MARYANNE MORSE
Clerk of the Circuit Court
Seminole County

February 27, 2004

To the Honorable Board of
County Commissioners
Seminole County, Florida

Florida Statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and adopted by the Governmental Accounting Standards Board, and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of Seminole County, Florida (County) for the fiscal year ended September 30, 2003.

The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by the independent firm of certified public accountants, Harris, Cotherman, O'Keefe & Associates. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2003 are fairly presented in conformity with GAAP. The report of independent accountants is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The County's MD&A can be found immediately following the independent auditors' report.

Post Office Box 8099 • Sanford, Florida 32772-8099 • (407) 665-4330 Voice • (407) 330-7193 Facsimile
Clerk of the Circuit Court • Clerk of the County Court • Clerk to the Board of County Commissioners

To the Honorable Board of
County Commissioners
Seminole County, Florida
February 27, 2004

County Profile

Seminole County was created by the Florida Legislature on April 25, 1913 and is located in the central part of Florida between Orlando to the south and Deland/Daytona Beach to the north. The County consists of seven incorporated areas and five unincorporated villages and encompasses 344 square miles of land and waterways. Seminole County's location between Volusia County and Orange County has made it one of the fastest growing counties in Florida. The Greater Orlando Metropolitan District which includes Seminole, Osceola, and the surrounding counties of Lake and Orange counties, together with neighboring Volusia and Brevard counties create a viable, progressive and diverse setting for economic growth and residential development.

The government currently operates under a County Charter originally adopted in 1989 and amended in November, 1994. Policymaking and the legislative authority are vested in the Board of County Commissioners (Board), a five-member board elected to four-year terms in partisan, countywide elections and from single member districts. The Board adopts the County budget, levies property taxes and other fees, and hires the County Manager and County Attorney. In addition to the Board there are five Constitutional Officers who are elected to partisan, four-year terms in accordance with the constitution of the State of Florida.

Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services; the construction and maintenance of the County's infrastructure, public safety, recreation, health and human services, and development and protection of the physical and economic environment.

Blended component units, although legally separate entities, are in substance, a part of the primary government's operations and are included as a part of the primary government. The 17-92 Community Redevelopment Agency is a blended component unit of the County and is presented as a special revenue fund. The Seminole County Expressway Authority is blended and is included in the County Transportation Trust Fund. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Seminole County Port Authority (Port Authority) and the Fred R. Wilson Memorial Law Library (Law Library) are reported as discretely presented component units.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Seminole County continues to enjoy a favorable economic environment. Interest income has been reduced and the lower borrowing rates have stimulated new construction and housing sales.

Consumer confidence remains reserved and the national economic growth rate is positive but placid. Lower interest costs and income tax refunds have helped individuals restructure personal debt and stimulate the economy but raising energy costs and jobs creation are concerns.

Based on the latest figures available, Seminole County fares well in the unemployment picture compared to national averages. Preliminary January unemployment statistics at the national level was 6.3 percent, the state's average was 4.6 percent while Seminole County's unemployment rate was 4.4 percent. As of February 2004, the workforce of Seminole County stood at 213,359 of which 203,532 were employed.

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Long-Term Financial Planning

The County has identified improvements to be made as part of their capital improvement plan (CIP) , which was adopted during the previous fiscal year. Major projects for Courthouse construction, sensitive lands purchases and preservation, natural trails construction, stormwater facilities and computer software installation are in progress.

The total projected cost of these and other improvements is in excess of $100,000,000.

The Board also continues to its fiscal year 2001-2002 a Transportation Improvement Program (TIP), which identified specific improvements to be made to the County roads for the period of fiscal year 2002-2003 through fiscal year 2006-2007.

Cash Management. Cash temporarily idle during the year was invested in three types of investments: overnight repurchase agreements, the State Board of Administration Investment Fund (SBA), and obligations backed by the U.S. Government, its agencies and instrumentalities. The investments in the U.S. Government, its agencies and instrumentalities include mortgage-backed instruments of the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Association (FHLMA), Government National Mortgage Association (GNMA), obligations of the Federal Home Loan Bank (FHLB), and U.S. Treasury notes and bonds.

At the end of each day, cash in the demand account was automatically invested in overnight repurchase agreements. Interest rates realized on overnight repurchase agreements were competitive with investments having longer periods of maturity.

The State Treasurer does not require overnight investments to be collateralized, however, under the contract for financial services with the County's bank is required to collateralize these investments at the Federal Reserve with direct obligations of the U.S. government, and provide CUSIP numbers of that collateral to the Clerk's office. This procedure provides an additional protection for County funds invested overnight.

The County is also permitted to invest in certificates of deposit that call for a specific maturity. These investments are made with qualified public depositories certified by the State of Florida and are located in Seminole County. Certificate of deposit maturities vary depending on anticipated cash requirements and receipts. Banks are required by the State Treasurer to pledge collateral for all public deposits held for governmental entities.

Investments are made in U.S. Government obligations with varying maturities. These investments are also liquid but are subject to interest rate fluctuation. Safekeeping of these securities is performed by a third party custodian. A delivery versus payment system has been implemented to assure proper transfer of funds for purchases and sales.

The County's portfolio has an average maturity of 1.23 years at current rates, and a weighted average book yield of 2.31%. The rates of return on funds invested with the State Board of Administration Investment Fund during the 2002-2003 fiscal year ranged from 1.30 percent to 1.81 percent, compared to a range of 1.90 percent to 2.86 percent during the 2001-2002 fiscal year. The rates of return on overnight repurchase agreements during fiscal year 2002-2003 ranged from .78 percent to 1.53 percent, compared to a range of 1.50 percent to 2.35 percent during the fiscal year 2001-2002. The average yield for the year on all available cash balances was 2.36 percent compared to 3.41 percent for the 2001-2002 fiscal year.

To the Honorable Board of
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Seminole County, Florida
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Risk Management. Seminole County maintains a Self-Insurance Program to provide certain coverage for workers' compensation, property damage, public liability and vehicle collision insurance.

The Self-Insurance Program retains the risks up to $100,000 for general liability and property damage claims and up to $200,000 for workers' compensation. The County relies on its sovereign immunity for claims in excess of its statutory limit of liability set forth in Section 768.28, Florida Statutes.

The County has obtained coinsurance with commercial carriers for claims in excess of the individual claim limits on a yearly aggregate loss basis.

Presently, The County's risk management program calls for self-insuring many types of risk, subject to the following limitations.

Type of Risk	Amount of Risk Retained by County	Limit of Excess Insurance Coverage
Workers' Compensation	$200,000	Not Applicable
General Liability[1]	$200,000	$4,000,000
Automobile Liability	$100,000	$900,000
Property	$100,000	$246,000,000

[1]Does not include coverage obtained by the Seminole County Sheriff

The limits stated above are on a per occurrence basis.

Pension Plan. All qualified County employees participate in the Florida Retirement System, a multi-employer public employee retirement system (PERS). County employees do not contribute to the system. The County's contribution requirement for the year ended September 30, 2003 was approximately $10,715,000 representing 9.17 percent of the covered payroll. County employees are also eligible to participate in Internal Revenue Code Section 457 retirement plans.

Award. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Seminole County, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2002. This was the twenty-first consecutive year that Seminole County has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for consideration of eligibility for another Certificate.

Acknowledgements. The preparation of this report was accomplished through the dedicated efforts of the staff of the County Finance Department of the Clerk of the Circuit Court as auditor and Clerk to the Board of County Commissioners, Chief Financial Officer and custodian of all County funds.

To the Honorable Board of
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Seminole County, Florida
February 27, 2004

I would like to express my appreciation to the Constitutional Officers and County Departments and the municipalities in the County who provided us with valuable information and assistance in the assembling and coordination of this effort.

Respectfully submitted.

Maryanne Morse
Clerk of the Circuit Court

Robert L. Wilson
County Finance Director

CERTIFICATE OF ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Seminole County, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002

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.

President

Executive Director

PRINCIPAL OFFICIALS

SEMINOLE COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

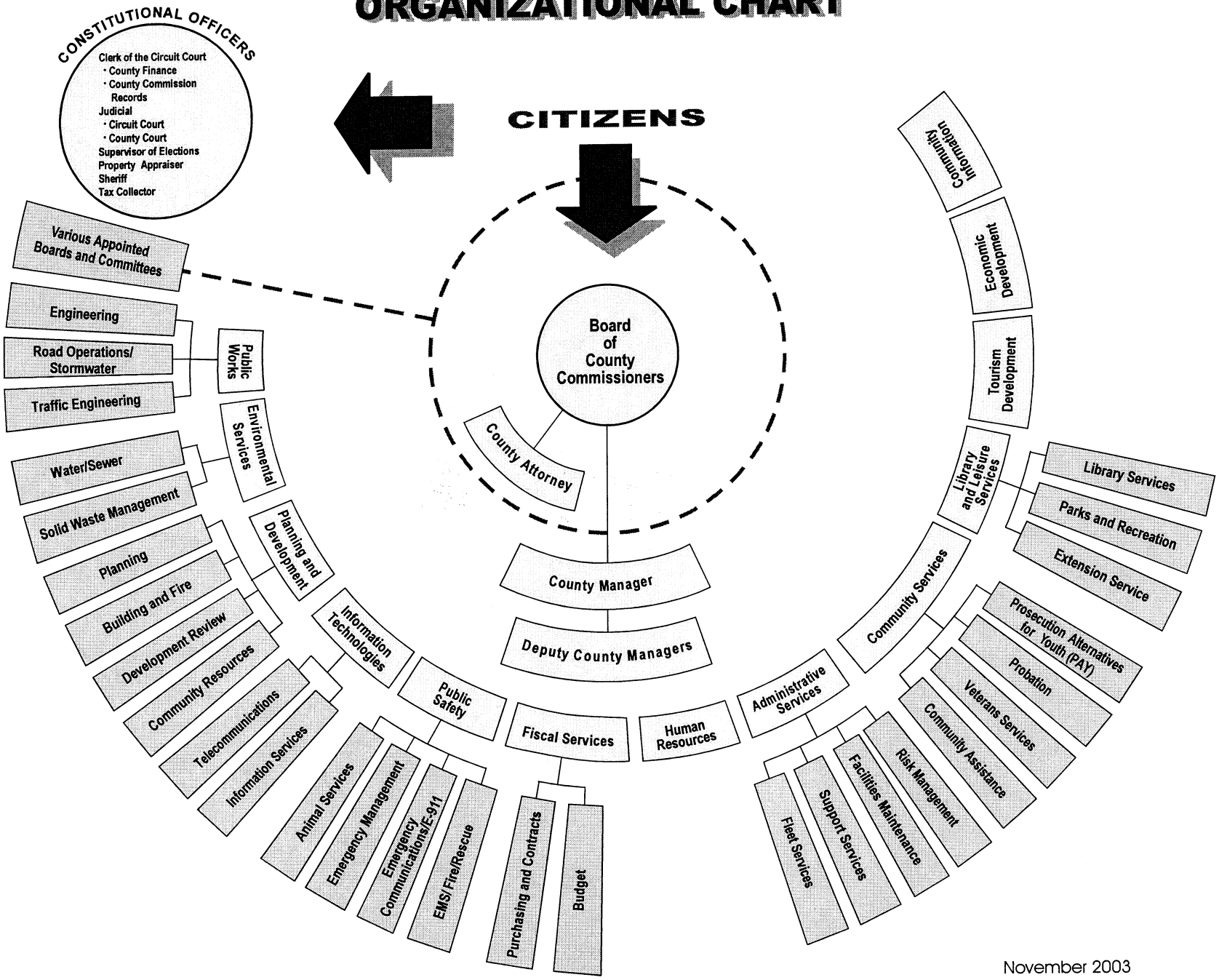
SEPTEMBER 30, 2003

Title	Name
Commissioner, District I	Grant Maloy
Commissioner, District II	Randall C. Morris
Commissioner, District III	Dick Van Der Weide
Commissioner, District IV	Carlton Henley
Commissioner, District V	Daryl McLain
Clerk of the Circuit Court	Maryanne Morse
Sheriff	Donald F. Eslinger
Tax Collector	Ray Valdes
Property Appraiser	H. W. Suber
Supervisor of Elections	Sandra S. Goard
County Manager	J. Kevin Grace
Deputy County Manager	Sally Sherman
Deputy County Manager	Robert Frank
County Attorney	Robert McMillan
Finance Director	Robert L. Wilson
Fiscal Services Director	Lisa Spriggs
Human Resources Director	Janet Davis
Library & Leisure Services Director	Janet S. Goldman
Public Safety Director	Ken Roberts
Public Works Director	Gary Johnson
Community Services Director	Phillip Stalvey
Planning & Development Director	Don Fisher
County Engineer	Jerry McCollum
Tourist Development Council Director	Suzan Bunn
Economic Development Manager	William McDermott
Environmental Services Director	Robert Adolphe

ORGANAZATION STRUCTURE

SEMINOLE COUNTY
FLORIDA'S NATURAL CHOICE

ORGANIZATIONAL CHART



November 2003