



**Gulf County, Florida  
Supervisor of Elections**

**Special-Purpose  
Financial Statements  
September 30, 2012**

**Vance CPA, LLC**

*Certified Public Accountant*

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**GULF COUNTY SUPERVISOR OF ELECTIONS  
SEPTEMBER 30, 2012**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable John M. Hanlon  
Gulf County Supervisor of Elections  
Gulf County, Florida

We have audited the accompanying special-purpose financial statements of the Gulf County, Florida, Supervisor of Elections as of and for the year ended September 30, 2012, as listed in the table of contents. These special-purpose financial statements are the responsibility of the management of the Supervisor of Elections. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. We were not engaged to perform an audit of the Supervisor of Election's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Election's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared for the purpose of complying with Section 218.39, *Florida Statutes*, and Chapter 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These special-purpose financial statements are not intended to be a complete presentation of the Supervisor of Election's financial position and its changes in financial position, where applicable, therefore, for the year then ended, in conformity with accounting principles generally accepted in the United States. Additionally, the special-purpose statements present only the Supervisor of Elections and do not purport to, and do not, present fairly the financial position of Gulf County, Florida, as of September 30, 2012, and the changes in its financial position, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States.

In our opinion, the special-purpose financial statements, referred to above present fairly, in all material respects, the respective financial position of the Supervisor of Elections as of September 30, 2012, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 10, 2013, on our consideration of the Supervisor of Election's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Supervisor of Elections, management, the Board of County Commissioners and 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.

*Vance CPA LLC*

**Vance CPA LLC**  
June 10, 2013

**GULF COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2012**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>6,345</u>
<b>Total Assets</b>	<b><u>6,345</u></b>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Deferred Revenue	4,961
Due to Board of County Commissioners	<u>1,384</u>
<b>Total Liabilities</b>	<b><u>6,345</u></b>
Fund Balances	<u>—</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 6,345</u></b>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND**

**YEAR ENDED SEPTEMBER 30, 2012**

	<u>General Fund</u>
<b>REVENUES</b>	
Intergovernmental revenue	\$ —
<b>Total Revenues</b>	<u>—</u>
<b>EXPENDITURES</b>	
General government	
Personal services	161,291
Operating expenditures	<u>61,950</u>
<b>Total Expenditures</b>	<u><b>223,241</b></u>
Excess (deficit) of revenues over (under) expenditures	<u>(223,241)</u>
<b>Other financing sources (uses)</b>	
Transfers from Board of County Commissioners	224,625
Transfers to Board of County Commissioners	<u>(1,384)</u>
<b>Total Other Financing Sources (Uses)</b>	<u><b>223,241</b></u>
<b>Net change in fund balances</b>	<u>—</u>
<b>Fund balances - beginning</b>	<u>—</u>
<b>Fund balances - ending</b>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

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

**YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenue	\$ —	\$ —	\$ —	\$ —
<b>Total revenues</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Expenditures:</b>				
General government				
Personal services	162,287	162,287	161,291	996
Operating expenditures	59,732	62,338	61,950	388
Capital outlay	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total expenditures</b>	<u>222,019</u>	<u>224,625</u>	<u>223,241</u>	<u>1,384</u>
Excess (deficit) of revenues over (under) expenditures	<u>(222,019)</u>	<u>(224,625)</u>	<u>(223,241)</u>	<u>1,384</u>
<b>Other financing sources (uses)</b>				
Transfers from Board of County Commissioners	222,019	224,625	224,625	—
Transfers to Board of County Commissioners	<u>—</u>	<u>—</u>	<u>(1,384)</u>	<u>(1,384)</u>
<b>Total other financing Sources (uses)</b>	<u>222,019</u>	<u>224,625</u>	<u>223,241</u>	<u>(1,384)</u>
<b>Net change in fund balances</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Fund balances - beginning</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Fund balances - ending</b>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Supervisor of Elections of Gulf County, Florida is an elected Constitutional Officer of Gulf County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Supervisor of Elections is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Supervisor of Elections is considered to be a part of the primary government of Gulf County, Florida and her financial information is included in Gulf County's county-wide financial statements.

These special-purpose financial statements include only the balances and operations of the Supervisor of Elections office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity Audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

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

The accounting policies of the Supervisor of Elections conform to accounting principles generally accepted in the United States of America as applicable to governments.

**B. Basis of Presentation**

Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Supervisor of Elections utilizes the following fund type:



**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Governmental Fund Type**

*General Fund* – The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except those required to be accounted for in other funds.

**C. Basis of Accounting**

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

The accompanying financial statements have been prepared using the modified accrual basis of accounting for governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Supervisor of Elections considers receivables collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

**D. Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly they present a summary of sources and uses of “available spendable resources” during a period.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Budgets Requirements**

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund. Florida Statutes Chapter 129.201 governs the preparation, adoption, and administration of the Supervisor of election's annual budget.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

**F. Capital Assets**

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections maintains custodial responsibility for the capital assets used by the office.

**G. Liability for Compensated Absences**

Permanent full-time employees of the Supervisor of Elections accrue sick and annual leave based on pay period worked and must be taken during the fiscal year earned. No payment for vacation or sick leave is made at termination.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

**I. Subsequent Events**

Management evaluates subsequent events for possible inclusion in the financial statement disclosures through the issuance date of the financial statements.

**J. Net Assets and Fund Equity**

Governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) imposed by law through constitutional provisions or enabling legislation.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Town Council, the Town's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town's Budget Committee is authorized to make assignments.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Unassigned Fund Balance – is represented by the residual classification of the General Fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then any committed funds, then assigned and finally unassigned.

**NOTE 2 - CASH AND INVESTMENTS**

All Supervisor of Elections depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Supervisor of Elections cash consists of checking accounts and interest-bearing time deposits in a local bank.

The Supervisor of Elections held no investments at September 30, 2012.

**Interest Rate Risk**

At September 30, the Supervisor of Elections did not hold any investments that were considered to be an interest rate risk.

**Credit Risk**

At September 30, the Supervisor of Elections did not hold any investments that were considered to be a credit risk.

**Custodial Risk**

At September 30, the Supervisor of Elections did not hold any deposits or investment that were considered to be a custodial risk.

**Concentration of Credit Risk**

At September 30, 2012, the Supervisor of Elections did not hold any investments that were considered to be a concentration of credit risk.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**NOTE 3 - EMPLOYEE BENEFITS**

**RETIREMENT PLAN**

**A. Plan Description**

In accordance with Florida Law, the Supervisor of Elections participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer cost sharing defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, 1317 Winewood Blvd., Bldg B, Tallahassee, Florida, 32399-1560.

Employees hired prior to July 1, 2011 participating in the Pension Plan who retire at or after age 62 with 6 years of credited service for regular risk or with 30 years of service regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to 1.6% for regular employees, 2.0% for senior management, and 3.0% for county elected officials of their final average compensation for each year of credited service; and for special risk, after age 55 with 6 years or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, up to 3.0% for each year of credited service times their final average compensation. Final average compensation is the employee's average of the five highest years of salary earned during credited service. Vested employees may retire before age 62 for regular risk and receive retirement benefits that are reduced 5.0% for each year prior to normal retirement age.

Employees hired on July 1, 2011 or later participating in the Pension Plan who retire at or after age 65 with 8 years of credited service for regular risk or with 33 years of service regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to 1.6% for regular employees, 2.0% for senior management, and 3.0% for county elected officials of their final average compensation for each year of credited service; and for special risk, after age 60 with 8 years or with 30 years of service and age 57 or after 30 years of special risk service regardless of age, or after 33 years of any creditable service are entitled to a retirement benefit payable monthly for life. Vested employees may retire before age 65 for regular risk and 60 for special risk and receive retirement benefits that are reduced 5.0% for each year prior to normal retirement age.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**NOTE 4 – EMPLOYEE BENEFITS (continued)**

FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees.

**B. Funding Policy**

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. Until July 1, 2011 these acts provide that employers pay all contributions at rates determined each year by the legislature. Beginning July 1, 2011 employees are required to contribute 3% of their earnings to retirement. The rates, as a percentage of gross earnings, are as follows:

	<b><u>10/1/2011 through 6/30/2012</u></b>	<b><u>7/1/2012 through 9/30/2012</u></b>
Regular employees	4.91%	5.18%
Elected county officials	11.14%	10.23%
Senior Management	6.27%	6.30%
DROP plan participants	4.42%	5.44%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2011 through September 30, 2012 the total payroll for all employees was \$141,877 and the retirement contributions for all employees' covered by the System for the years ended September 30, 2012, 2011 and 2010 were \$6,148, \$14,115 and \$15,108 respectively, which is equal to the required contribution. These contributions represented 4.33% of covered payroll for the current year.

**NOTE 5 – RISK MANAGEMENT**

The Supervisor of elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The supervisor of Elections participates in the risk management program through the Gulf County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**NOTE 5 – RISK MANAGEMENT (continued)**

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property
- Public employees' bond
- Workers' compensation
- General and automobile liability

**COMPLIANCE SECTION**



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## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable John M. Hanlon  
Gulf County Supervisor of Elections  
Gulf County, Florida

We have audited the special-purpose financial statements of the Gulf County, Florida, Supervisor of Elections as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated June 10, 2013.

We conducted our audit in accordance with audit standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated June 10, 2013 should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., Rules of the Auditor General requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to the extent considered necessary, other than for those comments repeated in the Report on Internal Control over financial reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

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

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

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

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

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Supervisor of Elections has no component units.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information of the Supervisor of Elections, management, the Florida Auditor General, and the Board of County Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

*Vance CPA LLC*

**Vance CPA LLC**  
June 10, 2013

# Vance CPA, LLC

*Certified Public Accountant*

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

To the Honorable John M. Hanlon  
Gulf County Supervisor of Elections  
Gulf County, Florida

We have audited the accompanying special-purpose financial statements of the Gulf County, Florida, Supervisor of Elections, as of and for the year ended September 30, 2012, and have issued our report thereon dated June 10, 2013, which describes that such special-purpose financial statements have been prepared for the purpose of complying with section 218.39, *Florida Statutes*, and Chapter 10.577(3), *Rules of the Auditor General for Local Government Entity Audits*. 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*

Management of the Supervisor of Elections is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Supervisor of Election's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the special-purpose financial statements, but not for the purpose of expressing an opinion on effectiveness of the Supervisor of Election's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Election's internal control over financial reporting.

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

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

12-01 (Prior year 11-01 and 10-01) Lack of segregation of duties – Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate. The limited number of employees precludes proper segregation of duties in the Supervisor of Election's office. We recommend that in the absence of the ability to hire additional employees, that mitigating procedures including additional oversight with regard to certain duties be performed regularly to reduce the risks caused by this lack of segregation of duties.

Management's response – Due to the limited number of employees, it is virtually impossible to maintain complete separation of accounting and administrative duties among employees. However, every effort is being made to accomplish effective internal procedures.

12-02 Significant adjustments to the financial records were made in order for the financial statements to conform to generally accepted accounting principles.

Management's response – We realize that ideally our internal control system should be designed in a manner that ensures the accuracy of the financial statements and that the Auditors should not have to recommend journal entries to see that they conform to generally accepted accounting principles. We do not feel that in the near future the benefits derived from investing in the resources necessary for us to implement an effective internal control system would outweigh the cost of those resources.

12-03 Inadequate design of internal control over the preparation of the financial statements being audited.

Management's response – Our Auditors assist us with the preparation of our financial statements. We do not feel that in the near future the benefits derived from investing in the resources necessary for us to prepare our own financial statements would outweigh the cost of those resources.

The Supervisor of Election's responses to the finding identified in our audit is included above. We did not audit the Supervisor of Election's responses and accordingly, we express no opinion on them.

#### Compliance and other matters

As part of obtaining reasonable assurance about whether the Supervisor of Election's special-purpose 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 special-purpose 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, the Board of County Commissioners and the State of Florida Office of the Auditor General, and appropriate federal and state awarding agencies entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vance CPA LLC*

**Vance CPA LLC**  
June 10, 2013