

COLUMBIA COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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For the Fiscal Year Ended September 30, 2009

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INTRODUCTORY SECTION

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

LIST OF PRINCIPAL OFFICIALS

September 30, 2009

BOARD MEMBERS

CHAIR	Donna S. Brown
VICE CHAIR	Suzanne Norris
SECRETARY	Gina Reynolds
	Augusta Rentz
	Mike Millikin
	Jeff Simmons
	Marc Vann
	Carlton Jones
EXECUTIVE DIRECTOR	Jim Poole

FINANCIAL SECTION



Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Chair and Members
Columbia County Industrial
Development Authority
Lake City, Florida

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Columbia County Industrial Development Authority (the Authority), as of and for the year ended September 30, 2009, which comprise the basic financial statements of the Authority as listed in the table of contents. These financial statements are the responsibility of the Columbia County Industrial Development Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

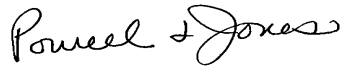
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major general fund of the Columbia County Industrial Development Authority, as of September 30, 2009 and the respective changes in financial position, 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 April 16, 2010, on our consideration of the Columbia County Industrial Development Authority's internal control over financial reporting and 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 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 read in conjunction with this report in considering the results of our audit.

The budgetary comparison information presented for the general fund is not a required part of the basic financial statements of the Columbia County Industrial Development Authority, but is 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.

The Management's Discussion and Analysis on page 9 through 11, is not a required part of the basic financial statements but is 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.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
April 16, 2010

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of the Columbia County Industrial Development Authority's (the Authority) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

The Authority has implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the Authority's finances. Within this view, all Authority operations are categorized as applicable, and reported as either governmental or business-type activities. Governmental activities include basic planning related services and general administration. The Authority had no business-type activities in this fiscal year. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Authority.

Basic Financial Statements

- The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the Authority owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. In this statement, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of the Authority's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. As stated above, the Authority has no proprietary funds and no business-type activities.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Authority's financial condition.
- The MD&A is intended to serve as an introduction to the Authority's basic financial statements and to explain the significant changes in financial position and differences in operations between the current and prior years.

Reporting the Authority's General Fund

Fund Financial Statements

Governmental fund - All of the Authority's services are reported in the General Fund which is a governmental fund. Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. This fund is reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short term view of the Authority's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. By comparing information presented for the governmental fund with similar information presented for governmental activities in the government-wide statements, readers may better understand the long term effect of the government's near term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental fund is detailed in a reconciliation following the governmental fund financial statements.

Authority as a Whole

Government-wide Financial Statements

This section will discuss and analyzes significant differences. A condensed version of the Statement of Net Assets at September 30, 2009 and 2008, follows:

Net Assets at September 30, 2009 and September 30, 2008

	Governmental Activities Total Government	
	2009	2008
Assets:		
Cash and investments	\$ 565,662	\$ 496,826
Fixed assets, net of accumulated depreciation	7,672	7,972
Total assets	<u>573,334</u>	<u>504,798</u>
Liabilities:		
Other current liabilities	<u>799</u>	<u>190</u>
Net assets:		
Invested in capital assets	7,672	7,972
Unrestricted	564,863	496,636
Total net assets	<u>\$ 572,535</u>	<u>\$ 504,608</u>

During the year ended September 30, 2009, there was no significant change in net assets, except through normal on-going operations.

A condensed version of the Statement of Activities follows:

Governmental Activities
For the Years Ended September 30, 2009 and 2008

	Governmental Activities/ Total Government	
	2009	2008
Revenues:		
General revenues		
Ad valorem taxes	\$ 301,045	\$ 313,031
Interest	13,801	17,625
Miscellaneous	1,989	-
Total revenues	316,835	330,656
Expenses:		
Economic development	248,909	243,695
Increase in net assets	67,927	86,961
Beginning net assets	504,608	417,647
Ending net assets	\$ 572,535	\$ 504,608

Governmental activities

Economic Development program expenditures remained similar to the prior year.

Capital Assets

At September 30, 2009, the Authority has \$7,672 invested in capital assets, consisting primarily of its computers and office equipment. There was little change in capital assets during the year.

Capital Assets

	2009	2008
Office equipment	\$ 27,027	\$ 25,112
Accumulated depreciation	(19,355)	(17,140)
Capital assets, net	\$ 7,672	\$ 7,972

The Authority's financial statements are designed to present users (citizens, taxpayers, and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have questions about the report or need additional financial information, please contact the Authority's Executive Director at 164 N.W. Madison Street, Suite 103, Lake City, Florida 32055-3904.

BASIC FINANCIAL STATEMENTS

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

STATEMENT OF NET ASSETS

September 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash	\$ 565,662
Capital assets net of accumulated depreciation	<u>7,672</u>
Total assets	<u>573,334</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>799</u>
Total current liabilities	<u>799</u>
NET ASSETS	
Investment in capital assets	7,672
Unrestricted	<u>564,863</u>
Total net assets	<u>\$ 572,535</u>

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2009

	<u>Expenses</u>	<u>Net (Expense) Revenue and Change in Net Assets Governmental Activities Total</u>
Governmental activities:		
Economic environment		
Economic development	\$ (248,909)	\$ (248,909)
Total governmental activities	<u>\$ (248,909)</u>	<u>(248,909)</u>
General revenues:		
Ad valorem taxes		301,045
Interest		13,801
Miscellaneous		1,989
Total general revenues		<u>316,836</u>
Increase in net assets		67,927
Net assets - October 1, 2008		<u>504,608</u>
Net assets - September 30, 2009		<u>\$ 572,535</u>

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

BALANCE SHEET

September 30, 2009

	<u>General Fund</u>
ASSETS	
Current assets	
Cash	\$ 565,662
Total assets	<u>\$ 565,662</u>
LIABILITIES AND FUND BALANCE	
Accounts payable	\$ 799
Total liabilities	<u>799</u>
Fund balance	
Fund balance, unreserved	564,863
Total liabilities and fund balance	<u>\$ 565,662</u>
Total fund balance reported above	\$ 564,863
The amount reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the general fund.	
	\$ 7,672
Net assets of governmental activities	<u>\$ 572,535</u>

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2009

	<u>General Fund</u>
REVENUES	
Ad valorem taxes	\$ 301,045
Interest	13,801
Miscellaneous	1,989
Total revenues	<u>316,836</u>
EXPENDITURES	
Current expenditures	
Economic environment	
Personal services	171,067
Operating expenses	75,628
Capital outlay	1,914
Total expenditures	<u>248,609</u>
Excess of revenues over expenditures	68,227
Fund balance, October 1, 2008	<u>496,636</u>
Fund balance, September 30, 2009	<u><u>\$ 564,863</u></u>

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2009

Net change in fund balance - General Fund \$ 68,227

The amount reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlay as
expenditures. However, in the statement of
activities, the cost of those assets is allocated
over their estimated useful lives as depreciation
expense.

Expenditures for capital assets	1,914
Less current year depreciation	<u>(2,214)</u>

Change in fund equity of governmental activities \$ 67,927

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Columbia County Industrial Development Authority (the Authority) was established by the Columbia County Board of County Commissioners on January 30, 1977, in accordance with the provisions of Section 159.45, *Florida Statutes*. The Authority is recognized as a "dependent special district" of the Board of County Commissioners in accordance with criteria contained in Section 189.403, *Florida Statutes*. The Authority is currently comprised of seven members, all of whom are appointed by the Board of County Commissioners. The Authority has an administrative staff comprised of an Executive Director and an Administrative Assistant. The Authority is substantially funded by an ad valorem tax levy annually approved by the Board of County Commissioners.

The financial statements of the Columbia County Industrial Development Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

A. Reporting entity - In evaluating how to define the Authority, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, management determined that no potential component units existed which should be included within the reporting entity.

The Authority is a component unit of Columbia County, Florida. It is legally separate from other Columbia County agencies, but its governing body is appointed by the Columbia County Board of County Commissioners, and this Board annually authorizes funding for the Authority. The Authority's financial statements are also included in the annual financial report of Columbia County.

B. Basic Financial Statements - Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type.

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of any interfund activity has been removed from these statements. These statements focus on the sustainability of the Authority as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Other items not reported as program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The Authority reports a General Fund which is a governmental fund.

C. Measurement focus, basis of accounting, and basis of presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. A one-year availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

The Authority reports deferred revenue, if applicable, on its governmental fund balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition on the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Authority reports the following fund:

General Fund

This is the general operating fund of the Authority. It is used to account for all financial resources of the primary government, that are not required to be accounted for in another fund.

D. Cash and cash equivalents - The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 2. RECONCILIATION OF GOVERNMENT -WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government - wide Statement of Net Assets

"Total fund balances" of the Authority's Governmental Fund (\$564,863) differs from "net assets" of governmental activities (\$572,535) reported in the statement of net assets. This difference results from the long-term economical focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net assets included those capital assets among the assets of the Authority as a whole.

Cost of capital assets	\$ 27,027
Accumulated depreciation	<u>(19,355)</u>
Total	<u><u>\$ 7,672</u></u>

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Government Fund Balance Sheet and the Government-wide Statement of Net Assets

	Total Governmental Funds	Capital Related Items	Statement of Net Assets
ASSETS			
Cash and cash equivalents	\$ 565,662	\$ -	\$565,662
Capital assets - net	-	7,672	7,672
Total assets	<u>\$ 565,662</u>	<u>\$ 7,672</u>	<u>\$573,334</u>
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accrued liability	\$ 799	\$ -	\$ 799
Total liabilities	<u>799</u>	<u>-</u>	<u>799</u>
Fund equity/net assets	<u>564,863</u>	<u>7,672</u>	<u>572,535</u>
Total liabilities and fund equity/net assets	<u>\$ 565,662</u>	<u>\$ 7,672</u>	<u>\$573,334</u>

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for the Governmental Fund (\$68,227) differs from the "change in net assets" for governmental activities (\$67,927) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charges for the year.

Capital outlay	\$ 1,914
Depreciation expense	(2,214)
Difference	<u>\$ (300)</u>

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Differences between Government Fund Operating Statements and the Statement of Activities

	Total Governmental Fund	Capital Related Items	Statement of Activities
REVENUES			
Taxes	\$ 301,045	\$ -	\$ 301,045
Interest	13,801	-	13,801
Miscellaneous	1,989	-	1,989
Total revenues	<u>316,836</u>	<u>-</u>	<u>316,836</u>
EXPENDITURES			
Current expenditures			
Economic environment	246,695	2,214	248,909
Capital outlay	1,914	(1,914)	-
Total expenditures	<u>248,609</u>	<u>300</u>	<u>248,909</u>
Excess of revenues over expenditures	68,227	(300)	67,927
Fund balance, October 1, 2008	<u>496,636</u>	<u>7,972</u>	<u>504,608</u>
Fund balance, September 30, 2009	<u>\$ 564,863</u>	<u>\$ 7,672</u>	<u>\$ 572,535</u>

NOTE 3. BUDGETS

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 15, the Authority develops a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. This budget is submitted to the County Budget Officer for inclusion in the County tentative budget.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Board of County Commissioners.
4. The Board of the Columbia County Industrial Development Authority is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year.
5. Formal budgetary integration is employed as a management control device in the governmental fund.
6. The governmental fund budget is initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements of the fiscal year ending September 30, 2009, are shown on this basis of accounting. Therefore, the actual and budget data are on a comparable basis.

NOTE 4. PROPERTY TAX

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified by the Property Appraiser. The Tax Collector mails to each property owner on the assessment roll a notice of taxes levied by the various governmental entities in the County. Taxes may be paid upon receipt of such notice with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, tax deed sales, and tangible personal property seizure and sales are provided for by the laws of Florida. Collections of Authority taxes and remittances are accounted for in the Tax Collector's office. Due to these collection procedures, no material amounts of unpaid taxes were due at year end.

NOTE 5. DEPOSITS WITH FINANCIAL INSTITUTIONS

The Authority's cash at September 30, 2009, consists of legally authorized demand deposits in institutions which are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the Authority's cash at September 30, 2009, is insured through the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance, which includes federal depository insurance. At September 30, 2009, the Authority's deposits were maintained in pooled accounts of the Board of County Commissioners.

NOTE 6. PENSION PLAN

Plan Description - The Authority contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida, or by calling (850) 488-5706.

Funding Policy - The System is employee noncontributory. The Authority is required to contribute at an actuarially determined rate. The applicable rate at September 30, 2009, was as follows: Regular Employees 9.85% and Senior Management 13.12%. The contribution requirements of plan members and the Authority are established and may be amended by the Florida Legislature. The Authority's contributions to the System for the years ending September 30, 2009, 2008 and 2007 were \$17,978, \$14,804, and \$17,264, respectively, equal to the required contributions for each year.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2009, follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Equipment	\$ 25,112	\$ 1,914	\$ -	\$ 27,026
Total depreciable assets	25,112	1,914	-	27,026
Accumulated depreciation	(17,140)	(2,214)	-	(19,354)
Capital assets, net	<u>\$ 7,972</u>	<u>\$ (300)</u>	<u>\$ -</u>	<u>\$ 7,672</u>

Total depreciation of \$2,214 was charged to the Economic Environment function of the Authority primary government.

NOTE 8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to theft of, damage to and destruction of assets; and injury or death on the job of all employees. These risks are primarily covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial or workers' compensation insurance coverage for the past three years. There has been no reduction in insurance coverage from the previous year.

NOTE 9. CONDUIT DEBT

The Authority has participated in an issue of revenue bonds issued for the purpose of constructing privately operated facilities within Columbia County. These bonds are not direct or contingent liabilities of the Authority. Revenues from lease agreements and property purchased with the bond proceeds are pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment. As of September 30, 2009, there was one series of bonds outstanding, with an aggregate principal amount payable of \$3,677,373. The total of the original issue amount of the outstanding bonds was \$4,000,000.

REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

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

GENERAL FUND

For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 304,441	\$ 294,589	\$ 301,045	6,456
Interest	5,000	5,000	13,801	8,801
Miscellaneous revenues	-	-	1,989	1,989
Total revenues	<u>309,441</u>	<u>299,589</u>	<u>316,836</u>	<u>17,247</u>
EXPENDITURES				
Current expenditures				
Economic Environment				
Personal services				
Salaries	145,500	145,500	141,478	4,022
Payroll taxes	10,000	10,000	10,761	(761)
Retirement	15,000	15,000	17,978	(2,978)
Worker's compensation	1,000	1,000	850	150
Total personal services	<u>171,500</u>	<u>171,500</u>	<u>171,067</u>	<u>433</u>
Operating expenses				
Accounting and auditing	3,000	3,000	4,974	(1,974)
Insurance	1,500	1,500	852	648
Office supplies	4,800	4,800	255	4,545
Postage	3,000	3,000	85	2,915
Books, publications, subscriptions, dues	2,000	2,000	1,149	851
Commissions	15,170	15,170	8,290	6,880
Printing	1,000	1,000	-	1,000
Communications	3,500	3,500	2,580	920
Promotional activities	6,500	6,500	4,291	2,209
Training/certification	3,500	3,500	9,650	(6,150)
Travel/auto	12,500	12,500	8,806	3,694
Utilities and maintenance	4,000	4,000	-	4,000
Project development	25,000	25,000	30,810	(5,810)
Racec	6,500	6,500	3,424	3,076
Other	3,750	3,750	460	3,290
Total operating expenses	<u>95,720</u>	<u>95,720</u>	<u>75,628</u>	<u>20,092</u>
Capital outlay - equipment	-	-	1,914	(1,914)
Total expenditures	<u>267,220</u>	<u>267,220</u>	<u>248,609</u>	<u>18,611</u>
Excess of revenues over expenditures	42,221	32,369	68,227	35,858
Fund balance at beginning of year	<u>496,636</u>	<u>496,636</u>	<u>496,636</u>	-
Fund balance at end of year	<u>\$ 538,857</u>	<u>\$ 529,005</u>	<u>\$ 564,863</u>	<u>\$ 35,858</u>

See notes to financial statements.

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S 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 Chair and Members
Columbia County Industrial
Development Authority
Lake City, Florida

We have audited the financial statements of the Columbia County Industrial Development Authority, as of and for the year ended September 30, 2009, and have issued our report thereon dated April 16, 2010. 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 Columbia County Industrial Development Authority's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Columbia County Industrial Development Authority's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Columbia County Industrial Development Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Columbia County Industrial Development Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Columbia County Industrial Development Authority's financial statements that is more than inconsequential will not be prevented or detected by the Columbia County Industrial Development Authority's internal control.


A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Columbia County Industrial Development Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether Columbia County Industrial Development Authority's financial statements are free of material

misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Authority Board Members, the Columbia County Board of County Commissioners, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
April 16, 2010

MANAGEMENT LETTER

To the Chair and Members
Columbia County Industrial
Development Authority
Lake City, Florida

We have audited the financial statements of the Columbia County Industrial Development Authority, (the Authority) as of and for the year ended September 30, 2009, and have issued our report thereon dated April 16, 2010.

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. We have issued our Independent Auditor's 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*. Disclosures in that report, which is dated April 16, 2010, 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 govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

IMMATERIAL COMPLIANCE FINDINGS

PRIOR YEAR FINDINGS

There were no findings in the prior year.

CURRENT YEAR FINDINGS

There were no findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Local Government - The financial report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying basic financial statements of the Authority, for the year ended September 30, 2009.

Investment of Public Funds - The Authority complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year.

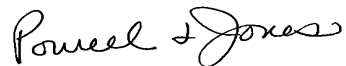
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Authority had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

CONCLUSION

We very much enjoyed the challenges and experiences associated with this year's audit of the Columbia County Industrial Development Authority. We look forward to working with you in the future.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
April 16, 2010

Columbia County
INDUSTRIAL DEVELOPMENT AUTHORITY

164 NW Madison Street Suite 103 Lake City, FL 32055 386/758-1033 Fax: 386/758-1167

June 16, 2010

Mr. Richard Powell, CPA
Powell and Jones CPA's
1359 SW Main Blvd.
Lake City, Florida 32025

Dear Mr. Powell,

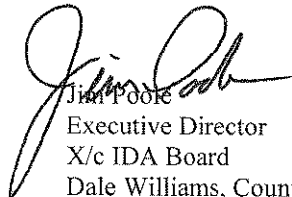
On behalf of the Board of Directors and Staff of the IDA, please accept this letter as acknowledgement of receiving your Management Letter for the Columbia County Industrial Development Authority annual audit dated April 16, 2010 for our fiscal year ending September 30, 2010.

I am pleased to see your statement that there were no current year findings in the report.

I would like to express our thanks to you and your staff along with Columbia County Comptroller Judy Lewis and her staff for efforts that went into conducting our annual report. Thanks to everyone for the smooth transition of changing our bookkeeping function from in-house to being handled by the county.

Thank you once again for your assistance. We look forward to working with you in the future to continue to provide the best financial information to the citizens of Columbia County.

Sincerely,



Jim Poole
Executive Director
X/c IDA Board
Dale Williams, County Manager