Notes to the Required Supplementary Information - (Unaudited)

Budgets

Chapter 129, Florida Statutes, requires that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy of taxes and the expenditure of money for County purposes for the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The County budgets are prepared on a modified-accrual basis or accrual basis of accounting in accordance with generally accepted accounting principles.

The County's budgets have to be approved by the Board of County Commissioners. Every September the County holds two public hearings and adopts the annual budgets for substantially all County funds through the enactment of budget ordinances. Most funds have annually appropriated budgets, meaning that their budgets are established annually. Capital project funds and certain grant funds, however, have budgets that extend over the duration of the project or grant, which may be several years. At the end of the fiscal year, the appropriations of annually adopted budgets lapse, but the appropriations of project-length budgets continue until the end of the capital project or grant.

The adopted budgets are either appropriated or non-appropriated in nature. Funds that have appropriated budgets cannot legally exceed their appropriations. The budgetary control over funds that have non-appropriated budgets are dependent on other enabling ordinances, such as bond ordinances, in which expenditure authority extends over several years into the future.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget at fund/department level require County Commissioners' approval. Department directors are authorized to make transfers of appropriations within their fund/department. Transfers of appropriations between fund/departments require County Commissioners' approval as well. Estimated fund balances are considered in the budgetary process.

Encumbrance accounting is used in the County's governmental funds. Encumbrances are commitments for future expenditures, based on purchase orders or contracts issued, where the goods or services have been ordered but have not been received. Encumbrances do not constitute expenditures or liabilities to the County since no resources are expended until the goods or services are received. They are used to help ensure that actual expenditures and commitments for future expenditures do not exceed authorized appropriations. Encumbrances outstanding at year-end are reported as reservations of fund balance in the balance sheets of the governmental funds since they will be carried over and reappropriated in the following year.

A budget and actual comparison for the General Fund is presented in the Required Supplementary Information section of this report. Budget and actual comparisons for other funds are reflected in the Other Supplementary section.

Notes to the Required Supplementary Information - (Unaudited) (continued)

Public Health Trust, Defined Benefit Retirement Plan

The following table summarizes significant methods and assumptions used in valuing the AAL and plan assets:

Actuarial valuation date	1/1/2010
Actuarial cost method	Aggregate actuarial cost method
Asset valuation method	Five year smoothing
Actuarial assumptions:	
Investment rate of return	8.0%
Cost-of-living increases - all years of service	2.5%
Total projected salary increase:	
In first 10 years of service	7.0%
Service after 10 years	6.0%
Minimum Required Employer Contribution	9.51%, Percent of Payroll

The aggregate actuarial cost method used does not identify or separately amortize unfunded actuarial liabilities. There were no changes to the assumptions or plan provisions since the last actuarial valuation.

Employer contributions are assumed to be made throughout the plan year. Differences in the investment return due to contributions actually being made at any other time will be recognized as actuarial gain or loss in the following valuation. The minimum required contributions represents a funding level which will satisfy the minimum funding requirements under Part VII, Chapter 112, Florida Statutes.