditures relating to the hurricane recovery efforts for low to medium income households funded by a State grant and administered by the County.

The Disaster fund is used to track the revenues and expenditures relating to the hurricane recovery efforts for the County funded by Federal and State grants.

The MSBU (Municipal Service Benefit Unit) fund is used to track revenues and expenditures relating to the capital improvement projects for specific areas of the county financed by special assessments to the property owners of those areas. The Navarre Beach Renourishment Project was partially funded by approximately \$2.9 in federal grants.

Financial Analysis of Proprietary Funds

The Navarre Beach fund accounts for the operations of the Navarre Beach water and sewer system. Operating revenues are back to near normal levels following the 56% decrease in the prior years due to the destruction caused by Hurricanes Ivan, Dennis, Katrina and Rita. The fund issued \$6.5 million in debt to fund a multi-year water and sewer system upgrade.

The Landfill fund is used to account for the solid waste disposal operations at the County landfills. The upgrade and expansion of the Central Landfill has been completed. While net assets have increased by \$800,000, the increased landfill capacity requires an additional \$1.5 million in restricted net assets to fund the eventual closure and long-term post-closure monitoring of the landfills.

Budgetary Analysis

The General fund budget was increased by \$4.6 million from the original budget (an increase of 6%). The significant changes are summarized as follows:

- \$ 471,444 Storm water grants
- \$ 477,500 Farmland Protection Program grant
- \$ 460,000 Floridatown Sewer CDBG grant
- \$ 306,908 Juvenile Drug Court program
- \$ 343,987 Carry forward Boating Improvement Reserves
- \$ 542,250 Carry forward Communications Reserves

Santa Rosa County, Florida
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2007

Actual expenditures were less than the final budgeted expenditures by \$4.9 million. The reason for this variance is that the Board did not spend 1) \$1.5 million for grants, 2) \$475,000 for the building inspection, 3) \$300,000 for emergency management, 4) \$600,000 in emergency communications and 5) \$350,000 in juvenile circuit court.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

As of September 30, 2007 the County had \$150 million invested in a broad range of capital assets, including land, buildings, equipment, park facilities, roads and other infrastructure.(See table below.) This amount represents a net increase (including additions, discoveries and deductions) of \$68 million from last year.

Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental		Business-type		Totals	
	<u>Activities</u>		<u>Activities</u>			
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 13,938	\$ 10,748	\$ 1,191	\$ 3,525	\$ 15,129	\$14,273
Construction in progress	9,029	3,284	8,642	7,095	17,671	10,379
Buildings	27,754	27,767	595	563	28,349	28,330
Improvements other than buildings	67,520	8,735	3,761	4,340	71,281	13,075
Machinery, furniture and equipment	<u>15,309</u>	<u>14,315</u>	<u>2,477</u>	<u>1,915</u>	<u>17,786</u>	<u>16,230</u>
Totals	<u>\$ 133,550</u>	<u>\$ 64,849</u>	<u>\$ 16,666</u>	<u>\$ 17,438</u>	<u>\$ 150,216</u>	<u>\$82,287</u>

This year's major additions included:

Water Reclamation Project at Navarre Beach	\$ 3,071,718
Equipment for Sheriff	\$ 1,393,457
Five Points Intersection	\$ 3,231,768
Admin Center Upstairs Renovation	\$ 1,612,518
Dune Walkovers	\$ 618,697
Paving of Opportunity Drive	\$ 1,196,892
Holley Navarre Library Book Collection	\$ 629,751
Navarre Visitor Center	\$ 982,724

Santa Rosa County, Florida
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2007

Outstanding Debt at Year-end
(in Thousands)

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue bonds	\$ 2,297	\$ 2,502	\$ 8,462	\$ 2,503	\$ 10,939	\$ 5,005
Notes payable	3,767	3,477	-	-	3,767	3,477
Special assessment notes	5,693	6,338	-	-	5,693	6,338
Capital lease	-	57	-	-	-	57
Totals	<u>\$ 11,757</u>	<u>\$12,374</u>	<u>\$ 8,462</u>	<u>\$ 2,503</u>	<u>\$ 20,399</u>	<u>\$ 14,877</u>

A revenue note payable for Navarre Beach Water and Sewer Reclamation project was issued. A special assessment note payable for the Blackwater/Smuggler's Cove subdivisions was issued. A note payable for the Navarre Beach Tourist Development Center was issued. More detailed information about the County's capital assets and long term liabilities is presented in Notes F & G to the financial statements, respectively.

OTHER CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

Subsequent to year end the voters of Santa Rosa County and the State of Florida approved a referendum to provide an additional \$25,000 Homestead Exemption and a limit on property tax increases. The budget office expects this to result in a \$7 million cut in revenues next year. The County has already instituted a hiring freeze and is looking at other options to meet this shortfall.

BASIC FINANCIAL STATEMENTS

Santa Rosa County, Florida

STATEMENT OF NET ASSETS

September 30, 2007

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 39,175,551	\$ 4,437,235	\$ 43,612,786
Investments	10,437,047	4,919,717	15,356,764
Receivables (net)	9,407,154	1,493,613	10,900,767
Internal balances	(1,275,000)	1,275,000	--
Inventory	296,883	--	296,883
Deferred charges	33,200	39,296	72,496
Capital assets, net			
Nondepreciable	22,966,742	9,833,061	32,799,803
Depreciable	110,583,600	6,832,866	117,416,466
Total assets	<u>191,625,177</u>	<u>28,830,788</u>	<u>220,455,965</u>
LIABILITIES			
Accounts payable	3,510,996	87,519	3,598,515
Contracts payable	989,083	3,500	992,583
Accrued wages payable	701,361	39,086	740,447
Interest payable	56,918	17,219	74,137
Due to other governments	280,827	1,615	282,442
Deposits	380,396	57,854	438,250
Unearned revenue	4,300,118	--	4,300,118
Noncurrent liabilities			
Due within one year	3,873,122	757,348	4,630,470
Due in more than one year	18,944,533	16,361,797	35,306,330
Total liabilities	<u>33,037,354</u>	<u>17,325,938</u>	<u>50,363,292</u>
NET ASSETS			
Invested in capital assets, net of related debt	131,252,842	8,298,508	139,551,350
Restricted for:			
Debt service	--	53,435	53,435
Landfill closure	--	3,055,728	3,055,728
Communications	858,697	--	858,697
Animal services education	54,954	--	54,954
Boating improvement	363,337	--	363,337
Gas and Oil preservation	3,551,667	--	3,551,667
Law enforcement trust fund	49,618	--	49,618
Crime prevention	200,185	--	200,185
Domestic violence	56,112	--	56,112
Law library	42,311	--	42,311
Tourist development	2,194,754	--	2,194,754
Records modernization	874,973	--	874,973
Court technology	514,772	--	514,772
Navarre Beach Bridge maintenance	4,138,734	--	4,138,734
Unrestricted	14,434,867	97,179	14,532,046
Total net assets	<u>\$ 158,587,823</u>	<u>\$ 11,504,850</u>	<u>\$ 170,092,673</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

STATEMENT OF ACTIVITIES

Year ended September 30, 2007

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 33,874,571	\$ 16,836,144	\$ 1,673,588	\$ --	\$ (15,364,839)		\$ (15,364,839)
Public safety	48,884,722	4,477,969	932,324	--	(43,474,429)		(43,474,429)
Physical environment	6,988,941	1,013,842	4,049,683	15,562	(1,909,854)		(1,909,854)
Transportation	16,513,892	7,739,139	818,506	651,004	(7,305,243)		(7,305,243)
Economic environment	9,328,158	--	15,731,896	--	6,403,738		6,403,738
Human services	4,522,251	49,944	1,490,108	--	(2,982,199)		(2,982,199)
Culture and recreation	3,290,952	31,190	443,900	--	(2,815,862)		(2,815,862)
Interest on long-term debt	446,815	--	--	--	(446,815)		(446,815)
Loss on disposal of assets	321,690	--	--	--	(321,690)		--
Total governmental activities	124,171,992	30,148,228	25,140,005	666,566	(68,217,193)		(68,217,193)
Business-type activities:							
Navarre Beach water and sewer	1,865,563	1,925,069	--	--		\$ 59,506	59,506
Peter Prince Airport	225,644	147,526	--	406,294		328,176	328,176
Landfill	3,767,481	3,982,407	--	--		214,926	214,926
Total business-type activities	5,858,688	6,055,002	--	406,294		602,608	602,608
Total	130,030,680	36,203,230	25,140,005	1,072,860	(68,217,193)	602,608	(67,614,585)
General revenues:							
Taxes							
Property taxes					56,309,485	--	56,309,485
Sales, use and fuel taxes					4,917,103	--	4,917,103
Franchise fees					5,110,630	--	5,110,630
Communication services taxes					1,274,401	--	1,274,401
Grants and contributions not restricted to specific programs					12,675,378	--	12,675,378
Unrestricted investment earnings					3,516,658	439,343	3,956,001
Miscellaneous					1,493,763	79,583	1,573,346
Gain on sale of assets					376,002	266,557	636,559
Transfers					--	--	--
Total general revenues and transfers					85,673,420	779,483	86,452,903
Change in net assets					17,456,227	1,382,091	18,838,318
Net assets - beginning					88,909,142	10,122,759	99,031,901
Prior period adjustment					52,222,454	--	52,222,454
Net assets - beginning, restated					141,131,596	10,122,759	151,254,355
Net assets - ending					\$ 158,587,823	\$ 11,504,850	\$ 170,092,673

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2007

ASSETS	General	Road and Bridge	Electricity Franchise Fee	HHR Program	Disaster	MSBU	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 4,120,514	\$ 7,667,731	\$ 2,110,913	\$ 4,645,227	\$ 347,569	\$ 872,938	\$ 18,667,383	\$ 38,432,275
Investments	5,036,310	538,095	7,096	--	--	121,055	2,087,997	7,790,553
Receivables, net of uncollectibles								
Accounts	29,871	--	472,603	--	--	92,407	174,099	768,980
Leases - current	260,831	--	--	--	--	--	--	260,831
Leases - noncurrent	99,341	--	--	--	--	--	--	99,341
Notes	--	--	--	--	--	--	947,578	947,578
Due from other governments	1,653,479	743,143	--	--	470,763	1,262,965	1,952,936	6,083,286
Due from other funds	729,063	--	4,265,000	--	--	--	585,943	5,580,006
Advances to other funds	--	76,997	--	--	--	--	--	76,997
Inventory	93,630	203,253	--	--	--	--	--	296,883
Deferred charges	--	--	--	--	--	--	33,200	33,200
Total assets	<u>\$ 12,023,039</u>	<u>\$ 9,229,219</u>	<u>\$ 6,855,612</u>	<u>\$ 4,645,227</u>	<u>\$ 818,332</u>	<u>\$ 2,349,365</u>	<u>\$ 24,449,136</u>	<u>\$ 60,369,930</u>
LIABILITIES								
Accounts payable	\$ 885,667	\$ 234,756	\$ --	\$ 52,666	\$ 95,296	\$ 147,245	\$ 1,246,339	\$ 2,661,969
Contracts payable	--	--	--	--	68,744	50,000	26,339	145,083
Accrued wages payable	1,349,131	125,254	--	--	--	--	65,178	1,539,563
Deposits	380,396	--	--	--	--	--	--	380,396
Unearned revenue	188,765	38,300	--	3,937,150	--	17,505	118,398	4,300,118
Due to other funds	15,943	--	--	--	4,765,000	1,655,000	419,063	6,855,006
Due to other governments	134,528	--	--	--	--	--	146,299	280,827
Advance payable to other funds	--	--	--	--	--	76,997	--	76,997
Total liabilities	<u>2,954,430</u>	<u>398,310</u>	<u>--</u>	<u>3,989,816</u>	<u>4,929,040</u>	<u>1,946,747</u>	<u>2,021,616</u>	<u>16,239,959</u>
FUND BALANCES								
Fund balances								
Reserved	1,488,653	4,418,984	--	655,411	--	--	7,460,857	14,023,905
Unreserved, reported in:								
General fund	7,579,956	--	--	--	--	--	--	7,579,956
Special revenue funds	--	4,411,925	6,855,612	--	(4,110,708)	402,618	9,383,728	16,943,175
Debt service fund	--	--	--	--	--	--	136,328	136,328
Capital project funds	--	--	--	--	--	--	5,412,472	5,412,472
Permanent fund	--	--	--	--	--	--	34,135	34,135
Total fund balances	<u>9,068,609</u>	<u>8,830,909</u>	<u>6,855,612</u>	<u>655,411</u>	<u>(4,110,708)</u>	<u>402,618</u>	<u>22,427,520</u>	<u>44,129,971</u>
Total liabilities and fund balances	<u>\$ 12,023,039</u>	<u>\$ 9,229,219</u>	<u>\$ 6,855,612</u>	<u>\$ 4,645,227</u>	<u>\$ 818,332</u>	<u>\$ 2,349,365</u>	<u>\$ 24,449,136</u>	<u>\$ 60,369,930</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS**

September 30, 2007

Total Governmental Funds Balances \$ 44,129,971

*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:

Prior periods investment in capital assets	110,868,042
Less accumulated depreciation	(46,029,730)
Current period transfers of capital assets to governmental from business type	6,361,920
Current period change in accounting principal	56,662,164
Current period investment in capital assets	13,737,728
Current period depreciation	(7,736,986)
Current period loss on disposal of capital assets	(321,690)

Long term liabilities are not due and payable in the current
period and therefore are not reported in the funds:

Revenue bonds	(2,502,500)
Notes payable	(3,476,725)
Compensated absences	(7,437,866)
Special assessment notes payable	(6,337,602)
Interest payable	(56,918)
Current period revenue bond payments	205,000
Current period note payments	910,204
Current period change in compensated absences	(786,970)
Current period special assessment note payments	1,140,561
Current period debt proceeds	(1,695,970)

Internal service funds are used by management to charge the
costs of providing insurance coverage and therefore, the
assets and liabilities of the internal service fund are included
in governmental activities in the Statement of Net Assets.

Assets	4,645,802
Liabilities	(3,690,612)

Net Assets of Governmental Activities \$ 158,587,823

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

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

Year ended September 30, 2007

	General	Road and Bridge	Electricity Franchise Fee	HHR Program	Disaster	MSBU	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 50,969,180	\$ 10,143,812	\$ 5,110,630	\$ --	\$ --	\$ --	\$ 1,387,997	\$ 67,611,619
Licenses and permits	2,402,048	--	--	--	--	--	--	2,402,048
Intergovernmental	11,659,108	4,232,044	--	7,723,551	1,287,043	2,887,380	9,682,348	37,471,474
Charges for services	7,000,333	3,311,296	--	--	--	--	5,749,416	16,061,045
Fines and forfeits	306,704	--	--	--	--	--	53,042	359,746
Miscellaneous	3,119,511	695,695	42,170	440,770	22,055	3,609,101	6,687,595	14,616,897
Total revenues	<u>75,456,884</u>	<u>18,382,847</u>	<u>5,152,800</u>	<u>8,164,321</u>	<u>1,309,098</u>	<u>6,496,481</u>	<u>23,560,398</u>	<u>138,522,829</u>
Expenditures								
Current								
General government	24,002,274	--	--	--	--	--	5,964,372	29,966,646
Public safety	37,447,821	--	--	7,286,328	1,187,497	1,416,833	2,229,177	49,567,656
Physical environment	1,212,933	900,399	--	--	--	4,861,341	17,488	6,992,161
Transportation	1,258,289	17,014,757	--	--	--	1,144,042	3,402,481	22,819,569
Economic environment	145,134	--	--	--	--	--	11,626,686	11,771,820
Human services	4,243,200	--	--	--	--	--	263,215	4,506,415
Culture and recreation	3,631,629	--	--	--	--	--	15,548	3,647,177
Capital outlay	--	--	--	--	--	--	3,514,408	3,514,408
Debt service	--	--	--	--	--	5,500	2,744,586	2,750,086
Total expenditures	<u>71,941,280</u>	<u>17,915,156</u>	<u>--</u>	<u>7,286,328</u>	<u>1,187,497</u>	<u>7,427,716</u>	<u>29,777,961</u>	<u>135,535,938</u>
Excess (deficiency) of revenues over expenditures	3,515,604	467,691	5,152,800	877,993	121,601	(931,235)	(6,217,563)	2,986,891
Other financing sources (uses)								
Transfers in	241,250	2,245,113	--	--	605,545	949,371	9,210,973	13,252,252
Transfers out	(4,292,418)	(213,325)	(4,794,141)	(437,221)	--	(1,581,986)	(5,595,136)	(16,914,227)
New debt issuance	--	--	--	--	--	495,970	1,200,000	1,695,970
Total other financing sources (uses)	<u>(4,051,168)</u>	<u>2,031,788</u>	<u>(4,794,141)</u>	<u>(437,221)</u>	<u>605,545</u>	<u>(136,645)</u>	<u>4,815,837</u>	<u>(1,966,005)</u>
Net change in fund balances	(535,564)	2,499,479	358,659	440,772	727,146	(1,067,880)	(1,401,726)	1,020,886
Fund balances, beginning of year	9,555,479	6,324,214	6,496,953	214,639	(4,837,854)	1,470,498	28,268,956	47,492,885
Change in reserve for inventory	48,694	7,216	--	--	--	--	--	55,910
Fund balances, end of year	<u>\$ 9,068,609</u>	<u>\$ 8,830,909</u>	<u>\$ 6,855,612</u>	<u>\$ 655,411</u>	<u>\$ (4,110,708)</u>	<u>\$ 402,618</u>	<u>\$ 22,427,520</u>	<u>\$ 44,129,971</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa 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, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 1,020,886

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

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. In the current period
those amounts are:

Current period investment in capital assets	13,737,728
Current period transfers of capital asset to governmental from business type	6,361,920
Current period depreciation	(7,736,986)
Current period loss on disposal of capital assets	(321,690)

In the statement of activities, interest is accrued on outstanding loans, whereas
in governmental funds, an interest expenditure is reported when due.

Change in interest payable	(9,944)
----------------------------	---------

Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net assets.

Current period change in compensated absences	(786,970)
Current period note payments	910,204
Current period revenue bond payments	205,000
Current period special assessment note payments	1,140,561
Current period capital lease payments	57,450
Current period debt proceeds	(1,695,970)

Internal service funds are used by management to charge the
costs of providing insurance coverage and therefore, the
change in net assets of the internal service fund is included
in governmental activities in the Statement of Activities.

4,518,128

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 the funds

Change in reserve for inventory	<u>55,910</u>
---------------------------------	---------------

Change in Net Assets of Governmental Activities \$ 17,456,227

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

September 30, 2007

	Business-type Activities				Governmental
	Major Funds		Nonmajor Fund	Total	Activities
	Navarre Beach	Landfill	Peter Prince Field	Enterprise Funds	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,239,365	\$ 2,183,144	\$ 14,726	\$ 4,437,235	\$ 743,276
Investments	1,281,740	528,051	763	1,810,554	2,646,494
Accounts receivable	246,354	661,401	12,347	920,102	1,247,138
Due from other governments	--	--	573,511	573,511	--
Due from other funds	--	1,275,000	--	1,275,000	--
Total current assets	<u>3,767,459</u>	<u>4,647,596</u>	<u>601,347</u>	<u>9,016,402</u>	<u>4,636,908</u>
Noncurrent assets					
Restricted investments	--	3,109,163	--	3,109,163	--
Deferred charges	--	39,296	--	39,296	--
Capital assets, net of accumulated depreciation	8,829,043	4,980,550	2,856,334	16,665,927	8,894
Total noncurrent assets	<u>8,829,043</u>	<u>8,129,009</u>	<u>2,856,334</u>	<u>19,814,386</u>	<u>8,894</u>
Total assets	<u>\$ 12,596,502</u>	<u>\$ 12,776,605</u>	<u>\$ 3,457,681</u>	<u>\$ 28,830,788</u>	<u>\$ 4,645,802</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 71,789	\$ 14,835	\$ 895	\$ 87,519	\$ 849,027
Contracts payable	--	--	3,500	3,500	--
Current portion of claims payable	--	--	--	--	1,838,216
Accrued wages payable	10,565	28,521	--	39,086	5,798
Due to other governments	--	--	1,615	1,615	--
Revenue bonds - current	--	215,000	--	215,000	--
Note payable - current	340,693	--	--	340,693	--
Accrued interest	--	17,219	--	17,219	--
Deposits	5,700	52,154	--	57,854	--
Current portion of landfill closure costs	--	201,655	--	201,655	--
Total current liabilities	<u>428,747</u>	<u>529,384</u>	<u>6,010</u>	<u>964,141</u>	<u>2,693,041</u>
Noncurrent liabilities					
Long term portion of compensated absences	92,173	320,104	--	412,277	105,289
Long term portion of claims payable	--	--	--	--	892,282
Long term portion of landfill closure costs	--	8,137,794	--	8,137,794	--
Revenue bonds payable - net of discount	--	1,987,752	--	1,987,752	--
Note payable - noncurrent	5,823,974	--	--	5,823,974	--
Total noncurrent liabilities	<u>5,916,147</u>	<u>10,445,650</u>	<u>--</u>	<u>16,361,797</u>	<u>997,571</u>
Total liabilities	<u>6,344,894</u>	<u>10,975,034</u>	<u>6,010</u>	<u>17,325,938</u>	<u>3,690,612</u>
NET ASSETS					
Invested in capital assets, net of related debt	2,664,376	2,777,798	2,856,334	8,298,508	8,894
Restricted for debt service	--	53,435	--	53,435	--
Restricted for landfill closure	--	3,055,728	--	3,055,728	--
Unrestricted	3,587,232	(4,085,390)	595,337	97,179	946,296
Total net assets	<u>6,251,608</u>	<u>1,801,571</u>	<u>3,451,671</u>	<u>11,504,850</u>	<u>955,190</u>
Total liabilities and net assets	<u>\$ 12,596,502</u>	<u>\$ 12,776,605</u>	<u>\$ 3,457,681</u>	<u>\$ 28,830,788</u>	<u>\$ 4,645,802</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - PROPRIETARY FUNDS
Year ended September 30, 2007

	Business-type Activities				Governmental
	Major Funds		Nonmajor Fund		Activities
	Navarre Beach	Landfill	Peter Prince Field	Total Enterprise Funds	Internal Service Fund
Operating revenues					
Licenses and permits	\$ --	\$ 1,950	\$ --	\$ 1,950	\$ --
Charges for services	1,925,069	3,980,457	147,526	6,053,052	2,945,926
Insurance proceeds	--	--	--	--	425,258
Miscellaneous	491	78,900	192	79,583	3
Total operating revenues	<u>1,925,560</u>	<u>4,061,307</u>	<u>147,718</u>	<u>6,134,585</u>	<u>3,371,187</u>
Operating expenses					
Personal services	482,954	1,465,722	--	1,948,676	292,806
Contract services	66,849	300,447	7,039	374,335	91,169
Supplies	160,227	53,053	13	213,293	20,948
Repairs and maintenance	347,910	292,883	8,283	649,076	798
Utilities	304,708	56,929	10,649	372,286	--
Depreciation	195,628	505,989	199,118	900,735	1,438
Travel and per diem	151	23,196	--	23,347	1,165
Insurance	9,375	17,480	--	26,855	1,073,788
Communications	6,407	5,788	542	12,737	1,552
Advertising	763	1,922	--	2,685	--
Fuel and oil	20,108	274,497	--	294,605	346
Rentals	30	1,076	--	1,106	--
Landfill closure and maintenance	--	584,735	--	584,735	--
Claims	--	--	--	--	1,087,367
State assessment	--	--	--	--	88,377
Miscellaneous	5,002	12,403	--	17,405	14,742
Total operating expenses	<u>1,600,112</u>	<u>3,596,120</u>	<u>225,644</u>	<u>5,421,876</u>	<u>2,674,496</u>
Operating income (loss)	325,448	465,187	(77,926)	712,709	696,691
Non-operating revenues (expenses)					
Interest income	235,888	200,287	3,168	439,343	159,462
Interest expense	(241,454)	(112,899)	--	(354,353)	--
Sale of land	--	260,557	--	260,557	--
Gain (loss) on sale of equipment	--	(3,287)	--	(3,287)	--
Federal and state grants	--	--	406,294	406,294	--
Aid to private organizations	--	(40,000)	--	(40,000)	--
Amortization & other bond costs	(23,997)	(15,175)	--	(39,172)	--
Total non-operating revenues (expenses)	<u>(29,563)</u>	<u>289,483</u>	<u>409,462</u>	<u>669,382</u>	<u>159,462</u>
Income (loss) before transfers	295,885	754,670	331,536	1,382,091	856,153
Transfers in	--	--	--	--	3,661,975
Change in net assets	295,885	754,670	331,536	1,382,091	4,518,128
Net assets, beginning of year	<u>5,955,723</u>	<u>1,046,901</u>	<u>3,120,135</u>	<u>10,122,759</u>	<u>(3,562,938)</u>
Net assets, end of year	<u>\$ 6,251,608</u>	<u>\$ 1,801,571</u>	<u>\$ 3,451,671</u>	<u>\$ 11,504,850</u>	<u>\$ 955,190</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2007

	Business-type Activities				Governmental
	Major Funds		Nonmajor Fund		Activities
	Navarre Beach	Landfill	Peter Prince Field	Total Enterprise Funds	Internal Service Fund
Cash flows from operating activities					
Cash received from customers	\$ 1,861,504	\$ 3,881,361	\$ 148,774	\$ 5,891,639	\$ 3
Cash paid to suppliers	(1,902,801)	(1,161,235)	(151,637)	(3,215,673)	(1,204,508)
Cash paid to employees	(468,068)	(1,407,295)	--	(1,875,363)	(274,079)
Cash received from interfund services provided	--	--	--	--	4,553,204
Cash paid for internal services provided	--	--	--	--	(6,125,723)
Net cash provided (used) by operating activities	<u>(509,365)</u>	<u>1,312,831</u>	<u>(2,863)</u>	<u>800,603</u>	<u>(3,051,103)</u>
Cash flows from noncapital financing activities					
Transfers in (out)	--	--	--	--	3,661,975
Repayments of loans from other funds	360,000	3,221,410	--	3,581,410	--
Proceeds from recycling operations	--	260,557	--	260,557	--
Loans to other funds	(50,000)	--	--	(50,000)	--
Aid to private organizations	--	(40,000)	--	(40,000)	--
Net cash provided (used) by noncapital financing activities	<u>310,000</u>	<u>3,441,967</u>	<u>--</u>	<u>3,751,967</u>	<u>3,661,975</u>
Cash flows from capital and related financing activities					
Proceeds from capital debt	6,500,000	--	--	6,500,000	--
State grants	--	--	50,783	50,783	--
Purchases of capital assets	(3,152,094)	(1,129,007)	(291,086)	(4,572,187)	--
Principal paid on capital debt	(335,333)	(205,000)	--	(540,333)	--
Interest paid on capital debt	(241,454)	(114,319)	--	(355,773)	--
Debt issue costs	(23,997)	--	--	(23,997)	--
Net cash provided (used) by capital and related financing activities	<u>2,747,122</u>	<u>(1,448,326)</u>	<u>(240,303)</u>	<u>1,058,493</u>	<u>--</u>
Cash flows from investing activities					
Interest and dividends	235,888	200,287	3,168	439,343	159,462
Net sale (purchase) of investments	(623,231)	(1,768,780)	126,629	(2,265,382)	(46,798)
Net cash provided (used) by investing activities	<u>(387,343)</u>	<u>(1,568,493)</u>	<u>129,797</u>	<u>(1,826,039)</u>	<u>112,664</u>
Net increase (decrease) in cash and cash equivalents	2,160,414	1,737,979	(113,369)	3,785,024	723,536
Cash and cash equivalents at beginning of year	78,951	445,165	128,095	652,211	17,840
Cash and cash equivalents at end of year	<u>\$ 2,239,365</u>	<u>\$ 2,183,144</u>	<u>\$ 14,726</u>	<u>\$ 4,437,235</u>	<u>\$ 741,376</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 325,448	\$ 465,187	\$ (77,926)	\$ 712,709	\$ 696,691
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	195,628	505,989	199,118	900,735	1,438
Landfill closure costs	--	584,735	--	584,735	--
Changes in assets and liabilities:					
Accounts receivable	(65,956)	(190,496)	1,056	(255,396)	1,182,020
Due from other governments	--	--	872	872	(1,900)
Accounts payable	(698,432)	(121,561)	(39,746)	(859,739)	243,264
Contracts payable	(282,839)	--	(86,237)	(369,076)	--
Accrued compensation	1,139	3,842	--	4,981	(1,392)
Compensated absences	13,747	54,585	--	68,332	20,119
Claims payable	--	--	--	--	(613,075)
Deposits	1,900	10,550	--	12,450	--
Due to other funds	--	--	--	--	(4,578,268)
Due to other governments	--	--	--	--	--
Net cash provided (used) by operating activities	<u>\$ (509,365)</u>	<u>\$ 1,312,831</u>	<u>\$ (2,863)</u>	<u>\$ 800,603</u>	<u>\$ (3,051,103)</u>
Noncash Investing, Capital and Financing Activities:					
Loss on disposal of assets	\$ -	\$ 3,287	\$ -	\$ 3,287	\$ -
Capital assets transferred from governmental to proprietary funds	383	-	-	383	-
	<u>\$ 383</u>	<u>\$ 3,287</u>	<u>\$ -</u>	<u>\$ 3,670</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

STATEMENT OF FIDUCIARY NET ASSETS

September 30, 2007

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 3,971,306
Accounts receivable	62,852
Due from other governments	11,889
Total assets	<u>\$ 4,046,047</u>
LIABILITIES	
Accounts payable	\$ 32,367
Escrow deposits	1,363,855
Due to other governments	2,614,474
Miscellaneous	35,351
Total liabilities	<u>\$ 4,046,047</u>

The accompanying notes are an integral part of these financial statements.

SANTA ROSA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007
GUIDE TO NOTES

	<u>Page</u>
Note A Summary of Accounting Policies.....	31
Note B Cash and Investments.....	39
Note C Due From Other Governmental Units.....	42
Note D Interfund Transactions.....	42
Note E Receivables.....	43
Note F Capital Assets.....	44
Note G Long-Term Debt.....	46
Note H Conduit Debt Obligations.....	50
Note I Operating Leases.....	51
Note J Landfill Closure and Postclosure Care Costs.....	51
Note K Commitments and Contingencies.....	52
Note L Reserves and Designations.....	53
Note M Risk Management.....	53
Note N Compliance and Accountability.....	55
Note O Prior Period Adjustment.....	55

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied consistently in the preparation of the financial statements follows:

1. Reporting Entity

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity", established standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations. As concluded by the GASB, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Santa Rosa County, Florida (the County) is a political subdivision of the State of Florida created pursuant to Article 8, Section 1(e), of the Constitution of the State of Florida and Chapter 7 of the Florida Statutes. It is governed by a five member Board of County Commissioners (the Board) elected from single-member districts. The Board has no powers other than those expressly vested in it by the Florida Statutes and its governmental powers cannot be delegated. The Board appoints an administrator to administer all policies emanating from its statutory powers and authority. In addition to the Board, there are five elected Constitutional Officers, pursuant to Article 8, Section 1(d) of the Constitution of the State of Florida: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

These financial statements include the operating activities of the Board of County Commissioners, Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

Dependent Special Districts

Blackwater Soil & Water Conservation District - The Blackwater Soil & Water Conservation District (Blackwater) was created by the Florida Legislature in 1942 pursuant to Florida Statute Section 582 in response to a petition to the State Soil Conservation Board. Santa Rosa County was established as the local governing authority and is Blackwater's only source of funding. Blackwater does not meet the criteria as a legally separate entity in that it cannot buy, sell, own, lease and mortgage property in its own name. The activities of Blackwater are included in these financial statements as a department of the Board of County Commissioners within the General Fund.

Pace Property Finance Authority - The Pace Property Finance Authority (Authority) was created in 1990 by County Resolution No. 90-12 pursuant to Chapter 617 of the Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. However, the Authority meets the criteria for inclusion in more than one reporting entity - Pace Water System as well as Santa Rosa County. GASB Statement No. 14 indicates that in these cases, judgment must be exercised by management of the reporting entities as to which reporting entity the organization should be included. The Authority has the same elected governing body as the Pace Water System. Additionally, both

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES – Continued

the Authority and Pace Water System own portions of a single water/sewer system; thus, their capital assets are part of an interconnected system. Finally, the Authority's debt was issued solely to finance the Pace water/sewer system improvements. Based on these facts, management has decided to include the Authority in the combined financial statements of Pace Water System rather than as a component unit of Santa Rosa County.

Santa Rosa County Health Facilities Authority - The Santa Rosa County Health Facilities Authority (Authority) was created in 1982 by County Ordinance No. 82-02 pursuant to Section 154, Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. The Board of County Commissioners (Board) appoints the five (5) members of the Authority. Additionally, the Board may abolish the Authority at any time by ordinance or resolution as long as all bonded indebtedness incurred by the Authority has been paid. The Authority exists solely to assist health facilities within Santa Rosa County with the acquisition, construction, financing, and refinancing of projects. The Authority issued approximately \$15.8 million in bonds in 1983, lending the proceeds of the bonds to Gulf Breeze Hospital. These bonds were subsequently defeased in 1988 when the Authority issued approximately \$17.3 million in new bonds. The 1988 bonds were defeased in 1993 when the Authority issued approximately \$18.6 million in new bonds. The 1993 bonds were defeased in 2003 when the Authority issued approximately \$58 million in new bonds. The debt outstanding is a limited obligation of the Authority and not a general obligation of the Authority or Santa Rosa County. The Authority is not obligated to pay the principal and interest on the bonds except from the revenues of the Authority pursuant to its loan agreement with Gulf Breeze Hospital. The Authority has no financial activity and the bonds issued under the Authority's name are recorded in the books of the hospital.

Santa Rosa County Housing Finance Authority - The Santa Rosa County Housing Finance Authority (Authority) was created in 1984 by County Resolution No. 84-18 pursuant to Chapter 78-89, Laws of Florida codified as Chapter 159, Part IV, Section 159.601 through 159.623. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. The Santa Rosa County Board of County Commissioners, through various resolutions and interlocal agreements with the Escambia County Housing Finance Authority (ECHFA), has authorized ECHFA to allow qualified residents of Santa Rosa County to apply for and obtain preferential mortgages from proceeds generated by bonds issued by ECHFA. Accordingly, there is no financial activity related to the Santa Rosa County Housing Finance Authority to be reflected in these financial statements.

2. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The County groups its funds into two broad fund categories as either governmental or proprietary in nature. Governmental funds include the general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds and an internal service fund.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

3. Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses are not allocated to the various functions and activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the County.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net assets then from unrestricted net assets.

FUND FINANCIAL STATEMENTS

The Fund financial statements, as presented herein, focus primarily on the major funds of the governmental and proprietary categories. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The major governmental funds are:

- General Fund – This is the County’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- Road and Bridge Fund – Accounts for that portion of state fuel taxes and fees designated for road improvement projects.
- Electricity Franchise Fee Fund – Accounts for the collection and distribution of Electricity Franchise Fees.
- HHR (Hurricane Housing Recovery) Program Fund – Accounts for grants received to repair and rebuild low to moderate income housing damaged by hurricanes.
- Disaster Fund – Accounts for revenues and expenditures related to significant events such as Hurricanes Ivan, Dennis and Katrina.
- MSBU (Municipal Service Benefit Unit) Fund – Accounts for special assessments levied against property owners for capital improvements or services rendered for benefit of the affected areas.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within one month of year-end and available to pay obligations of the current period – except for certain grant revenues which are recognized as revenues in the same period the grant expenditures occurred). This includes investment earnings, property taxes, special assessments, and fines and forfeitures. Certain state-levied locally shared taxes including motor vehicle license tax and fuel taxes are considered derived non-exchange transactions. These types of transactions are subject to income recognition when the underlying transaction occurs. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Other revenues, including licenses and permits, certain charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on governmental long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

PROPRIETARY FUNDS

All proprietary funds use the accrual basis of accounting and the economic resources measurement focus. These funds account for operations that are primarily financed by user charges. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the county's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The major proprietary funds are:

- Navarre Beach Fund – Accounts for the operation and maintenance of the water and sewer system of Navarre Beach.
- Landfill Fund – Accounts for the operation of the solid waste disposal facilities of the County.
- Industrial Park Fund – Accounts for the assets and operations at the County's industrial park.

The Board's only internal service fund is the Self Insurance Fund. This fund accounts for the risk management activities of the Board and the other elected officials. Costs are billed to the departments and other elected officials at the actual and estimated costs of providing insurance coverage. At year-end, uncovered costs are billed to the departments, if necessary. Billings in excess of costs are credited to the departments. The policy of the Board is not to eliminate interfund activity in the government-wide statement of activities.

FIDUCIARY FUNDS

Agency funds are used to account for assets of others for which the County acts as an agent. The County has seventeen agency fiduciary funds:

- Clerk's Fine and Cost Fund – Traffic and other fines are collected by the Clerk and remitted to the various governmental agencies.
- Clerk's Intangible Tax Fund – The Clerk collects intangible tax and remits to the Department of Revenue.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

- Clerk's Court Registry Fund - accounts for funds deposited pursuant to court order pending the outcome of legal action and are distributed by order of the court.
- Clerk's State Documentary Stamp Fund – The Clerk collects documentary stamps tax as an agent for the State of Florida and remits the revenue, less commission, to the Department of Revenue.
- Clerk's Suspense Fund – The Clerk collects fees for marriage licenses, spousal abuse and restitution. Also the Clerk Collects money for the State co-educational trust fund and attorney's fees. Distributions on payments and remittances are made as appropriate to the various agencies or individuals.
- Clerk's Tax Redemption Fund - accounts for tax deed application fees and tax deed bids and makes distributions on payments as appropriate.
- Clerk's State Witness and Juror Fund – State funding for payment of juror and witness fees is held in this fund. The balance is returned to the State at the end of each judicial quarter.
- Clerk's Uniform Child Support Fund – The Clerk collects child support and other payments required by court order and remits to the appropriate individuals or organizations.
- Clerk's Ordinary Witness Fund – accounts for the funds collected and paid to witnesses.
- Clerk's Bail Bond Fund - accounts for the collection and disbursement of bond monies posted by individuals upon arrest. These monies are held by the Clerk until final disposition instructions are received from the court.
- Tax Collector's Tax Fund - accounts for receipts of various types of taxes, licenses, and fees collected on behalf of state, county, and municipal governmental agencies.
- Sheriff's Individual Depositors Fund - accounts for the collection and disbursement of monies deposited primarily by insurance companies and attorneys awaiting civil process.
- Sheriff's Suspense Fund - accounts for the collection of monies obtained from the Sheriff's sale of abandoned and confiscated property, various court levies, writs of execution, and miscellaneous receipts and the subsequent disbursements to individuals, state agencies, and the Board of County Commissioners.
- Sheriff's Prisoner's Personal Fund - accounts for receipts and disbursements of prisoners' personal funds during the period of incarceration.
- Sheriff's Seizure Fund - accounts for cash confiscated by the Sheriff's department which is held pending disposition.
- Sheriff's Flower Fund – accounts for the collection and disbursement of funds donated by employees to purchase flowers for certain occasions.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

4. Budgets and Budgetary Accounting

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The Board may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes. The budget officer may authorize certain inter-departmental and intra-departmental budget amendments, provided that the total appropriation of the fund is not changed. All annual appropriations lapse at fiscal year end. Budgets are required for all governmental funds except the Gas and Oil Preservation, the Sheriff's Grants, the Sheriff's Second Dollar, the Sheriff's Prisoner Rec., and the Sheriff's Federal Seizure special revenue funds.

5. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

6. Investments

Investments in bank certificates of deposit, U.S. Treasury bills, government backed securities and the Florida Local Government Investment Trust Fund are recorded at fair value. Investments in the Local Government Surplus Funds Trust Fund are recorded at the County's equity position in the fund's share price.

7. Inventory

Inventory consists of gas, oil, automotive parts, road signs, culverts, and various other items used by the road department and insecticides used by mosquito control operations. Inventory is valued at cost (first in, first out). The cost is recorded as an expenditure at the time the inventory is purchased.

In the fund level statements, reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

8. Accounting for Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extends an asset's life is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The County does not capitalize interest expense on borrowings used to finance construction of capital assets, as the capitalizable interest, after netting of interest earnings, is normally insignificant.

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

Buildings	20 - 50 years
Water Distribution System	20 years
Improvements	10 - 20 years
Equipment	3 - 10 years
Infrastructure	40 years

9. Compensated Absences

It is the policy of the County to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the government-wide and proprietary fund financial statements. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16. For the governmental activities, compensated absences are generally liquidated by the General (75%) and the Road and Bridge (25%) funds.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

10. Property Taxes

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. Florida Statutes require that all property be assessed at 100 percent of just value.

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4, 3, 2 and 1 percent are allowed for early payment in November through February, respectively. The Tax Collector advertises as required by statute and sells tax certificates for unpaid taxes on real property. Certificates not sold are considered "County Held Certificates." Persons owning land upon which a tax certificate has been sold may redeem the land by paying the face amount of the tax certificate, plus interest and other costs.

Property taxes levied on property valuations as of January 1, 2007, and expected to be collected during the period November 2007 through March 2008 as follows:

General Fund	\$ 48,992,370
Road and Bridge Fund	\$ 4,779,700
Fine and Forfeiture Fund	\$ 199,230

These taxes, although measurable, are not recognized as revenue at September 30, 2007, since they are not considered to be collectible within the current period or soon enough thereafter to be used to pay current period liabilities.

11. Landfill Closure Costs

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

12. Allowance for Uncollectible Amounts

Historically, differences between receivables and amounts collected have been insignificant. Accordingly, no provision has been made for uncollectible amounts.

NOTE B - CASH AND INVESTMENTS

At September 30, 2007, the bank held deposits of \$49,531,398 (before outstanding checks and deposits in transit) consisting of amounts held in checking, savings, money market or time deposit accounts. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida.

The County's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE B - CASH AND INVESTMENTS - Continued

Pursuant to Florida Statutes Section 218.415, the County adopted an investment policy which outlines the County's investment responsibilities, objectives, and policies. The County's investment policy authorizes the County to invest in the following:

- a. The Local Government Surplus Funds Trust Fund (SBA) (Maximum of 80%)*State Pool);
- b. Florida Local Government Investment Trust (FLGIT) (State Investment Trust) (Maximum of 40%)*;
- c. Qualified money market mutual funds (Maximum of 50%)*;
- d. U.S. Treasury bills, notes and bonds (100% allowed);
- e. Obligations guaranteed by the U.S. Government as to principal and interest such as obligations of the Government National Mortgage Association (GNMA) (Maximum of 5%)*;
- f. Non-callable Government Agency securities (Maximum Of 25%)*:
 - (i) Federal Farm Credit Bank (FFCB),
 - (ii) Federal Home Loan Mortgage Corporation (FHLMC),
 - (iii) Federal Home Loan Bank (FHLB),
 - (iv) Federal National Mortgage Association (FNMA).This classification of government agency securities does not include any mortgage debt of any government agency;
- g. Time deposits and savings accounts in banks or savings and loan associations doing business in Florida (Maximum of 50%)*;
- h. Repurchase agreements for investments authorized in categories d, e, or f above. (Maximum of 40%)*

*To limit the County's concentration of credit risk these are the maximum percentages of the County's total portfolio that can be in each type of investment.

Interest rate risk is limited by no security having a maturity exceeding 2 years. The weighted average to maturity for the portfolio shall be less than 365 days or 1 year. Investments placed with the FLGIT, which typically invests in instruments with maturities of less than 5 years, are exempt from this limitation.

The Local Government Surplus Funds Trust Fund is similar to a mutual fund in that funds are available on a same day basis. The Local Government Surplus Funds Trust Fund is a "2a-7" like pool and is subject to regulatory oversight as specified in Chapter 19-7 of the Florida Administrative Code. As of September 30, 2006, the Local Government Surplus Funds Trust Fund had total investments of approximately \$21 billion. The County allocates interest earned on investments held in the Local Government Surplus Funds Trust Fund based on individual funds' principal balances. The Local Government Surplus Funds Trust Fund is not rated by a nationally recognized statistical rating agency as of the date of these financial statements. The fair value of the County's position in the trust fund is the same as the value of the trust fund shares.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE B - CASH AND INVESTMENTS - Continued

The FLGIT is a local government investment pool created by the Florida Association of Court Clerks and Comptroller, and the Florida Association of Counties for the purpose of providing public entities with an investment program that focuses on longer term securities with the highest credit ratings. The effective maturity of the underlying investments is five years or less. At September 30, 2006, the FLGIT was invested in money markets, treasury notes, asset-backed securities, and Federal agency obligations. This investment type is subject to some market risk due to fluctuating prices and liquidity risk due to advance redemption notification requirements. However, it has a professional investment advisor and an investment advisory board, and provides diversity in the Fund's portfolio. The FLGIT maintains a credit rating of AAA by Standard & Poor's. The fair value of the County's position in the pool is the same as the value of the pool shares.

Schedule of Cash and Investments at September 30, 2007

	<u>Carrying Amount</u>
<u>Non-Categorized Investments</u>	
Florida Local Government Investment Trust Fund	\$ 5,304,070
Local Government Surplus Funds Trust Fund	<u>10,052,694</u>
Total Investments	15,356,764
 <u>Cash</u>	
Cash in Bank	43,611,461
Petty Cash	<u>1,325</u>
Total Cash	<u>43,612,786</u>
Total Cash and Investments	<u>\$ 58,969,550</u>

Restricted cash and investments typically consist of funds set aside for the payment of debt and funds set aside to ensure assets producing the pledged revenues are repaired and replaced as needed. These assets are restricted since their use is limited by the applicable bond indentures. Other restricted assets consist of funds restricted to the payment of future landfill closure costs.

Restricted investments by category and by fund are as follows:

	<u>Landfill Fund</u>
Debt service	\$ 53,435
Landfill escrow	<u>3,055,728</u>
	<u>\$ 3,109,163</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE C – DUE FROM OTHER GOVERNMENTAL UNITS

At September 30, 2007, amounts due from other governmental units were as follows:

Federal Government – Grants	\$ 2,445,643
State of Florida – Grants	2,441,561
State of Florida – Taxes	1,585,763
Local – Taxes	76,781
Other	<u>107,049</u>
Total	<u>\$ 6,656,797</u>

NOTE D – INTERFUND TRANSACTIONS

Interfund transfers for the year ended September 30, 2007 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>						<u>Total</u>
	<u>General</u>	<u>Road & Bridge</u>	<u>Disaster</u>	<u>MSBU</u>	<u>Non-Major Govern- mental</u>	<u>Self Insurance</u>	
General	\$ --	\$ --	\$ --	\$ 178,220	\$ 452,233	\$ 3,661,975	\$ 4,292,418
Road & Bridge	--	--	--	--	213,325	--	213,325
Electric Franchise Fee	241,250	2,177,523	--	--	2,375,368	--	4,794,141
HHR	--	--	--	--	437,221	--	437,221
MSBU	--	67,590	--	--	1,514,396	--	1,581,986
Nonmajor Governmental	--	--	<u>605,545</u>	<u>771,151</u>	<u>4,218,440</u>	--	<u>5,595,136</u>
Total	<u>\$241,250</u>	<u>\$ 2,245,113</u>	<u>\$ 605,545</u>	<u>\$ 949,371</u>	<u>\$ 9,210,973</u>	<u>\$ 3,661,975</u>	<u>\$ 16,914,227</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE D – INTERFUND TRANSACTIONS - Continued

Interfund balances at September 30, 2007 consisted of the following:

		<u>Receivable Fund</u>				
<u>Payable Fund</u>	<u>General</u>	<u>Electric Franchise Fee</u>	<u>Non-Major Govern-mental</u>	<u>Landfill</u>	<u>Total</u>	
General	\$ --	\$ --	\$ 15,943	\$ --	\$ 15,943	
Disaster	--	4,265,000	500,000	--	4,765,000	
MSBU	360,000	--	20,000	1,275,000	1,655,000	
NonMajor Govt.	369,063	--	50,000	--	419,063	
Total	\$ 729,063	\$ 4,265,000	\$ 585,943	\$1,275,000	\$ 6,855,006	

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE E – RECEIVABLES

<u>Governmental</u>	<u>Accounts</u>	<u>Leases</u>	<u>Notes</u>	<u>Intergov-ernmental</u>	<u>Total</u>
General	\$ 29,871	\$ 360,172	\$ --	\$ 1,653,479	\$ 2,043,522
Road and Bridge	--	--	--	743,143	743,143
Electric Franchise Fee	472,603	--	--	--	472,603
Disaster	--	--	--	470,763	470,763
MSBU	92,407	--	--	1,262,965	1,355,372
NonMajor Govt.	174,099	--	947,578	1,952,936	3,074,613
Self Insurance	<u>1,247,138</u>	--	--	--	<u>1,247,138</u>
Subtotal	2,016,118	360,172	947,578	6,083,286	9,407,154
 <u>Business-Type</u>					
Navarre Beach	246,354	--	--	--	246,354
Landfill	661,401	--	--	--	661,401
NonMajor Business	12,347	--	--	573,511	585,858
Subtotal	<u>920,102</u>	--	--	<u>573,511</u>	<u>1,493,613</u>
Total	\$ 2,936,220	\$ 360,172	\$ 947,578	\$ 6,656,797	\$10,900,767

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE E – RECEIVABLES - Continued

The Board has a \$947,578 note receivable due from a company relating to the sale of a building and land in the Industrial Park. The note is payable in monthly installments of \$7,521 including interest at 7% through April 2008. A balloon payment of \$968,498 is due in May 2008.

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2007 was as follows (in thousands):

Governmental activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 10,748	\$ 3,190	\$ --	\$ 13,938
Construction in progress	<u>3,049</u>	<u>7,834</u>	<u>1,854</u>	<u>9,029</u>
Total capital assets not being depreciated	13,797	11,024	1,854	22,967
Other capital assets:				
Buildings	52,544	2,119	417	54,246
Improvements other than buildings	89,725	4,584	--	94,309
Machinery and equipment	<u>33,729</u>	<u>4,572</u>	<u>2,574</u>	<u>35,727</u>
Total capital assets being depreciated	175,998	11,275	2,991	184,282
Less accumulated depreciation for:				
Buildings	24,706	2,045	259	26,492
Improvements other than buildings	24,164	2,624	--	26,788
Machinery and equipment	<u>19,413</u>	<u>3,182</u>	<u>2,176</u>	<u>20,419</u>
Total accumulated depreciation	<u>68,283</u>	<u>7,851</u>	<u>2,435</u>	<u>73,699</u>
Total capital assets being depreciated, net	<u>107,715</u>	<u>3,424</u>	<u>556</u>	<u>110,583</u>
Governmental activities capital assets, net	<u>\$ 121,512</u>	<u>\$ 14,448</u>	<u>\$ 2,410</u>	<u>\$ 133,550</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE F – CAPITAL ASSETS - Continued

Business-type activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 3,525	\$ 111	\$ 2,445	\$ 1,191
Construction in progress	<u>7,095</u>	<u>4,560</u>	<u>3,013</u>	<u>8,642</u>
Total capital assets not being depreciated	10,620	4,671	5,458	9,833
Other capital assets:				
Buildings	1,366	112	--	1,478
Improvements other than buildings	13,954	782	879	13,857
Furniture, fixtures and equipment	<u>4,781</u>	<u>877</u>	<u>317</u>	<u>5,341</u>
Total capital assets being depreciated	<u>20,101</u>	<u>1,771</u>	<u>1,196</u>	<u>20,676</u>
Less accumulated depreciation for:				
Buildings	803	81	--	884
Improvements other than buildings	9,614	510	28	10,096
Furniture, fixtures and equipment	<u>2,866</u>	<u>311</u>	<u>314</u>	<u>2,863</u>
Total accumulated depreciation	<u>13,283</u>	<u>902</u>	<u>342</u>	<u>13,843</u>
Total capital assets being depreciated, net	<u>6,818</u>	<u>869</u>	<u>854</u>	<u>6,833</u>
Business-type activities capital assets, net	<u>\$ 17,438</u>	<u>\$ 5,540</u>	<u>\$ 6,312</u>	<u>\$ 16,666</u>

Additions to accumulated depreciation do not agree with depreciation expense due to transfers of capital assets between governmental and business-type activities.

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 1,558,958
Public safety	2,079,226
Physical environment	82,426
Transportation	3,100,264
Economic environment	1,753
Human services	131,856
Culture and recreation	<u>783,941</u>
Total governmental activities depreciation expense	<u>\$ 7,738,424</u>
Business-type activities	
Water and sewer	\$ 195,628
Landfill	505,989
Hangar rental	<u>199,118</u>
Total business-type activities depreciation expense	<u>\$ 900,735</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE G- LONG-TERM DEBT

1. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year.

	Balance October 1, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2007</u>	Amount Due within <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 7,523,036	\$ 3,779,320	\$ 2,972,231	\$ 8,330,125	\$ 95,296
Claims payable	3,343,573	1,087,367	1,700,441	2,730,499	1,838,216
Capital lease	57,450	--	57,450	--	--
Revenue bonds	2,502,500	--	205,000	2,297,500	215,000
Notes payable	3,476,725	1,200,000	910,204	3,766,521	594,652
Special assessment notes	<u>6,337,602</u>	<u>495,970</u>	<u>1,140,561</u>	<u>5,693,011</u>	<u>1,129,958</u>
	<u>\$23,240,886</u>	<u>\$ 6,562,657</u>	<u>\$ 6,985,887</u>	<u>\$22,817,656</u>	<u>\$ 3,873,122</u>
Business-type activities:					
Compensated absences	\$ 343,945	\$ 160,525	\$ 92,194	\$ 412,277	\$ --
Landfill closure costs	7,754,714	584,735	--	8,339,449	201,655
Revenue bonds	2,502,500	--	205,000	2,297,500	215,000
Notes payable	<u>--</u>	<u>6,500,000</u>	<u>335,333</u>	<u>6,164,667</u>	<u>340,693</u>
	<u>\$10,601,159</u>	<u>\$ 7,245,260</u>	<u>\$ 632,527</u>	<u>\$17,213,893</u>	<u>\$ 757,348</u>

Unamortized bond discounts totaling \$7,428 and deferred losses on refunding of bonds totaling \$87,320 are netted against the liability in the proprietary funds. Deferred bond issue costs were \$39,296 at year end.

Special assessment notes are fully secured by annual assessments made against property owners of the specific area benefited from the proceeds of the notes. The County has no legal obligation to levy ad valorem taxes or cover the notes in case of default by the property owners. The County does, however, maintain a moral commitment to cover the debt payments until such time as the property owners can make the payments.

2. Descriptions of Bonds and Notes

Bonds and notes payable at September 30, 2007 are comprised of the following:

General government - notes payable

\$575,000 Capital Improvement Refunding Revenue Note, Series 2003B payable to bank for refunding certain indebtedness of the County – due in quarterly payments of \$28,750 plus interest at 4.15%, secured by non-ad valorem revenues.

\$ 143,750

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE G- LONG-TERM DEBT - Continued

\$45,541 Capital Improvement Refunding Revenue Note, Series 2003B payable to bank for refunding certain indebtedness of the County – due in 20 quarterly payments of \$2,277 plus interest at 3.43%, secured by non-ad valorem revenues.	6,831
\$3,700,000 note payable to bank for the acquisition and construction of facilities at the Pace Athletic Field. The note is due in 36 quarterly payments of \$90,763 to \$187,521 plus interest at 3.43%, secured by non-ad valorem revenues.	2,188,398
\$325,000 note payable to bank for the acquisition and construction of facilities in the Bagdad Community Center. The note is due in 28 quarterly payments of \$11,607 plus interest at 3.74%, secured by non-ad valorem revenues.	232,143
\$1,200,000 Third Cent Tourist Development Tax Revenue Note payable to bank for the construction of a tourist information center in Navarre. The note is due in 60 quarterly payments of \$4,601 to \$9,069, with a balloon payment of \$817,832 in January 2022, plus interest at 4.79%, secured by non-ad valorem revenues.	1,195,399
\$4,825,000 special assessment note payable to bank for the construction of certain restoration improvements to Navarre Beach. The note is due in 28 quarterly payments of \$172,321 plus interest at 3.66%, secured by non-ad valorem revenues. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	3,618,750
\$900,000 special assessment note payable to bank for the construction of certain restoration improvements to Navarre Beach. The note is due in 27 quarterly payments of \$33,333 plus interest at 3.76%, secured by non-ad valorem revenues. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	700,000
\$495,570 special assessment note payable to bank for the construction of certain road improvements in the Blackwater River and Smuggler's Cove subdivisions. The note is due in 36 quarterly payments of \$13,777 plus interest at 4.28%, secured by non-ad valorem revenues. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	454,639

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE G- LONG-TERM DEBT - Continued

\$172,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Woodbine Springs Plantation Road Paving MSBU. Principal is due in 12 quarterly payments of \$13,268 to \$15,450 plus interest at 5.19%. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest. All assessments were collected by year end. 30,687

\$72,800 special assessment note payable to bank for the construction of a residential sewage system along Del Mar Drive. The note is due in 36 quarterly payments of \$2,600 including principal and interest at 5.71% with final payment due in 2010. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 28,557

\$363,500 special assessment note payable to bank for the construction of infrastructure improvements on Grande Navarre Canal. The note is due in 32 quarterly payments of \$13,590 including principal and interest at 4.43% with final payment due in 2011. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 193,092

\$250,000 special assessment note payable to bank for the construction of infrastructure improvements on Grande Navarre Canal. The note is due in 20 quarterly payments of \$10,925 to \$14,211 plus interest at 5.46% with final payment due in 2010. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 133,639

\$900,000 special assessment note payable to bank for the construction of infrastructure improvements on Polynesian Island Canal. The note is due in 30 quarterly payments of \$26,984 to \$33,225 plus interest at 2.88% with final payment due in 2011. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 533,647

General government - bonds payable

\$6,535,000 Capital Improvement Refunding Revenue Bonds, Series 2000-4.5 – 4.875% serial bonds due in annual installments of \$55,000 to \$610,000 from 2001 through 2016; Bonds are allocated 50% to governmental long-term debt and 50% to Landfill Fund. 2,297,500

Total general government bonds and notes payable \$ 11,757,032

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE G- LONG-TERM DEBT - Continued

Proprietary fund type – notes and bonds payable

Enterprise Fund – Navarre Beach

\$6,500,000 Utility System Revenue Note payable to bank for the construction of certain improvements and additions to the Navarre Beach Utility System. The note is due in 15 annual payments of \$335,333 to \$555,568 plus interest at 3.767%, secured by non-ad valorem revenues. 6,164,667

Enterprise Fund - Landfill

\$6,535,000 Capital Improvement Refunding Revenue Bonds, Series 2000-4.5 – 4.875% serial bonds due in annual installments of \$55,000 to \$610,000 from 2001 through 2016; Bonds are allocated 50% to governmental long-term debt and 50% to Landfill Fund. \$ 2,297,500

Total proprietary fund type bonds payable \$ 8,462,167

3. Debt Service Requirements

The annual requirements to amortize all bonds and notes outstanding at September 30, 2007 are as follows:

Governmental activities:

Year ended	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>September 30,</u>			
2008	\$ 1,939,610	\$ 447,851	\$ 2,387,461
2009	1,848,400	373,736	2,222,136
2010	1,830,614	303,618	2,134,232
2011	1,823,193	231,379	2,054,572
2012	1,707,091	167,216	1,874,307
2013-2017	1,649,880	405,194	2,055,074
2018-2022	<u>958,244</u>	<u>194,853</u>	<u>1,153,097</u>
	<u>\$11,757,032</u>	<u>\$ 2,123,847</u>	<u>\$13,880,879</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE G- LONG-TERM DEBT - Continued

Business-type activities:

Year ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 555,694	\$ 348,122	\$ 903,816
2009	574,351	325,694	899,674
2010	600,385	302,480	902,865
2011	624,435	278,459	902,894
2012	651,029	253,722	904,751
2013-2017	3,353,752	842,934	4,196,686
2018-2022	<u>2,102,521</u>	<u>254,047</u>	<u>2,356,568</u>
	<u>\$ 8,462,167</u>	<u>\$ 2,605,087</u>	<u>\$11,067,254</u>

4. Defeased Debt Outstanding

In prior years the County defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the County's financial statements. At September 30, 2007, \$7.135 million of bonds are considered defeased.

NOTE H - CONDUIT DEBT OBLIGATIONS

Santa Rosa County has issued certain limited-obligation debt instruments, including: 1) industrial development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest; and 2) municipal service benefit unit revenue notes to finance the acquisition, construction, reconstruction and equipping of capital improvements within the municipal service benefit unit. The debt instruments are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the Board, the State nor any political subdivision thereof is obligated in any manner for repayment of the debt instruments. Accordingly, the debt instruments are not reported as liabilities in the accompanying financial statements. Debt issues related to conduit financings outstanding at September 30, 2007 are as follows:

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Outstanding 9/30/2007</u>
Baptist Hospital, 2003	8/21/2003	10/1/2021	\$57,905,000	\$57,905,000
Holley Navarre Water System, 2004	6/2/2004	5/1/2024	4,145,000	3,675,000
Pace Volunteer Fire Department	4/16/2007	3/8/2017	1,169,000	1,169,000
Navarre Beach Volunteer Fire Department	4/25/2007	4/25/2017	<u>300,000</u>	<u>293,955</u>
Total			<u>\$63,519,000</u>	<u>\$63,042,955</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE I - OPERATING LEASES

The County has entered into various lease agreements for office equipment. The minimum rental commitments under such leases are as follows:

Year ending <u>September 30,</u> 2008	<u>\$ 36,811</u>
Total minimum payments required	<u>\$ 36,811</u>

Rental expense for the year ended September 30, 2007 was \$154,951.

NOTE J - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Board to place a final cover on its landfill sites when the landfill stops accepting waste and to perform certain maintenance and monitoring functions at sites for thirty years after closure. Although closure and postclosure care costs are paid only near or after the date that a landfill stops accepting waste, the Board reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8.3 million reported as landfill closure and postclosure care liability (current and noncurrent) at September 30, 2007, represents the cumulative amount reported to date based on the following percentage usage of the estimated capacity of each of the Board's landfills:

Central Class I Landfill	53%
Central Class III Landfill	21%
Central Class III Landfill	Closed 10/98
Holley Landfill	Closed 06/94
Northwest Landfill	Closed 02/91

The estimated cost of postclosure care for the Central Class III, Holley and Northwest landfills have been recognized in prior years with any changes in estimates being recorded in the current year. The Board will recognize the remaining estimated cost of closure and postclosure care for the Central Class I and Class III landfills in the amount of \$7.9 million as its remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. The estimated remaining lives of the Central Class I and Class III landfills are 27 and 40 years, respectively. Cost of closure and life estimates are based on the areas currently in use, and not on potential areas of expansion. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Board is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2007, the Board held investments of \$3,055,728 to cover the escrow requirement of \$3,055,728. These investments are reported as restricted assets in the notes. These investments are reported as restricted assets in these financial statements. The Board expects that future inflation costs will be paid from interest earnings on these restricted investments and from charges to future landfill users or future tax revenue.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE K - COMMITMENTS AND CONTINGENCIES

1. Retirement Plan

Participation - Employees of the County participate in the Florida Retirement System, a cost-sharing multiple-employer retirement system, established by Chapter 121, Florida Statutes. Participation is compulsory for full-time and part-time employees working in regularly established positions. Elected officials may elect not to participate in the system. Eligible employees may elect to participate in the Deferred Retirement Option Program (DROP), deferring receipt of retirement benefits while continuing employment with a Florida Retirement System employer.

Contributions - Chapter 121 requires the employer to pay all contributions (employee noncontributory) based upon state-wide rates established by the State of Florida. During 2007, the County contributed an average of 9.85% of each qualified regular employee's gross salary, 16.53% percent of the elected officials' salary, 20.92% of each special risk employee's salary, and 10.91% for each DROP participant. The contributions, funded on a pay-as-you-go basis, were equal to the actuarially determined contribution requirements for each year and totaled \$5,368,935, \$4,358,868 and \$3,808,559 for the years ended September 30, 2007, 2006 and 2005, respectively.

Benefit Provisions - The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The FRS provides for vesting of benefits after 6 years of creditable service. Normal retirement benefits are available to employees who are vested and have reached the age of 62, or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after the employee is vested with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings. For DROP participants, the deferred monthly benefit plus interest compounded monthly, accrues for the specified period of the DROP participation. Upon retirement, the participant receives the total accumulated DROP benefits and begins to receive current benefits at the previously determined rate.

Financial Report of the Plan - The Florida Retirement System issues a stand-alone financial report. A copy can be obtained by contacting the State of Florida, Division of Retirement, Tallahassee, Florida.

2. Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

3. Federal and State Grants

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

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE L - RESERVES AND DESIGNATIONS

The following is a list of reserves used by the County in the fund level financial statements:

General Fund:

Reserve for inventory	\$ 62,299
Reserve for communications	858,697
Reserve for animal services education	54,954
Reserve for crime prevention	124,366
Reserve for boating improvements	363,337
Reserve for long-term intergovernmental receivable	<u>25,000</u>
	1,488,653

Road and Bridge Fund:

Reserve for Navarre Beach Bridge maintenance	4,138,734
Reserve for inventory	203,253
Reserve for long-term intergovernmental receivable	<u>76,997</u>
	4,418,984

HHR (Hurricane Housing Recovery) Fund:

Reserve for hurricane housing recovery	655,411
--	---------

Nonmajor Governmental Funds:

Reserve for forfeited property	49,618
Reserve for crime prevention	75,819
Reserve for domestic violence	56,112
Reserve for law library	42,311
Reserve for tourist development	2,194,754
Reserve for gas and oil preservation	3,551,667
Reserve for court technology	514,772
Reserve for records modernization trust fund	874,973
Reserve for law enforcement training	<u>100,831</u>
	<u>7,460,857</u>

Total Governmental Funds \$14,023,905

NOTE M - 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; injuries to employees; and natural disasters. In 1986 the County established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program the County is self-insured with respect to the following exposures:

Workers Compensation
Auto Physical Damage
Auto Liability
Construction and Road Equipment

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE M – RISK MANAGEMENT - Continued

The County is covered by outside insurance for the following exposures:

- Portable Communication Equipment
- Boats
- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings, contents and Sheriff's general, automobile and professional liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Board of County Commissioners and other County elected officials participate in the program and make payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$2,730,498 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Liabilities for incurred losses to be settled by fixed or reasonably determined payments over a long period of time are reported at their present value using an expected future investment yield assumption of 5.5 to 8 percent. The undiscounted liability of these structured settlements is \$1,837,209. These liabilities are reported at their present value of \$916,351 at September 30, 2007.

Changes in the Fund's claims liability amount in fiscal years 2006 and 2007 were as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2005 - 2006	\$ 2,846,030	\$ 3,482,538	\$ 2,984,995	\$ 3,343,573
2006 - 2007	\$ 3,343,573	\$ 1,087,367	\$ 1,700,442	\$ 2,730,498

The following table presents a summary of the claims payable liability at year end:

Current claims payable	\$ 1,814,148
Current claims – structured settlements	<u>24,068</u>
Total claims payable, current	1,838,216
Long-term claims – structured settlements	<u>892,282</u>
Total claims payable	<u>\$ 2,730,498</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE M - RISK MANAGEMENT - Continued

The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage, excluding the Sheriff. The County pays an annual premium as a participant of the pooled liability program. During 1994, the first year of participation, the County paid an extraordinary loss fund payment of \$249,886. The liability coverage is not designed to be assessable; however, should the pool fail to meet its obligations, the County may be required to contribute additional funds or cover its own obligations. No accrual for future assessments has been recorded in the financial statements as such assessments do not appear probable based on past experience of the pool, and experience of the pool subsequent to the County's fiscal year end through the date of these financial statements. In the event the County elected to terminate its participation in the pool, the extraordinary loss fund payment would be refunded to the County, given adequate funding of the pool.

NOTE N - COMPLIANCE AND ACCOUNTABILITY

Accumulated Deficits

The Disaster Fund has a deficit in fund balance due to the costs associated with Hurricanes Ivan, Dennis and Katrina. Revenues from Federal and State sources covered 87.5% to 95% of allowable costs. Disallowed costs and the County's local match portion have not been fully funded from local sources as yet.

NOTE O – PRIOR PERIOD ADJUSTMENT

Industrial Park Fund

The Industrial Park fund was originally established as an Enterprise fund with the intention of building and renting buildings in an industrial park. Subsequently, it became more advantageous to sell the property, rather than renting it, to businesses providing employment opportunities to county residents. As a result, the Industrial Park fund no longer met the criteria to be an Enterprise fund. This year the Industrial Park fund was reclassified as a Special Revenue fund, reducing the beginning net asset balance by \$4.4 million.

Governmental Activities

During the year ended September 30, 2007, the County implemented the last phase of Governmental Accounting Standards Board (GASB) Statement No. 34. Implementation of the standard resulted in the increase to net capital assets and to Net Assets of \$56 million.

REQUIRED SUPPLEMENTAL INFORMATION

Santa Rosa County, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP Basis)
GENERAL FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 49,009,460	\$ 49,009,460	\$ 50,969,180
Licenses and permits	3,329,750	3,329,750	2,402,048
Intergovernmental	10,886,720	13,367,268	11,659,108
Charges for services	4,880,444	5,121,308	7,000,333
Fines and forfeits	218,500	218,500	306,704
Miscellaneous	666,050	706,661	3,119,511
Total revenues	<u>68,990,924</u>	<u>71,752,947</u>	<u>75,456,884</u>
Expenditures			
Current			
General government	22,367,664	25,814,806	24,002,274
Public safety	38,316,360	38,869,747	37,447,821
Physical environment	1,333,915	1,333,915	1,212,933
Transportation	1,371,470	1,404,475	1,258,289
Economic environment	154,340	154,340	145,134
Human services	4,548,580	4,548,580	4,243,200
Culture and recreation	3,724,335	3,846,349	3,631,629
Reserve for contingencies	441,500	975,090	--
Total expenditures	<u>72,258,164</u>	<u>76,947,302</u>	<u>71,941,280</u>
Excess (deficiency) of revenues over expenditures	(3,267,240)	(5,194,355)	3,515,604
Other financing sources (uses)			
Transfers in	85,000	241,250	241,250
Transfers out	(622,230)	(4,292,418)	(4,292,418)
Total other financing sources (uses)	<u>(537,230)</u>	<u>(4,051,168)</u>	<u>(4,051,168)</u>
Net change in fund balances	(3,804,470)	(9,245,523)	(535,564)
Fund balance, beginning of year	3,804,470	9,245,523	9,555,479
Change in reserve for inventory	--	--	48,694
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,068,609</u>

See accompanying notes to required supplemental information.

Santa Rosa County, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP Basis)
ROAD AND BRIDGE FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 9,800,220	\$ 9,800,220	\$ 10,143,812
Intergovernmental	3,004,860	5,205,821	4,232,044
Charges for services	--	55,318	3,311,296
Miscellaneous	213,750	213,750	695,695
Total revenues	<u>13,018,830</u>	<u>15,275,109</u>	<u>18,382,847</u>
Expenditures			
Current			
Physical environment	--	--	900,399
Transportation	12,877,980	19,063,228	17,014,757
Reserve for contingencies	208,440	185,940	--
Total expenditures	<u>13,086,420</u>	<u>19,249,168</u>	<u>17,915,156</u>
Excess (deficiency) of revenues over expenditures	(67,590)	(3,974,059)	467,691
Other financing sources (uses)			
Transfers in	67,590	2,245,113	2,245,113
Transfers out	--	(213,325)	(213,325)
Total other financing sources (uses)	<u>67,590</u>	<u>2,031,788</u>	<u>2,031,788</u>
Net change in fund balances	--	(1,942,271)	2,499,479
Fund balance, beginning of year	--	5,863,791	6,324,214
Change in reserve for inventory	--	--	7,216
Fund balance, end of year	<u>\$ --</u>	<u>\$ 3,921,520</u>	<u>\$ 8,830,909</u>

See accompanying notes to required supplemental information.

Santa Rosa County, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP Basis)
ELECTRICITY FRANCHISE FEE FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 4,536,540	\$ 4,536,540	\$ 5,110,630
Miscellaneous	--	--	42,170
Total revenues	<u>4,536,540</u>	<u>4,536,540</u>	<u>5,152,800</u>
Expenditures			
Current			
Reserve for contingencies	2,721,924	6,239,352	--
Total expenditures	<u>2,721,924</u>	<u>6,239,352</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	1,814,616	(1,702,812)	5,152,800
Other financing sources (uses)			
Transfers out	(1,814,616)	(4,794,141)	(4,794,141)
Total other financing sources (uses)	<u>(1,814,616)</u>	<u>(4,794,141)</u>	<u>(4,794,141)</u>
Net change in fund balances	--	(6,496,953)	358,659
Fund balance, beginning of year	<u>--</u>	<u>6,496,953</u>	<u>6,496,953</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,855,612</u>

See accompanying notes to required supplemental information.

Santa Rosa County, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP Basis)
HHR (Hurricane Housing Recovery) PROGRAM FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 11,662,113	\$ 7,723,551
Miscellaneous	--	--	440,770
Total revenues	<u>--</u>	<u>11,662,113</u>	<u>8,164,321</u>
Expenditures			
Current			
Public safety	--	11,224,892	7,286,328
Total expenditures	<u>--</u>	<u>11,224,892</u>	<u>7,286,328</u>
Excess (deficiency) of revenues over expenditures	--	437,221	877,993
Other financing sources (uses)			
Transfers out	--	(437,221)	(437,221)
Total other financing sources (uses)	<u>--</u>	<u>(437,221)</u>	<u>(437,221)</u>
Net change in fund balances	--	--	440,772
Fund balance, beginning of year	--	--	214,639
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 655,411</u>

See accompanying notes to required supplemental information.

Santa Rosa County, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP Basis)
DISASTER FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 581,987	\$ 1,287,043
Miscellaneous	--	--	22,055
Total revenues	<u>--</u>	<u>581,987</u>	<u>1,309,098</u>
Expenditures			
Current			
Public safety	--	1,187,532	1,187,497
Total expenditures	<u>--</u>	<u>1,187,532</u>	<u>1,187,497</u>
Excess (deficiency) of revenues over expenditures	--	(605,545)	121,601
Other financing sources (uses)			
Transfers in	--	605,545	605,545
Total other financing sources (uses)	<u>--</u>	<u>605,545</u>	<u>605,545</u>
Net change in fund balances	--	--	727,146
Fund balance, beginning of year	<u>--</u>	<u>--</u>	<u>(4,837,854)</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (4,110,708)</u>

See accompanying notes to required supplemental information.

Santa Rosa County, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP Basis)
MSBU (Municipal Service Benefit Unit) FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 2,780,191	\$ 2,887,380
Miscellaneous	3,654,880	3,535,442	3,609,101
Total revenues	<u>3,654,880</u>	<u>6,315,633</u>	<u>6,496,481</u>
Expenditures			
Current			
Public safety	1,412,740	1,405,240	1,416,833
Physical environment	373,498	5,288,738	4,861,341
Transportation	1,138,382	1,130,294	1,144,042
Debt service	2,500	5,500	5,500
Reserve for contingencies	214,628	291,504	--
Total expenditures	<u>3,141,748</u>	<u>8,121,276</u>	<u>7,427,716</u>
Excess (deficiency) of revenues over expenditures	513,132	(1,805,643)	(931,235)
Other financing sources (uses)			
Transfers in	179,960	951,111	949,371
Transfers out	(1,535,480)	(1,607,886)	(1,581,986)
New debt issuance	688,670	1,186,380	495,970
Total other financing sources (uses)	<u>(666,850)</u>	<u>529,605</u>	<u>(136,645)</u>
Net change in fund balances	(153,718)	(1,276,038)	(1,067,880)
Fund balance, beginning of year	<u>153,718</u>	<u>1,276,038</u>	<u>1,470,498</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 402,618</u>

See accompanying notes to required supplemental information.

Santa Rosa County, Florida
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
September 30, 2007

BUDGETARY INFORMATION

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The Board may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes. The budget officer may authorize certain inter-departmental and intra-departmental budget amendments, provided that the total appropriation of the fund is not changed. All annual appropriations lapse at fiscal year end.

COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Fine and Forfeiture Fund - accounts for fines, forfeitures and various other assessments used for law enforcement purposes.

State Matching Program Fund - accounts for state and local funding used for mosquito and other arthropod control.

Enhanced 911 Telephone System Fund - accounts for funds used to maintain the 911 telephone system.

Local Option Tourist Tax Fund - accounts for tax revenues to be used for tourist development activities.

Gas and Oil Revenue Preservation Fund – accounts for assets collected in prior years attributable to non-recurring gas and oil tax revenues.

Impact Fees Fund – accounts for impact fees collected to provide for new infrastructure. Not budgeted.

Santa Rosa Aging Services – accounts for federal, state and local funds received to provide services to the senior citizens of the County.

SHIP (State Housing Initiative Partnership) Fund - accounts for state funds received to provide housing assistance to low and middle income families.

Emergency Housing Grants Fund - accounts for community development block grant (CDBG) funds received to repair and rebuild low to moderate income housing damaged by hurricanes.

Clerk's Courts Fund – accounts for the court related activities of the Clerk of the Court.

Clerk's Courts Technology Fund – accounts for the court technology related activities of the Clerk of the Court.

Clerk's RMTF (Records Modernization Trust Fund) – accounts for fees received that are legally restricted for the modernization of the public records maintained by the Clerk's office.

Clerk's OSCA Grant Fund – accounts for the funding received from the Office of State Courts Administrator (OSCA) and related expenditures.

Sheriff's Grants Fund – accounts for federal and state grants received by the Sheriff's department for specific programs. Not budgeted.

Sheriff's Second Dollar Fund – accounts for shared fine revenues which are legally restricted for law enforcement training purposes. Not budgeted.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

Sheriff's Prisoner Recreation Fund – accounts for jail commissary and vending machine revenues that are restricted to providing recreational facilities and equipment for prisoners. Not budgeted.

Sheriff's Federal Seizure Fund – accounts for shared seizure revenues from the United States Department of Justice which are to be used for law enforcement purposes. Not budgeted.

CAPITAL PROJECTS FUNDS

District One Capital Projects Fund - accounts for the construction of sports and recreation facilities in District One.

District Two Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Two.

District Three Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Three.

District Four Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Four.

District Five Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Five.

Other Capital Projects Fund - accounts for the purchase or construction of other capital facilities which are not financed by proprietary funds or trust funds.

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2007

ASSETS	Special Revenue	Debt Service	Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 11,063,192	\$ 40,824	\$ 4,669,072	\$ 2,894,295	\$ 18,667,383
Investments	515,481	114,064	1,266,945	191,507	2,087,997
Receivables, net of uncollectibles					
Accounts	171,599	--	2,500	--	174,099
Notes	947,578	--	--	--	947,578
Deferred charges	33,200	--	--	--	33,200
Due from other governments	1,952,936	--	--	--	1,952,936
Due from other funds	35,943	--	50,000	500,000	585,943
	<u>14,719,929</u>	<u>154,888</u>	<u>5,988,517</u>	<u>3,585,802</u>	<u>24,449,136</u>
Total assets	<u>\$ 14,719,929</u>	<u>\$ 154,888</u>	<u>\$ 5,988,517</u>	<u>\$ 3,585,802</u>	<u>\$ 24,449,136</u>
LIABILITIES					
Accounts payable	\$ 651,734	\$ 18,560	\$ 576,045	\$ --	\$ 1,246,339
Contracts payable	26,339	--	--	--	26,339
Accrued wages payable	65,178	--	--	--	65,178
Unearned revenue	118,398	--	--	--	118,398
Due to other funds	419,063	--	--	--	419,063
Due to other governments	146,299	--	--	--	146,299
Total liabilities	<u>1,427,011</u>	<u>18,560</u>	<u>576,045</u>	<u>--</u>	<u>2,021,616</u>
FUND BALANCES					
Fund balances					
Reserved	3,909,190	--	--	3,551,667	7,460,857
Unreserved, reported in:					
Special revenue funds	9,383,728	--	--	--	9,383,728
Debt service fund	--	136,328	--	--	136,328
Capital project funds	--	--	5,412,472	--	5,412,472
Permanent fund	--	--	--	34,135	34,135
Total fund balances	<u>13,292,918</u>	<u>136,328</u>	<u>5,412,472</u>	<u>3,585,802</u>	<u>22,427,520</u>
Total liabilities and fund balances	<u>\$ 14,719,929</u>	<u>\$ 154,888</u>	<u>\$ 5,988,517</u>	<u>\$ 3,585,802</u>	<u>\$ 24,449,136</u>

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

Year ended September 30, 2007

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ 1,387,997	\$ --	\$ --	\$ --	\$ 1,387,997
Intergovernmental	9,679,977	--	2,371	--	9,682,348
Charges for services	5,746,839	--	2,577	--	5,749,416
Fines and forfeits	53,042	--	--	--	53,042
Miscellaneous	6,382,968	59,968	218,458	26,201	6,687,595
Total revenues	23,250,823	59,968	223,406	26,201	23,560,398
Expenditures					
Current					
General government	5,946,561	--	17,811	--	5,964,372
Public safety	2,229,177	--	--	--	2,229,177
Physical environment	17,488	--	--	--	17,488
Transportation	3,402,481	--	--	--	3,402,481
Economic environment	11,626,686	--	--	--	11,626,686
Human services	263,215	--	--	--	263,215
Culture and recreation	--	--	15,548	--	15,548
Capital outlay	--	--	3,514,408	--	3,514,408
Debt service	--	2,744,586	--	--	2,744,586
Total expenditures	23,485,608	2,744,586	3,547,767	--	29,777,961
Excess (deficiency) of revenues over expenditures	(234,785)	(2,684,618)	(3,324,361)	26,201	(6,217,563)
Other financing sources (uses)					
Transfers in	338,917	2,818,294	6,053,762	--	9,210,973
Transfers out	(5,479,054)	--	(116,082)	--	(5,595,136)
New debt issuance	1,200,000	--	--	--	1,200,000
Total other financing sources (uses)	(3,940,137)	2,818,294	5,937,680	--	4,815,837
Net change in fund balances	(4,174,922)	133,676	2,613,319	26,201	(1,401,726)
Fund balances, beginning of year	21,907,550	2,652	2,799,153	3,559,601	28,268,956
Prior period adjustment	(4,439,710)	--	--	--	(4,439,710)
Fund balances, restated	17,467,840	2,652	2,799,153	3,559,601	23,829,246
Fund balances, end of year	\$ 13,292,918	\$ 136,328	\$ 5,412,472	\$ 3,585,802	\$ 22,427,520

Santa Rosa County, Florida

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2007

ASSETS	Fine and Forfeiture	State Match	Grants	Enhanced 911	Local Option Tourist Tax	Industrial Park	Impact Fees	Aging Services	SHIP Program	Emergency Housing
Cash and cash equivalents	\$ 244,147	\$ 56,111	\$ 30,487	\$ 709,482	\$ 2,084,110	\$ 948,424	\$ 3,325,538	\$ 30,955	\$ 743,074	\$ 23,962
Investments	408	62,458	--	83,212	158,646	9,829	--	--	200,928	--
Receivables, net of uncollectibles										
Accounts	--	--	12,105	29	59,936	--	17,616	59,057	535	--
Notes	--	--	--	--	--	947,578	--	--	--	--
Deferred charges	--	--	--	--	--	33,200	--	--	--	--
Due from other governments	964	--	--	66,340	--	250,000	470,254	--	1,010,700	--
Due from other funds	20,000	--	--	--	--	--	--	--	--	--
Total assets	\$ 265,519	\$ 118,569	\$ 42,592	\$ 859,063	\$ 2,302,692	\$ 2,189,031	\$ 3,813,408	\$ 90,012	\$ 1,955,237	\$ 23,962
LIABILITIES										
Accounts payable	\$ 36,931	\$ --	\$ 48,222	\$ 22,249	\$ 107,938	\$ 2,320	\$ 115,034	\$ 224	\$ 267,862	\$ 9,240
Contracts payable	--	--	--	--	--	--	--	--	--	--
Accrued wages payable	4,728	--	--	1,274	--	--	--	3,960	--	--
Unearned revenue	--	--	--	--	--	--	--	--	--	--
Due to other funds	--	--	75,000	--	--	--	--	50,000	--	50,000
Due to other governments	--	--	--	--	--	--	--	--	--	--
Total liabilities	41,659	--	123,222	23,523	107,938	2,320	115,034	54,184	267,862	59,240
FUND BALANCES										
Fund balances										
Reserved	223,860	--	--	--	2,194,754	--	--	--	--	--
Unreserved, reported in:										
Special revenue funds	--	118,569	(80,630)	835,540	--	2,186,711	3,698,374	35,828	1,687,375	(35,278)
Total fund balances	223,860	118,569	(80,630)	835,540	2,194,754	2,186,711	3,698,374	35,828	1,687,375	(35,278)
Total liabilities and fund balances	\$ 265,519	\$ 118,569	\$ 42,592	\$ 859,063	\$ 2,302,692	\$ 2,189,031	\$ 3,813,408	\$ 90,012	\$ 1,955,237	\$ 23,962

Continued...

Santa Rosa County, Florida

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - Continued

September 30, 2007

ASSETS	Clerk's Courts Fund	Clerk's Court Tech	Clerk's RMTF	Clerk's OSCA Grant	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Fed Seizure	Total Nonmajor Special Revenue Funds
Cash and cash equivalents	\$ 216,514	\$ 521,117	\$ 874,973	\$ --	\$ 59,029	\$ 104,120	\$ 1,031,446	\$ 59,703	\$ 11,063,192
Investments	--	--	--	--	--	--	--	--	515,481
Receivables, net of uncollectibles									
Accounts	--	--	--	--	--	--	22,321	--	171,599
Notes	--	--	--	--	--	--	--	--	947,578
Deferred charges	--	--	--	--	--	--	--	--	33,200
Due from other governments	5,843	--	--	10,770	138,065	--	--	--	1,952,936
Due from other funds	--	--	--	--	15,943	--	--	--	35,943
Total assets	\$ 222,357	\$ 521,117	\$ 874,973	\$ 10,770	\$ 213,037	\$ 104,120	\$ 1,053,767	\$ 59,703	\$ 14,719,929
LIABILITIES									
Accounts payable	\$ 26,652	\$ 1,692	\$ --	\$ --	\$ --	\$ --	\$ 13,370	\$ --	\$ 651,734
Contracts payable	--	--	--	--	18,731	--	7,608	--	26,339
Accrued wages payable	49,406	4,653	--	1,157	--	--	--	--	65,178
Unearned revenue	--	--	--	--	58,695	--	--	59,703	118,398
Due to other funds	--	--	--	10,597	135,611	3,289	94,566	--	419,063
Due to other governments	146,299	--	--	--	--	--	--	--	146,299
Total liabilities	222,357	6,345	--	11,754	213,037	3,289	115,544	59,703	1,427,011
FUND BALANCES									
Fund balances									
Reserved	--	514,772	874,973	--	--	100,831	--	--	3,909,190
Unreserved, reported in:									
Special revenue funds	--	--	--	(984)	--	--	938,223	--	9,383,728
Total fund balances	--	514,772	874,973	(984)	--	100,831	938,223	--	13,292,918
Total liabilities and fund balances	\$ 222,357	\$ 521,117	\$ 874,973	\$ 10,770	\$ 213,037	\$ 104,120	\$ 1,053,767	\$ 59,703	\$ 14,719,929

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year ended September 30, 2007

	Fine and Forfeiture	State Match	Grants	Enhanced 911	Local Option Tourist Tax	Industrial Park	Impact Fees	Santa Rosa Aging Services	SHIP Program	Emergency Housing
Revenues										
Taxes	\$ 507,657	\$ --	\$ --	\$ --	\$ 880,340	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	32,254	27,751	21,037	--	209,874	1,050,000	470,254	175,878	6,380,709	349,263
Charges for services	1,139,576	--	--	627,107	--	--	1,332	9,267	--	--
Fines and forfeits	53,042	--	--	--	--	--	--	--	--	--
Miscellaneous	177,802	5,861	--	56,244	105,693	367,794	4,180,317	628	848,877	2,390
Total revenues	1,910,331	33,612	21,037	683,351	1,195,907	1,417,794	4,651,903	185,773	7,229,586	351,653
Expenditures										
Current										
General government	1,791,959	--	--	--	--	--	--	--	--	--
Public safety	50,772	--	--	668,405	--	--	--	--	--	--
Physical environment	--	--	17,488	--	--	--	--	--	--	--
Transportation	--	--	--	--	--	--	3,402,481	--	--	--
Economic environment	--	--	--	--	1,544,315	1,793,025	--	--	7,882,863	406,483
Human services	--	7,819	84,179	--	--	--	--	171,217	--	--
Total expenditures	1,842,731	7,819	101,667	668,405	1,544,315	1,793,025	3,402,481	171,217	7,882,863	406,483
Excess (deficiency) of revenues over expenditures	67,600	25,793	(80,630)	14,946	(348,408)	(375,231)	1,249,422	14,556	(653,277)	(54,830)
Other financing sources (uses)										
Transfers in	--	--	--	--	--	338,917	--	--	--	--
Transfers out	(5,407,907)	--	--	--	(40,295)	--	--	--	(30,852)	--
New debt issuance	--	--	--	--	1,200,000	--	--	--	--	--
Total other financing sources (uses)	(5,407,907)	--	--	--	1,159,705	338,917	--	--	(30,852)	--
Net change in fund balances	(5,340,307)	25,793	(80,630)	14,946	811,297	(36,314)	1,249,422	14,556	(684,129)	(54,830)
Fund balances, beginning of year	5,564,167	92,776	--	820,594	1,383,457	6,662,735	2,448,952	21,272	2,371,504	19,552
Prior period adjustment	--	--	--	--	--	(4,439,710)	--	--	--	--
Fund balances, restated	5,564,167	92,776	--	820,594	1,383,457	2,223,025	2,448,952	21,272	2,371,504	19,552
Fund balances, end of year	\$ 223,860	\$ 118,569	\$ (80,630)	\$ 835,540	\$ 2,194,754	\$ 2,186,711	\$ 3,698,374	\$ 35,828	\$ 1,687,375	\$ (35,278)

Continued...

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - Continued**

Year ended September 30, 2007

	Clerk's Courts Fund	Clerk's Courts Tech	Clerk's RMTF	Clerk's OSCA Grant	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Federal Seizure	Total Nonmajor Special Revenue Funds
Revenues									
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,387,997
Intergovernmental	72,174	--	--	65,073	754,976	41,875	--	28,859	9,679,977
Charges for services	3,431,299	407,436	130,822	--	--	--	--	--	5,746,839
Fines and forfeits	--	--	--	--	--	--	--	--	53,042
Miscellaneous	30,475	--	--	--	--	4,895	601,992	--	6,382,968
Total revenues	3,533,948	407,436	130,822	65,073	754,976	46,770	601,992	28,859	23,250,823
Expenditures									
Current									
General government	3,533,948	455,855	99,430	65,369	--	--	--	--	5,946,561
Public safety	--	--	--	--	754,976	52,105	674,060	28,859	2,229,177
Physical environment	--	--	--	--	--	--	--	--	17,488
Transportation	--	--	--	--	--	--	--	--	3,402,481
Economic environment	--	--	--	--	--	--	--	--	11,626,686
Human services	--	--	--	--	--	--	--	--	263,215
Total expenditures	3,533,948	455,855	99,430	65,369	754,976	52,105	674,060	28,859	23,485,608
Excess (deficiency) of revenues over expenditures	--	(48,419)	31,392	(296)	--	(5,335)	(72,068)	--	(234,785)
Other financing sources (uses)									
Transfers in	--	--	--	--	--	--	--	--	338,917
Transfers out	--	--	--	--	--	--	--	--	(5,479,054)
New debt issuance	--	--	--	--	--	--	--	--	1,200,000
Total other financing sources (uses)	--	--	--	--	--	--	--	--	(3,940,137)
Net change in fund balances	--	(48,419)	31,392	(296)	--	(5,335)	(72,068)	--	(4,174,922)
Fund balances, beginning of year	--	563,191	843,581	(688)	--	106,166	1,010,291	--	21,907,550
Prior period adjustment	--	--	--	--	--	--	--	--	(4,439,710)
Fund balances, restated	--	563,191	843,581	(688)	--	106,166	1,010,291	--	17,467,840
Fund balances, end of year	\$ --	\$ 514,772	\$ 874,973	\$ (984)	\$ --	\$ 100,831	\$ 938,223	\$ --	\$ 13,292,918

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
FINE AND FORFEITURE FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 381,830	\$ 361,830	\$ 507,657
Intergovernmental	--	18,830	32,254
Charges for services	1,077,300	555,062	1,139,576
Fines and forfeits	--	--	53,042
Miscellaneous	--	--	177,802
Total revenues	1,459,130	935,722	1,910,331
Expenditures			
Current			
General government	1,407,745	1,478,111	1,791,959
Public safety	--	18,830	50,772
Reserve for contingencies	52,150	--	--
Total expenditures	1,459,895	1,496,941	1,842,731
Excess (deficiency) of revenues over expenditures	(765)	(561,219)	67,600
Other financing sources (uses)			
Transfers out	--	(5,407,907)	(5,407,907)
Total other financing sources (uses)	--	(5,407,907)	(5,407,907)
Net change in fund balances	(765)	(5,969,126)	(5,340,307)
Fund balance, beginning of year	765	5,969,126	5,564,167
Fund balance, end of year	\$ --	\$ --	\$ 223,860

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
STATE MATCH FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ 35,150	\$ 35,150	\$ 27,751
Miscellaneous	--	--	5,861
Total revenues	35,150	35,150	33,612
Expenditures			
Current			
Human services	37,000	37,000	7,819
Total expenditures	37,000	37,000	7,819
Net change in fund balances	(1,850)	(1,850)	25,793
Fund balance, beginning of year	1,850	1,850	92,776
Fund balance, end of year	\$ --	\$ --	\$ 118,569

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
GRANTS FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 946,167	\$ 21,037
Total revenues	--	946,167	21,037
Expenditures			
Current			
Public safety	--	16,600	--
Physical environment	--	750,000	17,488
Human services	--	179,567	84,179
Total expenditures	--	946,167	101,667
Net change in fund balances	--	--	(80,630)
Fund balance, beginning of year	--	--	--
Fund balance, end of year	\$ --	\$ --	\$ (80,630)

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
ENHANCED 911 PROGRAM FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 593,380	\$ 593,380	\$ 627,107
Miscellaneous	9,500	9,500	56,244
Total revenues	602,880	602,880	683,351
Expenditures			
Current			
Public safety	652,250	1,206,043	668,405
Total expenditures	652,250	1,206,043	668,405
Net change in fund balances	(49,370)	(603,163)	14,946
Fund balance, beginning of year	49,370	603,163	820,594
Fund balance, end of year	\$ --	\$ --	\$ 835,540

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
LOCAL OPTION TOURIST TAX FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 508,250	\$ 610,250	\$ 880,340
Intergovernmental	--	--	209,874
Miscellaneous	--	--	105,693
Total revenues	508,250	610,250	1,195,907
Expenditures			
Current			
Economic environment	519,000	1,837,730	1,544,315
Total expenditures	519,000	1,837,730	1,544,315
Excess (deficiency) of revenues over expenditures	(10,750)	(1,227,480)	(348,408)
Other financing sources (uses)			
Transfers out	(7,025)	(40,295)	(40,295)
New debt issuance	--	1,200,000	1,200,000
Total other financing sources (uses)	(7,025)	1,159,705	1,159,705
Net change in fund balances	(17,775)	(67,775)	811,297
Fund balance, beginning of year	17,775	67,775	1,383,457
Fund balance, end of year	\$ --	\$ --	\$ 2,194,754

**Santa Rosa County, Florida
Board of County Commissioners**

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
INDUSTRIAL PARK FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 1,050,000	\$ 1,050,000
Charges for services	--	80,750	--
Miscellaneous	--	47,500	367,794
Total revenues	--	1,178,250	1,417,794
Expenditures			
Current			
Economic environment	--	2,698,253	1,793,025
Reserve for contingencies	--	46,250	--
Total expenditures	--	2,744,503	1,793,025
Excess (deficiency) of revenues over expenditures	--	(1,566,253)	(375,231)
Other financing sources (uses)			
Transfer in	--	338,917	338,917
Total other financing sources (uses)	--	338,917	338,917
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	(1,227,336)	(36,314)
Fund balance, beginning of year	--	1,227,336	6,662,735
Prior period adjustment	--	--	(4,439,710)
Fund balance, restated	--	1,227,336	2,223,025
Fund balance, end of year	\$ --	\$ --	\$ 2,186,711

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
IMPACT FEES**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 1,271,504	\$ 470,254
Charges for services	--	--	1,332
Miscellaneous	--	2,624,767	4,180,317
Total revenues	--	3,896,271	4,651,903
Expenditures			
Current			
Transportation	--	4,750,000	3,402,481
Total expenditures	--	4,750,000	3,402,481
Net change in fund balances	--	(853,729)	1,249,422
Fund balance, beginning of year	--	853,729	2,448,952
Fund balance, end of year	\$ --	\$ --	\$ 3,698,374

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
SANTA ROSA AGING SERVICES**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ 167,810	\$ 167,810	\$ 175,878
Charges for services	--	--	9,267
Miscellaneous	--	--	628
Total revenues	167,810	167,810	185,773
Expenditures			
Current			
Human services	176,400	176,400	171,217
Total expenditures	176,400	176,400	171,217
Net change in fund balances	(8,590)	(8,590)	14,556
Fund balance, beginning of year	8,590	8,590	21,272
Fund balance, end of year	\$ --	\$ --	\$ 35,828

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
SHIP PROGRAM FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 8,290,801	\$ 6,380,709
Miscellaneous	--	784,174	848,877
Total revenues	--	9,074,975	7,229,586
Expenditures			
Current			
Economic environment	--	11,340,861	7,882,863
Total expenditures	--	11,340,861	7,882,863
Excess (deficiency) of revenues over expenditures	--	(2,265,886)	(653,277)
Other financing sources (uses)			
Transfers out	--	(30,852)	(30,852)
Total other financing sources (uses)	--	(30,852)	(30,852)
Net change in fund balances	--	(2,296,738)	(684,129)
Fund balance, beginning of year	--	2,296,738	2,371,504
Fund balance, end of year	\$ --	\$ --	\$ 1,687,375

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
EMERGENCY HOUSING GRANTS**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 417,212	\$ 349,263
Miscellaneous	--	--	2,390
	-----	-----	-----
Total revenues	--	417,212	351,653
Expenditures			
Current			
Economic environment	--	417,212	406,483
	-----	-----	-----
Total expenditures	--	417,212	406,483
	-----	-----	-----
Net change in fund balances	--	--	(54,830)
Fund balance, beginning of year	--	--	19,552
	-----	-----	-----
Fund balance, end of year	\$ --	\$ --	\$ (35,278)
	=====	=====	=====

**Santa Rosa County, Florida
Board of County Commissioners**

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S COURTS FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ 1	\$ 1	\$ 72,174
Charges for services	3,325,749	3,326,259	3,431,299
Miscellaneous	14,205	13,695	30,475
	<hr/>	<hr/>	<hr/>
Total revenues	3,339,955	3,339,955	3,533,948
	<hr/>	<hr/>	<hr/>
Expenditures			
Current			
General government	3,306,886	3,306,886	3,533,948
Reserve for contingencies	33,069	33,069	--
	<hr/>	<hr/>	<hr/>
Total expenditures	3,339,955	3,339,955	3,533,948
	<hr/>	<hr/>	<hr/>
Net change in fund balances	--	--	--
Fund balance, beginning of year	--	--	--
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ --	\$ --	\$ --
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Santa Rosa County, Florida
Board of County Commissioners**

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S COURTS TECHNOLOGY FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 597,600	\$ 597,600	\$ 407,436
Total revenues	597,600	597,600	407,436
Expenditures			
Current			
General government	597,600	597,600	455,855
Total expenditures	597,600	597,600	455,855
Net change in fund balances	--	--	(48,419)
Fund balance, beginning of year	--	--	563,191
Fund balance, end of year	\$ --	\$ --	\$ 514,772

**Santa Rosa County, Florida
Board of County Commissioners**

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S RMTF (RECORD MODERNIZATION TRUST FUND)**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	166,000	166,000	130,822
Total revenues	166,000	166,000	130,822
Expenditures			
Current			
General government	166,000	166,000	99,430
Total expenditures	166,000	166,000	99,430
Net change in fund balances	--	--	31,392
Fund balance, beginning of year	--	--	843,581
Fund balance, end of year	\$ --	\$ --	\$ 874,973

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DEBT SERVICE FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ --	\$ --	\$ 59,968
Total revenues	--	--	59,968
Expenditures			
Debt service	2,728,505	2,842,454	2,744,586
Total expenditures	2,728,505	2,842,454	2,744,586
Excess (deficiency) of revenues over expenditures	(2,728,505)	(2,842,454)	(2,684,618)
Other financing sources (uses)			
Transfers in	2,728,505	2,842,454	2,818,294
Total other financing sources (uses)	2,728,505	2,842,454	2,818,294
Net change in fund balances	--	--	133,676
Fund balance, beginning of year	--	--	2,652
Fund balance, end of year	\$ --	\$ --	\$ 136,328

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS**

September 30, 2007

ASSETS	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
Cash and cash equivalents	\$ 105,687	\$ 313,207	\$ 463,805	\$ 495,337	\$ 370,339	\$ 2,920,697	\$ 4,669,072
Investments	916	162,114	3,156	289,994	171,556	639,209	1,266,945
Receivables, net of uncollectibles							
Accounts	2,500	--	--	--	--	--	2,500
Due from other funds	--	--	--	--	--	50,000	50,000
	<u>109,103</u>	<u>475,321</u>	<u>466,961</u>	<u>785,331</u>	<u>541,895</u>	<u>3,609,906</u>	<u>5,988,517</u>
Total assets	<u>\$ 109,103</u>	<u>\$ 475,321</u>	<u>\$ 466,961</u>	<u>\$ 785,331</u>	<u>\$ 541,895</u>	<u>\$ 3,609,906</u>	<u>\$ 5,988,517</u>
LIABILITIES							
Accounts payable	\$ --	\$ --	\$ 40,696	\$ 6,388	\$ --	\$ 528,961	\$ 576,045
Total liabilities	<u>--</u>	<u>--</u>	<u>40,696</u>	<u>6,388</u>	<u>--</u>	<u>528,961</u>	<u>576,045</u>
FUND BALANCES							
Fund balances							
Reserved	--	--	--	--	--	--	--
Unreserved, reported in:							
Capital project funds	109,103	475,321	426,265	778,943	541,895	3,080,945	5,412,472
Total fund balances	<u>109,103</u>	<u>475,321</u>	<u>426,265</u>	<u>778,943</u>	<u>541,895</u>	<u>3,080,945</u>	<u>5,412,472</u>
Total liabilities and fund balances	<u>\$ 109,103</u>	<u>\$ 475,321</u>	<u>\$ 466,961</u>	<u>\$ 785,331</u>	<u>\$ 541,895</u>	<u>\$ 3,609,906</u>	<u>\$ 5,988,517</u>

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS**

Year ended September 30, 2007

	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
Revenues							
Intergovernmental	\$ --	\$ --	\$ 2,371	\$ --	\$ --	\$ --	\$ 2,371
Charges for services	--	2,577	--	--	--	--	2,577
Miscellaneous	9,719	25,097	23,892	41,211	26,978	91,561	218,458
Total revenues	9,719	27,674	26,263	41,211	26,978	91,561	223,406
Expenditures							
Current							
General government	--	--	--	--	--	17,811	17,811
Culture and recreation	--	12,636	2,912	--	--	--	15,548
Capital outlay	--	58,304	74,445	42,191	9,299	3,330,169	3,514,408
Total expenditures	--	70,940	77,357	42,191	9,299	3,347,980	3,547,767
Excess (deficiency) of revenues over expenditures	9,719	(43,266)	(51,094)	(980)	17,679	(3,256,419)	(3,324,361)
Other financing sources (uses)							
Transfers in	181,900	225,761	470,225	283,336	352,174	4,540,366	6,053,762
Transfers out	(86,136)	(9,404)	(20,542)	--	--	--	(116,082)
Total other financing sources (uses)	95,764	216,357	449,683	283,336	352,174	4,540,366	5,937,680
Net change in fund balances	105,483	173,091	398,589	282,356	369,853	1,283,947	2,613,319
Fund balances, beginning of year	3,620	302,230	27,676	496,587	172,042	1,796,998	2,799,153
Fund balances, end of year	\$ 109,103	\$ 475,321	\$ 426,265	\$ 778,943	\$ 541,895	\$ 3,080,945	\$ 5,412,472

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT ONE CAPITAL PROJECT FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ --	\$ 2,000	\$ 9,719
Total revenues	--	2,000	9,719
Expenditures			
Current			
Capital outlay	--	3,000	--
Reserve for contingencies	120,533	98,384	--
Total expenditures	120,533	101,384	--
Excess (deficiency) of revenues over expenditures	(120,533)	(99,384)	9,719
Other financing sources (uses)			
Transfers in	120,533	181,900	181,900
Transfers out	--	(86,136)	(86,136)
Total other financing sources (uses)	120,533	95,764	95,764
Net change in fund balances	--	(3,620)	105,483
Fund balance, beginning of year	--	3,620	3,620
Fund balance, end of year	\$ --	\$ --	\$ 109,103

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT TWO CAPITAL PROJECT FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ --	\$ 2,900	\$ 2,577
Miscellaneous	--	2,696	25,097
Total revenues	--	5,596	27,674
Expenditures			
Current			
Culture and recreation	--	12,558	12,636
Capital outlay	--	68,179	58,304
Reserve for contingencies	164,394	443,445	--
Total expenditures	164,394	524,182	70,940
Excess (deficiency) of revenues over expenditures	(164,394)	(518,586)	(43,266)
Other financing sources (uses)			
Transfers in	164,394	225,761	225,761
Transfers out	--	(9,404)	(9,404)
Total other financing sources (uses)	164,394	216,357	216,357
Net change in fund balances	--	(302,229)	173,091
Fund balance, beginning of year	--	302,229	302,230
Fund balance, end of year	\$ --	\$ --	\$ 475,321

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT THREE CAPITAL PROJECT FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental		\$ 36,427	\$ 2,371
Miscellaneous	--	--	23,892
Total revenues	--	36,427	26,263
Expenditures			
Current			
Culture and recreation	--	2,657	2,912
Capital outlay	--	481,071	74,445
Reserve for contingencies	120,533	30,058	--
Total expenditures	120,533	513,786	77,357
Excess (deficiency) of revenues over expenditures	(120,533)	(477,359)	(51,094)
Other financing sources (uses)			
Transfers in	120,533	470,225	470,225
Transfers out	--	(20,542)	(20,542)
Total other financing sources (uses)	120,533	449,683	449,683
Net change in fund balances	--	(27,676)	398,589
Fund balance, beginning of year	--	27,676	27,676
Fund balance, end of year	\$ --	\$ --	\$ 426,265

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT FOUR CAPITAL PROJECT FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ --	\$ --	\$ 41,211
Total revenues	--	--	41,211
Expenditures			
Capital outlay	--	576,018	42,191
Reserve for contingencies	221,969	203,905	--
Total expenditures	221,969	779,923	42,191
Excess (deficiency) of revenues over expenditures	(221,969)	(779,923)	(980)
Other financing sources (uses)			
Transfers in	221,969	283,336	283,336
Total other financing sources (uses)	221,969	283,336	283,336
Net change in fund balances	--	(496,587)	282,356
Fund balance, beginning of year	--	496,587	496,587
Fund balance, end of year	\$ --	\$ --	\$ 778,943

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT FIVE CAPITAL PROJECT FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ --	\$ --	\$ 26,978
Total revenues	--	--	26,978
Expenditures			
Current			
Culture and recreation	--	42,200	--
Capital outlay	--	9,386	9,299
Reserve for contingencies	290,807	472,630	--
Total expenditures	290,807	524,216	9,299
Excess (deficiency) of revenues over expenditures	(290,807)	(524,216)	17,679
Other financing sources (uses)			
Transfers in	290,807	352,174	352,174
Total other financing sources (uses)	290,807	352,174	352,174
Net change in fund balances	--	(172,042)	369,853
Fund balance, beginning of year	--	172,042	172,042
Fund balance, end of year	\$ --	\$ --	\$ 541,895

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
OTHER CAPITAL PROJECT FUND**

Year ended September 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 1,307,390	\$ --
Miscellaneous	--	--	91,561
Total revenues	--	1,307,390	91,561
Expenditures			
Current			
General government	--	--	17,811
Capital outlay		4,812,685	3,330,169
Total expenditures	--	4,812,685	3,347,980
Excess (deficiency) of revenues over expenditures	--	(3,505,295)	(3,256,419)
Other financing sources (uses)			
Transfers in	--	4,540,366	4,540,366
Total other financing sources (uses)	--	4,540,366	4,540,366
Net change in fund balances	--	1,035,071	1,283,947
Fund balance, beginning of year	--	1,978,396	1,796,998
Fund balance, end of year	\$ --	\$ 3,013,467	\$ 3,080,945

FIDUCIARY FUNDS

AGENCY FUNDS

Clerk's Fine and Cost Fund – Traffic and other fines are collected by the Clerk and remitted to the various governmental agencies.

Clerk's Intangible Tax Fund – The Clerk collects intangible tax and remits to the Department of Revenue.

Clerk's Court Registry Fund - accounts for funds deposited pursuant to court order pending the outcome of legal action and are distributed by order of the court.

Clerk's State Documentary Stamp Fund – The Clerk collects documentary stamps tax as an agent for the State of Florida and remits the revenue, less commission, to the Department of Revenue.

Clerk's Suspense Fund – The Clerk collects fees for marriage licenses, spousal abuse and restitution. Also the Clerk Collects money for the State co-educational trust fund and attorney's fees. Distributions on payments and remittances are made as appropriate to the various agencies or individuals.

Clerk's Tax Redemption Fund - accounts for tax deed application fees and tax deed bids and makes distributions on payments as appropriate.

Clerk's State Witness and Juror Fund – State funding for payment of juror and witness fees is held in this fund. The balance is returned to the State at the end of each judicial quarter.

Clerk's Uniform Child Support Fund – The Clerk collects child support and other payments required by court order and remits to the appropriate individuals or organizations.

Clerk's Ordinary Witness Fund – accounts for the funds collected and paid to witnesses.

Clerk's Bail Bond Fund - accounts for the collection and disbursement of bond monies posted by individuals upon arrest. These monies are held by the Clerk until final disposition instructions are received from the court.

Tax Collector's Tax Fund - accounts for receipts of various types of taxes, licenses, and fees collected on behalf of state, county, and municipal governmental agencies.

Sheriff's Individual Depositors Fund - accounts for the collection and disbursement of monies deposited primarily by insurance companies and attorneys awaiting civil process.

Sheriff's Suspense Fund - accounts for the collection of monies obtained from the Sheriff's sale of abandoned and confiscated property, various court levies, writs of execution, and miscellaneous receipts and the subsequent disbursements to individuals, state agencies, and the Board of County Commissioners.

Sheriff's Prisoner's Personal Fund - accounts for receipts and disbursements of prisoners' personal funds during the period of incarceration.

Sheriff's Seizure Fund - accounts for cash confiscated by the Sheriff's department which is held pending disposition.

Sheriff's Flower Fund – accounts for the collection and disbursement of funds donated by employees to purchase flowers for certain occasions.

Santa Rosa County, Florida

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

Year ended September 30, 2007

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Fine and Cost Fund				
Assets				
Cash	\$ --	\$ 2,805,732	\$ 2,697,670	\$ 108,062
Total assets	\$ --	\$ 2,805,732	\$ 2,697,670	\$ 108,062
Liabilities				
Due to other governments	\$ --	\$ 2,805,732	\$ 2,697,670	\$ 108,062
Total liabilities	\$ --	\$ 2,805,732	\$ 2,697,670	\$ 108,062
Clerk's Intangible Tax Fund				
Assets				
Cash	\$ --	\$ 3,682,002	\$ 3,467,490	\$ 214,512
Total assets	\$ --	\$ 3,682,002	\$ 3,467,490	\$ 214,512
Liabilities				
Due to other governments	\$ --	\$ 3,682,002	\$ 3,467,490	\$ 214,512
Total liabilities	\$ --	\$ 3,682,002	\$ 3,467,490	\$ 214,512
Clerk's Court Registry Fund				
Assets				
Cash	\$ 1,357,412	\$ 3,067,019	\$ 3,825,623	\$ 598,808
Total assets	\$ 1,357,412	\$ 3,067,019	\$ 3,825,623	\$ 598,808
Liabilities				
Deposits	\$ 1,357,412	\$ 3,067,019	\$ 3,825,623	\$ 598,808
Total liabilities	\$ 1,357,412	\$ 3,067,019	\$ 3,825,623	\$ 598,808

Continued

Santa Rosa County, Florida

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

Year ended September 30, 2007

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's State Documentary Stamp Fund				
Assets				
Cash	\$ --	\$ 16,473,052	\$ 15,599,490	\$ 873,562
Total assets	\$ --	\$ 16,473,052	\$ 15,599,490	\$ 873,562
Liabilities				
Due to other governments	\$ --	\$ 16,473,052	\$ 15,599,490	\$ 873,562
Total liabilities	\$ --	\$ 16,473,052	\$ 15,599,490	\$ 873,562
Clerk's Suspense Fund				
Assets				
Cash	\$ --	\$ 391,952	\$ 365,139	\$ 26,813
Total assets	\$ --	\$ 391,952	\$ 365,139	\$ 26,813
Liabilities				
Due to other governments	\$ --	\$ 391,952	\$ 365,139	\$ 26,813
Total liabilities	\$ --	\$ 391,952	\$ 365,139	\$ 26,813
Clerk's Tax Redemption Fund				
Assets				
Cash	\$ 106,150	\$ 392,248	\$ 388,753	\$ 109,645
Total assets	\$ 106,150	\$ 392,248	\$ 388,753	\$ 109,645
Liabilities				
Deposits	\$ 106,150	\$ 392,248	\$ 388,753	\$ 109,645
Total liabilities	\$ 106,150	\$ 392,248	\$ 388,753	\$ 109,645

Continued

Santa Rosa County, Florida

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

Year ended September 30, 2007

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's State Witness and Juror Fund				
Assets				
Cash	\$ --	\$ 54,725	\$ 54,725	\$ --
Total assets	<u>\$ --</u>	<u>\$ 54,725</u>	<u>\$ 54,725</u>	<u>\$ --</u>
Liabilities				
Accounts payable	\$ --	\$ 54,725	\$ 54,725	\$ --
Total liabilities	<u>\$ --</u>	<u>\$ 54,725</u>	<u>\$ 54,725</u>	<u>\$ --</u>
Clerk's Uniform Child Support Fund				
Assets				
Cash	\$ 1,085	\$ 167,184	\$ 167,368	\$ 901
Total assets	<u>\$ 1,085</u>	<u>\$ 167,184</u>	<u>\$ 167,368</u>	<u>\$ 901</u>
Liabilities				
Due to other governments	\$ 1,085	\$ 167,184	\$ 167,368	\$ 901
Total liabilities	<u>\$ 1,085</u>	<u>\$ 167,184</u>	<u>\$ 167,368</u>	<u>\$ 901</u>
Clerk's Ordinary Witness Fund				
Assets				
Cash	\$ 5,429	\$ 15,000	\$ 20,429	\$ --
Due from other governments	--	15,000	3,111	11,889
Total assets	<u>\$ 5,429</u>	<u>\$ 30,000</u>	<u>\$ 23,540</u>	<u>\$ 11,889</u>
Liabilities				
Accounts payable	\$ 5,429	\$ 26,889	\$ 20,429	\$ 11,889
Total liabilities	<u>\$ 5,429</u>	<u>\$ 26,889</u>	<u>\$ 20,429</u>	<u>\$ 11,889</u>

Continued

Santa Rosa County, Florida

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

Year ended September 30, 2007

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Bail Bond Fund				
Assets				
Cash	\$ 621,688	\$ 1,041,925	\$ 1,053,959	\$ 609,654
Total assets	<u>\$ 621,688</u>	<u>\$ 1,041,925</u>	<u>\$ 1,053,959</u>	<u>\$ 609,654</u>
Liabilities				
Deposits	\$ 621,688	\$ 1,041,925	\$ 1,053,959	\$ 609,654
Total liabilities	<u>\$ 621,688</u>	<u>\$ 1,041,925</u>	<u>\$ 1,053,959</u>	<u>\$ 609,654</u>
Tax Collector's Tax Fund				
Assets				
Cash	\$ 1,475,857	\$ 146,513,886	\$ 146,626,020	\$ 1,363,723
Accounts receivable	87,786	3,124,415	3,149,349	62,852
Total assets	<u>\$ 1,563,643</u>	<u>\$ 149,638,301</u>	<u>\$ 149,775,369</u>	<u>\$ 1,426,575</u>
Liabilities				
Deposits	\$ 9,643	\$ --	\$ 9,043	\$ 600
Due to other governments	1,547,120	144,204,832	144,361,328	1,390,624
Miscellaneous	6,880	6,173,473	6,145,002	35,351
Total liabilities	<u>\$ 1,563,643</u>	<u>\$ 150,378,305</u>	<u>\$ 150,515,373</u>	<u>\$ 1,426,575</u>

Continued

Santa Rosa County, Florida

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

Year ended September 30, 2007

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Sheriff's Individual Depositors Fund				
Assets				
Cash	\$ --	\$ 108,493	\$ 108,493	\$ --
Total assets	\$ --	\$ 108,493	\$ 108,493	\$ --
Liabilities				
Deposits	\$ --	\$ 108,493	\$ 108,493	\$ --
Total liabilities	\$ --	\$ 108,493	\$ 108,493	\$ --
Sheriff's Suspense Fund				
Assets				
Cash	\$ 167,689	\$ 211,876	\$ 359,087	20,478
Total assets	\$ 167,689	\$ 211,876	\$ 359,087	\$ 20,478
Liabilities				
Accounts payable	\$ 167,689	\$ --	\$ 147,211	\$ 20,478
Deposits	--	211,876	211,876	--
Total liabilities	\$ 167,689	\$ 211,876	\$ 359,087	\$ 20,478
Sheriff's Prisoner's Personal Fund				
Assets				
Cash	\$ 18,716	\$ 772,944	\$ 778,290	\$ 13,370
Total assets	\$ 18,716	\$ 772,944	\$ 778,290	\$ 13,370
Liabilities				
Deposits	\$ 18,716	\$ 772,944	\$ 778,290	\$ 13,370
Total liabilities	\$ 18,716	\$ 772,944	\$ 778,290	\$ 13,370

Continued

Santa Rosa County, Florida

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

Year ended September 30, 2007

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Sheriff's Seizure Fund				
Assets				
Cash	\$ 31,751	\$ 43,752	\$ 54,332	\$ 21,171
Total assets	<u>\$ 31,751</u>	<u>\$ 43,752</u>	<u>\$ 54,332</u>	<u>\$ 21,171</u>
Liabilities				
Deposits	\$ 31,751	\$ 43,752	\$ 54,332	\$ 21,171
Total liabilities	<u>\$ 31,751</u>	<u>\$ 43,752</u>	<u>\$ 54,332</u>	<u>\$ 21,171</u>
Sheriff's Flower Fund				
Assets				
Cash	\$ 9,207	\$ 3,086	\$ 1,686	\$ 10,607
Total assets	<u>\$ 9,207</u>	<u>\$ 3,086</u>	<u>\$ 1,686</u>	<u>\$ 10,607</u>
Liabilities				
Deposits	\$ 9,207	\$ 3,086	\$ 1,686	\$ 10,607
Total liabilities	<u>\$ 9,207</u>	<u>\$ 3,086</u>	<u>\$ 1,686</u>	<u>\$ 10,607</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	3,794,984	\$ 175,744,876	\$ 175,568,554	\$ 3,971,306
Accounts receivable	87,786	3,124,415	3,149,349	62,852
Due from other governments	--	15,000	3,111	11,889
Total assets	<u>\$ 3,882,770</u>	<u>\$ 178,884,291</u>	<u>\$ 178,721,014</u>	<u>\$ 4,046,047</u>
Liabilities				
Accounts payable	\$ 173,118	\$ 81,614	\$ 222,365	\$ 32,367
Deposits	2,154,567	5,641,343	6,432,055	1,363,855
Due to other governments	1,548,205	167,724,754	166,658,485	2,614,474
Miscellaneous	6,880	6,173,473	6,145,002	35,351
Total liabilities	<u>\$ 3,882,770</u>	<u>\$ 179,621,184</u>	<u>\$ 179,457,907</u>	<u>\$ 4,046,047</u>





STATISTICAL SECTION

Statistical Section

This part of Santa Rosa County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	106
Revenue Capacity These schedules contain information to help the reader assess the governments most significant local revenue source, the property tax.	112
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	116
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment which the government's financial activities take place.	119
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

SANTA ROSA COUNTY, FLORIDA
NET ASSETS BY CATEGORY
LAST SIX FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Governmental activities						
Invested in capital assets, net of related debt	\$ 34,623,877	\$ 40,551,884	\$ 45,823,493	\$ 45,515,267	\$ 62,346,144	\$ 131,252,842
Restricted	10,142,596	10,963,543	10,215,969	21,444,830	11,871,901	12,900,114
Unrestricted	22,577,063	17,630,324	15,950,292	1,359,506	8,028,362	14,434,867
Governmental activities net assets	<u>67,343,536</u>	<u>69,145,751</u>	<u>71,989,754</u>	<u>68,319,603</u>	<u>82,246,407</u>	<u>158,587,823</u>
Business-type activities						
Invested in capital assets, net of related debt	5,117,928	5,765,008	6,857,676	6,590,386	15,040,746	8,298,508
Restricted	1,796,630	1,187,153	1,278,805	1,409,271	1,520,926	3,109,163
Unrestricted	1,058,917	2,221,197	3,193,744	4,248,005	223,822	97,179
Business-type activities net assets	<u>7,973,475</u>	<u>9,173,358</u>	<u>11,330,225</u>	<u>12,247,662</u>	<u>16,785,494</u>	<u>11,504,850</u>
Primary Government						
Invested in capital assets, net of related debt	39,741,805	46,316,892	52,681,169	52,105,653	77,386,890	139,551,350
Restricted	11,939,226	12,150,696	11,494,774	22,854,101	13,392,827	16,009,277
Unrestricted	23,635,980	19,851,521	19,144,036	5,607,511	8,252,184	14,532,046
Primary government net assets	<u>\$ 75,317,011</u>	<u>\$ 78,319,109</u>	<u>\$ 83,319,979</u>	<u>\$ 80,567,265</u>	<u>\$ 99,031,901</u>	<u>\$ 170,092,673</u>

Information is not available for previous years.

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET ASSETS - EXPENSES
LAST SIX FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental activities:						
General government	\$ 24,302,280	\$ 28,304,236	\$ 24,180,843	\$ 32,404,396	\$ 30,162,570	\$ 33,874,571
Public safety	25,776,713	26,396,766	30,503,278	102,785,102	44,251,612	48,884,722
Physical environment	889,513	1,155,614	1,586,943	2,995,824	21,244,608	6,988,941
Transportation	13,035,888	12,116,958	14,334,831	14,417,056	17,989,729	16,513,892
Economic environment	1,727,779	1,675,978	1,802,557	1,918,019	3,223,381	9,328,158
Human services	3,251,959	3,960,294	3,904,708	4,066,084	4,258,406	4,522,251
Culture and recreation	1,912,880	2,371,398	2,392,743	2,608,072	3,912,067	3,290,952
Interest on long-term debt	351,519	316,949	390,678	347,376	433,302	446,815
Loss on disposal of assets	-	-	-	-	-	321,690
Total governmental activities	<u>71,248,531</u>	<u>76,298,193</u>	<u>79,096,581</u>	<u>161,541,929</u>	<u>125,475,675</u>	<u>124,171,992</u>
Business-type activities:						
Navarre Beach water and sewer	1,469,750	1,476,873	1,104,198	996,186	1,680,122	1,865,563
Peter Prince Airport	264,620	216,269	226,410	212,532	217,809	225,644
Industrial park*	38,307	48,433	129,098	42,648	84,053	-
Landfill	2,176,668	1,934,363	2,154,994	2,832,505	3,067,074	3,767,481
Total business-type activities	<u>3,949,345</u>	<u>3,675,938</u>	<u>3,614,700</u>	<u>4,083,871</u>	<u>5,049,058</u>	<u>5,858,688</u>
Total government expenses	<u>\$ 75,197,876</u>	<u>\$ 79,974,131</u>	<u>\$ 82,711,281</u>	<u>\$ 165,625,800</u>	<u>\$ 130,524,733</u>	<u>\$ 130,030,680</u>

Information is not available for previous years.

* The Industrial Park fund was reclassified as a special revenue fund (a governmental activity) in 2007

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET ASSETS - PROGRAM REVENUES
LAST SIX FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 10,743,239	\$ 13,752,341	\$ 14,343,284	\$ 12,755,692	\$ 9,412,008	\$ 16,836,144
Public safety	4,696,479	4,927,102	4,995,028	8,698,781	8,542,621	4,477,969
Physical environment	-	-	-	-	1,033,640	1,013,842
Transportation	209,332	363,708	449,299	488,063	552,529	7,739,139
Human services	36,385	41,169	38,912	66,354	43,421	49,944
Culture and recreation	19,060	16,640	17,313	15,495	31,330	31,190
Operating grants and contributions	5,375,913	10,297,455	8,500,069	69,710,498	31,813,430	25,140,005
Capital grants and contributions	319,910	574,484	372,884	795,627	2,999,965	666,566
Total governmental activities program revenue	<u>21,400,318</u>	<u>29,972,899</u>	<u>28,716,789</u>	<u>92,530,510</u>	<u>54,428,944</u>	<u>55,954,799</u>
Business-type activities:						
Charges for services:						
Navarre Beach water and sewer	1,628,798	1,494,096	2,001,050	894,460	1,518,379	1,925,069
Peter Prince Airport	158,057	161,383	152,539	4,845	101,056	147,526
Industrial park	-	3,843	-	-	-	-
Landfill	1,964,727	2,105,895	2,366,936	3,826,798	4,071,809	3,982,407
Operating grants and contributions	8,162	-	-	-	-	-
Capital grants and contributions	-	-	495,538	84,061	882,836	406,294
Total business-type activities	<u>3,759,744</u>	<u>3,765,217</u>	<u>5,016,063</u>	<u>4,810,164</u>	<u>6,574,080</u>	<u>6,461,296</u>
Total government program revenues	<u>\$ 25,160,062</u>	<u>\$ 33,738,116</u>	<u>\$ 33,732,852</u>	<u>\$ 97,340,674</u>	<u>\$ 61,003,024</u>	<u>\$ 62,416,095</u>
Net (Expense)/Revenue						
Governmental activities	\$ (49,848,213)	\$ (46,325,294)	\$ (50,379,792)	\$ (69,011,419)	\$ (71,046,731)	\$ (68,217,193)
Business-type activities	(189,601)	89,279	1,401,363	726,293	1,525,022	4,222,563
Total government net expense	<u>\$ (50,037,814)</u>	<u>\$ (46,236,015)</u>	<u>\$ (48,978,429)</u>	<u>\$ (68,285,126)</u>	<u>\$ (69,521,709)</u>	<u>\$ (63,994,630)</u>

Information is not available for previous years.

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET ASSETS - GENERAL REVENUES AND OTHER CHANGES
LAST SIX FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	\$ 29,348,811	\$ 31,385,880	\$ 33,898,557	\$ 37,443,870	\$ 44,800,919	\$ 56,309,485
Sales, use and fuel taxes	3,752,130	4,017,127	4,321,621	4,593,266	4,516,841	4,917,103
Franchise fees	-	-	-	-	4,643,093	5,110,630
Communication services taxes	813,038	1,173,259	1,093,224	1,120,137	1,296,325	1,274,401
Unrestricted grants and contributions	10,323,592	10,820,587	11,711,188	14,120,030	13,702,771	12,675,378
Unrestricted investment earnings	1,301,060	830,064	719,350	724,762	2,282,469	3,516,658
Miscellaneous	849,027	382,703	1,291,002	6,875,985	1,390,820	1,493,763
Gain on sale of assets	17,840	-	312,310	-	301,568	376,002
Transfers	2,613,698	(482,111)	(123,457)	463,217	(2,222,423)	-
Total governmental activities	49,019,196	48,127,509	53,223,795	65,341,267	70,712,383	85,673,420
Business-type activities:						
Unrestricted grants and contributions	-	84,800	-	-	-	-
Unrestricted investment earnings	289,502	227,763	214,695	322,828	527,237	439,343
Miscellaneous	135,992	256,243	289,824	389,890	195,326	79,583
Gain on sale of assets	224,355	14,154	127,528	77,788	67,824	260,557
Transfers	(2,613,698)	482,111	123,457	(463,217)	2,222,423	-
Total business-type activities	(1,963,849)	1,065,071	755,504	327,289	3,012,810	779,483
Total government	\$ 47,055,347	\$ 49,192,580	\$ 53,979,299	\$ 65,668,556	\$ 73,725,193	\$ 86,452,903
Change in Net Assets						
Governmental activities	\$ (829,017)	\$ 1,802,215	\$ 2,844,003	\$ (3,670,152)	\$ (334,348)	\$ 17,456,227
Business-type activities	(2,153,450)	1,154,350	2,156,867	1,053,582	4,537,832	1,382,091
Total government	\$ (2,982,467)	\$ 2,956,565	\$ 5,000,870	\$ (2,616,570)	\$ 4,203,484	\$ 18,838,318

Information is not available for previous years.

SANTA ROSA COUNTY, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year				
	1998	1999	2000	2001	2002
General Fund					
Reserved	\$ 438,823	\$ 582,562	\$ 782,569	\$ 1,110,019	\$ 1,398,118
Unreserved	7,502,418	8,911,087	8,554,704	7,904,274	9,340,503
Total general fund	<u>\$ 7,941,241</u>	<u>\$ 9,493,649</u>	<u>\$ 9,337,273</u>	<u>\$ 9,014,293</u>	<u>\$ 10,738,621</u>
All Other Governmental Funds					
Reserved	\$ 9,177,967	\$ 9,277,690	\$ 8,592,365	\$ 9,154,978	\$ 10,456,135
Unreserved, reported in:					
Special revenue funds	16,483,963	18,130,356	19,111,096	22,208,555	17,603,905
Capital project funds	6,663,471	5,377,049	5,025,950	3,482,385	2,996,372
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 32,325,401</u>	<u>\$ 32,785,095</u>	<u>\$ 32,729,411</u>	<u>\$ 34,845,918</u>	<u>\$ 31,056,412</u>
	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 1,195,517	\$ 1,139,936	\$ 1,335,731	\$ 1,516,523	\$ 1,488,653
Unreserved	7,199,067	6,924,343	8,532,278	8,038,956	7,579,956
Total general fund	<u>\$ 8,394,584</u>	<u>\$ 8,064,279</u>	<u>\$ 9,868,009</u>	<u>\$ 9,555,479</u>	<u>\$ 9,068,609</u>
All Other Governmental Funds					
Reserved	\$ 10,829,565	\$ 8,765,462	\$ 8,314,633	\$ 11,015,008	\$ 12,535,252
Unreserved, reported in:					
Special revenue funds	18,621,705	20,647,018	17,654,909	17,457,858	16,943,175
Capital project funds	2,713,407	2,256,373	1,777,901	2,799,153	136,328
Debt service funds	27,355	37,039	53,046	2,652	5,412,472
Permanent fund*	-	-	-	-	34,135
Total all other governmental funds	<u>\$ 32,192,032</u>	<u>\$ 31,705,892</u>	<u>\$ 27,800,489</u>	<u>\$ 31,274,671</u>	<u>\$ 35,061,362</u>

* The Gas and Oil Preservation fund was reclassified from a special revenue fund to a permanent fund in 2007.

**SANTA ROSA COUNTY, FLORIDA
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(UNAUDITED)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$ 35,943,265	\$ 32,424,011	\$ 32,728,308	\$ 35,258,100	\$ 37,141,140	\$ 40,625,553	\$ 43,139,717	\$ 47,404,610	\$ 55,257,178	\$ 67,611,619
Licenses and permits	1,135,322	1,624,647	1,418,463	1,445,043	1,597,969	2,205,200	2,567,340	3,252,522	2,581,246	2,402,048
Intergovernmental	12,995,984	15,093,541	15,123,785	14,672,667	15,952,777	18,494,114	20,334,974	84,223,176	45,806,787	37,471,474
Charges for services	3,812,344	4,391,866	5,279,061	4,567,518	5,381,469	5,898,038	7,380,990	8,924,540	9,714,453	16,061,045
Fines and forfeitures	1,242,028	1,694,839	1,841,133	1,585,642	1,715,348	1,274,520	1,053,470	278,912	332,595	359,746
Miscellaneous	5,348,646	3,563,913	4,589,533	4,949,176	4,449,388	4,718,427	4,991,978	5,261,456	11,070,628	14,616,897
Total revenues	<u>60,477,589</u>	<u>58,792,817</u>	<u>60,980,283</u>	<u>62,478,146</u>	<u>66,238,091</u>	<u>73,215,852</u>	<u>79,468,469</u>	<u>149,345,216</u>	<u>124,762,887</u>	<u>138,522,829</u>
Expenditures										
General government	13,013,806	14,363,278	14,994,681	17,414,108	20,269,695	24,264,019	22,252,708	21,800,502	24,257,282	29,966,646
Public safety	18,313,034	22,094,683	24,488,002	21,365,156	25,365,990	26,588,351	31,888,919	102,311,442	45,424,552	49,567,656
Physical environment	587,793	1,579,035	882,636	752,154	856,818	1,126,744	1,508,205	2,926,651	21,197,605	6,992,161
Transportation	8,327,943	8,707,863	10,314,645	9,196,676	12,165,208	11,894,667	14,145,696	14,147,226	17,963,523	22,819,569
Economic environment	1,052,728	1,066,532	1,341,354	1,731,142	1,721,145	1,668,839	1,828,889	1,914,362	3,248,268	11,771,820
Human services	2,490,394	2,752,466	3,102,407	3,693,235	3,146,691	3,823,704	3,751,579	4,071,963	4,177,374	4,506,415
Culture and recreation	862,388	1,325,066	1,592,031	1,300,743	1,815,920	2,178,760	1,968,404	2,212,273	3,722,773	3,647,177
Capital outlay	7,972,473	4,504,434	3,243,292	4,581,487	3,419,806	1,877,874	5,457,868	942,948	2,268,979	3,514,408
Debt service										
Principal	9,248,459	2,142,155	863,846	1,303,801	921,528	521,917	1,694,290	1,852,083	2,321,092	2,255,765
Interest	360,402	710,694	680,791	550,067	351,519	316,949	390,678	347,376	433,302	494,321
Total expenditures	<u>62,229,420</u>	<u>59,246,206</u>	<u>61,503,685</u>	<u>61,888,569</u>	<u>70,034,320</u>	<u>74,261,824</u>	<u>84,887,236</u>	<u>152,526,826</u>	<u>125,014,750</u>	<u>135,535,938</u>
Excess of revenues over (under) expenditures	(1,751,831)	(453,389)	(523,402)	589,577	(3,796,229)	(1,045,972)	(5,418,767)	(3,181,610)	(251,863)	2,986,891
Other financing sources (uses)										
Transfers in	17,697,473	7,013,899	3,695,161	26,758,890	4,591,661	28,883,052	33,751,807	9,174,366	9,577,901	13,252,252
Transfers out	(17,858,673)	(7,053,899)	(3,858,466)	(26,729,291)	(4,614,611)	(30,443,436)	(33,985,681)	(8,711,149)	(11,800,324)	(16,914,227)
New debt issue	2,700,000	2,664,000	8,143,507	1,115,146	164,000	363,500	4,600,000	747,000	5,725,000	1,695,970
New capital lease	-	-	-	-	-	-	236,196	-	-	-
Refunding debt	-	-	-	3,430,000	-	3,023,154	575,000	-	-	-
Payments to escrow agent	-	-	-	(3,357,843)	-	(3,023,154)	(575,000)	-	-	-
Total other financing sources (uses)	<u>2,538,800</u>	<u>2,624,000</u>	<u>7,980,202</u>	<u>1,216,902</u>	<u>141,050</u>	<u>(1,196,884)</u>	<u>4,602,322</u>	<u>1,210,217</u>	<u>3,502,577</u>	<u>(1,966,005)</u>
Net change in fund balances	<u>\$ 786,969</u>	<u>\$ 2,170,611</u>	<u>\$ 7,456,800</u>	<u>\$ 1,806,479</u>	<u>\$ (3,655,179)</u>	<u>\$ (2,242,856)</u>	<u>\$ (816,445)</u>	<u>\$ (1,971,393)</u>	<u>\$ 3,250,714</u>	<u>\$ 1,020,886</u>
Debt service as a percentage of noncapital expenditures	18%	5%	3%	3%	2%	1%	3%	1%	2%	2%

SANTA ROSA COUNTY, FLORIDA
JUST AND TAXABLE VALUE OF REAL AND PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	Real Property	Personal Property	REAL PROPERTY EXEMPTIONS	PERSONAL PROPERTY EXEMPTIONS	Less: Tax Exempt Property	REAL PROPERTY TAXABLE VALUE	PERSONAL PROPERTY TAXABLE VALUE	TOTAL JUST VALUE	Total Taxable Assessed Value	Total Direct Tax Rate
1998	\$ 5,013,222,582	\$ 418,654,012	\$ 1,834,588,331	\$ 19,529,486	\$ 1,854,117,817	\$ 3,178,634,251	\$ 399,124,526	\$ 5,431,876,594	\$ 3,577,758,777	6.9720
1999	\$ 5,425,959,917	\$ 439,701,420	\$ 2,029,878,422	\$ 38,707,940	\$ 2,068,586,362	\$ 3,396,081,495	\$ 400,993,480	\$ 5,865,661,337	\$ 3,797,074,975	6.9720
2000	\$ 5,929,891,976	\$ 424,630,539	\$ 2,172,556,932	\$ 21,824,683	\$ 2,194,381,615	\$ 3,757,335,044	\$ 402,805,856	\$ 6,354,522,515	\$ 4,160,140,900	6.9720
2001	\$ 6,230,909,341	\$ 389,639,532	\$ 2,047,324,355	\$ 16,146,758	\$ 2,063,471,113	\$ 4,183,584,986	\$ 373,492,774	\$ 6,620,548,873	\$ 4,557,077,760	6.6175
2002	\$ 6,684,998,175	\$ 463,271,229	\$ 2,131,641,295	\$ 1,313,533	\$ 2,132,954,828	\$ 4,553,356,880	\$ 461,957,696	\$ 7,148,269,404	\$ 5,015,314,576	6.6175
2003	\$ 7,305,016,073	\$ 539,581,021	\$ 2,385,092,305	\$ 15,702,041	\$ 2,400,794,346	\$ 4,919,923,768	\$ 523,878,980	\$ 7,844,597,094	\$ 5,443,802,748	6.6175
2004	\$ 8,350,440,380	\$ 592,201,813	\$ 2,861,106,455	\$ 148,319,926	\$ 3,009,426,381	\$ 5,489,333,925	\$ 443,881,887	\$ 8,942,642,193	\$ 5,933,215,812	6.6175
2005	\$ 10,264,958,128	\$ 556,909,138	\$ 4,162,364,453	\$ 83,751,873	\$ 4,246,116,326	\$ 6,102,593,675	\$ 473,157,265	\$ 10,821,867,266	\$ 6,575,750,940	6.6175
2006	\$ 13,830,161,078	\$ 584,404,354	\$ 5,481,390,646	\$ 70,484,078	\$ 5,551,874,724	\$ 8,348,770,432	\$ 513,920,276	\$ 14,414,565,432	\$ 8,862,690,708	6.6175
2007	\$ 13,930,289,319	\$ 602,456,783	\$ 5,176,873,798	\$ 47,725,095	\$ 5,224,598,893	\$ 8,753,415,521	\$ 554,731,688	\$ 14,532,746,102	\$ 9,308,147,209	6.0953

Source: Property Appraiser, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

YEAR	SANTA ROSA COUNTY OPERATING MILLAGE	SCHOOL BOARD OPERATING MILLAGE	CITY OF GULF BREEZE OPERATING MILLAGE	CITY OF MILTON OPERATING MILLAGE	CITY OF JAY OPERATING MILLAGE	AVALON-MULAT FIRE DISTRICT MILLAGE	MIDWAY FIRE DISTRICT MILLAGE	HOLLEY NAVARRE LIBRARY MILLAGE	NW FLORIDA WATER MANAGEMENT MILLAGE	TOTAL MILLAGE
1998	6.9720	8.5360	1.8300	2.7500	2.0000	0.8000	0.4000	0.3000	0.0500	23.6380
1999	6.9720	8.1030	1.8300	2.7500	2.0000	0.8000	0.4000	-	0.0500	22.9050
2000	6.9720	8.1170	1.8300	2.7500	2.0000	0.8000	0.4000	-	0.0500	22.9190
2001	6.6175	7.8250	1.8300	2.7500	2.0000	0.8000	0.9500	-	0.0500	22.8225
2002	6.6175	7.9900	1.8300	2.7500	2.0000	0.8000	0.9500	-	0.0500	22.9875
2003	6.6175	7.9400	1.9000	2.7500	2.0000	0.8000	0.9500	-	0.0500	23.0075
2004	6.6175	7.7510	1.9000	2.7500	2.0000	0.8000	0.9500	-	0.0500	22.8185
2005	6.6175	7.5880	1.9000	2.7500	2.0000	0.8000	1.4000	-	0.0500	23.1055
2006	6.6175	7.2070	1.6283	2.7500	2.0000	0.8000	1.4000	-	0.0500	22.4528
2007	6.0953	7.1230	1.5520	2.7500	2.0000	0.7498	1.4000	-	0.0450	21.7151

Source: Tax Collector, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA
PRINCIPAL TAXPAYERS
Current Year and Four Years Ago*
(UNAUDITED)**

TAXPAYER	2007			2003*		
	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION
Gulf Power	\$ 71,935,411	1	0.77%	\$ 79,510,241	1	1.46%
Quantum Resources	\$ 66,656,331	2	0.72%			
Florida Gas Transmission	\$ 54,194,239	3	0.58%	\$ 40,948,123	4	0.75%
BellSouth	\$ 46,460,073	4	0.50%	\$ 57,554,387	3	1.06%
Holi Corp	\$ 23,275,000	5	0.25%			
Gooden Homes, Inc	\$ 23,274,438	6	0.25%			
Walmart	\$ 20,967,596	7	0.23%	\$ 20,644,614	6	0.38%
Taminco Methylamines, Inc	\$ 19,290,868	8	0.21%			
Mediacom Southeast, LLC	\$ 19,243,241	9	0.21%	\$ 13,634,673	10	0.25%
Inexco Oil Company	\$ 18,634,087	10	0.20%	\$ 15,851,450	9	0.29%
Air Products				\$ 60,273,673	2	1.11%
Exxon				\$ 38,908,596	5	0.71%
International Paper Realty				\$ 19,135,970	7	0.35%
Louisiana Land				\$ 17,461,829	8	0.32%

Source: Property Appraiser, Santa Rosa County

* GASB Standard 44 requires data from nine years ago. That data is not available.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(UNAUDITED)**

YEAR	TOTAL TAX LEVY	CURRENT AND PRIOR YEARS ADJUSTMENTS	OUTSTANDING DELINQUENT TAXES	DISCOUNTS ALLOWED	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAX COLLECTIONS TO TOTAL LEVY	TOTAL TAX COLLECTION	PERCENT OF TOTAL TAX COLLECTION TO TOTAL LEVY	PERCENT OF DELINQUENT TAXES TO TAX LEVY
1998	\$ 23,068,933	\$ 19,159	\$ 62,155	\$ 696,560	\$ 22,291,059	96.63%	\$ 22,987,619	99.65%	0.27%
1999	\$ 24,963,831	\$ 31,740	\$ 75,341	\$ 747,607	\$ 24,109,143	96.58%	\$ 24,856,750	99.57%	0.30%
2000	\$ 26,516,773	\$ 20,197	\$ 55,766	\$ 798,832	\$ 25,641,979	96.70%	\$ 26,440,811	99.71%	0.21%
2001	\$ 29,042,112	\$ 18,664	\$ 130,090	\$ 872,929	\$ 28,020,429	96.48%	\$ 28,893,358	99.49%	0.45%
2002	\$ 33,251,820	\$ 119,059	\$ 956,425	\$ 998,627	\$ 31,177,709	93.76%	\$ 32,176,336	96.77%	2.88%
2003	\$ 30,220,046	\$ 37,466	\$ 99,320	\$ 909,168	\$ 29,174,093	96.54%	\$ 30,083,261	99.55%	0.33%
2004	\$ 36,112,480	\$ 409,001	\$ 1,142,344	\$ 1,058,821	\$ 33,502,312	92.77%	\$ 34,561,133	95.70%	3.16%
2005	\$ 39,291,287	\$ 21,221	\$ 987,964	\$ 1,276,378	\$ 37,454,277	95.32%	\$ 38,730,655	98.57%	2.51%
2006	\$ 43,548,508	\$ 167,371	\$ 206,484	\$ 1,348,268	\$ 41,826,385	96.05%	\$ 43,174,653	99.14%	0.47%
2007	\$ 58,687,662	\$ 97,366	\$ 1,566,663	\$ 1,701,578	\$ 55,322,054	94.27%	\$ 57,023,632	97.16%	2.67%

Source: Tax Collector, Santa Rosa County

SANTA ROSA COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR	General Obligation Debt	Governmental Activities				Business-Type	Total	Percentage of Personal Income	Per Capita
		Revenue- Backed Debt	Special Assessment Debt	Line of Credit	Capital Leases	Revenue Debt			
1998	\$ 32,253	\$ 7,159,057	\$ 947,345	\$ 145,000	\$ 162,246	\$ 6,548,750	\$ 14,994,651	0.603%	\$ 136.45
1999	\$ 30,023	\$ 7,831,688	\$ 798,788	\$ 50,000	\$ 125,200	\$ 5,928,750	\$ 14,764,449	0.566%	\$ 129.04
2000	\$ 27,605	\$ 7,127,509	\$ 805,540	\$ -	\$ 85,903	\$ 5,301,250	\$ 13,347,807	0.468%	\$ 113.36
2001	\$ 24,986	\$ 7,112,685	\$ 805,982	\$ -	\$ 25,554	\$ 4,811,250	\$ 12,780,457	0.427%	\$ 105.30
2002	\$ 22,147	\$ 6,400,533	\$ 654,948	\$ -	\$ -	\$ 4,143,750	\$ 11,221,378	0.357%	\$ 89.80
2003	\$ 2,818,088	\$ 3,642,500	\$ 473,271	\$ -	\$ -	\$ 3,067,500	\$ 10,001,359	0.301%	\$ 77.60
2004	\$ 5,732,756	\$ 2,887,500	\$ 1,246,125	\$ -	\$ 180,422	\$ 2,887,500	\$ 12,934,303	0.353%	\$ 96.73
2005	\$ 4,712,710	\$ 2,697,500	\$ 1,461,353	\$ -	\$ 112,350	\$ 2,697,500	\$ 11,681,413	0.294%	\$ 85.61
2006	\$ 3,476,725	\$ 2,502,500	\$ 6,337,602	\$ -	\$ 57,450	\$ 2,502,500	\$ 14,876,777	0.369%	\$ 105.19
2007	\$ 2,571,122	\$ 3,490,399	\$ 5,693,011	\$ -	\$ -	\$ 8,462,167	\$ 20,216,699	0.482%	\$ 142.23

SANTA ROSA COUNTY, FLORIDA
RATIOS OF GENERAL OBLIGATION DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR	Governmental Activities	Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
YEAR	General Obligation Debt	Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
1998	\$ 32,253	0.001%	\$ 0.29
1999	\$ 30,023	0.001%	\$ 0.26
2000	\$ 27,605	0.001%	\$ 0.23
2001	\$ 24,986	0.001%	\$ 0.21
2002	\$ 22,147	0.000%	\$ 0.18
2003	\$ 2,818,088	0.052%	\$ 21.86
2004	\$ 5,732,756	0.097%	\$ 42.87
2005	\$ 4,712,710	0.072%	\$ 34.54
2006	\$ 3,476,725	0.039%	\$ 24.58
2007	\$ 2,571,122	0.028%	\$ 18.09

- (1) US Bureau of Economic and Business Research
(2) Property Appraiser, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

REVENUE BONDS

YEAR	Gross Revenues (1)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1998	\$ 6,915,513	\$ 2,399,262	\$ 4,516,251	\$ 346,250	\$ 510,614	527%
1999	\$ 7,131,506	\$ 668,258	\$ 6,463,248	\$ 735,000	\$ 583,555	490%
2000	\$ 7,696,640	\$ 3,493,412	\$ 4,203,228	\$ 750,000	\$ 546,630	324%
2001	\$ 9,497,594	\$ 3,612,654	\$ 5,884,940	\$ 765,000	\$ 437,533	489%
2002	\$ 8,622,180	\$ 5,936,118	\$ 2,686,062	\$ 830,000	\$ 361,362	225%
2003	\$ 2,532,915	\$ 1,744,069	\$ 788,846	\$ 345,000	\$ 283,079	126%
2004	\$ 2,870,479	\$ 1,958,717	\$ 911,762	\$ 360,000	\$ 268,450	145%
2005	\$ 4,439,631	\$ 2,643,799	\$ 1,795,832	\$ 380,000	\$ 253,000	284%
2006	\$ 4,489,889	\$ 2,892,356	\$ 1,597,533	\$ 390,000	\$ 236,830	255%
2007	\$ 4,284,557	\$ 3,596,120	\$ 688,437	\$ 410,000	\$ 219,927	109%

NOTES PAYABLE

YEAR	Gross Revenues (2)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1998	\$ 8,375,948	\$ 1,199,631	\$ 7,176,317	\$ 8,262,943	\$ 501,518	82%
1999	\$ 2,999,081	\$ 334,129	\$ 2,664,952	\$ 421,934	\$ 171,756	449%
2000	\$ 2,542,209	\$ 1,746,706	\$ 795,503	\$ 390,063	\$ 152,427	147%
2001	\$ 2,454,560	\$ 1,204,218	\$ 1,250,342	\$ 305,599	\$ 137,321	282%
2002	\$ 2,720,668	\$ 1,978,706	\$ 741,962	\$ 400,610	\$ 142,082	137%
2003	\$ 2,329,145	\$ 1,744,069	\$ 585,076	\$ 75,000	\$ 47,468	478%
2004	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2005	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2006	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2007	\$ 880,340	\$ -	\$ 880,340	\$ 4,601	\$ 144,928	589%

SPECIAL ASSESSMENT NOTES

YEAR	Gross Revenues (1) (3)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1998	\$ 304,659	\$ -	\$ 304,659	\$ 142,349	\$ 52,872	156%
1999	\$ 321,623	\$ -	\$ 321,623	\$ 148,621	\$ 53,868	159%
2000	\$ 363,501	\$ -	\$ 363,501	\$ 159,828	\$ 51,186	172%
2001	\$ 355,879	\$ -	\$ 355,879	\$ 131,654	\$ 43,505	203%
2002	\$ 366,797	\$ -	\$ 366,797	\$ 149,917	\$ 42,599	191%
2003	\$ 270,590	\$ -	\$ 270,590	\$ 84,704	\$ 14,459	273%
2004	\$ 860,306	\$ -	\$ 860,306	\$ 445,043	\$ 116,972	153%
2005	\$ 1,167,454	\$ -	\$ 1,167,454	\$ 450,652	\$ 132,630	200%
2006	\$ 2,024,477	\$ -	\$ 2,024,477	\$ 1,297,696	\$ 275,500	129%
2007	\$ 1,923,662	\$ -	\$ 1,923,662	\$ 1,357,419	\$ 344,257	113%

- (1) Racetrack and Landfill revenues
- (2) Electric Franchise Fees
- (3) Special Assessments

**SANTA ROSA COUNTY, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	POPULATION (1)	PERSONAL INCOME (1) (Thousands)	PER CAPITA PERSONAL INCOME (1)	UNEMPLOYMENT RATE (1)
1998	109,890	\$ 2,486,093	\$ 21,868	4.0%
1999	114,418	\$ 2,606,261	\$ 22,454	3.9%
2000	117,743	\$ 2,850,569	\$ 24,066	3.6%
2001	121,370	\$ 2,990,543	\$ 24,542	4.4%
2002	124,956	\$ 3,140,971	\$ 24,674	4.8%
2003	128,889	\$ 3,327,655	\$ 25,189	4.4%
2004	133,721	\$ 3,664,694	\$ 26,558	4.1%
2005	136,443	\$ 3,973,767	\$ 27,897	3.6%
2006	141,428	\$ 4,029,249 *	\$ 28,215 *	3.6%
2007	142,144	\$ 4,194,188 *	\$ 29,020 *	3.6%

* Projected

(1) US Bureau of Economic and Business Research

**SANTA ROSA COUNTY, FLORIDA
PRINCIPLE EMPLOYERS
CURRENT YEAR AND TWO YEARS AGO*
(UNAUDITED)**

EMPLOYER	2007			2005		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Santa Rosa County School District	3,000	1	4.51%	3,000	1	4.72%
U.S. Government	2,290	2	3.44%	1,999	2	3.15%
Wal-Mart Stores	1,375	3	2.06%	1,161	3	1.83%
State of Florida	1,351	4	2.03%	723	6	1.14%
Santa Rosa County	1,018	5	1.53%	867	4	1.36%
Baptist Health Systems	850	6	1.28%	850	5	1.34%
Lowe's	600	7	0.90%			
L3 Communications	475	8	0.71%	470	8	0.74%
Mediacom	443	9	0.67%			
Santa Rosa Medical Center	400	10	0.60%	536	7	0.84%
TRX Fulfillment Services				330	9	0.52%
Mold-Ex/Southland Technologies				270	10	0.42%
Total	11,802		18%	10,206		15%
Total employment			66,589			63,539

* GASB Standard 44 requires data from the current year and nine years ago. That data is not available.

Source: Team Santa Rosa Economic Development Council, Inc.

**SANTA ROSA COUNTY, FLORIDA
COUNTY EMPLOYEES BY FUNCTION
LAST FOUR FISCAL YEARS
(UNAUDITED)**

	2003	2004	2005	2006	2007
General government	293	277	282	307	316
Public safety	500	507	537	580	528
Physical environment	51	54	64	81	67
Transportation	106	118	139	172	137
Economic environment	2	2	2	3	3
Human services	26	29	28	32	29
Culture and recreation	31	37	37	49	49
Total	1,009	1,024	1,089	1,224	1,129

Information is not available for previous years.
Source: Departmental reports.

SANTA ROSA COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS
(UNAUDITED)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Public safety					
Law Enforcement					
Service calls	119,882	122,795	130,093	125,609	144,537
DUI arrests	418	362	279	243	293
Jail inmates	7,797	8,076	6,901	8,752	8,752
Physical environment					
Landfill					
Transportation					
Economic environment					
Human services					
Animal Services					
Service calls	7,276	8,152	8,445	8,113	8,728
Adoptions	608	817	764	730	771
Animal visits to shelter	7,834	7,997	8,047	8,271	8,698
Culture and recreation					
Libraries					
Items circulated	-	-	-	316,285	495,325
Registered borrowers	-	-	-	22,415	29,565

Indicators are not available for the general government function.

Information is not available for previous years.

Source: Departmental reports

**SANTA ROSA COUNTY, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST FIVE FISCAL YEARS
(UNAUDITED)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Public safety					
Sheriff's Officers Vehicles	222	249	272	286	301
Fire Districts	15	15	15	15	15
Fire Stations					
Physical environment					
Landfills	1	1	1	1	2
Transfer stations	1	1	1	1	1
Water taps	2,173	2,201	2,220	2,220	2,220
Sewer taps	2,163	2,191	2,210	2,210	2,210
Transportation					
Airports	1	1	1	1	1
Airport hangers	13	13	13	13	13
Economic environment					
Industrial Parks	1	1	2	2	2
Human services					
Animal Services Vehicles	9	9	9	10	9
Culture and recreation					
Libraries	-	-	-	4	5
Items in library collection	-	-	-	129,852	131,457
Parks	54	55	56	56	56

Indicators are not available for the general government function.

Information is not available for previous years.

Source: Departmental reports

