

**SEMINOLE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SPECIAL PURPOSE FINANCIAL STATEMENTS
Year Ended September 30, 2006**

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MOORE STEPHENS
LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Michael Ertel,
Supervisor of Elections of Seminole County, Florida

We have audited the accompanying special purpose financial statements of the Seminole County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2006, listed in the foregoing table of contents. These financial statements are the responsibility of the Supervisor of Elections' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1 of the financial statements, the financial statements referred to above present only the financial position and results of operations of the Supervisor of Elections and are not intended to present the financial position and results of operations of Seminole County, Florida in conformity with accounting principles generally accepted in the United States of America.

In our opinion, such special purpose financial statements present fairly, in all material respects, the financial position of the Supervisor of Elections as of September 30, 2006 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2006 on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Moore Stephens Lovelace, P.A.

Certified Public Accountants

Orlando, Florida
December 22, 2006

Seminole County, Florida Supervisor of Elections

BALANCE SHEET - GENERAL FUND

September 30, 2006

ASSETS

Cash	\$ 272,761
Due from other governments	<u>868</u>
TOTAL ASSETS	<u>\$ 273,629</u>

LIABILITIES AND FUND EQUITY

LIABILITIES	
Accounts payable	\$ 75,572
Accrued liabilities	25,575
Due to other governments	<u>172,482</u>
TOTAL LIABILITIES	273,629
FUND EQUITY	
Fund balance:	
Unreserved	<u>-</u>
TOTAL FUND EQUITY	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 273,629</u>

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

Seminole County, Florida Supervisor of Elections

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

Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental revenue	\$ 83,821	\$ 239,262	\$ 48,054	\$ (191,208)
Interest Income	-	-	6,466	6,466
	83,821	239,262	54,520	(184,742)
EXPENDITURES				
Current:				
General government:				
Salaries and benefits	1,189,689	1,189,689	1,146,024	43,665
Other operating expenditures	574,813	808,421	454,011	354,410
	1,764,502	1,998,110	1,600,035	398,075
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,680,681)	(1,758,848)	(1,545,515)	213,333
OTHER FINANCING SOURCES				
Transfers in from Board of County Commissioners	1,680,681	1,758,848	1,545,515	(213,333)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

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

SEMINOLE COUNTY, FLORIDA SUPERVISOR OF ELECTIONS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

Year Ended September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies used in the preparation of these financial statements.

Reporting Requirement

The Seminole County, Florida Supervisor of Elections (the "Supervisor of Elections") is a separately-elected county official established pursuant to the Constitution of the State of Florida. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of Seminole County, Florida taken as a whole. These special purpose financial statements are presented to comply with the requirements of Florida Statutes and the Rules of the Auditor General of the State of Florida. The Supervisor of Elections' General Fund is combined with the Board of County Commissioners and other constitutional officers' general funds in the Seminole County, Florida Comprehensive Annual Financial Report ("CAFR") to properly reflect the county-wide General Fund.

Description of Fund

The accounting records are organized on the basis of funds and classified for reporting purposes into one basic fund type:

General Fund – The General Fund is a governmental fund used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. The General Fund measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources, rather than upon net income determination).

Basis of Accounting and Presentation

The accounts of the General Fund are maintained on the modified accrual basis. Under the modified accrual basis of accounting, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or when they are considered both measurable and available and, as such, susceptible to accrual. The extent to which General Fund revenues exceed General Fund expenditures is reflected as a liability in compliance with Florida Statutes.

Budgetary Requirements and Basis

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. The budgeted revenues and expenditures in these financial statements reflect all amendments approved by the Board of County Commissioners. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers

In accordance with Florida Statutes, all unexpended balances at year end are owed to the Board. These excess fees are reported as transfers (out). Appropriations from the Board of County Commissioners are presented as transfers in.

NOTE 2 - EQUITY IN POOLED CASH

The Supervisor of Elections does not maintain its own cash accounts. Instead, as allowed by Florida Statute 129.202, the Board of County Commissioners performs all cash receipts and disbursement functions on its behalf. Accordingly, equity in pooled cash represents the cash maintained by the Board on behalf of the Supervisor of Elections. The Board maintains various demand deposit accounts, which are insured by the Federal Deposit Insurance Corporation or are covered by the state of Florida collateral pool; a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails.

NOTE 3 - PENSION PLAN

Plan Description

The Supervisor of Elections' employees participate in the Florida Retirement System ("FRS"), a multiple-employer, cost-sharing defined benefit retirement system, administered by the Florida Department of Administration. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the state of Florida. For a detailed plan description, see the Seminole County, Florida CAFR for the fiscal year ended September 30, 2006.

Funding Policy

The Supervisor of Elections' contributions to the FRS for fiscal years ended September 30, 2004 through 2006 were \$72,452, \$67,125 and 76,277, respectively, which were equal to the required contribution for each fiscal year.

NOTE 4 - INSURANCE COVERAGE

Seminole County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. Any public liability loss, which exceeds the self-insurance coverage limit, would remain the responsibility of the County. The Supervisor of Elections participated in the County's self-insurance program during fiscal year 2006. For additional information related to these programs, see the Seminole County, FCAFR for the fiscal year ended September 30, 2006.

NOTE 5 - LONG-TERM LIABILITIES

The Supervisor of Elections accrues a liability for employees' right to receive compensation for future absences when certain conditions are met. The Supervisor of Elections is not legally required and does not accumulate expendable available financial resources to liquidate this obligation. A summary of changes in long-term liabilities for the fiscal year ended September 30, 2006 is as follows:

	Balance October 1, 2005	Additions	Retirements	Balance September 30, 2006
Compensated absences	<u>\$98,749</u>	<u>\$44,377</u>	<u>\$22,563</u>	<u>\$120,563</u>



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Michael Ertel,
Supervisor of Elections of Seminole County, Florida

We have audited the special purpose financial statements of the Seminole County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2006, and have issued our report thereon dated December 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Supervisor of Elections' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

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

Moore Stephens Lovelace, P.A.

Certified Public Accountants

Orlando, Florida
December 22, 2006



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Michael Ertel,
Supervisor of Elections of Seminole County, Florida

We have audited the special purpose financial statements of the Supervisor of Elections of Seminole County, Florida (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated December 22, 2006.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Report of Independent Certified Public Accountants on Compliance and Internal Control over Financial Reporting. Disclosures in that report, which is dated December 22, 2006, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the state of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(h)1.) require that we address in the management letter, if not already addressed in the auditors' reports on compliance and internal controls, whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554(1)(h)2.), the scope of our audit included a review of provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Supervisor of Elections complied with Section 218.415, Florida Statutes.

Rules of the Auditor General (Section 10.554(1)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(h)4.) require disclosure in the management letter of the following matters, if not already addressed in the auditor's reports on compliance and internal controls and are not clearly inconsequential: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters required to be disclosed by Rules of the Auditor General (Section 10.554(1)(h)4.).

To the Honorable Michael Ertel,
Supervisor of Elections of Seminole County, Florida

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

Moore Stone Lash, P.A.

Certified Public Accountants

Orlando, Florida
December 22, 2006