

# **SANTA ROSA COUNTY, FLORIDA**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
SEPTEMBER 30, 2004**



**SANTA ROSA COUNTY, FLORIDA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
SEPTEMBER 30, 2004**

**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**  
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**Fiscal Year Ended September 30, 2004**

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## **INTRODUCTORY SECTION**



# **Mary M. Johnson**

*Clerk Circuit Court  
Santa Rosa County*

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*January 29, 2005*

*To the Citizens of Santa Rosa County:*

*The Comprehensive Annual Financial Report of Santa Rosa County, Florida for the fiscal year ended September 30, 2004, is respectfully submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of Santa Rosa County.*

*This report contains three major sections: the Introductory, the Financial and the Statistical Sections. The Introductory Section is designed to give the reader of the financial report some basic background information about the County. The Financial Section is divided into (1) management's discussion and analysis and the basic financial statements, and (2) the combining and individual fund financial statements. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of Santa Rosa County.*

*The County has prepared the financial statements to meet the requirements of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34). GASB 34 establishes a new reporting model that the County has reported in four parts:*

- 1) *Management's Discussion and Analysis* – a narrative report providing significant information about the County and how the County's financial position has changed from September 30, 2003 to September 30, 2004 and the reasons for the change;
- 2) *Government-wide Financial Statements* – financial reports on the governmental and business-type assets, liabilities, expenses and revenues of the County;
- 3) *Fund Financial Statements* – financial reports on the major individual governmental and proprietary funds of the County, and budgetary comparisons for the County's general fund and major special revenue funds; and
- 4) *Notes to the Financial Statements.*

*Santa Rosa County is a Non-Charter County established under the Constitution and the Laws of the State of Florida. This Comprehensive Annual Financial Report (CAFR) includes the funds of the primary government (the Board of County Commissioners, the Clerk of the Courts, the Property Appraiser, the Sheriff, the Supervisor of Elections and the Tax Collector). This CAFR does not include the Santa Rosa County School District.*

#### ***ECONOMIC CONDITION AND OUTLOOK***

*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. The county varies from farmland, forest, and sugar white beaches to military installations and industrial sites. The multitude of clear flowing creeks has made Santa Rosa County the Canoe Capital of Florida, as recognized by the Florida Legislature in 1981.*

*Santa Rosa County is currently the seventh fastest growing county in the State of Florida. The 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 2004 several businesses moved into the area. In addition Santa Rosa County has prospects for growth in industrial development and job creation.*

*For example:*

*GDL Cycles: Began construction of a 15,000 SF warehouse facility. GDL is expecting to employ 15 people.*

*Atlantic Asphalt and Concrete: Relocated their corporate office from South Florida and will employ in excess of 10 people in a new 3,000 SF facility.*

#### **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 purchase of land adjacent to Naval Air Station Whiting Field as part of the defense infrastructure project and creation of turn lanes to Chumuckla Highway.*

*On September 16, 2004, Santa Rosa County was struck by the leading edge of Hurricane Ivan. Significant damage was sustained to our facilities and infrastructure on Navarre Beach. Those facilities and the infrastructure have subsequently been repaired and are back to full operation.*

*The Joint Land Use Study (JLUS) examined land use encroachment adjacent to the County's eight (8) military airfields and one (1) public airfield. For each of the airfields, recommendations were made to avoid future encroachment from incompatible development. The project was overseen by a Policy Committee, which*

*held two public workshops, and involved notification of every property owner in the study area. The County has purchased approximately 232 acres of land surrounding Whiting Field.*

*For the Future. A feasibility study is planned to determine the need and/or possibility of a gas collection system at the Central Landfill.*

*The South End Tomorrow (S.E.T.) Vision Plan is in development. This plan covers a variety of topics including land use, transportation and infrastructure needs for the approximate 27,000-acre area of South Santa Rosa County.*

*The County is also reviewing and upgrading their disaster preparation, response and recovery processes. Items identified so far include designated staging sites for emergency response teams (i.e. National Guard, Red Cross, etc...), expansion of the emergency communications facilities, and generators for departments critical to operations subsequent to the disaster.*

*Departmental Focus. Each year the County focuses attention on the efforts and accomplishments of a selected department. This year the Animal Services Department has been selected for this purpose.*

*The Animal Services Department has eighteen (18) full time employees. The department aggressively seeks ways to protect the public in incidents where animals are involved, to provide homes for animals turned in and to reunite stray pets with their owners. They have enhanced their website to provide video and pictures of animals available for adoption and stray animals that have been picked up. They held an Adoption Jamboree in May that provided 600 low cost rabies vaccinations and adoptions for 40 animals. They are very proud that they had both an increase in the number of pet adoptions and a decrease in the number of animals euthanized compared to the previous year. This year they had Animal Control Officers respond to 8,147 calls and 6,669 animals passed through the shelter.*

#### **FINANCIAL INFORMATION**

*Readers of this report are encouraged to read Management's Discussion and Analysis (MD&A). The MD&A provides basic financial information about the County and an overview of the County's activities.*

**OTHER INFORMATION**

*Section 11.45, Florida Statutes, requires an annual audit of all County agencies. The audit was also designed to meet the requirements of Government Auditing Standards, the Florida Single Audit Act, the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and revised OMB Circular A-133.*

*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, 2003. 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, 2003

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.



*Nancy L. Zjelke*

President

*Jeffrey R. Emer*

Executive Director

**Santa Rosa County, Florida**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Fiscal Year Ended September 30, 2004**

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**Board of County Commissioners**

Gordon Goodin  
*Chairman*  
Robert A. "Bob" Cole  
*Vice Chairman*

Tom Stewart  
W.D. "Don" Salter  
John Broxson

**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 Danheisser  
*County Attorney*

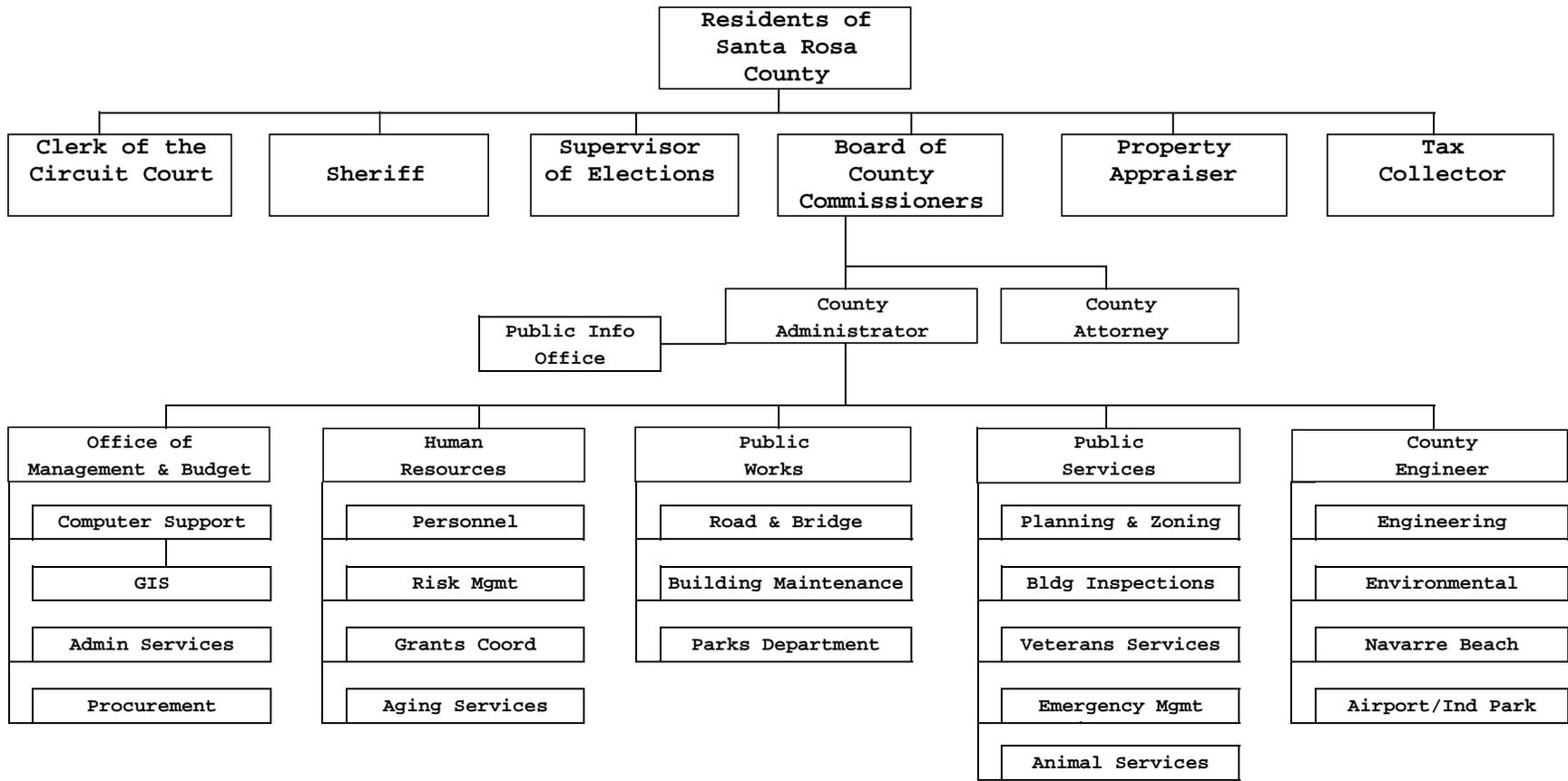
Joel Haniford  
*Office of Management and Budget*

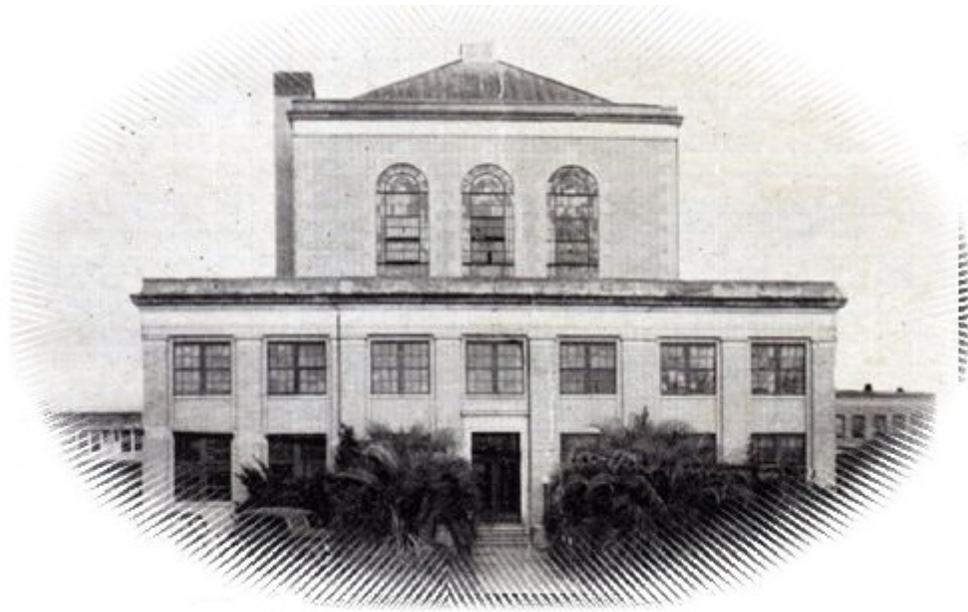
DeVann Cook  
*Director of Human Resources*

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, 2004, 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2004, 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 January 28, 2005 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 56 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*

January 28, 2005

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Santa Rosa County, Florida**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**September 30, 2004**

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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 nonmajor 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 and industrial park 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

**Santa Rosa County, Florida**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**September 30, 2004**

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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 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 \$83 million as of September 30, 2004

The largest portion of the County's net assets (63%) 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, both for the County as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase in net assets from governmental activities of \$2.8 million. This consisted of an increase of \$5.3 million to invested in capital assets net of related debt, a decrease of \$1.7 million to unrestricted net

**Santa Rosa County, Florida**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**September 30, 2004**

assets and a decrease of 0.8 million to restricted net assets. The primary reason for this net increase was the County's investment in capital assets.

There was an increase in net assets from business-type activities of \$2.2 million. This consisted of an increase of \$1.1 million to invested in capital assets net of related debt, an increase of \$1 million to unrestricted net assets and an increase of \$0.1 million to restricted net assets. The primary reason for this net increase was the purchase of capital assets and paydown of related debt plus net income for the year.

Following is a comparative statement of net assets (amounts expressed in thousands – footing differences are the result of rounding):

	<b><u>Governmental</u></b>		<b><u>Business-type</u></b>		<b><u>Total</u></b>	
	<b><u>Activities</u></b>		<b><u>Activities</u></b>			
	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
Current and other assets	\$ 49,259	\$ 47,293	\$ 12,183	\$ 10,838	\$ 61,442	\$ 58,131
Capital assets	<u>49,082</u>	<u>43,619</u>	<u>9,618</u>	<u>8,695</u>	<u>58,700</u>	<u>52,314</u>
Total assets	98,341	90,912	21,801	19,533	120,142	110,445
Long-term liabilities outstanding	20,076	18,485	10,081	10,081	30,157	28,566
Other liabilities	<u>6,275</u>	<u>3,281</u>	<u>390</u>	<u>279</u>	<u>6,665</u>	<u>3,560</u>
Total liabilities	<u>26,607</u>	<u>21,766</u>	<u>10,471</u>	<u>10,360</u>	<u>36,822</u>	<u>32,126</u>
Net Assets:						
Invested in capital assets, net of related debt	45,823	40,552	6,858	5,765	52,681	46,317
Restricted	10,217	10,964	1,278	1,187	11,495	12,150
Unrestricted	<u>15,950</u>	<u>17,630</u>	<u>3,194</u>	<u>2,221</u>	<u>19,144</u>	<u>19,852</u>
Total net assets	<u>\$ 71,990</u>	<u>\$ 69,146</u>	<u>\$ 11,300</u>	<u>\$ 9,173</u>	<u>\$ 83,320</u>	<u>\$ 78,319</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 \$39.8 million (75% is unreserved), a decrease of \$0.8 million from last year. The main reason for this decrease is the County's investment in capital assets. The investment in capital assets results in a decrease to net assets in the fund financial statements and an increase to net assets in the government wide financial statements.

**Santa Rosa County, Florida**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**September 30, 2004**

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:						
Program revenues						
Charges for services	\$ 19,844	\$ 19,101	\$ 4,521	\$ 3,765	\$ 24,365	\$ 22,866
Operating grants & contributions	8,500	10,297	-	-	8,500	10,297
Capital grants & contributions	353	574	496	-	869	574
General revenues:						
Property tax	33,899	31,386	-	-	33,899	31,386
Sales, use and fuel tax	4,322	4,017	-	-	4,322	4,017
Communication services	1,093	1,173	-	-	1,093	1,173
Grants & contributions	11,711	10,821	-	85	11,711	10,906
Investment earnings	719	830	215	228	934	1,058
Other	<u>1,603</u>	<u>290</u>	<u>417</u>	<u>270</u>	<u>2,020</u>	<u>560</u>
Total revenues	<u>82,064</u>	<u>78,489</u>	<u>5,649</u>	<u>4,348</u>	<u>87,713</u>	<u>82,837</u>
Expenses:						
General government	24,181	28,211	-	-	24,181	28,211
Public safety	30,503	26,397	-	-	30,503	26,397
Physical environment	1,587	1,156	-	-	1,587	1,156
Transportation	14,335	12,117	-	-	14,335	12,117
Economic environment	1,802	1,676	-	-	1,802	1,676
Human services	3,905	3,960	-	-	3,905	3,960
Culture and recreation	2,393	2,372	-	-	2,393	2,372
Interest on long-term debt	391	317	-	-	391	317
Water and sewer	-	-	1,104	1,477	1,104	1,477
Airport	-	-	227	216	227	216
Industrial park	-	-	129	48	129	48
Landfill	-	-	<u>2,155</u>	<u>1,934</u>	<u>2,155</u>	<u>1,934</u>
Total expenses	<u>79,097</u>	<u>76,206</u>	<u>3,615</u>	<u>3,675</u>	<u>82,712</u>	<u>79,881</u>
Increase in net assets						
before transfers	2,967	2,283	2,034	673	5,001	2,956
Transfers	<u>(123)</u>	<u>(482)</u>	<u>123</u>	<u>482</u>	<u>-</u>	<u>-</u>
Change in net assets	2,844	1,801	2,157	1,155	5,001	2,956
Net assets, beg. of year	69,146	67,344	9,173	7,973	78,319	75,317
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>46</u>
Net assets,						
beg. of year, restated	<u>69,146</u>	<u>67,344</u>	<u>9,173</u>	<u>8,019</u>	<u>78,319</u>	<u>75,363</u>
Net assets, end of year	<u>\$ 71,990</u>	<u>\$ 69,146</u>	<u>\$ 11,330</u>	<u>\$ 9,173</u>	<u>\$ 83,320</u>	<u>\$ 78,319</u>

**Santa Rosa County, Florida**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**September 30, 2004**

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The General fund is the primary operating fund of the County. At the elected official level the Board of County Commissioners receives revenues from ad valorem taxes, fines and forfeitures and incurs expenditures to contract for the Sheriff's operations in the Fine and Forfeiture fund. However, at the consolidated level the Sheriff's General Fund becomes a department of the County's General Fund and contract service expenditures become operating transfers to the Fine and Forfeiture Fund. As a result, during the year, expenditures exceeded revenues in the general fund by \$23.6 million.

The Road and Bridge fund accounts for fuel and other taxes designated for road improvements. During the year expenditures exceeded revenues by \$5.9 million. Planned net operating transfers reduced this deficit by \$4.3 million. The County budgeted a drawdown of the Road and Bridge Fund's fund balance.

The Fine and Forfeiture fund accounts for ad valorem taxes, fines, forfeitures and other assessments to be used for law enforcement. See the discussion above regarding the funding of public safety expenditures via transfers to the General Fund. Overall, the Fine and Forfeiture fund had an increase in fund balance of \$2.7 million, due to changes in the allocation of property tax revenues.

**Financial Analysis of Proprietary Funds**

The Navarre Beach fund accounts for the operations of the Navarre Beach water and sewer system. Operating income was \$905,000. Non-operating income and expenses and planned transfers increased the change in net assets to \$746,000. Charges for services were up 25% from the prior year. Contract services were down 90% due to the initial engineering costs in moving the sewer system off the beach to Eglin. Depreciation was down 33% due to aging of assets.

The Landfill fund is used to account for the solid waste disposal operations at the County landfills. Although operations were profitable this year, the fund continues to show a deficit net asset balance, primarily due to the accrual of landfill closure costs to cap the landfills when they are full and to maintain and monitor the sites for thirty years afterwards.

**Budgetary Analysis**

The General fund budget was increased by \$5 million from the original budget (an increase of 8.5%). The significant changes are summarized as follows:

- \$ 2,318,000 Reauthorize expenditures approved in prior year yet unspent.
- \$ 396,000 Whiting Field Infrastructure Grant.
- \$ 390,000 Local match to Whiting Field Infrastructure Grant.
- \$ 222,663 Local match to Navarre Beach Dune Restoration Grant.

Actual expenditures were less than the final budgeted expenditures by \$3.4 million. The reason for this variance is that the Board did not spend 1) \$1.3 million held in its reserve for contingencies, 2) \$200,000 of capital acquisitions for communications improvements, 3) \$100,000 for machinery and equipment, and 4) \$1.1 in operating expenditures for the Sheriff's Department.

**Santa Rosa County, Florida**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**September 30, 2004**

**CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

As of September 30, 2004 the County had \$58.7 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 and deductions) of just over \$6.3 million from last year.

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Totals</b>	
	<u>Activities</u>		<u>Activities</u>		<u>Totals</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 9,946	\$ 9,006	\$1,817	\$1,473	\$11,763	\$10,479
Construction in progress	1,168	578	1,186	-	2,354	578
Buildings	16,854	16,482	715	788	17,568	17,270
Improvements other than buildings	9,285	5,825	4,998	5,497	14,283	11,322
Machinery, furniture and equipment	<u>11,829</u>	<u>11,728</u>	<u>903</u>	<u>937</u>	<u>12,732</u>	<u>12,665</u>
Totals	<u>\$49,082</u>	<u>\$43,619</u>	<u>\$9,618</u>	<u>\$8,695</u>	<u>\$58,700</u>	<u>\$52,314</u>

This year's major additions included:

Improvements at Navarre Beach Boat Ramp	\$ 520,513
Veterans' Memorial	\$ 526,228
Land adjoining Whiting Field	\$ 1,266,922
Buildings at New Para Park	\$ 1,534,918
Improvements at New Para Park	\$ 2,776,252
Equipment for Road Department	\$ 767,029

**Outstanding Debt at Year-end**  
**(in Thousands)**

	<b>Governmental</b>		<b>Business-type</b>		<b>Totals</b>	
	<u>Activities</u>		<u>Activities</u>		<u>Totals</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenue bonds	\$ 2,887	\$ 3,067	\$ 2,888	\$ 3,067	\$ 5,775	\$ 6,135
Notes payable	5,733	3,393	-	-	5,733	3,393
Special assessment notes	1,271	473	-	-	1,271	473
Capital lease	<u>180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>-</u>
Totals	<u>\$ 10,071</u>	<u>\$ 6,933</u>	<u>\$ 2,888</u>	<u>\$ 3,067</u>	<u>\$ 12,959</u>	<u>\$ 10,001</u>

**Santa Rosa County, Florida**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**September 30, 2004**

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One note payable originally issued for capital improvements for \$575,000 was current refunded. Another note payable for \$3,700,000 for capital improvements at the Pace Athletic Field was issued. A special assessment note for infrastructure improvements at Polynesian Island Canal was issued. More detailed information about the County's capital assets and long term liabilities is presented in Notes G & H to the financial statements, respectively.

**OTHER CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS**

On September 16, 2004, the County was struck by the leading edge of Hurricane Ivan. The County suffered significant damage to its facilities on Navarre Beach. In addition many of the hotels and condominiums, as well as individual homes, sustained considerable structural damage. As a result, the County's water and sewer revenues as well as lease revenues are expected to be lower in the coming year.

## **BASIC FINANCIAL STATEMENTS**

**Santa Rosa County, Florida**  
**STATEMENT OF NET ASSETS**

**September 30, 2004**

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 27,146,191	\$ 5,019,563	\$ 32,165,754
Investments	15,043,226	5,123,915	20,167,141
Receivables (net)	6,616,000	1,986,494	8,602,494
Inventory	440,144	--	440,144
Deferred charges	--	52,642	52,642
Other assets	13,635	--	13,635
Capital assets, net			
Nondepreciable	11,114,191	3,002,705	14,116,896
Depreciable	37,967,803	6,615,545	44,583,348
Total assets	<u>98,341,190</u>	<u>21,800,864</u>	<u>120,142,054</u>
<b>LIABILITIES</b>			
Accounts payable	3,445,729	312,181	3,757,910
Accrued wages payable	2,298,045	25,696	2,323,741
Interest payable	50,623	21,748	72,371
Due to other governments	136,965	--	136,965
Deposits	201,081	29,372	230,453
Deferred revenue	142,979	--	142,979
Noncurrent liabilities			
Due within one year	4,264,996	440,721	4,705,717
Due in more than one year	15,811,018	9,640,921	25,451,939
Total liabilities	<u>26,351,436</u>	<u>10,470,639</u>	<u>36,822,075</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	45,823,493	6,857,676	52,681,169
Restricted for:			
Debt service	27,355	53,415	80,770
Landfill closure	--	1,225,390	1,225,390
Communications	637,125	--	637,125
Animal Services Education	40,576	--	40,576
Boating Improvement	363,134	--	363,134
Gas and Oil Preservation	5,074,977	--	5,074,977
Other purposes	4,072,802	--	4,072,802
Unrestricted	15,950,292	3,193,744	19,144,036
Total net assets	<u>\$ 71,989,754</u>	<u>\$ 11,330,225</u>	<u>\$ 83,319,979</u>

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

**Santa Rosa County, Florida**

**STATEMENT OF ACTIVITIES**

**Year ended September 30, 2004**

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
<b>Governmental activities:</b>							
General government	\$ 24,180,843	\$ 14,343,284	\$ 669,036	\$ --	\$ (9,168,523)		\$ (9,168,523)
Public safety	30,503,278	4,995,028	2,730,468	--	(22,777,782)		(22,777,782)
Physical environment	1,586,943	--	1,001,181	89,866	(495,896)		(495,896)
Transportation	14,334,831	449,299	394,394	283,018	(13,208,120)		(13,208,120)
Economic environment	1,802,557	--	1,324,256	--	(478,301)		(478,301)
Human services	3,904,708	38,912	1,975,214	--	(1,890,582)		(1,890,582)
Culture and recreation	2,392,743	17,313	405,520	--	(1,969,910)		(1,969,910)
Interest on long-term debt	390,678	--	--	--	(390,678)		(390,678)
Total governmental activities	79,096,581	19,843,836	8,500,069	372,884	(50,379,792)		(50,379,792)
<b>Business-type activities:</b>							
Navarre Beach water and sewer	1,104,198	2,001,050	--	--		\$ 896,852	896,852
Peter Prince Airport	226,410	152,539	--	59,094		(14,777)	(14,777)
Industrial park	129,098	--	--	50,000		(79,098)	(79,098)
Landfill	2,154,994	2,366,936	--	386,444		598,386	598,386
Total business-type activities	3,614,700	4,520,525	--	495,538		1,401,363	1,401,363
<b>Total</b>	<b>82,711,281</b>	<b>24,364,361</b>	<b>8,500,069</b>	<b>868,422</b>	<b>(50,379,792)</b>	<b>1,401,363</b>	<b>(48,978,429)</b>
<b>General revenues:</b>							
<b>Taxes</b>							
Property taxes					33,898,557	--	33,898,557
Sales, use and fuel taxes					4,321,621	--	4,321,621
Communication services taxes					1,093,224	--	1,093,224
Grants and contributions not restricted to specific programs					11,711,188	--	11,711,188
Unrestricted investment earnings					719,350	214,695	934,045
Miscellaneous					1,291,002	289,824	1,580,826
Gain on sale of assets					312,310	127,528	439,838
Transfers					(123,457)	123,457	--
Total general revenues and transfers					53,223,795	755,504	53,979,299
Change in net assets					2,844,003	2,156,867	5,000,870
Net assets - beginning					69,145,751	9,173,358	78,319,109
Net assets - ending					\$ 71,989,754	\$ 11,330,225	\$ 83,319,979

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

**Santa Rosa County, Florida**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**September 30, 2004**

ASSETS	General	Road and Bridge	Fine and Forfeiture	Electricity Franchise Fee	Gas and Oil Preservation	Disaster	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 4,821,248	\$ 834,104	\$ 1,964,406	\$ 6,138,843	\$ 964	\$ 5,634,584	\$ 7,512,958	\$ 26,907,107
Investments	5,335,709	250,088	1,330,118	1,362,269	174,118	--	3,780,785	12,233,087
Receivables, net of uncollectibles								
Accounts	59,304	9,235	1,199	605,810	1	--	331,191	1,006,740
Leases - current	32,341	--	--	--	--	--	--	32,341
Leases - noncurrent	73,409	--	--	--	--	--	--	73,409
Due from other governments	2,403,580	1,240,631	20,274	--	--	1,324,256	388,565	5,377,306
Due from other funds	822,095	--	1,235,417	900,000	5,000,000	100,106	133,068	8,190,686
Advances to other funds	--	107,357	--	--	--	--	--	107,357
Inventory	20,883	419,261	--	--	--	--	--	440,144
Other assets	13,635	--	--	--	--	--	--	13,635
Total assets	<u>\$ 13,582,204</u>	<u>\$ 2,860,676</u>	<u>\$ 4,551,414</u>	<u>\$ 9,006,922</u>	<u>\$ 5,175,083</u>	<u>\$ 7,058,946</u>	<u>\$ 12,146,567</u>	<u>\$ 54,381,812</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 1,403,681	\$ 498,859	\$ 51,418	\$ --	\$ --	\$ 993,179	\$ 339,456	\$ 3,286,593
Accrued wages payable	1,950,323	81,259	16,379	--	--	165,767	80,343	2,294,071
Deposits	201,081	--	--	--	--	--	--	201,081
Deferred revenue	119,793	--	--	--	--	--	23,186	142,979
Due to other funds	1,751,227	--	--	--	100,106	5,900,000	736,402	8,487,735
Due to other governments	91,820	--	--	--	--	--	5	91,825
Advance payable to other funds	--	--	--	--	--	--	107,357	107,357
Total liabilities	<u>5,517,925</u>	<u>580,118</u>	<u>67,797</u>	<u>--</u>	<u>100,106</u>	<u>7,058,946</u>	<u>1,286,749</u>	<u>14,611,641</u>
<b>FUND BALANCES</b>								
Fund balances								
Reserved	1,139,936	526,618	87,391	--	5,074,977	--	3,076,476	9,905,398
Unreserved, reported in:	--	--	--	--	--	--	--	--
General fund	6,924,343	--	--	--	--	--	--	6,924,343
Special revenue funds	--	1,753,940	4,396,226	9,006,922	--	--	5,489,930	20,647,018
Debt service fund	--	--	--	--	--	--	37,039	37,039
Capital project funds	--	--	--	--	--	--	2,256,373	2,256,373
Total fund balances	<u>8,064,279</u>	<u>2,280,558</u>	<u>4,483,617</u>	<u>9,006,922</u>	<u>5,074,977</u>	<u>--</u>	<u>10,859,818</u>	<u>39,770,171</u>
Total liabilities and fund balances	<u>\$ 13,582,204</u>	<u>\$ 2,860,676</u>	<u>\$ 4,551,414</u>	<u>\$ 9,006,922</u>	<u>\$ 5,175,083</u>	<u>\$ 7,058,946</u>	<u>\$ 12,146,567</u>	<u>\$ 54,381,812</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, 2004

<b>Total Governmental Funds Balances</b>	\$ 39,770,171
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Prior periods investment in capital assets	70,868,954
Less accumulated depreciation	(27,259,036)
Current period investment in capital assets	9,659,422
Current period depreciation	(4,127,584)
Current period loss on disposal of capital assets	(70,341)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Revenue bonds	(3,067,500)
Notes payable	(3,393,088)
Compensated absences	(7,167,102)
Special assessment notes payable	(473,271)
Interest payable	(50,623)
Current period revenue bond payments	180,000
Current period note payments	1,935,332
Current period change in compensated absences	258,331
Current period special assessment note payments	102,146
Current period capital lease payments	55,774
Current period debt proceeds	(5,411,196)
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	3,483,055
Liabilities	(3,303,690)
<b>Net Assets of Governmental Activities</b>	<u><u>\$ 71,989,754</u></u>

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, 2004

	General	Road and Bridge	Fine and Forfeiture	Electricity Franchise Fee	Gas and Oil Preservation	Disaster	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 11,159,587	\$ 3,752,805	\$ 23,653,701	\$ 3,820,742	\$ --	\$ --	\$ 752,882	\$ 43,139,717
Licenses and permits	2,567,340	--	--	--	--	--	--	2,567,340
Intergovernmental	12,336,033	3,689,952	100,991	--	--	1,324,256	2,883,742	20,334,974
Charges for services	3,524,772	--	3,003,642	--	--	--	852,576	7,380,990
Fines and forfeits	172,757	--	880,713	--	--	--	--	1,053,470
Miscellaneous	1,341,495	197,286	104,256	312,742	49,880	--	2,986,319	4,991,978
Total revenues	<u>31,101,984</u>	<u>7,640,043</u>	<u>27,743,303</u>	<u>4,133,484</u>	<u>49,880</u>	<u>1,324,256</u>	<u>7,475,519</u>	<u>79,468,469</u>
Expenditures								
Current								
General government	21,196,454	--	1,035,967	--	--	--	20,287	22,252,708
Public safety	26,075,684	--	1,110,116	--	--	1,424,362	3,278,757	31,888,919
Physical environment	833,220	597,119	--	--	--	--	77,866	1,508,205
Transportation	833,188	12,971,520	--	--	--	--	340,988	14,145,696
Economic environment	144,705	--	--	--	--	--	1,684,184	1,828,889
Human services	3,598,530	--	--	--	--	--	153,049	3,751,579
Culture and recreation	1,943,727	--	--	--	--	--	24,677	1,968,404
Capital outlay	--	--	--	--	--	--	5,457,868	5,457,868
Debt service	64,653	--	--	--	--	--	2,020,315	2,084,968
Total expenditures	<u>54,690,161</u>	<u>13,568,639</u>	<u>2,146,083</u>	<u>--</u>	<u>--</u>	<u>1,424,362</u>	<u>13,057,991</u>	<u>84,887,236</u>
Excess (deficiency) of revenues over expenditures	(23,588,177)	(5,928,596)	25,597,220	4,133,484	49,880	(100,106)	(5,582,472)	(5,418,767)
Other financing sources (uses)								
Transfers in	24,905,934	4,263,404	1,107,218	--	--	100,106	3,375,145	33,751,807
Transfers out	(1,884,258)	(3,570)	(23,983,538)	(6,425,406)	(385,106)	--	(1,303,803)	(33,985,681)
Proceeds from refunded debt	--	--	--	--	--	--	575,000	575,000
Proceeds from new debt	--	--	--	--	--	--	4,600,000	4,600,000
Proceeds from capital lease	236,196	--	--	--	--	--	--	236,196
Payments to escrow agent for debt refunding	--	--	--	--	--	--	(575,000)	(575,000)
Total other financing sources (uses)	<u>23,257,872</u>	<u>4,259,834</u>	<u>(22,876,320)</u>	<u>(6,425,406)</u>	<u>(385,106)</u>	<u>100,106</u>	<u>6,671,342</u>	<u>4,602,322</u>
Net change in fund balances	(330,305)	(1,668,762)	2,720,900	(2,291,922)	(335,226)	--	1,088,870	(816,445)
Fund balances, beginning of year	<u>8,394,584</u>	<u>3,949,320</u>	<u>1,762,717</u>	<u>11,298,844</u>	<u>5,410,203</u>	<u>--</u>	<u>9,770,948</u>	<u>40,586,616</u>
Fund balances, end of year	<u>\$ 8,064,279</u>	<u>\$ 2,280,558</u>	<u>\$ 4,483,617</u>	<u>\$ 9,006,922</u>	<u>\$ 5,074,977</u>	<u>\$ --</u>	<u>\$ 10,859,818</u>	<u>\$ 39,770,171</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, 2004

Net Change in Fund Balances - Total Governmental Funds \$ (816,445)

*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 these amounts are:

Current period investment in capital assets	9,659,422
Current period depreciation	(4,127,584)
Current period loss on disposal of capital assets	(70,341)

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	(3,962)
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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	258,331
Current period note payments	1,935,332
Current period revenue bond payments	180,000
Current period special assessment note payments	102,146
Current period capital lease payments	55,774
Current period debt proceeds	(5,411,196)

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.

	<u>1,082,526</u>
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**Change in Net Assets of Governmental Activities**

	<u><u>\$ 2,844,003</u></u>
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The accompanying notes are an integral part of these financial statements.

**Santa Rosa County, Florida**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS**

**September 30, 2004**

ASSETS	Business-type Activities				Governmental Activities	
	Major Funds		Nonmajor Fund		Total Enterprise Funds	Internal Service Fund
	Navarre Beach	Landfill	Industrial Park	Peter Prince Field		
Current assets:						
Cash and cash equivalents	\$ 1,963,245	\$ 1,871,813	\$ 1,010,712	\$ 173,793	\$ 5,019,563	\$ 239,084
Investments	1,832,368	1,017,168	781,767	213,807	3,845,110	2,810,139
Accounts receivable	112,585	349,954	50,870	1,407	514,816	40,581
Notes receivable - current portion	--	--	41,853	--	41,853	--
Interest	--	--	33,200	--	33,200	--
Leases - current	11,164	--	--	--	11,164	--
Due from other governments	--	--	--	30,000	30,000	--
Due from other funds	--	--	--	--	--	382,672
Total current assets	3,919,362	3,238,935	1,918,402	419,007	9,495,706	3,472,476
Noncurrent assets						
Restricted investments	--	1,278,805	--	--	1,278,805	--
Notes receivable - long-term	--	--	1,355,461	--	1,355,461	--
Deferred charges	--	52,642	--	--	52,642	--
Fixed assets, net of accumulated depreciation	3,080,668	3,777,688	697,286	2,062,608	9,618,250	10,579
Total noncurrent assets	3,080,668	5,109,135	2,052,747	2,062,608	12,305,158	10,579
Total assets	\$ 7,000,030	\$ 8,348,070	\$ 3,971,149	\$ 2,481,615	\$ 21,800,864	\$ 3,483,055
LIABILITIES						
Current liabilities						
Accounts payable	\$ 253,375	\$ 38,195	\$ 855	\$ 19,756	\$ 312,181	\$ 159,136
Current portion of claims payable	--	--	--	--	--	1,911,686
Accrued wages payable	6,842	18,854	--	--	25,696	3,974
Due to other governments	--	--	--	--	--	45,140
Compensated absences - current portion	42,852	21,517	--	--	64,369	--
Revenue bonds - current portion	--	190,000	--	--	190,000	--
Accrued interest	--	21,748	--	--	21,748	--
Deposits	6,300	23,072	--	--	29,372	--
Current portion of landfill closure costs	--	186,352	--	--	186,352	--
Total current liabilities	309,369	499,738	855	19,756	829,718	2,119,936
Noncurrent liabilities						
Long term portion of compensated absences	25,615	219,593	--	--	245,208	81,151
Long term portion of claims payable	--	--	--	--	--	1,102,603
Long term portion of landfill closure costs	--	6,825,139	--	--	6,825,139	--
Revenue bonds payable - net of discount	--	2,570,574	--	--	2,570,574	--
Total noncurrent liabilities	25,615	9,615,306	--	--	9,640,921	1,183,754
Total liabilities	334,984	10,115,044	855	19,756	10,470,639	3,303,690
NET ASSETS						
Invested in capital assets, net of related debt	3,080,668	1,017,114	697,286	2,062,608	6,857,676	10,579
Restricted for debt service	--	53,415	--	--	53,415	--
Restricted for landfill closure	--	1,225,390	--	--	1,225,390	--
Unrestricted	3,584,378	(4,062,893)	3,273,008	399,251	3,193,744	168,786
Total net assets	6,665,046	(1,766,974)	3,970,294	2,461,859	11,330,225	179,365
Total liabilities and net assets	\$ 7,000,030	\$ 8,348,070	\$ 3,971,149	\$ 2,481,615	\$ 21,800,864	\$ 3,483,055

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, 2004**

	Business-type Activities					Governmental Activities
	Major Funds			Nonmajor Fund		
	Navarre Beach	Landfill	Industrial Park	Peter Prince Field	Total Enterprise Funds	
Operating revenues						
Licenses and permits	\$ --	\$ 1,200	\$ --	\$ --	\$ 1,200	\$ --
Charges for services	2,001,050	2,365,736	--	152,539	4,519,325	--
Premiums received	--	--	--	--	--	2,033,703
Insurance proceeds	--	--	--	--	--	519,257
Miscellaneous	4,976	280,293	3,842	713	289,824	111
Total operating revenues	<u>2,006,026</u>	<u>2,647,229</u>	<u>3,842</u>	<u>153,252</u>	<u>4,810,349</u>	<u>2,553,071</u>
Operating expenses						
Personal services	297,665	879,273	23,813	--	1,200,751	205,964
Contract services	29,013	128,568	61,779	8,923	228,283	59,871
Supplies	115,345	31,713	--	180	147,238	11,289
Repairs and maintenance	207,925	161,775	35,316	13,562	418,578	766
Utilities	200,412	51,485	7,653	7,308	266,858	--
Depreciation	209,336	398,642	537	196,100	804,615	1,181
Travel and per diem	906	5,666	--	--	6,572	182
Insurance	9,375	17,425	--	--	26,800	549,202
Communications	7,054	5,353	--	337	12,744	1,254
Advertising	326	1,675	--	--	2,001	--
Fuel and oil	6,882	112,113	--	--	118,995	--
Rentals	--	360	--	--	360	--
Landfill closure and maintenance	--	152,231	--	--	152,231	--
Claims	--	--	--	--	--	686,150
State assessment	--	--	--	--	--	89,241
Miscellaneous	16,667	12,438	--	--	29,105	14,802
Total operating expenses	<u>1,100,906</u>	<u>1,958,717</u>	<u>129,098</u>	<u>226,410</u>	<u>3,415,131</u>	<u>1,619,902</u>
Operating income (loss)	905,120	688,512	(125,256)	(73,158)	1,395,218	933,169
Non-operating revenues (expenses)						
Sale of land	--	--	127,528	--	127,528	--
Interest income	47,798	48,790	113,461	4,646	214,695	42,500
Interest expense	--	(135,522)	--	--	(135,522)	--
Gain on sale of equipment	(3,292)	(5,582)	--	--	(8,874)	--
Federal and state grants	--	--	50,000	59,094	109,094	--
Aid to private organizations	--	(40,000)	--	--	(40,000)	--
Amortization & other bond costs	--	(15,173)	--	--	(15,173)	--
Total non-operating revenues (expenses)	<u>44,506</u>	<u>(147,487)</u>	<u>290,989</u>	<u>63,740</u>	<u>251,748</u>	<u>42,500</u>
Income (loss) before operating transfers	949,626	541,025	165,733	(9,418)	1,646,966	975,669
Transfers in	--	878	329,792	--	330,670	160,000
Transfers out	(203,653)	(3,560)	--	--	(207,213)	(53,143)
Capital contribution	--	386,444	--	--	386,444	--
Change in net assets	745,973	924,787	495,525	(9,418)	2,156,867	1,082,526
Net assets, beginning of year	<u>5,919,073</u>	<u>(2,691,761)</u>	<u>3,474,769</u>	<u>2,471,277</u>	<u>9,173,358</u>	<u>(903,161)</u>
Net assets, end of year	<u>\$ 6,665,046</u>	<u>\$ (1,766,974)</u>	<u>\$ 3,970,294</u>	<u>\$ 2,461,859</u>	<u>\$ 11,330,225</u>	<u>\$ 179,365</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, 2004**

	Business-type Activities				Total Enterprise Funds	Governmental Activities Internal Service Fund
	Major Funds			Nonmajor Fund		
	Navarre Beach	Landfill	Industrial Park	Peter Prince Field		
Cash flows from operating activities						
Cash received from customers	\$ 2,094,567	\$ 2,516,544	\$ 3,313	\$ 166,296	\$ 4,780,720	\$ --
Cash paid to suppliers	(510,104)	(529,351)	(118,796)	(14,280)	(1,172,531)	(88,164)
Cash paid to employees	(301,778)	(842,537)	(23,813)	--	(1,168,128)	(200,751)
Cash received from interfund services provided	--	--	--	--	--	2,129,818
Cash paid for internal services provided	--	--	--	--	--	(2,866,854)
Net cash provided (used) by operating activities	<u>1,282,685</u>	<u>1,144,656</u>	<u>(139,296)</u>	<u>152,016</u>	<u>2,440,061</u>	<u>(1,025,951)</u>
Cash flows from noncapital financing activities						
Transfers in (out)	(203,653)	(2,682)	329,792	--	123,457	106,857
State grants	--	--	--	47,326	47,326	--
Aid to private organizations	--	(40,000)	--	--	(40,000)	--
Net cash provided (used) by noncapital financing activities	<u>(203,653)</u>	<u>(42,682)</u>	<u>329,792</u>	<u>47,326</u>	<u>130,783</u>	<u>106,857</u>
Cash flows from capital and related financing activities						
Proceeds from sale of assets	--	7,353	127,528	--	134,881	--
Purchases of capital assets	(836,077)	(79,254)	(208,260)	(234,200)	(1,357,791)	(2,294)
Principal paid on capital debt	--	(169,275)	--	--	(169,275)	--
Interest paid on capital debt	--	(153,133)	--	--	(153,133)	--
Net cash provided (used) by capital and related financing activities	<u>(836,077)</u>	<u>(394,309)</u>	<u>(80,732)</u>	<u>(234,200)</u>	<u>(1,545,318)</u>	<u>(2,294)</u>
Cash flows from investing activities						
Interest and dividends	47,798	48,790	113,461	4,646	214,695	42,500
Payments received on notes receivable	--	--	45,398	--	45,398	--
Net sale (purchase) of investments	(104,143)	(334,757)	414,092	(2,809)	(27,617)	96,553
Net cash provided (used) by investing activities	<u>(56,345)</u>	<u>(285,967)</u>	<u>572,951</u>	<u>1,837</u>	<u>232,476</u>	<u>139,053</u>
Net increase (decrease) in cash and cash equivalents	186,610	421,698	682,715	(33,021)	1,258,002	(782,335)
Cash and cash equivalents at beginning of year	1,776,635	1,450,115	327,997	206,814	3,761,561	1,021,419
Cash and cash equivalents at end of year	<u>\$ 1,963,245</u>	<u>\$ 1,871,813</u>	<u>\$ 1,010,712</u>	<u>\$ 173,793</u>	<u>\$ 5,019,563</u>	<u>\$ 239,084</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 905,120	\$ 688,512	\$ (125,256)	\$ (73,158)	\$ 1,395,218	\$ 933,169
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation expense	209,336	398,642	537	196,100	804,615	1,181
Landfill closure costs	--	152,231	--	--	152,231	--
Changes in assets and liabilities:						
Accounts receivable	67,691	(126,882)	(529)	13,044	(46,676)	(40,581)
Leases receivable	--	--	--	--	--	(161,950)
Due from other governments	--	--	--	--	--	(220,722)
Deferred charges	--	4,447	--	--	4,447	--
Accounts payable	138,595	(780)	(14,048)	16,030	139,797	94,679
Accrued compensation	4,071	11,096	--	--	15,167	1,630
Annual and sick leave	(8,184)	25,640	--	--	17,456	3,583
Claims payable	--	--	--	--	--	(1,291,885)
Deposits	(150)	(8,250)	--	--	(8,400)	--
Due to other funds	--	--	--	--	--	(345,056)
Due to other governments	(33,794)	--	--	--	(33,794)	1
Net cash provided (used) by operating activities	<u>\$ 1,282,685</u>	<u>\$ 1,144,656</u>	<u>\$ (139,296)</u>	<u>\$ 152,016</u>	<u>\$ 2,440,061</u>	<u>\$ (1,025,951)</u>

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

**Santa Rosa County, Florida**

**STATEMENT OF FIDUCIARY NET ASSETS**

**September 30, 2004**

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,862,737
Due from other funds	70
Accounts receivable	29,077
Total assets	<u>\$ 4,891,884</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 107,105
Escrow deposits	2,564,876
Due to other governments	2,124,647
Due to other funds	85,693
Miscellaneous	9,563
Total liabilities	<u>\$ 4,891,884</u>

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



**SANTA ROSA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2004**  
**GUIDE TO NOTES**

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**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

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**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

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued**

System. Additionally, both the Authority and Pace Water System own portions of a single water/sewer system; thus, their fixed 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 Board 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, 2004**

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**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, 2004**

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**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.
- Fine and Forfeiture Fund – Accounts for fines, forfeitures and various other assessments used for law enforcement purposes.
- Electricity Franchise Fee Fund – Accounts for the collection and distribution of Electricity Franchise Fees.
- Gas and Oil Revenue Preservation Fund – Accounts for assets collected in prior years attributable to non-recurring gas and oil tax revenues.
- Disaster Fund – Accounts for revenues and expenditures related to significant events such as Hurricane Ivan.

**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, 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, 2004**

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**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. Proprietary funds have selected to consistently not follow Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989 as permitted under Governmental Accounting Standards Board Statement No. 20.

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**

The County has sixteen agency fiduciary funds. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

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**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.

**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, 2004**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued**

**8. Accounting for Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (i.e. streets, drainage systems, culverts, traffic signals, and signs), 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are 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

**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. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees. 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, 2004**

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**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, 2004, and expected to be collected during the period November 2004 through March 2005 as follows:

General Fund	\$ 34,630,070
Road and Bridge Fund	\$ 2,591,020
Fine and Forfeiture Fund	\$ 207,580

These taxes, although measurable, are not recognized as revenue at September 30, 2004, 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, 2004, the bank held deposits of \$39,992,733 (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, 2004**

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**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) (State Pool);
- b. Florida Local Government Investment Trust (FLGIT) (State Investment Trust);
- c. Qualified money market mutual funds;
- d. U.S. Treasury bills, notes and bonds;
- e. Obligations guaranteed by the U.S. Government as to principal and interest such as obligations of the Government National Mortgage Association (GNMA);
- f. Non-callable Government Agency securities:
  - (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;
- h. Tax-exempt obligations of the State of Florida and its various local governments;
- i. Repurchase agreements for investments authorized in categories d, e, or f above.

Certain investments are required to be categorized in accordance with GASB Statement No. 3 to indicate the level of credit risk assumed by the County. The County had no investments at year end that should be categorized. Investments in the Local Government Surplus Funds Trust Fund and the Florida Local Government Investment Trust Fund are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

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 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, 2004, the Local Government Surplus Funds Trust Fund had total investments of approximately \$19 billion. The County allocates interest earned on investments held in the Local Government Surplus Trust Fund based on individual funds' principal balances.

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, 2004, 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.

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

**NOTE B - CASH AND INVESTMENTS - Continued**

Schedule of Cash and Investments at September 30, 2004

	<u>Carrying Amount</u>
<u>Non-Categorized Investments</u>	
Florida Local Government Investment Trust Fund	\$ 4,727,889
Local Government Surplus Funds Trust Fund	<u>15,439,252</u>
Total Investments	20,167,141
<u>Cash</u>	
Cash in Bank	32,164,629
Petty Cash	<u>1,125</u>
Total Cash	<u>32,165,754</u>
Total Cash and Investments	<u>\$52,332,895</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	\$ 53,415
Landfill escrow	<u>1,225,390</u>
	<u>\$ 1,278,805</u>

**NOTE C - NONCASH INVESTING, FINANCING AND CAPITAL ACTIVITIES**

There were no noncash investing, financing and capital activities during the year ended September 30, 2004.

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

**NOTE D – DUE FROM OTHER GOVERNMENTAL UNITS**

At September 30, 2004, amounts due from other governmental units were as follows:

Federal Government – Grants	\$ 2,851,046
State of Florida – Taxes	1,167,214
State of Florida – Grants	822,511
Other	<u>566,535</u>
Total	<u>\$ 5,407,306</u>

**NOTE E – INTERFUND TRANSACTIONS**

Interfund transfers for the year ended September 30, 2004 were as follows:

Transfer From	Transfer To								Total
	General	Road & Bridge	Fine & Forfeiture	Disaster	Non-Major Governmental	Landfill	Non-Major Business-Type	Self Insurance	
General	\$ --	\$ 15,900	\$ 1,087,178	\$ --	\$ 621,180	\$ --	\$ --	\$ 160,000	\$ 1,884,258
Road & Bridge	--	--	--	--	3,570	--	--	--	3,570
Fine & Forfeiture	23,983,538	--	--	--	--	--	--	--	23,983,538
Electric									
Franchise Fee	431,922	4,120,667	--	--	1,543,025	--	329,792	--	6,425,406
Gas & Oil	285,000	--	--	100,106	--	--	--	--	385,106
Nonmajor									
Governmental	151,371	126,837	--	--	1,025,595	--	--	--	1,303,803
Navarre Beach	21,000	--	--	--	181,775	878	--	--	203,653
Landfill	3,560*	--	--	--	--	--	--	--	3,560
Self Insurance	<u>33,103</u>	--	<u>20,040</u>	--	--	--	--	--	<u>53,143</u>
Total	<u>\$24,909,494</u>	<u>\$ 4,263,404</u>	<u>\$ 1,107,218</u>	<u>\$ 100,106</u>	<u>\$ 3,375,145</u>	<u>\$ 878</u>	<u>\$ 329,792</u>	<u>\$ 160,000</u>	<u>\$ 34,246,037</u>

\* Transfers of Capital Assets from Business-Type funds to Governmental funds create an imbalance in transfers as Capital Assets are not reflected on the Governmental funds financial statements.

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, 2004**

**NOTE E – INTERFUND TRANSACTIONS - Continued**

Interfund balances at September 30, 2004 consisted of the following:

Payable Fund	Receivable Fund								Total
	General	Fine and Forfeiture	Electric Franchise Fee	Gas & Oil	Disaster	Nonmajor Govern-mental	Self Insurance	Agency	
General	\$ --	\$ 1,235,417	\$ --	\$ --	\$ --	\$ 133,068	\$ 382,672	\$ 70	\$ 1,751,227
Gas & Oil	--	--	--	--	100,106	--	--	--	100,106
Disaster fund	--	--	900,000	5,000,000	--	--	--	--	5,900,000
Nonmajor governmental	736,402	--	--	--	--	--	--	--	736,402
Agency	85,693	--	--	--	--	--	--	--	85,693
<b>Total</b>	<b>\$ 822,095</b>	<b>\$ 1,235,417</b>	<b>\$ 900,000</b>	<b>\$ 5,000,000</b>	<b>\$ 100,106</b>	<b>\$ 133,068</b>	<b>\$ 382,672</b>	<b>\$ 70</b>	<b>\$ 8,573,428</b>

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 F – RECEIVABLES**

Governmental	General	Road & Bridge	Fine & Forfeiture	Electric Franchise Fee	Gas and Oil	Disaster	Nonmajor Govern-mental	Self Insurance	Total
Accounts	\$ 59,304	\$ 9,235	\$ 1,199	\$ 605,810	\$ 1	\$ --	\$ 331,191	\$ 40,581	\$ 1,047,321
Leases	105,750	--	--	--	--	--	--	--	105,750
Intergovernmental	2,403,580	1,240,631	20,274	--	--	1,324,256	388,565	--	5,377,306
<b>Total</b>	<b>\$ 2,568,634</b>	<b>\$ 1,249,866</b>	<b>\$ 21,473</b>	<b>\$ 605,810</b>	<b>\$ 1</b>	<b>\$ 1,324,256</b>	<b>\$ 719,756</b>	<b>\$ 40,581</b>	<b>\$ 6,530,377</b>

Business-Type	Navarre Beach	Landfill	Industrial Park	Nonmajor Business-Type	Total
Accounts	\$ 112,585	\$ 349,954	\$ 50,870	\$ 1,407	\$ 514,816
Interest	-	-	33,200	-	33,200
Notes	-	-	1,397,314	-	1,397,314
Leases	11,164	-	-	-	11,164
Intergovernmental	-	-	-	30,000	30,000
<b>Total</b>	<b>\$ 123,749</b>	<b>\$ 349,954</b>	<b>\$ 1,481,384</b>	<b>\$ 31,407</b>	<b>\$ 1,986,494</b>

The Board has a \$393,908 note receivable due from a company relating to the sale of land in the Industrial Park. The note is payable in monthly installments of \$4,620 including interest at 7% through September 2014.

The Board has a \$1,003,406 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.

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

**NOTE G – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2004 was as follows (in thousands):

<b>Governmental activities:</b>	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 9,006	\$ 988	\$ 48	\$ 9,946
Construction in progress	<u>578</u>	<u>673</u>	<u>83</u>	<u>1,168</u>
Total capital assets not being depreciated	9,584	1,661	131	11,114
Other capital assets:				
Buildings	28,727	1,651	--	30,378
Improvements other than buildings	6,307	3,827	--	10,134
Machinery and equipment	<u>26,261</u>	<u>2,903</u>	<u>1,059</u>	<u>28,105</u>
Total capital assets being depreciated	61,295	8,381	1,059	68,617
Less accumulated depreciation for:				
Buildings	12,245	1,405	126	13,524
Improvements other than buildings	482	367	--	849
Machinery and equipment	<u>14,533</u>	<u>2,901</u>	<u>1,158</u>	<u>16,276</u>
Total accumulated depreciation	<u>27,260</u>	<u>4,673</u>	<u>1,284</u>	<u>30,649</u>
Total capital assets, being depreciated, net	<u>34,035</u>	<u>3,708</u>	<u>(225)</u>	<u>37,968</u>
Governmental activities capital assets, net	<u>\$43,619</u>	<u>\$ 5,369</u>	<u>\$ (94)</u>	<u>\$49,082</u>
 <b>Business-type activities:</b>				
	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,473	\$ 344	\$ --	\$ 1,817
Construction in progress	<u>--</u>	<u>1,186</u>	<u>--</u>	<u>1,186</u>
Total capital assets not being depreciated	1,473	1,530	--	3,003
Other capital assets:				
Buildings	1,366	--	--	1,366
Improvements other than buildings	13,552	19	--	13,571
Furniture, fixtures and equipment	<u>3,207</u>	<u>393</u>	<u>34</u>	<u>3,566</u>
Total capital assets being depreciated	<u>18,125</u>	<u>412</u>	<u>34</u>	<u>18,503</u>
Less accumulated depreciation for:				
Buildings	578	74	--	652
Improvements other than buildings	8,055	518	--	8,573
Furniture, fixtures and equipment	<u>2,270</u>	<u>423</u>	<u>30</u>	<u>2,663</u>
Total accumulated depreciation	<u>10,903</u>	<u>1,015</u>	<u>30</u>	<u>11,888</u>
Total capital assets, being depreciated, net	<u>7,222</u>	<u>(603)</u>	<u>4</u>	<u>6,615</u>
Business-type activities capital assets, net	<u>\$ 8,695</u>	<u>\$ 927</u>	<u>\$ 4</u>	<u>\$ 9,618</u>

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

**NOTE G – CAPITAL ASSETS - Continued**

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 1,406,342
Public safety	1,071,732
Physical environment	78,380
Transportation	954,820
Economic environment	1,666
Human services	132,009
Culture and recreation	<u>483,816</u>
Total governmental activities depreciation expense	<u>\$ 4,128,765</u>

Business-type activities

Water and sewer	\$ 209,336
Landfill	398,642
Industrial park	537
Hangar rental	<u>196,100</u>
Total business-type activities depreciation expense	<u>\$ 804,615</u>

**NOTE H- 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, 2003	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2004	Amount Due within One Year
Governmental activities:					
Compensated absences	\$ 7,244,670	\$ 57,229	\$ 311,977	\$ 6,989,922	\$ 574,553
Claims payable	4,306,174	--	1,291,885	3,014,289	1,911,686
Capital lease	--	236,196	55,774	180,422	57,432
Revenue bonds	3,067,500	--	180,000	2,887,500	190,000
Notes payable	3,393,088	4,275,000	1,935,332	5,732,756	1,349,562
Special assessment notes	<u>473,271</u>	<u>900,000</u>	<u>102,146</u>	<u>1,271,125</u>	<u>181,763</u>
	<u>\$18,484,703</u>	<u>\$ 5,468,425</u>	<u>\$ 3,877,114</u>	<u>\$20,076,014</u>	<u>\$ 4,264,996</u>
Business-type activities:					
Compensated absences	\$ 292,121	\$ 25,640	\$ 8,184	\$ 309,577	\$ 64,369
Landfill closure costs	6,859,260	152,231	--	7,011,491	186,352
Revenue bonds	<u>3,067,500</u>	<u>--</u>	<u>180,000</u>	<u>2,887,500</u>	<u>190,000</u>
	<u>\$10,218,881</u>	<u>\$ 177,871</u>	<u>\$ 188,184</u>	<u>\$10,208,568</u>	<u>\$ 440,721</u>

Unamortized bond discounts totaling \$9,951 and deferred losses on refunding of bonds totaling \$116,975 are netted against the liability in the proprietary funds. Deferred bond issue costs were \$52,642 at year end.

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

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**NOTE H- LONG-TERM DEBT - Continued**

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, 2004 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.	\$ 488,750
\$39,920 note payable to bank with a fixed rate of 6.75% for the Santa Rosa Clean Community System, Inc. (SRCCS) - due in annual payments of \$5,000 with a final payment due in 2006. The note is secured by a lien on the SRCCS property. Although this note is between the SRCCS and the bank, the obligation is recorded as a long-term liability of Santa Rosa County as the County committed to funding this note at \$5,000 per year for fifteen years.	15,814
\$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.	34,156
\$562,324 Capital Improvement Refunding Revenue Note, Series 2003A payable to bank for refunding certain indebtedness of the County - due in 12 quarterly payments of \$46,860 plus interest at 1.63%, secured by non-ad valorem revenues.	328,022
\$1,340,693 Capital Improvement Refunding Revenue Note, Series 2003A payable to bank for refunding certain indebtedness of the County - due in 15 quarterly payments of \$71,528 to \$105,000 plus interest at 1.94%, secured by non-ad valorem revenues.	815,693
\$1,074,596 Capital Improvement Refunding Revenue Note, Series 2003A payable to bank for refunding certain indebtedness of the County - due in 16 quarterly payments of \$63,514 to \$70,000 plus interest at 1.94%, secured by non-ad valorem revenues.	724,596
\$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.	3,325,725

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

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**NOTE H- LONG-TERM DEBT - Continued**

\$250,000 special assessment note payable to bank for the construction of certain improvements to the Navarre Beach Fire Station and the purchase of certain fire equipment. Principal is due in 10 annual payments of \$25,000 with interest payable quarterly in arrears at 5.98%. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest. All assessments were collected by year end. 25,000

\$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 2006. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 52,491

\$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. 320,618

\$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. 873,016

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. 2,887,500

Total general government bonds and notes payable \$ 9,891,381

Proprietary fund type - bonds payable

*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. \$ 2,887,500

Total proprietary fund type bonds payable \$ 2,887,500

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

**NOTE H- LONG-TERM DEBT - Continued**

**3. Debt Service Requirements**

The annual requirements to amortize all bonds and notes outstanding at September 30, 2004 are as follows:

Governmental activities:

Year ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,721,325	\$ 335,076	\$ 2,056,401
2006	1,546,884	286,720	1,833,604
2007	1,229,095	242,507	1,471,602
2008	922,253	205,706	1,127,959
2009	850,937	171,176	1,022,113
2010-2014	3,025,887	416,291	3,442,178
2015-2019	<u>595,000</u>	<u>43,658</u>	<u>638,658</u>
	<u>\$ 9,891,381</u>	<u>\$ 1,701,134</u>	<u>\$11,592,515</u>

Business-type activities:

Year ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	190,000	\$ 130,490	\$ 320,490
2006	195,000	122,510	317,510
2007	205,000	114,320	319,320
2008	215,000	105,607	320,607
2009	220,000	96,363	316,363
2010-2014	1,267,500	324,639	1,592,139
2015-2019	<u>595,000</u>	<u>43,658</u>	<u>638,658</u>
	<u>\$ 2,887,500</u>	<u>\$ 937,587</u>	<u>\$ 3,825,087</u>

The annual requirements to amortize capital leases outstanding at September 30, 2004 are as follows:

Governmental activities:

Year ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 57,432	\$ 7,021	\$ 64,453
2006	60,100	4,353	64,453
2007	62,890	1,561	64,451
2008	--	--	--
2009	--	--	--
	<u>\$ 180,422</u>	<u>\$ 12,935</u>	<u>\$ 193,357</u>

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

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**NOTE H- LONG-TERM DEBT - Continued**

**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, 2004, \$8.2 million of bonds are considered defeased.

**5. Current Refunding**

On November 26, 2003, the County issued \$575,000 Capital Improvement Refunding Revenue Note, Series 2003B with an average interest rate of 4.15% to current refund the Gulf Breeze Government Loan debt issues at 7.75% interest rate totaling \$575,000. The Board completed the current refunding to reduce its total debt service payments over the next four (4) years by \$78,400 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$73,600.

**6. Capital Lease**

The Sheriff entered into a capital lease related to the lease-purchase of automobiles for \$236,196. Payments of \$5,371, including interest at 4.55%, are due monthly beginning October 31, 2003 until September 30, 2007.

**NOTE I - CONDUIT DEBT OBLIGATIONS**

From time to time Santa Rosa County has issued Industrial Development Revenue Bonds under the provisions of Chapter 159, Part II, Florida Statutes, 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. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the County, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Debt issues related to conduit financings outstanding at September 30, 2004 are as follows:

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Outstanding 9/30/2004</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	<u>4,145,000</u>	<u>4,145,000</u>
Total			<u>\$62,050,000</u>	<u>\$62,050,000</u>

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

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**NOTE J - OPERATING LEASES**

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

Year ending <u>September 30,</u>	
2005	\$ 67,506
2006	67,506
2007	64,498
2008	36,811
2009	--
Thereafter	--
Total minimum payments required	<u>\$ 236,321</u>

Rental expense for the year ended September 30, 2003 was \$102,461.

**NOTE K - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the County 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 County 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 \$7 million reported as landfill closure and postclosure care liability (current and noncurrent) at September 30, 2004, represents the cumulative amount reported to date based on the following percentage usage of the estimated capacity of each of the County's landfills:

Central Class I Landfill	46%
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 County will recognize the remaining estimated cost of closure and postclosure care for the Central Class I landfill in the amount of \$3.8 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 2004. The estimated remaining life of the Central Class I Landfill is 15 years. 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 County 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, 2004, the County held investments of \$1,233,263 to cover the escrow requirement of \$1,225,390. These investments are reported as restricted assets. The County 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, 2004**

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**NOTE L - 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 2004, the County contributed an average of 7.39% of each qualified regular employee's gross salary, 15.23% percent of the elected officials' salary, 18.53% of each special risk employee's salary, and 9.11% 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 \$3,464,172, \$2,676,639 and \$2,825,308 for the years ended September 30, 2004, 2003, and 2002, 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 retire at or after age 62 with 10 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after 10 years of service 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, 2004**

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**NOTE M - 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	\$ 9,724
Reserve for communications	637,125
Reserve for animal services education	40,576
Reserve for debt service	64,377
Reserve for boating improvements	363,134
Reserve for long-term intergovernmental receivable	<u>25,000</u>
	1,139,936

**Road and Bridge Fund:**

Reserve for inventory	419,261
Reserve for long-term intergovernmental receivable	<u>107,357</u>
	526,618

**Fine and Forfeiture Fund:**

Reserve for forfeited property	87,391
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**Gas and Oil Preservation Fund:**

Reserve for gas and oil preservation	5,074,977
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**Nonmajor Governmental Funds:**

Reserve for tourist development	1,020,926
Reserve for records modernization trust fund	702,475
Reserve for law enforcement training	94,243
Reserve for construction commitments	<u>1,258,832</u>
	<u>3,076,476</u>

**Total Governmental Funds** \$ 9,905,398

**NOTE N - 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, 2004**

**NOTE N – RISK MANAGEMENT - Continued**

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

- Portable Communication Equipment
- Boats
- Employee Fidelity
- General Liability, \$100,000 deductible
- Public Officials' Liability, \$100,000 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 \$3,014,289 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. Nonincremental claims adjustment expenses have not been included as part of the liability for claims and judgments.

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 \$2,637,389.

These liabilities are reported at their present value of \$1,210,552 at September 30, 2004. Changes in the Fund's claims liability amount in fiscal years 2002 and 2003 were as follows:

	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2002 - 2003	\$ 2,822,895	\$ 2,687,501	\$ 1,204,222	\$ 4,306,174
2003 - 2004	\$ 4,306,174	\$ 686,150	\$ 1,978,035	\$ 3,014,289

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

Current claims payable	\$1,803,738
Current claims – structured settlements	<u>107,948</u>
Total claims payable, current	1,911,686
Long-term claims – structured settlements	<u>1,102,603</u>
Total claims payable	<u>\$3,014,289</u>

**Santa Rosa County, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2004**

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**NOTE N – 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 O - COMPLIANCE AND ACCOUNTABILITY**

**Accumulated Deficits**

The Landfill Fund had a deficit in net assets due to the cumulative effect of the following:

Adoption of GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", which requires recognition of costs of closure and postclosure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

Depreciation charged against operations.

Loss on bond refunding of \$443,769 in 1992.

Transfer of working capital to other funds.

The Self Insurance Fund deficit primarily relates to accruals for the net present value of settled claims.

The Board of County Commissioners and the Directors of this fund will evaluate the operation to determine if an increase in fees will be necessary to generate enough revenues to offset expenses.

**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, 2004**

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes	\$ 11,194,170	\$ 11,194,170	\$ 11,159,587
Licenses and permits	1,919,000	1,924,000	2,567,340
Intergovernmental	8,366,987	10,429,193	12,336,033
Charges for services	2,665,539	2,875,013	3,524,772
Fines and forfeits	152,000	152,000	172,757
Miscellaneous	1,458,200	1,454,067	1,341,495
Total revenues	<u>25,755,896</u>	<u>28,028,443</u>	<u>31,101,984</u>
<b>Expenditures</b>			
Current			
General government	18,020,070	21,832,071	21,196,454
Public safety	26,970,894	27,414,525	26,075,684
Physical environment	946,155	946,155	833,220
Transportation	861,970	861,970	833,188
Economic environment	139,320	139,320	144,705
Human services	3,597,163	3,604,963	3,598,530
Culture and recreation	1,934,705	1,971,765	1,943,727
Debt service	--	200	64,653
Reserve for contingencies	1,041,449	1,325,449	--
Total expenditures	<u>53,511,726</u>	<u>58,096,418</u>	<u>54,690,161</u>
Excess (deficiency) of revenues over expenditures	(27,755,830)	(30,067,975)	(23,588,177)
<b>Other financing sources (uses)</b>			
Transfers in	25,102,465	25,809,299	24,905,934
Transfers out	(781,180)	(797,080)	(1,884,258)
Proceeds from capital lease	--	--	236,196
Total other financing sources (uses)	<u>24,321,285</u>	<u>25,012,219</u>	<u>23,257,872</u>
Net change in fund balances	(3,434,545)	(5,055,756)	(330,305)
Fund balance, beginning of year	<u>3,434,545</u>	<u>5,055,756</u>	<u>8,394,584</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,064,279</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, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 3,166,870	\$ 3,166,870	\$ 3,752,805
Intergovernmental	2,758,250	3,379,300	3,689,952
Miscellaneous	199,500	199,500	197,286
Total revenues	<u>6,124,620</u>	<u>6,745,670</u>	<u>7,640,043</u>
Expenditures			
Current			
Physical environment	--	668,000	597,119
Transportation	9,482,295	14,760,803	12,971,520
Reserve for contingencies	209,878	85,247	--
Total expenditures	<u>9,692,173</u>	<u>15,514,050</u>	<u>13,568,639</u>
Excess (deficiency) of revenues over expenditures	(3,567,553)	(8,768,380)	(5,928,596)
Other financing sources (uses)			
Transfers in	875,600	4,278,584	4,263,404
Transfers out	(3,570)	(3,570)	(3,570)
Total other financing sources (uses)	<u>872,030</u>	<u>4,275,014</u>	<u>4,259,834</u>
Net change in fund balances	(2,695,523)	(4,493,366)	(1,668,762)
Fund balance, beginning of year	<u>2,695,523</u>	<u>4,493,366</u>	<u>3,949,320</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,280,558</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)  
FINE AND FORFEITURE FUND**

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes	\$ 24,113,900	\$ 24,113,900	\$ 23,653,701
Intergovernmental	81,700	102,330	100,991
Charges for services	2,902,310	3,237,091	3,003,642
Fines and forfeits	938,600	938,600	880,713
Miscellaneous	38,000	38,000	104,256
Total revenues	<u>28,074,510</u>	<u>28,429,921</u>	<u>27,743,303</u>
<b>Expenditures</b>			
Current			
General government	1,089,128	1,334,642	1,035,967
Public safety	661,680	672,443	1,110,116
Reserve for contingencies	2,208,222	2,169,410	--
Total expenditures	<u>3,959,030</u>	<u>4,176,495</u>	<u>2,146,083</u>
Excess (deficiency) of revenues over expenditures	24,115,480	24,253,426	25,597,220
<b>Other financing sources (uses)</b>			
Transfers in	--	20,040	1,107,218
Transfers out	(24,781,465)	(24,950,214)	(23,983,538)
Total other financing sources (uses)	<u>(24,781,465)</u>	<u>(24,930,174)</u>	<u>(22,876,320)</u>
Net change in fund balances	(665,985)	(676,748)	2,720,900
Fund balance, beginning of year	<u>665,985</u>	<u>676,748</u>	<u>1,762,717</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,483,617</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, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 3,515,000	\$ 3,515,000	\$ 3,820,742
Miscellaneous	--	--	312,742
Total revenues	<u>3,515,000</u>	<u>3,515,000</u>	<u>4,133,484</u>
Expenditures			
Current			
Reserve for contingencies	1,351,500	8,388,421	--
Total expenditures	<u>1,351,500</u>	<u>8,388,421</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	2,163,500	(4,873,421)	4,133,484
Other financing sources (uses)			
Transfers out	(2,163,500)	(6,425,406)	(6,425,406)
Total other financing sources (uses)	<u>(2,163,500)</u>	<u>(6,425,406)</u>	<u>(6,425,406)</u>
Net change in fund balances	--	(11,298,827)	(2,291,922)
Fund balance, beginning of year	<u>--</u>	<u>11,298,827</u>	<u>11,298,844</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,006,922</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)  
GAS AND OIL REVENUE PRESERVATION FUND**

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ 285,000	\$ 285,000	\$ 49,880
Total revenues	<u>285,000</u>	<u>285,000</u>	<u>49,880</u>
Expenditures			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	285,000	285,000	49,880
Other financing sources (uses)			
Transfers out	(285,000)	(415,687)	(385,106)
Total other financing sources (uses)	<u>(285,000)</u>	<u>(415,687)</u>	<u>(385,106)</u>
Net change in fund balances	--	(130,687)	(335,226)
Fund balance, beginning of year	<u>--</u>	<u>130,687</u>	<u>5,410,203</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,074,977</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, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 1,324,256	\$ 1,324,256
Total revenues	<u>          --</u>	<u>1,324,256</u>	<u>1,324,256</u>
Expenditures			
Current			
Public safety	--	1,424,362	1,424,362
Total expenditures	<u>          --</u>	<u>1,424,362</u>	<u>1,424,362</u>
Excess (deficiency) of revenues over expenditures	--	(100,106)	(100,106)
Other financing sources (uses)			
Transfer in	--	100,106	100,106
Total other financing sources (uses)	<u>          --</u>	<u>100,106</u>	<u>100,106</u>
Net change in fund balances	--	--	--
Fund balance, beginning of year	<u>          --</u>	<u>          --</u>	<u>          --</u>
Fund balance, end of year	<u>\$          --</u>	<u>\$          --</u>	<u>\$          --</u>

See accompanying notes to required supplemental information.

**Santa Rosa County, Florida**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**September 30, 2004**

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**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

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.

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

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

Municipal Service Benefits Units (MSBU) - accounts for special assessments levied against property owners for capital improvements or services rendered for benefit of the affected areas.

Clerk's Law Library – accounts for fees received that are legally restricted for the purchase of books, publications, and subscriptions for the Santa Rosa County Law Library. Not budgeted.

Clerk's Records Modernization Trust Fund (RMTF) – accounts for fees received that are legally restricted for the modernization of the public records maintained by the Clerk's office. Not budgeted.

Sheriff's Grant 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.

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, 2004**

ASSETS	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 6,624,357	\$ 31,711	\$ 856,890	\$ 7,512,958
Investments	1,125,154	5,229	2,650,402	3,780,785
Receivables, net of uncollectibles				
Accounts	330,704	99	388	331,191
Due from other governments	226,512	--	162,053	388,565
Due from other funds	133,068	--	--	133,068
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 8,439,795	\$ 37,039	\$ 3,669,733	\$ 12,146,567
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES				
Accounts payable	\$ 184,928	\$ --	\$ 154,528	\$ 339,456
Accrued wages payable	80,343	--	--	80,343
Deferred revenue	23,186	--	--	23,186
Due to other funds	736,402	--	--	736,402
Due to other governments	5	--	--	5
Advance payable to other funds	107,357	--	--	107,357
Total liabilities	1,132,221	--	154,528	1,286,749
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES				
Fund balances				
Reserved	1,817,644	--	1,258,832	3,076,476
Unreserved, reported in:				
Special revenue funds	5,489,930	--	--	5,489,930
Debt service fund	--	37,039	--	37,039
Capital project funds	--	--	2,256,373	2,256,373
Total fund balances	7,307,574	37,039	3,515,205	10,859,818
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 8,439,795	\$ 37,039	\$ 3,669,733	\$ 12,146,567
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 752,882	\$ --	\$ --	\$ 752,882
Intergovernmental	2,883,742	--	--	2,883,742
Charges for services	852,576	--	--	852,576
Miscellaneous	2,453,350	8,209	524,760	2,986,319
<b>Total revenues</b>	<b>6,942,550</b>	<b>8,209</b>	<b>524,760</b>	<b>7,475,519</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	20,287	--	--	20,287
Public safety	3,278,757	--	--	3,278,757
Physical environment	77,866	--	--	77,866
Transportation	340,988	--	--	340,988
Economic environment	1,684,184	--	--	1,684,184
Human services	153,049	--	--	153,049
Culture and recreation	--	--	24,677	24,677
Capital outlay	--	--	5,457,868	5,457,868
Debt service	3,485	2,011,880	4,950	2,020,315
<b>Total expenditures</b>	<b>5,558,616</b>	<b>2,011,880</b>	<b>5,487,495</b>	<b>13,057,991</b>
Excess (deficiency) of revenues over expenditures	1,383,934	(2,003,671)	(4,962,735)	(5,582,472)
<b>Other financing sources (uses)</b>				
Transfers in	181,790	2,013,355	1,180,000	3,375,145
Transfers out	(436,615)	--	(867,188)	(1,303,803)
Proceeds from refunding debt	--	575,000	--	575,000
Proceeds from new debt	900,000	--	3,700,000	4,600,000
Payments to escrow agent for debt refunding	--	(575,000)	--	(575,000)
<b>Total other financing sources (uses)</b>	<b>645,175</b>	<b>2,013,355</b>	<b>4,012,812</b>	<b>6,671,342</b>
<b>Net change in fund balances</b>	<b>2,029,109</b>	<b>9,684</b>	<b>(949,923)</b>	<b>1,088,870</b>
Fund balances, beginning of year	5,278,465	27,355	4,465,128	9,770,948
<b>Fund balances, end of year</b>	<b>\$ 7,307,574</b>	<b>\$ 37,039</b>	<b>\$ 3,515,205</b>	<b>\$ 10,859,818</b>

**Santa Rosa County, Florida**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

**September 30, 2004**

ASSETS	State Match	Enhanced 911	Local Option Tourist Tax	Aging Services	SHIP Program	MSBU	Clerk's Law Library	Clerk's RMTF	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Fed Seziure	Total Nonmajor Special Revenue Funds
Cash and cash equivalents	\$ 33,912	\$ 106,102	\$ 459,258	\$ 9,576	\$ 2,004,805	\$ 1,627,869	\$ 42,311	\$ 639,496	\$ 398,865	\$ 95,351	\$ 1,200,371	\$ 6,441	\$ 6,624,357
Investments	88,809	322,685	392,894	--	206,346	114,420	--	--	--	--	--	--	1,125,154
Receivables, net of uncollectibles													
Accounts	41	35,306	233,548	24,749	498	11,312	--	--	--	--	25,250	--	330,704
Due from other governments	7,403	10,411	--	--	--	--	--	--	208,698	--	--	--	226,512
Due from other funds	--	--	--	--	--	--	--	62,979	69,281	--	808	--	133,068
<b>Total assets</b>	<b>\$ 130,165</b>	<b>\$ 474,504</b>	<b>\$ 1,085,700</b>	<b>\$ 34,325</b>	<b>\$ 2,211,649</b>	<b>\$ 1,753,601</b>	<b>\$ 42,311</b>	<b>\$ 702,475</b>	<b>\$ 676,844</b>	<b>\$ 95,351</b>	<b>\$ 1,226,429</b>	<b>\$ 6,441</b>	<b>\$ 8,439,795</b>
<b>LIABILITIES</b>													
Accounts payable	\$ 2,124	\$ 29,116	\$ 64,774	\$ 530	\$ 33,397	\$ 24,945	\$ --	\$ --	\$ 11,493	\$ --	\$ 18,549	\$ --	\$ 184,928
Accrued wages payable	--	1,679	--	2,621	--	--	--	--	76,043	--	--	--	80,343
Deferred revenue	--	--	--	--	--	--	--	--	16,745	--	--	6,441	23,186
Due to other funds	--	--	--	43,500	--	65,930	42,311	--	572,558	1,108	10,995	--	736,402
Due to other governments	--	--	--	--	--	--	--	--	5	--	--	--	5
Advance payable to other funds	--	--	--	--	--	107,357	--	--	--	--	--	--	107,357
<b>Total liabilities</b>	<b>2,124</b>	<b>30,795</b>	<b>64,774</b>	<b>46,651</b>	<b>33,397</b>	<b>198,232</b>	<b>42,311</b>	<b>--</b>	<b>676,844</b>	<b>1,108</b>	<b>29,544</b>	<b>6,441</b>	<b>1,132,221</b>
<b>FUND BALANCES</b>													
Fund balances													
Reserved	--	--	1,020,926	--	--	--	--	702,475	--	94,243	--	--	1,817,644
Unreserved, reported in:													
Special revenue funds	128,041	443,709	--	(12,326)	2,178,252	1,555,369	--	--	--	--	1,196,885	--	5,489,930
<b>Total fund balances</b>	<b>128,041</b>	<b>443,709</b>	<b>1,020,926</b>	<b>(12,326)</b>	<b>2,178,252</b>	<b>1,555,369</b>	<b>--</b>	<b>702,475</b>	<b>--</b>	<b>94,243</b>	<b>1,196,885</b>	<b>--</b>	<b>7,307,574</b>
<b>Total liabilities and fund balances</b>	<b>\$ 130,165</b>	<b>\$ 474,504</b>	<b>\$ 1,085,700</b>	<b>\$ 34,325</b>	<b>\$ 2,211,649</b>	<b>\$ 1,753,601</b>	<b>\$ 42,311</b>	<b>\$ 702,475</b>	<b>\$ 676,844</b>	<b>\$ 95,351</b>	<b>\$ 1,226,429</b>	<b>\$ 6,441</b>	<b>\$ 8,439,795</b>

Santa Rosa County, Florida

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

Year ended September 30, 2004

	State Match	Enhanced 911	Local Option Tourist Tax	Santa Rosa Aging Services	SHIP Program	MSBU	Clerk's Law Library	Clerk's RMTF	Sheriff's Grant	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Federal Seizure	Total Nonmajor Special Revenue Funds
Revenues													
Taxes	\$ --	\$ --	\$ 752,882	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 752,882
Intergovernmental	45,191	--	--	102,466	1,535,699	--	--	--	1,169,745	30,641	--	--	2,883,742
Charges for services	--	509,006	--	--	--	--	29,510	314,060	--	--	--	--	852,576
Miscellaneous	1,432	5,430	7,287	96	18,063	1,842,349	--	--	--	837	577,856	--	2,453,350
Total revenues	46,623	514,436	760,169	102,562	1,553,762	1,842,349	29,510	314,060	1,169,745	31,478	577,856	--	6,942,550
Expenditures													
Current													
General government	--	--	--	--	--	--	20,287	--	--	--	--	--	20,287
Public safety	--	449,812	--	--	--	1,155,532	--	--	1,169,745	18,845	484,823	--	3,278,757
Physical environment	--	--	--	--	--	77,866	--	--	--	--	--	--	77,866
Transportation	--	--	--	--	--	340,988	--	--	--	--	--	--	340,988
Economic environment	--	--	503,721	--	1,180,463	--	--	--	--	--	--	--	1,684,184
Human services	37,973	--	--	115,076	--	--	--	--	--	--	--	--	153,049
Debt service	--	--	--	--	--	3,485	--	--	--	--	--	--	3,485
Total expenditures	37,973	449,812	503,721	115,076	1,180,463	1,577,871	20,287	--	1,169,745	18,845	484,823	--	5,558,616
Net change in fund balances	8,650	64,624	256,448	(12,514)	373,299	264,478	9,223	314,060	--	12,633	93,033	--	1,383,934
Other financing sources (uses)													
Transfers in	--	--	--	--	--	181,790	--	--	--	--	--	--	181,790
Transfers out	--	--	(21,496)	--	(19,288)	(353,520)	(42,311)	--	--	--	--	--	(436,615)
Proceeds from new debt	--	--	--	--	--	900,000	--	--	--	--	--	--	900,000
Total other financing sources (uses)	--	--	(21,496)	--	(19,288)	728,270	(42,311)	--	--	--	--	--	645,175
Net change in fund balances	8,650	64,624	234,952	(12,514)	354,011	992,748	(33,088)	314,060	--	12,633	93,033	--	2,029,109
Fund balances, beginning of year	119,391	379,085	785,974	188	1,824,241	562,621	33,088	388,415	--	81,610	1,103,852	--	5,278,465
Fund balances, end of year	\$ 128,041	\$ 443,709	\$ 1,020,926	\$ (12,326)	\$ 2,178,252	\$ 1,555,369	\$ --	\$ 702,475	\$ --	\$ 94,243	\$ 1,196,885	\$ --	\$ 7,307,574

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Intergovernmental	\$ 44,040	\$ 44,040	\$ 45,191
Miscellaneous	--	--	1,432
Total revenues	<u>44,040</u>	<u>44,040</u>	<u>46,623</u>
Expenditures			
Current			
Human services	52,925	54,925	37,973
Reserve for contingencies	<u>64,715</u>	<u>62,715</u>	<u>--</u>
Total expenditures	<u>117,640</u>	<u>117,640</u>	<u>37,973</u>
Net change in fund balances	(73,600)	(73,600)	8,650
Fund balance, beginning of year	<u>73,600</u>	<u>73,600</u>	<u>119,391</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 128,041</u>

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 454,870	\$ 454,870	\$ 509,006
Miscellaneous	--	--	5,430
Total revenues	454,870	454,870	514,436
Expenditures			
Current			
Public safety	426,795	463,600	449,812
Reserve for contingencies	78,075	41,270	--
Total expenditures	504,870	504,870	449,812
Net change in fund balances	(50,000)	(50,000)	64,624
Fund balance, beginning of year	50,000	50,000	379,085
Fund balance, end of year	\$ --	\$ --	\$ 443,709

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 598,500	\$ 598,500	\$ 752,882
Miscellaneous	--	--	7,287
Total revenues	598,500	598,500	760,169
Expenditures			
Current			
Economic environment	575,000	955,000	503,721
Reserve for contingencies	2,004	2,004	--
Total expenditures	577,004	957,004	503,721
Excess (deficiency) of revenues over expenditures	21,496	(358,504)	256,448
Other financing sources (uses)			
Operating transfers out	(21,496)	(21,496)	(21,496)
Total other financing sources (uses)	(21,496)	(21,496)	(21,496)
Net change in fund balances	--	(380,000)	234,952
Fund balance, beginning of year	--	380,000	785,974
Fund balance, end of year	\$ --	\$ --	\$ 1,020,926

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ 115,430	\$ 115,430	\$ 102,466
Miscellaneous	--	--	96
Total revenues	115,430	115,430	102,562
Expenditures			
Current			
Human services	114,790	114,790	115,076
Reserve for contingencies	640	640	--
Total expenditures	115,430	115,430	115,076
Net change in fund balances	--	--	(12,514)
Fund balance, beginning of year	--	--	188
Fund balance, end of year	\$ --	\$ --	\$ (12,326)

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ 916,210	\$ 1,100,013	\$ 1,535,699
Miscellaneous	--	86,873	18,063
Total revenues	916,210	1,186,886	1,553,762
Expenditures			
Current			
Economic environment	945,144	1,215,820	1,180,463
Total expenditures	945,144	1,215,820	1,180,463
Excess (deficiency) of revenues over expenditures	(28,934)	(28,934)	373,299
Other financing sources (uses)			
Transfers out	(19,288)	(19,288)	(19,288)
Total other financing sources (uses)	(19,288)	(19,288)	(19,288)
Net change in fund balances	(48,222)	(48,222)	354,011
Fund balance, beginning of year	48,222	48,222	1,824,241
Fund balance, end of year	\$ --	\$ --	\$ 2,178,252

**Santa Rosa County, Florida**

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

**Year ended September 30, 2003**

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ 1,824,360	\$ 1,824,360	\$ 1,842,349
Total revenues	1,824,360	1,824,360	1,842,349
Expenditures			
Current			
Public safety	1,150,180	1,150,180	1,155,532
Physical environment	85,080	92,280	77,866
Transportation	434,080	1,654,014	340,988
Debt service	--	--	3,485
Reserve for contingencies	31,879	15,189	--
Total expenditures	1,701,219	2,911,663	1,577,871
Excess (deficiency) of revenues over expenditures	123,141	(1,087,303)	264,478
Other financing sources (uses)			
Transfers in	181,790	181,790	181,790
Transfers out	(311,319)	(368,700)	(353,520)
Proceeds from new debt	--	900,000	900,000
Total other financing sources (uses)	(129,529)	713,090	728,270
Net change in fund balances	(6,388)	(374,213)	992,748
Fund balance, beginning of year	6,388	374,213	562,621
Fund balance, end of year	\$ --	\$ --	\$ 1,555,369

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$       --	\$     18,402	\$       8,209
Total revenues	--	18,402	8,209
Expenditures			
Debt service	1,297,480	2,031,757	2,011,880
Total expenditures	1,297,480	2,031,757	2,011,880
Excess (deficiency) of revenues over expenditures	(1,297,480)	(2,013,355)	(2,003,671)
Other financing sources (uses)			
Transfers in	1,297,480	2,013,355	2,013,355
Proceeds from refunding debt		575,000	575,000
Payments to escrow agent for debt refunding	--	(575,000)	(575,000)
Total other financing sources (uses)	1,297,480	2,013,355	2,013,355
Net change in fund balances	--	--	9,684
Fund balance, beginning of year	--	--	27,355
Fund balance, end of year	\$       --	\$       --	\$     37,039

**Santa Rosa County, Florida**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS**

**September 30, 2004**

ASSETS	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
Cash and cash equivalents	\$ 56,678	\$ 338,573	\$ 51,816	\$ 77,118	\$ 31,165	\$ 301,540	\$ 856,890
Investments	251,796	27,473	8,158	393,426	63,581	1,905,968	2,650,402
Receivables, net of uncollectibles							
Accounts	69	50	66	101	60	42	388
Due from other governments	--	--	--	--	--	162,053	162,053
<b>Total assets</b>	<b>\$ 308,543</b>	<b>\$ 366,096</b>	<b>\$ 60,040</b>	<b>\$ 470,645</b>	<b>\$ 94,806</b>	<b>\$ 2,369,603</b>	<b>\$ 3,669,733</b>
<b>LIABILITIES</b>							
Accounts payable	\$ --	\$ --	\$ --	\$ 40,648	\$ 650	\$ 113,230	\$ 154,528
<b>Total liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>40,648</b>	<b>650</b>	<b>113,230</b>	<b>154,528</b>
<b>FUND BALANCES</b>							
Fund balances							
Reserved	308,543	366,096	60,040	429,997	94,156	--	1,258,832
Unreserved, reported in:							
Capital project funds	--	--	--	--	--	2,256,373	2,256,373
<b>Total fund balances</b>	<b>308,543</b>	<b>366,096</b>	<b>60,040</b>	<b>429,997</b>	<b>94,156</b>	<b>2,256,373</b>	<b>3,515,205</b>
<b>Total liabilities and fund balances</b>	<b>\$ 308,543</b>	<b>\$ 366,096</b>	<b>\$ 60,040</b>	<b>\$ 470,645</b>	<b>\$ 94,806</b>	<b>\$ 2,369,603</b>	<b>\$ 3,669,733</b>

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
<b>Revenues</b>							
Miscellaneous	\$ 4,587	\$ 6,028	\$ 1,511	\$ 7,007	\$ 2,219	\$ 503,408	\$ 524,760
Total revenues	4,587	6,028	1,511	7,007	2,219	503,408	524,760
<b>Expenditures</b>							
Current							
Culture and recreation	--	3,585	--	--	6,784	14,308	24,677
Capital outlay	--	150,696	--	240,108	149,100	4,917,964	5,457,868
Debt service	--	--	--	--	--	4,950	4,950
Total expenditures	--	154,281	--	240,108	155,884	4,937,222	5,487,495
Excess (deficiency) of revenues over expenditures	4,587	(148,253)	1,511	(233,101)	(153,665)	(4,433,814)	(4,962,735)
<b>Other financing sources (uses)</b>							
Transfers in	308,605	88,221	308,605	100,672	97,117	276,780	1,180,000
Transfers out	(415,448)	(13,616)	(438,124)	--	--	--	(867,188)
Proceeds from new debt	--	--	--	--	--	3,700,000	3,700,000
Total other financing sources (uses)	(106,843)	74,605	(129,519)	100,672	97,117	3,976,780	4,012,812
Net change in fund balances	(102,256)	(73,648)	(128,008)	(132,429)	(56,548)	(457,034)	(949,923)
Fund balances, beginning of year	410,799	439,744	188,048	562,426	150,704	2,713,407	4,465,128
Fund balances, end of year	\$ 308,543	\$ 366,096	\$ 60,040	\$ 429,997	\$ 94,156	\$ 2,256,373	\$ 3,515,205

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$       --	\$       --	\$       4,587
Total revenues	--	--	4,587
Expenditures			
Reserve for contingencies	278,200	304,412	--
Total expenditures	278,200	304,412	--
Excess (deficiency) of revenues over expenditures	(278,200)	(304,412)	4,587
Other financing sources (uses)			
Transfers in	278,200	308,605	308,605
Transfers out	--	(415,448)	(415,448)
Total other financing sources (uses)	278,200	(106,843)	(106,843)
Net change in fund balances	--	(411,255)	(102,256)
Fund balance, beginning of year	--	411,255	410,799
Fund balance, end of year	\$       --	\$       --	\$       308,543

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 100,000	\$ --
Miscellaneous	--	--	6,028
Total revenues	--	100,000	6,028
Expenditures			
Current			
Culture and recreation	--	--	3,585
Capital outlay		296,712	150,696
Reserve for contingencies	57,816	317,636	--
Total expenditures	57,816	614,348	154,281
Net change in fund balances	(57,816)	(514,348)	(148,253)
Other financing sources (uses)			
Transfers in	57,816	88,221	88,221
Transfers out	--	(13,616)	(13,616)
Total other financing sources (uses)	57,816	74,605	74,605
Net change in fund balances	--	(439,743)	(73,648)
Fund balance, beginning of year	--	439,743	439,744
Fund balance, end of year	\$ --	\$ --	\$ 366,096

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$       --	\$       --	\$       1,511
Total revenues	--	--	1,511
Expenditures			
Reserve for contingencies	278,200	58,073	--
Total expenditures	278,200	58,073	--
Excess (deficiency) of revenues over expenditures	(278,200)	(58,073)	1,511
Other financing sources (uses)			
Transfers in	278,200	308,605	308,605
Transfers out	--	(438,124)	(438,124)
Total other financing sources (uses)	278,200	(129,519)	(129,519)
Net change in fund balances	--	(187,592)	(128,008)
Fund balance, beginning of year	--	187,592	188,048
Fund balance, end of year	\$       --	\$       --	\$       60,040

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$       --	\$       --	\$       7,007
Total revenues	--	--	7,007
Expenditures			
Capital outlay	--	508,848	240,108
Reserve for contingencies	70,267	154,250	--
Total expenditures	70,267	663,098	240,108
Excess (deficiency) of revenues over expenditures	(70,267)	(663,098)	(233,101)
Other financing sources (uses)			
Transfers in	70,267	100,672	100,672
Total other financing sources (uses)	70,267	100,672	100,672
Net change in fund balances	--	(562,426)	(132,429)
Fund balance, beginning of year	--	562,426	562,426
Fund balance, end of year	\$       --	\$       --	\$     429,997

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ --	\$ --	\$ 2,219
Total revenues	--	--	2,219
Expenditures			
Current			
Culture and recreation		9,017	6,784
Capital outlay	--	172,202	149,100
Reserve for contingencies	66,712	66,601	--
Total expenditures	66,712	247,820	155,884
Excess (deficiency) of revenues over expenditures	(66,712)	(247,820)	(153,665)
Other financing sources (uses)			
Transfers in	66,712	97,117	97,117
Total other financing sources (uses)	66,712	97,117	97,117
Net change in fund balances	--	(150,703)	(56,548)
Fund balance, beginning of year	--	150,703	150,704
Fund balance, end of year	\$ --	\$ --	\$ 94,156

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 37,002	\$ --
Miscellaneous	--	414,009	503,408
Total revenues	--	451,011	503,408
Expenditures			
Current			
Culture and recreation	--	10,000	14,308
Capital outlay		5,094,390	4,917,964
Debt service	--	--	4,950
Reserve for contingencies	19,288	--	--
Total expenditures	19,288	5,104,390	4,937,222
Excess (deficiency) of revenues over expenditures	(19,288)	(4,653,379)	(4,433,814)
Other financing sources (uses)			
Transfers in	19,288	276,780	276,780
Proceeds from new debt		3,700,000	3,700,000
Total other financing sources (uses)	19,288	3,976,780	3,976,780
Net change in fund balances	--	(676,599)	(457,034)
Fund balance, beginning of year	--	2,713,403	2,713,407
Fund balance, end of year	\$ --	\$ 2,036,804	\$ 2,256,373

## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

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

Clerk's Bail Bond Fund - accounts for the collection and disbursement of bond monies posted by individuals upon arrest since September 2002. 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 Cash Bond Fund - accounts for the collection and disbursement of bond monies posted by individuals upon arrest prior to September 2002. These monies are held by the Sheriff until final disposition instructions are received from the court.

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, 2004**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Clerk's Fine and Cost Fund</b>				
Assets				
Cash	\$ --	\$ 2,629,942	\$ 2,530,912	\$ 99,030
Total assets	<u>\$ --</u>	<u>\$ 2,629,942</u>	<u>\$ 2,530,912</u>	<u>\$ 99,030</u>
Liabilities				
Accounts payable	\$ --	\$ 48,654	\$ --	\$ 48,654
Due to other governments	--	2,581,114	2,530,738	50,376
Due to other funds	--	174	174	--
Total liabilities	<u>\$ --</u>	<u>\$ 2,629,942</u>	<u>\$ 2,530,912</u>	<u>\$ 99,030</u>
<b>Clerk's Intangible Tax Fund</b>				
Assets				
Cash	\$ --	\$ 3,647,333	\$ 3,552,164	\$ 95,169
Total assets	<u>\$ --</u>	<u>\$ 3,647,333</u>	<u>\$ 3,552,164</u>	<u>\$ 95,169</u>
Liabilities				
Due to other governments	\$ --	\$ 3,646,857	\$ 3,552,164	\$ 94,693
Due to other funds	--	476	--	476
Total liabilities	<u>\$ --</u>	<u>\$ 3,647,333</u>	<u>\$ 3,552,164</u>	<u>\$ 95,169</u>
<b>Clerk's Court Registry Fund</b>				
Assets				
Cash	\$ 804,995	\$ 7,897,130	\$ 7,195,519	\$ 1,506,606
Total assets	<u>\$ 804,995</u>	<u>\$ 7,897,130</u>	<u>\$ 7,195,519</u>	<u>\$ 1,506,606</u>
Liabilities				
Deposits	\$ 804,995	\$ 7,897,130	\$ 7,195,519	\$ 1,506,606
Total liabilities	<u>\$ 804,995</u>	<u>\$ 7,897,130</u>	<u>\$ 7,195,519</u>	<u>\$ 1,506,606</u>
<b>Clerk's State Documentary Stamp Fund</b>				
Assets				
Cash	\$ --	\$ 17,050,174	\$ 16,668,981	\$ 381,193
Total assets	<u>\$ --</u>	<u>\$ 17,050,174</u>	<u>\$ 16,668,981</u>	<u>\$ 381,193</u>
Liabilities				
Due to other governments	\$ --	\$ 17,046,229	\$ 16,668,981	\$ 377,248
Due to other funds	--	3,945	--	3,945
Total liabilities	<u>\$ --</u>	<u>\$ 17,050,174</u>	<u>\$ 16,668,981</u>	<u>\$ 381,193</u>

Continued

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Clerk's Suspense Fund</b>				
Assets				
Cash	\$ --	\$ 341,637	\$ 325,401	\$ 16,236
Total assets	<u>\$ --</u>	<u>\$ 341,637</u>	<u>\$ 325,401</u>	<u>\$ 16,236</u>
Liabilities				
Due to other governments	\$ --	\$ 341,637	\$ 325,401	\$ 16,236
Total liabilities	<u>\$ --</u>	<u>\$ 341,637</u>	<u>\$ 325,401</u>	<u>\$ 16,236</u>
<b>Clerk's Tax Redemption Fund</b>				
Assets				
Cash	\$ 160,138	\$ 467,386	\$ 468,965	\$ 158,559
Total assets	<u>\$ 160,138</u>	<u>\$ 467,386</u>	<u>\$ 468,965</u>	<u>\$ 158,559</u>
Liabilities				
Deposits	\$ 160,138	\$ 467,386	\$ 468,965	\$ 158,559
Total liabilities	<u>\$ 160,138</u>	<u>\$ 467,386</u>	<u>\$ 468,965</u>	<u>\$ 158,559</u>
<b>Clerk's State Witness and Juror Fund</b>				
Assets				
Cash	\$ --	\$ 34,038	\$ 34,038	\$ --
Total assets	<u>\$ --</u>	<u>\$ 34,038</u>	<u>\$ 34,038</u>	<u>\$ --</u>
Liabilities				
Accounts payable	\$ --	\$ 34,038	\$ 34,038	\$ --
Total liabilities	<u>\$ --</u>	<u>\$ 34,038</u>	<u>\$ 34,038</u>	<u>\$ --</u>
<b>Clerk's Uniform Support Fund</b>				
Assets				
Cash	\$ --	\$ 191,835	\$ 190,942	\$ 893
Total assets	<u>\$ --</u>	<u>\$ 191,835</u>	<u>\$ 190,942</u>	<u>\$ 893</u>
Liabilities				
Due to other governments	\$ --	\$ 191,835	\$ 190,942	\$ 893
Total liabilities	<u>\$ --</u>	<u>\$ 191,835</u>	<u>\$ 190,942</u>	<u>\$ 893</u>

Continued

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Clerk's Bail Bond Fund</b>				
Assets				
Cash	\$ 247,362	\$ 731,800	\$ 653,507	\$ 325,655
Total assets	<u>\$ 247,362</u>	<u>\$ 731,800</u>	<u>\$ 653,507</u>	<u>\$ 325,655</u>
Liabilities				
Deposits	\$ 247,362	\$ 731,800	\$ 653,507	\$ 325,655
Total liabilities	<u>\$ 247,362</u>	<u>\$ 731,800</u>	<u>\$ 653,507</u>	<u>\$ 325,655</u>
<b>Tax Collector's Tax Fund</b>				
Assets				
Cash	\$ 1,859,513	\$ 99,039,778	\$ 98,750,819	\$ 2,148,472
Accounts receivable	13,623	1,133,680	1,118,246	29,057
Total assets	<u>\$ 1,873,136</u>	<u>\$ 100,173,458</u>	<u>\$ 99,869,065</u>	<u>\$ 2,177,529</u>
Liabilities				
Deposits	\$ 14,808	\$ 12,370,032	\$ 11,859,312	\$ 525,528
Due to other governments	1,502,774	87,394,560	87,316,560	1,580,774
Due to other funds	347,157	62,961	348,454	61,664
Miscellaneous	8,397	457,237	456,071	9,563
Total liabilities	<u>\$ 1,873,136</u>	<u>\$ 100,284,790</u>	<u>\$ 99,980,397</u>	<u>\$ 2,177,529</u>
<b>Sheriff's Cash Bond Fund</b>				
Assets				
Cash	\$ 3,332	\$ --	\$ --	\$ 3,332
Total assets	<u>\$ 3,332</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,332</u>
Liabilities				
Due to other funds	\$ 3,332	\$ --	\$ --	\$ 3,332
Total liabilities	<u>\$ 3,332</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,332</u>

Continued

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Sheriff's Individual Depositors Fund</b>				
Assets				
Cash	\$ 7,679	\$ 96,076	\$ 91,651	\$ 12,104
Accounts receivable	--	20	--	20
Total assets	<u>\$ 7,679</u>	<u>\$ 96,096</u>	<u>\$ 91,651</u>	<u>\$ 12,124</u>
Liabilities				
Deposits	\$ --	\$ 88,048	\$ 88,048	\$ --
Due to other governments	7,679	--	3,603	4,076
Due to other funds	--	8,048	--	8,048
Total liabilities	<u>\$ 7,679</u>	<u>\$ 96,096</u>	<u>\$ 91,651</u>	<u>\$ 12,124</u>
<b>Sheriff's Suspense Fund</b>				
Assets				
Cash	\$ 18,918	\$ 212,346	\$ 169,447	\$ 18,918
Due from other funds	--	70	--	70
Total assets	<u>\$ 18,918</u>	<u>\$ 212,416</u>	<u>\$ 169,447</u>	<u>\$ 18,988</u>
Liabilities				
Accounts payable	\$ 18,899	\$ 39,552	\$ --	\$ 58,451
Deposits	--	169,428	169,428	--
Due to other governments	19	--	19	--
Due to other funds	--	3,436	--	3,436
Total liabilities	<u>\$ 18,918</u>	<u>\$ 212,416</u>	<u>\$ 169,447</u>	<u>\$ 61,887</u>
<b>Sheriff's Prisoner's Personal Fund</b>				
Assets				
Cash	\$ 46,737	\$ 660,602	\$ 678,275	\$ 29,064
Total assets	<u>\$ 46,737</u>	<u>\$ 660,602</u>	<u>\$ 678,275</u>	<u>\$ 29,064</u>
Liabilities				
Deposits	\$ 16,447	\$ 660,602	\$ 647,985	\$ 29,064
Due to other funds	30,290	--	30,290	--
Total liabilities	<u>\$ 46,737</u>	<u>\$ 660,602</u>	<u>\$ 678,275</u>	<u>\$ 29,064</u>

Continued

**Santa Rosa County, Florida**

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

**Year ended September 30, 2004**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Sheriff's Seizure Fund</b>				
Assets				
Cash	\$ 41,023	\$ 34,734	\$ 57,720	\$ 18,037
Total assets	<u>\$ 41,023</u>	<u>\$ 34,734</u>	<u>\$ 57,720</u>	<u>\$ 18,037</u>
Liabilities				
Accounts payable	\$ 2,567	\$ --	\$ 2,567	\$ --
Deposits	19,682	30,044	36,730	12,996
Due to other governments	18,774	--	18,423	351
Due to other funds	--	4,690	--	4,690
Total liabilities	<u>\$ 41,023</u>	<u>\$ 34,734</u>	<u>\$ 57,720</u>	<u>\$ 18,037</u>
<b>Sheriff's Flower Fund</b>				
Assets				
Cash	\$ 5,256	\$ 2,760	\$ 1,446	\$ 6,570
Total assets	<u>\$ 5,256</u>	<u>\$ 2,760</u>	<u>\$ 1,446</u>	<u>\$ 6,570</u>
Liabilities				
Deposits	\$ 5,256	\$ 2,658	\$ 1,446	\$ 6,468
Due to other funds	--	102	--	102
Total liabilities	<u>\$ 5,256</u>	<u>\$ 2,760</u>	<u>\$ 1,446</u>	<u>\$ 6,570</u>
<b>TOTAL AGENCY FUNDS</b>				
Assets				
Cash	\$ 3,194,953	\$ 133,037,571	\$ 131,369,787	\$ 4,862,737
Accounts receivable	13,623	1,133,700	1,118,246	29,077
Due from other funds	--	70	--	70
Total assets	<u>\$ 3,208,576</u>	<u>\$ 134,171,341</u>	<u>\$ 132,488,033</u>	<u>\$ 4,891,884</u>
Liabilities				
Accounts payable	\$ 21,466	\$ 122,244	\$ 36,605	\$ 107,105
Deposits	1,268,688	22,417,128	21,120,940	2,564,876
Due to other governments	1,529,246	111,202,232	110,606,831	2,124,647
Due to other funds	380,779	83,832	378,918	85,693
Miscellaneous	8,397	457,237	456,071	9,563
Total liabilities	<u>\$ 3,208,576</u>	<u>\$ 134,282,673</u>	<u>\$ 132,599,365</u>	<u>\$ 4,891,884</u>



## STATISTICAL SECTION



**SANTA ROSA COUNTY, FLORIDA  
REVENUES BY SOURCE  
ALL GOVERNMENTAL FUND TYPES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>YEAR</u>	<u>TAXES</u>	<u>LICENSES, AND PERMITS</u>	<u>INTERGOVERN- MENTAL</u>	<u>CHARGES FOR SERVICES</u>	<u>FINES AND FORFEITURES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
1995	\$ 24,139,086	\$ 855,249	\$ 11,715,624	\$ 3,073,935	\$ 900,840	\$ 1,980,069	\$ 42,664,803
1996	\$ 29,074,457	\$ 1,067,102	\$ 17,554,061	\$ 5,271,858	\$ 1,063,256	\$ 2,434,578	\$ 56,465,312
1997	\$ 32,097,226	\$ 1,229,719	\$ 11,169,469	\$ 4,783,120	\$ 1,053,852	\$ 3,051,487	\$ 53,384,873
1998	\$ 35,943,265	\$ 1,135,322	\$ 12,995,984	\$ 3,812,344	\$ 1,242,028	\$ 5,348,646	\$ 60,477,589
1999	\$ 32,424,011	\$ 1,624,647	\$ 15,093,541	\$ 4,391,866	\$ 1,694,839	\$ 3,563,913	\$ 58,792,817
2000	\$ 32,728,308	\$ 1,418,463	\$ 15,123,785	\$ 5,279,061	\$ 1,841,133	\$ 4,589,533	\$ 60,980,283
2001	\$ 35,258,100	\$ 1,445,043	\$ 14,672,667	\$ 4,567,518	\$ 1,585,642	\$ 4,949,176	\$ 62,478,146
2002	\$ 37,141,140	\$ 1,597,969	\$ 15,952,777	\$ 5,381,469	\$ 1,715,348	\$ 4,449,388	\$ 66,238,091
2003	\$ 40,625,553	\$ 2,205,200	\$ 18,494,114	\$ 5,898,038	\$ 1,274,520	\$ 4,718,427	\$ 73,215,852
2004	\$ 43,139,717	\$ 2,567,340	\$ 20,334,974	\$ 7,380,990	\$ 1,053,470	\$ 4,991,978	\$ 79,468,469

Includes general, special revenue, debt service and capital project funds.

**SANTA ROSA COUNTY, FLORIDA  
EXPENDITURES BY FUNCTION  
ALL GOVERNMENTAL FUND TYPES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>YEAR</b>	<b>GENERAL GOVERNMENT</b>	<b>PUBLIC SAFETY</b>	<b>PHYSICAL ENVIRONMENT</b>	<b>TRANSPORTATION</b>	<b>ECONOMIC ENVIRONMENT</b>	<b>HUMAN SERVICES</b>	<b>CULTURE AND RECREATION</b>	<b>CAPITAL OUTLAY</b>	<b>DEBT SERVICE</b>	<b>TOTAL</b>
1995	\$ 10,406,564	\$ 14,282,711	\$ 1,676,054	\$ 7,270,257	\$ 636,492	\$ 2,178,447	\$ 1,059,981	\$ 1,593,900	\$ 665,311	\$ 39,769,717
1996	\$ 11,043,125	\$ 19,911,370	\$ 1,183,900	\$ 7,915,964	\$ 655,209	\$ 2,604,080	\$ 902,715	\$ 12,912,788	\$ 865,452	\$ 57,994,603
1997	\$ 11,679,308	\$ 16,401,162	\$ 629,799	\$ 7,363,947	\$ 1,034,280	\$ 2,631,589	\$ 1,250,551	\$ 13,652,719	\$ 1,162,312	\$ 55,805,667
1998	\$ 13,013,806	\$ 18,313,034	\$ 587,793	\$ 8,327,943	\$ 1,052,728	\$ 2,490,394	\$ 862,388	\$ 7,972,473	\$ 9,608,861	\$ 62,229,420
1999	\$ 14,363,278	\$ 22,094,683	\$ 1,579,035	\$ 8,707,863	\$ 1,066,532	\$ 2,752,466	\$ 1,325,066	\$ 4,504,434	\$ 2,852,849	\$ 59,246,206
2000	\$ 14,994,681	\$ 24,488,002	\$ 882,636	\$ 10,314,645	\$ 1,341,354	\$ 3,102,407	\$ 1,592,031	\$ 3,243,292	\$ 1,544,637	\$ 61,503,685
2001	\$ 17,414,108	\$ 21,365,156	\$ 752,154	\$ 9,196,676	\$ 1,731,142	\$ 3,693,235	\$ 1,300,743	\$ 4,581,487	\$ 1,853,868	\$ 61,888,569
2002	\$ 20,269,695	\$ 25,365,990	\$ 856,818	\$ 12,165,208	\$ 1,721,145	\$ 3,146,691	\$ 1,815,920	\$ 3,419,806	\$ 1,273,047	\$ 70,034,320
2003	\$ 24,264,019	\$ 26,588,351	\$ 1,126,744	\$ 11,894,667	\$ 1,668,839	\$ 3,823,704	\$ 2,178,760	\$ 1,877,874	\$ 3,862,020	\$ 77,284,978
2004	\$ 22,252,708	\$ 31,888,919	\$ 1,508,205	\$ 14,145,696	\$ 1,828,889	\$ 3,751,579	\$ 1,968,404	\$ 5,457,868	\$ 2,084,968	\$ 84,887,236

Includes general, special revenue, debt service and capital project funds

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

<b>YEAR</b>	<b>TOTAL TAX LEVY</b>	<b>CURRENT AND PRIOR YEARS ADJUSTMENTS</b>	<b>OUTSTANDING DELINQUENT TAXES</b>	<b>DISCOUNTS ALLOWED</b>	<b>CURRENT TAX COLLECTIONS</b>	<b>PERCENT OF CURRENT TAX COLLECTIONS TO TOTAL LEVY</b>	<b>TOTAL TAX COLLECTION</b>	<b>PERCENT OF TOTAL TAX COLLECTION TO TOTAL LEVY</b>	<b>PERCENT OF DELINQUENT TAXES TO TAX LEVY</b>
1995	\$ 17,204,475	\$ 21,617	\$ 40,163	\$ 554,837	\$ 16,586,542	96.41%	\$ 17,141,379	99.63%	0.23%
1996	\$ 19,055,569	\$ 18,835	\$ 49,196	\$ 621,074	\$ 18,339,590	96.24%	\$ 18,960,664	99.50%	0.26%
1997	\$ 20,765,905	\$ 10,746	\$ 54,305	\$ 676,525	\$ 20,024,525	96.43%	\$ 20,701,050	99.69%	0.26%
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%

Source: Tax Collector, Santa Rosa County

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

<b>FISCAL YEAR</b>	<b>REAL PROPERTY JUST VALUE</b>	<b>REAL PROPERTY EXEMPTIONS</b>	<b>REAL PROPERTY TAXABLE VALUE</b>	<b>PERSONAL PROPERTY JUST VALUE</b>	<b>PERSONAL PROPERTY EXEMPTIONS</b>	<b>PERSONAL PROPERTY TAXABLE VALUE</b>	<b>TOTAL JUST VALUE</b>	<b>TOTAL TAXABLE VALUE</b>	<b>PERCENT OF TAXABLE TO JUST VALUE</b>
1995	\$ 3,774,124,152	\$ 1,400,617,306	\$ 2,373,506,846	\$ 384,884,370	\$ 29,104,083	\$ 355,780,287	\$ 4,159,008,522	\$ 2,729,287,133	66%
1996	\$ 4,090,485,153	\$ 1,499,355,677	\$ 2,591,129,476	\$ 409,128,780	\$ 25,848,202	\$ 383,280,578	\$ 4,499,613,933	\$ 2,974,410,054	66%
1997	\$ 4,554,159,360	\$ 1,654,032,920	\$ 2,900,126,440	\$ 430,731,701	\$ 28,652,891	\$ 402,078,810	\$ 4,984,891,061	\$ 3,302,205,250	66%
1998	\$ 5,013,222,582	\$ 1,834,588,331	\$ 3,178,634,251	\$ 418,654,012	\$ 19,529,486	\$ 399,124,526	\$ 5,431,876,594	\$ 3,577,758,777	66%
1999	\$ 5,425,959,917	\$ 2,029,878,422	\$ 3,396,081,495	\$ 439,701,420	\$ 38,707,940	\$ 400,993,480	\$ 5,865,661,337	\$ 3,797,074,975	65%
2000	\$ 5,929,891,976	\$ 2,172,556,932	\$ 3,757,335,044	\$ 424,630,539	\$ 21,824,683	\$ 402,805,856	\$ 6,354,522,515	\$ 4,160,140,900	65%
2001	\$ 6,230,909,341	\$ 2,047,324,355	\$ 4,183,584,986	\$ 389,639,532	\$ 16,146,758	\$ 373,492,774	\$ 6,620,548,873	\$ 4,557,077,760	69%
2002	\$ 6,684,998,175	\$ 2,131,641,295	\$ 4,553,356,880	\$ 463,271,229	\$ 1,313,533	\$ 461,957,696	\$ 7,148,269,404	\$ 5,015,314,576	70%
2003	\$ 7,305,016,073	\$ 2,385,092,305	\$ 4,919,923,768	\$ 539,581,021	\$ 15,702,041	\$ 523,878,980	\$ 7,844,597,094	\$ 5,443,802,748	69%
2004	\$ 8,350,440,380	\$ 2,861,106,455	\$ 5,489,333,925	\$ 592,201,813	\$ 148,319,926	\$ 443,881,887	\$ 8,942,642,193	\$ 5,933,215,812	66%

Source: Property Appraiser, Santa Rosa County

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

<b>YEAR</b>	<b>SANTA ROSA COUNTY OPERATING MILLAGE</b>	<b>SCHOOL BOARD OPERATING MILLAGE</b>	<b>CITY OF GULF BREEZE OPERATING MILLAGE</b>	<b>CITY OF MILTON OPERATING MILLAGE</b>	<b>CITY OF JAY OPERATING MILLAGE</b>	<b>AVALON- MULAT FIRE DISTRICT MILLAGE</b>	<b>MIDWAY FIRE DISTRICT MILLAGE</b>	<b>HOLLEY NAVARRE LIBRARY MILLAGE</b>	<b>NW FLORIDA WATER MANAGEMENT MILLAGE</b>	<b>TOTAL MILLAGE</b>
1995	6.9720	8.9990	1.9200	2.7500	2.0000	0.8000	0.2581	-	0.0500	23.7491
1996	6.9720	9.0500	1.8300	2.7500	2.0000	0.8000	0.3500	-	0.0500	23.8020
1997	6.9720	8.8460	1.8300	2.7500	2.0000	0.8000	0.4000	0.3000	0.0500	23.9480
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

Source: Property Appraiser, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA  
PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2003  
(UNAUDITED)**

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Santa Rosa Energy, LLC	Development Company	\$ 124,241,548	2.09%
Gulf Power	Electric Utility	\$ 77,780,825	1.31%
Florida Gas Transmission	Natural Gas Pipeline	\$ 43,360,200	0.73%
Exxon	Energy and Petrochemical	\$ 38,004,847	0.64%
Bell South	Telephone Utility	\$ 37,585,963	0.63%
Air Products	Industrial Manufacturer	\$ 28,852,853	0.49%
Louisiana Land	Land Holding Company	\$ 19,677,798	0.33%
Walmart	Retail Sales	\$ 19,006,919	0.32%
Inexco Oil Company	Petrochemical	\$ 17,650,165	0.30%
Mediacom Southeast LLC	Cable Television	\$ 16,589,601	0.28%

Source: Property Appraiser, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA  
SPECIAL ASSESSMENT  
BILLINGS AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>YEAR</b>	<b>SPECIAL ASSESSMENT BILLINGS</b>	<b>SPECIAL ASSESSMENT COLLECTIONS</b>
1995	\$ 991,657	\$ 981,865
1996	\$ 977,131	\$ 957,449
1997	\$ 1,196,027	\$ 1,180,808
1998	\$ 1,509,502	\$ 1,502,399
1999	\$ 1,864,092	\$ 1,852,401
2000	\$ 1,964,035	\$ 1,956,661
2001	\$ 1,553,885	\$ 1,548,200
2002	\$ 1,143,734	\$ 1,139,738
2003	\$ 1,675,768	\$ 1,672,124
2004	\$ 1,619,412	\$ 1,613,237

Source: Tax Collector, Santa Rosa County

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

	<b>YEAR</b>	<b>REVENUES</b>	<b>EXPENSES</b>	<b>OPERATING INCOME (1)</b>	<b>DEBT SERVICE REQUIREMENT</b>	<b>DEBT COVERAGE</b>
<u>Landfill</u>	1995	\$ 1,877,480	\$ 3,925,780	\$ (2,048,300)	\$ 347,288	-590%
	1996	\$ 1,781,221	\$ 1,880,743	\$ (99,522)	\$ 347,538	-29%
	1997	\$ 1,839,893	\$ 1,533,386	\$ 306,507	\$ 344,788	89%
	1998	\$ 1,863,748	\$ 1,199,631	\$ 664,117	\$ 346,753	192%
	1999	\$ 2,064,503	\$ 334,129	\$ 1,730,374	\$ 345,648	501%
	2000	\$ 2,004,081	\$ 1,746,706	\$ 257,375	\$ 346,651	74%
	2001	\$ 1,862,309	\$ 1,204,218	\$ 658,091	\$ 237,649	277%
	2002	\$ 2,094,586	\$ 1,978,706	\$ 115,880	\$ 316,956	37%
	2003	\$ 2,158,205	\$ 1,769,661	\$ 388,544	\$ 317,619	122%
	2004	\$ 2,415,726	\$ 1,958,717	\$ 457,009	\$ 320,490	143%

(1) Significant variations occur in operating income mainly due to changes in the estimated closure and long term care costs of the landfill.

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

<b>FISCAL YEAR</b>	<b>POPULATION (1)</b>	<b>PERSONAL PER CAPITA INCOME (1)</b>	<b>AVERAGE HOUSEHOLD SIZE (2)</b>	<b>UNEMPLOYMENT RATE (3)</b>
1995	98,688	\$ 19,248	2.657	4.093%
1996	101,059	\$ 21,037	2.652	3.468%
1997	105,703	\$ 22,222	2.647	3.554%
1998	109,890	\$ 22,661	2.641	4.036%
1999	114,418	\$ 23,157	2.636	3.863%
2000	117,743	\$ 24,293	2.630	3.574%
2001	121,370	\$ 25,262	2.627	4.399%
2002	124,956	\$ 26,174	2.603	4.840%
2003	128,889	\$ 27,340	2.598	4.392%
2004	130,585	NA	NA	4.200%

(1) Florida Department of Elder Affairs

(2) US Bureau of Economic and Business Research

(3) Agency for Workforce Innovation

NA Information is not available.

**SANTA ROSA COUNTY, FLORIDA  
CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>FISCAL YEAR</b>	<b>RESIDENTIAL BUILDING PERMITS (1)</b>	<b>RESIDENTIAL CONSTRUCTION (1)</b>	<b>COMMERICAL BUILDING PERMITS (1)</b>	<b>COMMERCIAL CONSTRUCTION (1)</b>	<b>BANK DEPOSITS (2)</b>
1995	1,991	\$ 92,616,283	174	\$ 34,661,446	\$ 605,000,000
1996	2,382	\$ 129,252,556	232	\$ 12,145,329	\$ 640,000,000
1997	2,409	\$ 127,969,720	345	\$ 43,327,711	\$ 677,000,000
1998	2,334	\$ 133,357,621	448	\$ 29,418,590	\$ 657,000,000
1999	2,411	\$ 150,732,988	503	\$ 38,359,954	\$ 686,000,000
2000	1,869	\$ 140,684,429	253	\$ 26,945,685	\$ 717,000,000
2001	2,131	\$ 162,189,291	208	\$ 43,461,070	\$ 747,000,000
2002	2,164	\$ 188,667,655	153	\$ 31,865,450	\$ 803,000,000
2003	2,885	\$ 289,355,098	247	\$ 29,539,125	\$ 865,000,000
2004	2,509	\$ 303,756,275	48	\$ 5,186,002	\$ 947,000,000

(1) Building Inspection Department, Santa Rosa County  
(2) FDIC

**SANTA ROSA COUNTY, FLORIDA  
MISCELLANEOUSE STATISTICAL DATA  
SEPTEMBER 30, 2004  
(UNAUDITED)**

Date founded	February 18, 1842
County seat	Milton, Florida
Form of government	Elected Board of Commissioners
Number of Commissioners	Five (5)
Term of office	Four (4) years
Location	Northwest Florida Panhandle West of Okaloosa County East of Escambia County South of Alabama North of Gulf of Mexico
Area	1,024 square miles
Incorporated areas	City of Milton City of Gulf Breeze Town of Jay

