

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 1997



Powell & Jones
Certified Public Accountants

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 1997

TABLE OF CONTENTS

| | SECTION - PAGE NO. |
|---|--------------------|
| INTRODUCTORY SECTION | |
| List of Principal Officials | 1 - 1 |
| FINANCIAL SECTION | |
| GENERAL PURPOSE FINANCIAL STATEMENTS | |
| Independent Auditor's Report | 1 - 2 |
| Combined Balance Sheet - All Fund Types and Account Groups | 1 - 3 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types | 1 - 7 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General, Special Revenue, Debt Service, and Capital Projects Fund Types | 1 - 9 |
| Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types | 1 - 11 |
| Combined Statement of Cash Flows - All Proprietary Fund Types | 1 - 13 |
| Notes to Financial Statements | 1 - 15 |
| COMPONENT UNIT FINANCIAL STATEMENTS | |
| BOARD OF COUNTY COMMISSIONERS | |
| Independent Auditor's Report | 2 - 1 |
| COMBINED FINANCIAL STATEMENTS | |
| Combined Balance Sheet - All Fund Types and Account Groups | 2 - 2 |

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 1997

TABLE OF CONTENTS - continued

| | SECTION - PAGE NO. |
|--|--------------------|
| BOARD OF COUNTY COMMISSIONERS - continued | |
| COMBINING STATEMENTS - continued | |
| DEBT SERVICE FUNDS | |
| Combining Balance Sheet | 2 - 43 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 2 - 44 |
| CAPITAL PROJECTS FUNDS | |
| Combining Balance Sheet | 2 - 45 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 2 - 46 |
| SINGLE AUDIT AND COMPLIANCE SECTION | |
| Schedule of Expenditures of Federal and State Financial Awards | 2 - 48 |
| Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 2 - 50 |
| Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and in Internal Control over Compliance in Accordance with OMB Circular A-133 | 2 - 53 |
| Independent Auditor's Report on Compliance with Specific Requirements Applicable to State Financial Assistance | 2 - 54 |

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 1997

T A B L E O F C O N T E N T S - continued

| | SECTION - PAGE NO. |
|--|--------------------|
| CLERK OF THE CIRCUIT COURT - continued | |
| COMPLIANCE SECTION - continued | |
| Management Letter | 3 - 15 |
| | |
| PROPERTY APPRAISER | |
| Independent Auditor's Report | 4 - 1 |
| | |
| COMBINED FINANCIAL STATEMENTS | |
| Combined Balance Sheet - All Fund Types and Account Groups | 4 - 2 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual | 4 - 3 |
| Notes to Financial Statements | 4 - 5 |
| | |
| COMPLIANCE SECTION | |
| Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 4 - 9 |
| Management Letter | 4 - 10 |

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 1997

T A B L E O F C O N T E N T S - continued

| | SECTION - PAGE NO. |
|---|--------------------|
| SHERIFF - continued | |
| COMPLIANCE SECTION | |
| Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 5 - 17 |
| Management Letter | 5 - 18 |
| | |
| SUPERVISOR OF ELECTIONS | |
| Independent Auditor's Report | 6 - 1 |
| COMBINED FINANCIAL STATEMENTS | |
| Combined Balance Sheet - All Fund Types and Account Groups | 6 - 2 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual | 6 - 3 |
| Notes to Financial Statements | 6 - 4 |
| COMPLIANCE SECTION | |
| Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 6 - 8 |

INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 1997

| <u>Title</u> | <u>Name</u> |
|-------------------------------|------------------|
| Board of County Commissioners | |
| District I | Ronald Williams |
| District II | Frank Albury |
| District III | Zimmie Petty |
| District IV | James W. Knox |
| District V | James Montgomery |
| County Attorney | Marlin M. Feagle |
| Clerk of Circuit Court | P. DeWitt Cason |
| Property Appraiser | J. Doyle Crews |
| Sheriff | Frank Owens |
| Supervisor of Elections | Carolyn D. Kirby |
| Tax Collector | H. Ray Walker |

FINANCIAL SECTION



Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Board of
County Commissioners
And Constitutional Officers
Columbia County, Florida

We have audited the accompanying general purpose financial statements of Columbia County, Florida, as of and for the year ended September 30, 1997, as listed in the preceding table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Columbia County, Florida, as of September 30, 1997, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 24, 1998, on our consideration of the Columbia County, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Powell & Jones
POWELL & JONES
July 25, 1997

COLUMBIA COUNTY, FLORIDA

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

September 30, 1997

| Proprietary Fund Type | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) |
|--------------------------|------------------------------|----------------------------------|------------------------------------|--------------------------------|
| | | General Fixed Assets Group | General Long-term Debt Group | |
| Enterprise Fund | Trust and Agency Funds | | | |
| \$ 1,608,267 | \$1,270,486 | \$ - | \$ - | \$ 11,823,091 |
| 457,707 | 6,682 | - | - | 980,073 |
| - | - | - | - | 18,214 |
| 282,015 | 92,065 | - | - | 1,848,240 |
| 46,807 | - | - | - | 1,255,626 |
| - | 565 | - | - | 565 |
| - | - | - | - | 15,019 |
| - | - | - | - | 137,995 |
| 367,466 | - | - | - | 18,397,183 |
| 1,523,556 | - | - | - | 1,523,556 |
| 801,910 | - | - | - | 801,910 |
| 7,079,071 | - | - | - | 7,079,071 |
| 2,066,317 | - | - | - | 2,066,317 |
| (3,021,275) | - | - | - | (3,021,275) |
| - | - | 1,875,761 | - | 1,875,761 |
| - | - | 11,981,268 | - | 11,981,268 |
| - | - | 29,035,759 | - | 29,035,759 |
| - | - | 1,213,045 | - | 1,213,045 |
| - | - | 15,560,184 | - | 15,560,184 |
| - | - | - | - | 52,781 |
| 366,740 | - | - | - | 555,554 |
| - | - | - | 2,889,190 | 2,889,190 |
| - | - | - | 16,611,594 | 16,611,594 |
| <u>\$11,578,581</u> | <u>\$1,369,798</u> | <u>\$ 59,666,017</u> | <u>\$ 19,500,784</u> | <u>\$122,700,721</u> |
| | | | | |
| \$ 9,365 | \$ - | \$ - | \$ - | \$ 694,244 |
| - | 64,864 | - | - | 64,864 |
| 136,648 | 239,641 | - | - | 1,848,240 |
| 15,601 | 272,333 | - | - | 298,814 |
| - | 365,990 | - | - | 365,990 |
| - | 132,327 | - | - | 132,327 |
| - | 14 | - | - | 14 |
| 100,178 | 18,567 | - | - | 118,745 |
| - | 13,632 | - | - | 13,632 |
| - | - | - | - | 101,008 |
| 14,545 | - | - | - | 14,545 |
| - | 204,275 | - | - | 214,383 |
| - | - | - | - | 268,866 |
| - | 58,155 | - | - | 58,525 |
| 66,524 | - | - | - | 66,524 |
| 35,000 | - | - | - | 35,000 |
| 260,000 | - | - | - | 260,000 |

(continued)

COLUMBIA COUNTY, FLORIDA

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

September 30, 1997

| Proprietary Fund Type | Fiduciary Fund Type | Account Groups | | Totals (Memorandum Only) |
|--------------------------|------------------------------|----------------------------------|------------------------------------|--------------------------------|
| | | General Fixed Assets Group | General Long-term Debt Group | |
| Enterprise Fund | Trust and Agency Funds | | | |
| \$ - | \$ - | \$ - | \$ 580,812 | \$ 580,812 |
| 300,201 | - | - | 1,068,436 | 1,368,637 |
| - | - | - | 15,882,000 | 15,882,000 |
| - | - | - | 1,969,536 | 1,969,536 |
| 5,565,000 | - | - | - | 5,565,000 |
| 1,048,273 | - | - | - | 1,048,273 |
| <u>7,551,335</u> | <u>1,369,798</u> | <u>-</u> | <u>19,500,784</u> | <u>30,969,979</u> |
| 313,334 | - | - | - | 313,334 |
| - | - | - | - | 28,019,265 |
| - | - | - | - | 18,214 |
| 2,485,356 | - | - | - | 2,485,356 |
| 1,228,556 | - | - | - | 1,228,556 |
| - | - | 59,666,017 | - | 59,666,017 |
| <u>4,027,246</u> | <u>-</u> | <u>59,666,017</u> | <u>-</u> | <u>91,730,742</u> |
| <u>\$11,578,581</u> | <u>\$1,369,798</u> | <u>\$ 59,666,017</u> | <u>\$ 19,500,784</u> | <u>\$122,700,721</u> |

COLUMBIA COUNTY, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended September 30, 1997

| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Capital Projects Funds</u> | <u>Totals (Memorandum Only)</u> |
|--|-------------------------|--------------------------------------|-------------------------------|---------------------------------------|---|
| EXPENDITURES (continued) | | | | | |
| Debt Service | | | | | |
| General government | \$ - | \$ 28,942 | \$ 753,032 | \$ - | \$ 781,974 |
| Public safety | 156,372 | 129,595 | - | - | 285,967 |
| Transportation | - | 138,202 | 1,181,356 | - | 1,319,558 |
| Economic environment | 33,671 | - | 208,869 | - | 242,540 |
| Total expenditures | <u>5,479,976</u> | <u>20,330,838</u> | <u>2,143,257</u> | <u>1,093,081</u> | <u>29,047,152</u> |
| Excess (deficiency) of revenues over expenditures | <u>7,142,347</u> | <u>(6,188,842)</u> | <u>3,338,728</u> | <u>(729,982)</u> | <u>3,562,251</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Interfund transfers in | - | 8,546,966 | 8,686,954 | 373,210 | 17,607,130 |
| Debt proceeds | - | 166,136 | - | - | 166,136 |
| Interfund transfers out | (6,934,805) | (852,161) | (1,073,210) | (8,746,954) | (17,607,130) |
| Total other financing sources (uses) | <u>(6,934,805)</u> | <u>7,860,941</u> | <u>7,613,744</u> | <u>(8,373,744)</u> | <u>166,136</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 207,542 | 1,672,099 | 10,952,472 | (9,103,726) | 3,728,387 |
| Fund balances at beginning of year | 4,296,409 | 5,584,232 | 4,443,843 | 9,984,608 | 24,309,092 |
| Fund balances at end of year | <u>\$ 4,503,951</u> | <u>\$ 7,256,331</u> | <u>\$15,396,315</u> | <u>\$ 880,882</u> | <u>\$28,037,479</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENITURES, AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL

GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended September 30, 1996

| Funds Variance Favorable (Unfavorable) | Debt Service Funds | | | Capital Projects Funds | | |
|---|--------------------|---------------|--|------------------------|-------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| \$ 367,550 | \$ 1,210,000 | \$ 1,210,699 | \$ 699 | \$ - | \$ 207 | \$ 207 |
| 21,748 | - | - | - | - | - | - |
| (375,535) | 3,455,354 | 3,333,598 | (121,756) | 300,000 | 300,000 | - |
| (61,931) | - | - | - | - | - | - |
| (107,831) | - | - | - | - | - | - |
| (107,752) | 330,000 | 937,688 | 607,688 | 50,777 | 62,892 | 12,115 |
| (263,751) | 4,995,354 | 5,481,985 | 486,631 | 350,777 | 363,099 | 12,322 |
| (25,141) | - | - | - | 103,694 | 103,694 | - |
| 81,810 | - | - | - | 269,516 | 269,516 | - |
| 372,743 | - | - | - | - | - | - |
| (49,942) | - | - | - | 1,160,374 | 562,394 | 597,980 |
| 1,172,446 | - | - | - | 1,465 | 1,465 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 27,164 | - | - | - | - | - | - |
| 3,350 | - | - | - | - | - | - |
| (116,195) | - | - | - | 156,012 | 156,012 | - |
| 2,192 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (28,942) | 711,230 | 753,032 | (41,802) | - | - | - |
| - | - | - | - | - | - | - |
| 25,962 | 1,195,528 | 1,181,356 | 14,172 | - | - | - |
| - | 149,508 | 208,869 | (59,361) | - | - | - |
| 1,465,447 | 2,056,266 | 2,143,257 | (86,991) | 1,691,061 | 1,093,081 | 597,980 |
| 1,201,696 | 2,939,088 | 3,338,728 | 399,640 | (1,340,284) | (729,982) | 610,302 |
| 290,913 | - | 8,686,954 | 8,686,954 | 373,210 | 373,210 | - |
| 166,137 | - | - | - | - | - | - |
| (1) | (1,385,710) | (1,073,210) | 312,500 | (8,686,954) | (8,746,954) | (60,000) |
| 457,049 | (1,385,710) | 7,613,744 | 8,999,454 | (8,313,744) | (8,373,744) | (60,000) |
| 1,658,745 | 1,553,378 | 10,952,472 | 9,399,094 | (9,654,028) | (9,103,726) | 550,302 |
| - | 4,443,843 | 4,443,843 | - | 9,984,608 | 9,984,608 | - |
| \$ 1,658,745 | \$ 5,997,221 | \$ 15,396,315 | \$ 9,399,094 | \$ 330,580 | \$ 880,882 | \$ 550,302 |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

LANDFILL ENTERPRISE FUND

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Fiscal Year Ended September 30, 1997

OPERATING EXPENSES (continued)

| | |
|--|--------------------|
| Landfill Closure | |
| Operating expenses | |
| Professional services | \$ 35,247 |
| Other contractual services | 6,049 |
| Total landfill closure | <u>41,296</u> |
| Landfill Recycling | |
| Personal services | |
| Regular salaries | 16,811 |
| FICA | 1,277 |
| Retirement | 6,395 |
| Life and health insurance | 3,456 |
| Worker's compensation | 5,027 |
| Total personal services | <u>32,966</u> |
| Operating expenses | |
| Professional services | 1,875 |
| Other contractual services | 22,341 |
| Insurance | 7,720 |
| Repair and maintenance | 2,616 |
| Operating supplies | 253 |
| Gas and oil | 5,060 |
| Grant to City of Lake City | 86,991 |
| Total operating expenses | <u>126,856</u> |
| Total landfill recycling | <u>159,822</u> |
| Total operating expenses | <u>2,014,735</u> |
| Operating income | <u>675,653</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| State of Florida grants | 187,912 |
| Interest earnings | 149,258 |
| Interest and other debt service expenses | (351,521) |
| Total nonoperating revenues (expenses) | <u>(14,351)</u> |
| Net income | 661,302 |
| Retained earnings, beginning of year | <u>3,052,612</u> |
| Retained earnings, end of year | <u>\$3,713,914</u> |

See accompanying notes to financial statements and accountant's report.

COLUMBIA COUNTY, FLORIDA

LANDFILL ENTERPRISE FUND

COMBINED STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 1997

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

| | |
|---|--------------------|
| Operating income | <u>\$ 675,653</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 820,067 |
| (Increase) decrease in assets: | |
| Accounts receivable | (173,604) |
| Due from other funds | 23,863 |
| Due from other governmental units | 1,801,355 |
| Increase (decrease) in liabilities: | |
| Accounts payable | (501,522) |
| Accrued compensated absences | (2,349) |
| Decrease in other liabilities | (72,633) |
| Due to other funds | 2,054 |
| Due to other governmental units | 15,601 |
| Increase in estimated closure liability | <u>326,878</u> |
| Total adjustments | <u>2,239,710</u> |
| Net cash provided by operating activities | <u>\$2,915,363</u> |

See accompanying notes to financial statements and accountant's report.

COLUMBIA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Columbia County, Florida (the "County") is a political subdivision of the State of Florida created under Section 1, Article VIII of the State Constitution. It is governed by an elected Board of County Commissioners (the "Board") which is governed by state statutes and regulations, and ordinances adopted by the Board. In addition, there are five Constitutional Officers who are separately elected, which include the Clerk of Circuit Court, Sheriff, Tax Collector, Property Appraiser, and the Supervisor of Elections. Pursuant to Florida Statutes, the Clerk of the Circuit Court for the County serves as clerk and accountant of the Board of County Commissioners. The Board currently has budgetary control, but not administrative control, over the activities for the other Constitutional Officers, some of whom have the authority and responsibility for collecting revenues within their areas of jurisdiction and remitting such collections to the Board.

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in 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, the following is a brief review of each potential component unit addressed in defining the County's reporting entity:

County funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund, or an expendable trust fund is used. Terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in the net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers most revenues as available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Board-administered Special Revenue Funds, Capital Projects Funds, and the Enterprise Fund. Material encumbrances outstanding at year end, are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

J. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized in the general fixed assets account group.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund type is computed using the straight-line method.

As applicable, interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

K. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group.

In the proprietary funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

The Board uses the following procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 15, the Clerk of Circuit Court, serving as Budget Officer, submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
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 County Commissioners 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 all governmental funds.
6. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 1997, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Fund budgets are adopted on the accrual basis.
7. Legal control of the budget is exercised pursuant to applicable provisions of Florida Statutes.

NOTE 3. PROPERTY TAXES

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 county, municipal and independent taxing district taxes, and remittances are accounted for in the Tax Collector's office. No material amounts or unpaid taxes were due at year end.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions - The County's cash at September 30, 1997, consists of legally authorized demand deposits in institutions which are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the County's cash at September 30, 1997, is insured through the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

| <u>Fund Type</u> | <u>Interest</u> | <u>Governmental Unit & Others</u> | <u>Total</u> |
|------------------|------------------|---|---------------------|
| General | \$ - | \$ 445,391 | \$ 445,391 |
| Special Revenue | - | 750,978 | 750,978 |
| Debt Service | 15,019 | 528,134 | 543,153 |
| Enterprise | - | 504,514 | 504,514 |
| Agency | - | 7,247 | 7,247 |
| | <u>\$ 15,019</u> | <u>\$2,236,264</u> | <u>\$ 2,251,283</u> |

The County considers all of these receivables to be collectible and no allowance for uncollectibility has been provided in the financial statements.

NOTE 6. CHANGES IN FIXED ASSETS

A summary of changes in the general fixed assets follows:

| | <u>Balance October 1, 1996</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance September 30, 1997</u> |
|--------------------------------------|--|---------------------|-------------------|---|
| Land | \$ 1,696,391 | \$ 179,370 | \$ - | \$ 1,875,761 |
| Buildings | 11,897,987 | 83,281 | - | 11,981,268 |
| Improvements other than buildings | 28,185,060 | 850,699 | - | 29,035,759 |
| Construction in progress | 1,168,276 | 44,769 | - | 1,213,045 |
| Equipment | 14,634,006 | 1,135,002 | 208,824 | 15,560,184 |
| Total general fixed assets | <u>\$ 57,581,720</u> | <u>\$ 2,293,121</u> | <u>\$ 208,824</u> | <u>\$ 59,666,017</u> |

The following is a summary of changes in fixed assets during the year for the enterprise fund:

| | <u>Balance October 1, 1996</u> | <u>Net Additions (Deductions)</u> | <u>Balance September 30, 1997</u> |
|-----------------------------------|--|---|---|
| Land | \$ 801,910 | \$ - | \$ 801,910 |
| Equipment | 1,820,607 | 245,710 | 2,066,317 |
| Construction in progress | 1,090,938 | (1,090,938) | - |
| Improvements other than buildings | 4,362,980 | 2,716,091 | 7,079,071 |
| | <u>8,076,435</u> | <u>1,870,863</u> | <u>9,947,298</u> |
| Less: accumulated depreciation | (2,201,208) | (820,067) | (3,021,275) |
| Net fixed assets | <u>\$ 5,875,227</u> | <u>\$1,050,796</u> | <u>\$ 6,926,023</u> |

NOTE 7. CAPITAL LEASES

A. The Board of County Commissioners has the following in installment payment agreements with Caterpillar Financial Services Corporation:

1. Purchase of four motor-graders costing \$418,980, net of trade-ins. The terms of the agreement require nine semi-annual payments of \$26,636, including interest at 6.5% beginning November 15, 1993, and a balloon payment at the end of sixty months of \$294,636. At that time, the Board may also exercise its option to have the vendor repurchase the equipment for \$290,000.
2. Purchase of a wheel tractor scraper costing \$255,448. The terms of the agreement require five annual payments of \$37,568, which includes interest of 5.75% and a balloon payment at the end of the lease term of \$108,747. At that time, the Board may also exercise its option to have the vendor repurchase the equipment for \$115,000.

carries an interest rate of 4.33% and is payable in four annual installments of \$143,750, plus interest, and is secured by the County's share of the State Pari-Mutual Tax.

The following applies to this note, at year end:

| <u>Payment From</u> General Fund | <u>Balance at</u> <u>September 30, 1997</u> | <u>Estimated Payments</u> <u>For Next Year</u> |
|-------------------------------------|--|---|
| | <u>\$ 143,690</u> | <u>\$ 149,894</u> |

- B. The Board has a note payable to Community National Bank for the purchase of an office building rented to an insurance company. This original note of \$390,000 is payable in monthly installments of \$2,806, including interest at 6%. The interest rate is fixed until March, 1999, when it will be changed to prime, as it fluctuates, for the duration of the loan. The principal balance of this loan was \$291,477, at year end.
- C. The Board also has a note with Columbia County Bank for the consolidation of prior fire apparatus loans totaling \$159,459. This note is payable in six annual installments of \$30,000 and one of \$20,040, including interest at 6.25%. The principal balance of \$95,557, was owed at September 30, 1997. This loan is secured by a pledge of the non-ad valorem revenue in the County's MSSD Fund.
- D. The Board has two notes with Barnett Bank of North Central Florida, associated with the development of the County owned Florida Sports Hall of Fame and Tourist Information Center Complex. These loans are secured by proceeds of the Three Cent Tourist Development Tax levied by the County, and certain revenues of the complex. Details of these loans follow:

| | <u>Revenue Notes</u> | |
|-----------------------|----------------------|------------|
| | <u>A</u> | <u>C</u> |
| Original amount | \$1,487,320 | \$ 212,680 |
| Current interest rate | 6.59% | 8.29% |
| Payment, monthly | \$ 11,037 | \$ 1,846 |
| Balance at 09-30-97 | \$1,231,894 | \$ 181,993 |
| Due date | 04-23-2012 | 04-23-2012 |

- E. On September 1, 1995, the County refinanced the Series 1994 Solid Waste Disposal Revenue Bonds with a fixed rate loan from the City of Gulf Breeze, Florida Local Government Loan program. The loan of \$6,090,000 is being repaid over a period of seventeen years with interest rates ranging from 3.70% to 5.90%. The debt is payable from the net revenues of the Solid Waste Disposal facility. Debt service is accounted for in the Landfill Enterprise Fund.
- F. In December, 1996, the Property Appraiser financed the purchase of a new computer system costing \$61,500 by entering into a loan agreement with CNB National Bank for \$56,300. The loan agreement requires twelve quarterly payments of \$4,692, including interest of 5.22%. However, extra principal payments were made during the year to bring the balance to \$24,925, as of September 30, 1997.

Annual debt service requirements to maturity for notes payable including interest of \$3,395,513, are as follows:

On April 15, 1996, the County also closed on a Revenue Term Bond in the amount of \$1,700,000. The proceeds were used to construct a manufacturing plant to be leased by the County to Homes of Merit, a mobile home manufacturing facility. The bonds are being repaid over a period of eleven years with an average interest rate of 7.23%. The debt is secured by the State Half-Cent Sales Tax revenue, but is being paid from lease revenue.

Debt service requirements to maturity including interest of \$815,665, are as follows:

| Fiscal Year Ending <u>September 30,</u> | <u>Amount</u> |
|--|---------------------|
| 1998 | \$ 185,777 |
| 1999 | 187,496 |
| 2000 | 193,944 |
| 2001 | 193,552 |
| 2002 | 192,889 |
| Thereafter | <u>1,457,007</u> |
| | <u>\$ 2,410,665</u> |

Changes in Long-Term Liabilities

During the year ended September 30, 1997, the following occurred in liabilities reported in the general long-term debt account group:

| | Balance October 1, 1996 | Additions | Retirements | Balance September 30, 1997 |
|-----------------------|-------------------------------|-------------------|---------------------|----------------------------------|
| Compensated absences | \$ 527,901 | \$ 52,911 | \$ - | \$ 580,812 |
| Capital leases | 1,034,326 | 149,300 | 115,190 | 1,068,436 |
| Notes payable | 2,184,938 | 56,300 | 271,702 | 1,969,536 |
| Revenue bonds payable | 17,205,000 | - | 1,323,000 | 15,882,000 |
| | <u>\$20,952,165</u> | <u>\$ 258,511</u> | <u>\$ 1,709,892</u> | <u>\$ 19,500,784</u> |

Proprietary Debt

| | Balance October 1, 1996 | Additions | Retirements | Balance September 30, 1997 |
|-----------------------|-------------------------------|-------------------|-------------------|----------------------------------|
| Compensated absences | \$ 16,894 | \$ - | \$ 2,349 | \$ 14,545 |
| Capital leases | 217,881 | 173,884 | 25,040 | 366,725 |
| Revenue bonds payable | - | - | - | - |
| Notes payable | 6,080,000 | - | 255,000 | 5,825,000 |
| | <u>\$6,314,775</u> | <u>\$ 173,884</u> | <u>\$ 282,389</u> | <u>\$ 6,206,270</u> |

NOTE 9. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 1997, were:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|--|----------------------------------|-------------------------------|
| General Fund | <u>\$ 561,140</u> | <u>\$ 524,110</u> |
| Special Revenue Funds: | | |
| Community Development Block Grant 1994 | 30,336 | 142,146 |
| County Transportation Trust | 4,839 | 88,800 |
| Court Reporters | 16,608 | - |
| Fines and Forfeitures | 61,707 | - |
| Industrial Development Authority | 14 | - |
| Law Library | 625 | - |
| Library Enhancement Grant | - | 56,647 |
| Municipal Services Benefit Unit | 355,467 | 155,427 |
| Municipal Services Special District | 41,700 | 69,896 |
| | <u>511,296</u> | <u>512,916</u> |

The Florida Retirement System provides vesting of benefits after ten years of creditable service, eight years for Elected State and County Officer's Class (ESCOC), or seven years for Senior Management Service Class (SMSC). Members are eligible for normal retirement when they have met the minimum requirements for their specific class of membership. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age.

Benefits are computed on the basis of age, average final compensation, and service credit. Average final compensation is the average of the five highest fiscal years of earnings. Members may select one of four benefit options at retirement. The System also provides death and disability benefits.

Retirement coverage is employee noncontributory. Employers pay all contributions. Rates are based on class of membership. The contribution requirement for the year ended September 30, 1997, was \$1,773,230, which represents 20.3% of covered payroll.

The "pension benefit obligation" is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users (1) assess the Florida Retirement Systems' funding status on a going-concern basis, (2) assess progress in accumulating sufficient assets to pay benefits when due, and (3) make comparisons among Public Employee Retirement Systems. The measure is independent of and should not be confused with the actuarial funding method used to determine contributions to the System.

At June 30, 1997, the unfunded pension benefit obligation for the State of Florida Retirement System, determined through an actuarial valuation performed as of that date was \$(1.958) billion as follows:

| | |
|-------------------------------------|-------------------|
| | <u>Billions</u> |
| Pension Benefits Obligation | \$ 54.263 |
| Net Assets Available for | |
| Benefits at Amortized Cost | <u>56.221</u> |
| Unfunded Pension Benefit Obligation | <u>\$ (1.958)</u> |

Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8 percent per year compounded annually; (b) projected salary increases of 5.5 percent per year compounded annually, attributable to inflation; (c) additional projected salary increases of 2.0 percent per year attributable to seniority/merit; and (d) a post-retirement benefit increase of 3 percent per year.

The ten year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is not presently available. Historical trend information, commencing with the fiscal year 1986-87, is presented in the Florida Retirement System's June 30, 1997, comprehensive annual financial report.

NOTE 12. NOTES RECEIVABLE AND RESERVE

The notes receivable balance of \$18,214 in the Community Development Block Grant Fund consists of the total of the principal value of rehabilitation loans granted to recipients through the HUD Community Development Block Grant Program. These notes have been equally offset by a fund balance reserve account because they do not represent available spendable resources. Included in the balance is a note receivable of \$8,925 upon which no payments have been made since its inception in December, 1979. The collectibility of these notes has not been determined by the County.

COMPONENT UNIT FINANCIAL STATEMENTS



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Columbia County, Florida

We have audited the accompanying component unit general purpose financial statements of the Columbia County Board of County Commissioners, the primary government of Columbia County, Florida, as of and for the year ended September 30, 1997, as listed in the preceding table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

The component unit general purpose financial statements referred to above include only the financial activities of the primary government. Financial activities of other component units are not included.

In our opinion, the component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbia County Board of County Commissioners, the primary government of Columbia County, Florida, as of September 30, 1997, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 24, 1998, on our consideration of the Columbia County Board of County Commissioners' internal control over financial reporting and out tests of its compliance with certain laws, regulations, contracts and grants.

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1997

| Capital Projects Funds | Proprietary Fund Type Enterprise Fund | Account Groups | | Totals (Memorandum Only) |
|------------------------------|--|----------------------------------|------------------------------------|--------------------------------|
| | | General Fixed Assets Group | General Long-term Debt Group | |
| \$ 218,711 | \$1,608,267 | \$ - | \$ - | \$ 9,913,896 |
| - | 457,707 | - | - | 973,391 |
| - | - | - | - | 18,214 |
| 90,069 | 282,015 | - | - | 1,159,302 |
| - | 46,807 | - | - | 1,723,488 |
| - | - | - | - | 15,019 |
| - | - | - | - | 133,057 |
| 595,496 | 367,466 | - | - | 18,397,183 |
| - | 1,523,556 | - | - | 1,523,556 |
| - | 801,910 | - | - | 801,910 |
| - | 7,079,071 | - | - | 7,079,071 |
| - | 2,066,317 | - | - | 2,066,317 |
| - | (3,021,275) | - | - | (3,021,275) |
| - | - | 1,875,761 | - | 1,875,761 |
| - | - | 11,981,268 | - | 11,981,268 |
| - | - | 29,035,759 | - | 29,035,759 |
| - | - | 1,213,045 | - | 1,213,045 |
| - | - | 13,344,038 | - | 13,344,038 |
| - | - | - | - | 52,781 |
| - | 366,740 | - | - | 555,554 |
| - | - | - | - | 2,889,190 |
| - | - | - | 2,889,190 | 2,889,190 |
| - | - | - | 16,559,721 | 16,559,721 |
| <u>\$ 904,276</u> | <u>\$11,578,581</u> | <u>\$ 57,449,871</u> | <u>\$ 19,448,911</u> | <u>\$118,290,246</u> |

| | | | | |
|-----------|----------|------|------|------------|
| \$ 22,125 | \$ 9,365 | \$ - | \$ - | \$ 437,768 |
| 1,269 | 136,648 | - | - | 1,159,302 |
| - | 15,601 | - | - | 69,262 |
| - | 100,178 | - | - | 100,178 |
| - | 14,545 | - | - | 90,783 |
| - | - | - | - | 14,545 |
| - | - | - | - | 10,108 |
| - | - | - | - | 268,866 |
| - | - | - | - | 436 |
| - | 66,524 | - | - | 66,524 |
| - | 35,000 | - | - | 35,000 |
| - | 260,000 | - | - | 260,000 |

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1997

| <u>Capital Projects Funds</u> | <u>Proprietary Fund Type</u> | <u>Account Groups</u> | | <u>Totals (Memorandum Only)</u> |
|---------------------------------------|----------------------------------|---|---|---|
| | <u>Enterprise Fund</u> | <u>General Fixed Assets Group</u> | <u>General Long-term Debt Group</u> | |
| \$ - | \$ - | \$ - | \$ 580,812 | \$ 580,812 |
| - | 300,201 | - | 1,041,488 | 1,341,689 |
| - | - | - | 15,882,000 | 15,882,000 |
| - | - | - | 1,944,611 | 1,944,611 |
| - | 5,565,000 | - | - | 5,565,000 |
| - | 1,048,273 | - | - | 1,048,273 |
| <u>23,394</u> | <u>7,551,335</u> | <u>-</u> | <u>19,448,911</u> | <u>28,875,157</u> |
| - | 313,334 | - | - | 313,334 |
| 880,882 | - | - | - | 27,919,758 |
| - | - | - | - | 18,214 |
| - | 2,485,356 | - | - | 2,485,356 |
| - | 1,228,556 | - | - | 1,228,556 |
| - | - | 57,449,871 | - | 57,449,871 |
| 880,882 | 4,027,246 | 57,449,871 | - | 89,415,089 |
| <u>\$ 904,276</u> | <u>\$11,578,581</u> | <u>\$ 57,449,871</u> | <u>\$ 19,448,911</u> | <u>\$118,290,246</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended September 30, 1997

| | General Fund | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Totals (Memorandum Only) |
|--|--------------------|-----------------------------|-----------------------|------------------------------|--------------------------------|
| EXPENDITURES (continued) | | | | | |
| Debt Service | | | | | |
| General government | \$ - | \$ - | \$ 753,032 | \$ - | \$ 753,032 |
| Public safety | 156,372 | 129,595 | - | - | 285,967 |
| Transportation | - | 138,202 | 1,181,356 | - | 1,319,558 |
| Economic environment | 33,671 | - | 208,869 | - | 242,540 |
| Total expenditures | <u>5,479,976</u> | <u>11,067,057</u> | <u>2,143,257</u> | <u>1,093,081</u> | <u>19,783,371</u> |
| Excess (deficiency) of revenues over expenditures | <u>7,142,347</u> | <u>1,584,629</u> | <u>3,338,728</u> | <u>(729,982)</u> | <u>11,335,722</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Interfund transfers in | - | 797,327 | 8,686,954 | 373,210 | 9,857,491 |
| Debt proceeds | - | 166,137 | - | - | 166,137 |
| Interfund transfers out | (37,327) | - | (1,073,210) | (8,746,954) | (9,857,491) |
| Interfund transfers to County Officers | (6,897,478) | (852,162) | - | - | (7,749,640) |
| Total other financing sources (uses) | <u>(6,934,805)</u> | <u>111,302</u> | <u>7,613,744</u> | <u>(8,373,744)</u> | <u>(7,583,503)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>207,542</u> | <u>1,695,931</u> | <u>10,952,472</u> | <u>(9,103,726)</u> | <u>3,752,219</u> |
| Fund balances at beginning of year | 4,296,409 | 5,460,893 | 4,443,843 | 9,984,608 | 24,185,753 |
| Fund balances at end of year | <u>\$4,503,951</u> | <u>\$ 7,156,824</u> | <u>\$15,396,315</u> | <u>\$ 880,882</u> | <u>\$27,937,972</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL**

GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECTS FUND TYPES

For the Fiscal Year Ended September 30, 1997

| Funds Variance Favorable (Unfavorable) | Debt Service Funds | | | Capital Projects Funds | | |
|---|---------------------|---------------------|--|------------------------|--------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| \$ 367,550 | \$ 1,210,000 | \$ 1,210,699 | \$ 699 | \$ - | \$ 207 | \$ 207 |
| 21,748 | - | - | - | - | - | - |
| (375,535) | 3,455,354 | 3,333,598 | (121,756) | 300,000 | 300,000 | - |
| 215,021 | - | - | - | - | - | - |
| (107,785) | - | - | - | - | - | - |
| (108,578) | 330,000 | 937,688 | 607,688 | 50,777 | 62,892 | 12,115 |
| <u>12,421</u> | <u>4,995,354</u> | <u>5,481,985</u> | <u>486,631</u> | <u>350,777</u> | <u>363,099</u> | <u>12,322</u> |
| (24,327) | - | - | - | 103,694 | 103,694 | - |
| 12,489 | - | - | - | 269,516 | 269,516 | - |
| 372,743 | - | - | - | - | - | - |
| (49,942) | - | - | - | 1,160,374 | 562,394 | 597,980 |
| 1,172,446 | - | - | - | 1,465 | 1,465 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (116,195) | - | - | - | 156,012 | 156,012 | - |
| 2,192 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 711,230 | 753,032 | (41,802) | - | - | - |
| - | - | - | - | - | - | - |
| 25,962 | 1,195,528 | 1,181,356 | 14,172 | - | - | - |
| - | 149,508 | 208,869 | (59,361) | - | - | - |
| <u>1,395,368</u> | <u>2,056,266</u> | <u>2,143,257</u> | <u>(86,991)</u> | <u>1,691,061</u> | <u>1,093,081</u> | <u>597,980</u> |
| 1,407,789 | 2,939,088 | 3,338,728 | 399,640 | (1,340,284) | (729,982) | 610,302 |
| 72,749 | - | 8,686,954 | 8,686,954 | 373,210 | 373,210 | - |
| 166,137 | - | - | - | - | - | - |
| (1) | (1,385,710) | (1,073,210) | 312,500 | (8,686,954) | (8,746,954) | (60,000) |
| <u>238,885</u> | <u>(1,385,710)</u> | <u>7,613,744</u> | <u>8,999,454</u> | <u>(8,313,744)</u> | <u>(8,373,744)</u> | <u>(60,000)</u> |
| 1,646,674 | 1,553,378 | 10,952,472 | 9,399,094 | (9,654,028) | (9,103,726) | 550,302 |
| - | 4,443,843 | 4,443,843 | - | 9,984,608 | 9,984,608 | - |
| <u>\$ 1,646,674</u> | <u>\$ 5,997,221</u> | <u>\$15,396,315</u> | <u>\$ 9,399,094</u> | <u>\$ 330,580</u> | <u>\$ 880,882</u> | <u>\$ 550,302</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

LANDFILL ENTERPRISE FUND

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Fiscal Year Ended September 30, 1997

OPERATING EXPENSES (continued)

| | |
|--|--------------------|
| Landfill Closure | |
| Operating expenses | |
| Professional services | \$ 35,247 |
| Other contractual services | 6,049 |
| Total landfill closure | <u>41,296</u> |
| Landfill Recycling | |
| Personal services | |
| Regular salaries | 16,811 |
| FICA | 1,277 |
| Retirement | 6,395 |
| Life and health insurance | 3,456 |
| Worker's compensation | 5,027 |
| Total personal services | <u>32,966</u> |
| Operating expenses | |
| Professional services | 1,875 |
| Other contractual services | 22,341 |
| Insurance | 7,720 |
| Repair and maintenance | 2,616 |
| Operating supplies | 253 |
| Gas and oil | 5,060 |
| Grant to City of Lake City | 86,991 |
| Total operating expenses | <u>126,856</u> |
| Total landfill recycling | <u>159,822</u> |
| Total operating expenses | <u>2,014,735</u> |
| Operating income | <u>675,653</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| State of Florida grants | 187,912 |
| Interest earnings | 149,258 |
| Interest and other debt service expenses | (351,521) |
| Total nonoperating revenues (expenses) | <u>(14,351)</u> |
| Net income | 661,302 |
| Retained earnings, beginning of year | <u>3,052,612</u> |
| Retained earnings, end of year | <u>\$3,713,914</u> |

See accompanying notes to financial statements and accountant's report.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

LANDFILL ENTERPRISE FUND

COMBINED STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 1997

Reconciliation of Operating Income to Net
Cash Provided by Operating Activities

| | |
|---|--------------------|
| Operating income | <u>\$ 675,653</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 820,067 |
| (Increase) decrease in assets: | |
| Accounts receivable | (173,604) |
| Due from other funds | 23,863 |
| Due from other governmental units | 1,801,355 |
| Increase (decrease) in liabilities: | |
| Accounts payable | (501,522) |
| Accrued compensated absences | (2,349) |
| Decrease in other liabilities | (72,633) |
| Due to other funds | 2,054 |
| Due to other governmental units | 15,601 |
| Increase in estimated closure liability | <u>326,878</u> |
| Total adjustments | <u>2,239,710</u> |
| Net cash provided by operating activities | <u>\$2,915,363</u> |

See accompanying notes to financial statements and accountant's report.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Columbia County, Florida (the "County") is a political subdivision of the State of Florida created under Section 1, Article VIII of the State Constitution. It is governed by an elected Board of County Commissioners (the "Board") which is governed by state statutes and regulations, and ordinances adopted by the Board. In addition, there are five Constitutional Officers who are separately elected, which include the Clerk of Circuit Court, Sheriff, Tax Collector, Property Appraiser, and the Supervisor of Elections. Pursuant to Florida Statutes, the Clerk of the Circuit Court for the County serves as clerk and accountant of the Board of County Commissioners. The Board currently has certain budgetary control, but not administrative control, over the activities for the other Constitutional Officers, some of whom have the authority and responsibility for collecting revenues within their areas of jurisdiction and remitting such collections to the Board.

B. Fund Accounting

The Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Board funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all County funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are also adopted for capital projects funds.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term money market investment accounts.

Investments, consisting of certificates of deposit, investments in the Florida Local Government Surplus Funds Trust Fund, and Florida Counties Investment Trust Fund are stated at cost which approximates market value. All such investments are secured as required by state law.

F. Short-term Interfund Receivable/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

G. Prepaid Items

Significant payments made to vendors for goods or services that will benefit periods beyond September 30, 1997, are recorded as prepaid items.

H. Inventories

Inventories associated with Road Department operations are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of other governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Funds, and the Enterprise Fund. Material encumbrances outstanding at year end, are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

J. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at

M. Fund Equity

Reserved fund balances represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. Proprietary Activity Accounting and Financial Reporting

The County applies all applicable Government Accounting Standards (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations. Accounting Principles Board (APB) opinion and Accounting Research Bulletins (ARB's).

R. Restricted Assets

The Landfill Fund is required by Florida law to establish and maintain prescribed amounts of resources (consisting of investments) that can only be used to pay for closure costs of its landfill.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

The Board uses the following procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 15, the Clerk of Circuit Court, serving as Budget Officer, submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.

- (c) Interest-bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;
- (d) Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association;
- (e) Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association; or
- (f) Securities of, or interest in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company takes delivery of such collateral either directly or through an authorized custodian.

At September 30, 1997, the Board's investments consisted of the following:

| | Carrying Amount | Market Value | Category |
|---|---------------------|---------------------|----------|
| Florida Counties Investment Trust Fund | \$ 1,523,557 | \$ 1,523,557 | - |
| Local Government Surplus Funds Trust Fund | 5,103,064 | 5,103,064 | - |
| U.S. Treasury Securities | 13,144,120 | 13,144,120 | 1 |
| Certificate of deposit | 150,000 | 150,000 | 1 |
| | <u>\$19,920,741</u> | <u>\$19,920,741</u> | |

The Board's investments are categorized to give an indication of the level of risk assumed by the Board at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Board or its agent in the Board's name. Category 2 includes uninsured and unregistered investment for which the securities are held by the counterparty's trust department or agent in the Board's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent, but not in the Board's name.

NOTE 5. RECEIVABLES

Receivables at September 30, 1997, consist of the following:

| Fund Type | Interest | Billed Accounts | Governmental Unit Payments | Total |
|-----------------|------------------|--------------------|----------------------------------|---------------------|
| General | \$ - | \$ 397 | \$ 859,388 | \$ 859,785 |
| Special Revenue | - | 515,287 | 289,159 | 804,446 |
| Enterprise | - | 457,707 | 46,807 | 504,514 |
| Debt Service | 15,019 | - | 528,134 | 543,153 |
| | <u>\$ 15,019</u> | <u>\$973,391</u> | <u>\$1,723,488</u> | <u>\$ 2,711,898</u> |

1. Purchase of four motor-graders costing \$418,980, net of trade-ins. The terms of the agreement require nine semi-annual payments of \$26,636, including interest at 6.5% beginning November 15, 1993, and a balloon payment at the end of sixty months of \$294,636. At that time, the Board may also exercise its option to have the vendor repurchase the equipment for \$290,000.
 2. Purchase of a wheel tractor scraper costing \$255,448. The terms of the agreement require five annual payments of \$37,568, which include interest of 5.85% and a balloon payment at the end of the lease term of \$108,747. At that time, the Board may also exercise its option to have the vendor repurchase the equipment for \$115,000.
 3. Purchase of a wheel tractor scraper costing \$185,000. The terms of the agreement require four annual payments of \$52,477, including interest at 7%.
 4. Purchase of three motor-graders costing \$335,463. The terms of the agreement require four annual payments of \$25,962, including interest at 5.9%, beginning October 1, 1994, and a balloon payment at the end of five years of \$277,500. At that time, the Board may also exercise its option to have the vendor repurchase the equipment for \$277,500.
 5. Purchase of a wheel loader costing \$149,900. The terms of the agreement require five annual payments of \$33,273, including interest at 5.5% beginning June 17, 1996. At the end of the five years, the Board may keep the loader or have the vendor repurchase it for \$90,000.
 6. Purchase of a motor-grader costing \$166,137, for which an advance payment of \$16,837 was made. The terms of the agreement require four annual payments of \$16,837 with a terminating payment of \$118,000, including interest at 5.5%.
- B. The Board also has an installment payment agreement with Deere Credit, Inc. for the purchase of three motor-graders costing \$305,730. The note is payable in semi-annual payments of \$17,069, including interest at 6%.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at September 30, 1997:

| September 30, | County Commission | | Total |
|--|--------------------|-------------------|---------------------|
| | Governmental | Enterprise | |
| 1998 | \$ 623,750 | \$ 87,176 | \$ 710,926 |
| 1999 | 327,610 | 87,176 | 414,786 |
| 2000 | 50,110 | 87,176 | 137,286 |
| 2001 | 16,837 | 164,608 | 181,445 |
| 2002 | 118,000 | - | 118,000 |
| Total minimum lease payments | 1,136,307 | 426,136 | 1,562,443 |
| Less: amount representing interest | (94,819) | (59,411) | (154,230) |
| Present value of future minimum lease payments | <u>\$1,041,488</u> | <u>\$ 366,725</u> | <u>\$ 1,408,213</u> |

Revenue Bonds

A. On October 7, 1993, the County issued \$9,500,000 in Transportation Improvement and Refunding Revenue Bonds - Series 1993. These bonds provided approximately \$3,430,000 in road improvement funds, as well as extinguished the following outstanding bonds: State Board of Administration held - Series 1975, 1982; County held - Series 1989, 1990. These bonds will be repaid over a twenty year period at an average interest rate of 4.56%, and will be secured by Local Option Gas Tax and Constitutional Gas Tax revenues. Debt service is accounted for in the applicable debt service fund.

Debt service requirements to maturity, including interest of \$1,848,738, are as follows:

| Fiscal Year Ending <u>September 30,</u> | <u>Amount</u> |
|--|---------------------|
| 1998 | \$ 1,155,190 |
| 1999 | 1,147,318 |
| 2000 | 1,147,184 |
| 2001 | 526,496 |
| 2002 | 317,801 |
| Thereafter | <u>3,789,749</u> |
| | <u>\$ 8,083,738</u> |

B. On April 15, 1996, the County closed on a Revenue Term Bond held by Sunbank National Association in the amount of \$8,400,000. The proceeds will be used for courthouse and other County building renovations. The bonds are to be repaid over a ten year period with an average interest rate of 4.65%. The debt is secured by the State Half-Cent Sales Tax revenue. Debt service is accounted for in the applicable debt service fund.

Debt service requirements to maturity including interest of \$1,760,864, are as follows:

| Fiscal Year Ending <u>September 30,</u> | <u>Amount</u> |
|--|---------------------|
| 1998 | \$ 722,138 |
| 1999 | 712,316 |
| 2000 | 1,557,314 |
| 2001 | 1,497,157 |
| 2002 | 1,429,888 |
| Thereafter | <u>3,894,051</u> |
| | <u>\$ 9,812,864</u> |

On the same date, the County closed on a Line of Credit Bond held by SunBank National Association in the amount of \$1,500,000. The interest rates and security are the same as the above Term Bond. Interest is payable on this line of credit quarterly with all outstanding principal due on January 1, 2001. The County has made no advances under this line of credit as of September 30, 1997.

On April 15, 1996, the County also closed on a Revenue Term Bond in the amount of \$1,700,000. The proceeds were used to construct a manufacturing plant to be leased by the County to Homes of Merit. The bonds are to be repaid over a period of eleven years with an average interest rate of 7.23%. The debt is secured by the State Half-Cent Sales Tax revenue. Debt service is accounted for in the applicable debt service fund.

Debt service requirements to maturity, including interest of \$815,665, are as follows:

NOTE 10. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is defendant in various pending or threatened litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 11. DEFINED BENEFIT PENSION PLAN

All Columbia County full-time employees participate in the Florida Retirement System ("the System"), a multiple-employer public employee retirement system. The payroll for Board of County Commissioners' employees covered by the System for the year ended September 30, 1997, was \$3,557,994; this figure also represents the total payroll.

Membership is compulsory for all full-time and part-time employees working in a regularly established position for Columbia County. Elected County officials may elect not to participate in the System.

The Florida Retirement System provides vesting of benefits after ten years of creditable service, eight years for Elected State and County Officer's Class (ESCOC), or seven years for Senior Management Service Class (SMSC). Members are eligible for normal retirement when they have met the minimum requirements for their specific class of membership. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age.

Benefits are computed on the basis of age, average final compensation, and service credit. Average final compensation is the average of the five highest fiscal years of earnings. Members may select one of four benefit options at retirement. The System also provides death and disability benefits.

Retirement coverage is employee noncontributory. Employers pay all contributions. Rates are based on class of membership. The contribution requirement for the year ended September 30, 1997, was \$595,049, which represents 16.7% of covered payroll.

The "pension benefit obligation" is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users (1) assess the Florida Retirement Systems' funding status on a going-concern basis, (2) assess progress in accumulating sufficient assets to pay benefits when due, and (3) make comparisons among Public Employee Retirement Systems. The measure is independent of and should not be confused with the actuarial funding method used to determine contributions to the System.

At June 30, 1997, the unfunded pension benefit obligation for the State of Florida Retirement System, determined through an actuarial valuation performed as of that date was \$(1.958) billion as follows:

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

\$721,395 reported as landfill closure and postclosure care liability at September 30, 1997, represents the cumulative amount reported to date based on the use of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and annual postclosure care in 1997. The County expects to close this landfill cell in the year 1999. Actual cost may be higher because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure. The County is in compliance with these requirements, and at September 30, 1997, restricted cash of \$561,649 is held for this purpose. This is reported as restricted assets on the balance sheet. The County expects future inflation costs to be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (because of changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from other future revenues of the County.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS**

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 1997

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-------------------|-------------------|---|
| REVENUES | | | |
| Taxes | | | |
| Ad valorem taxes | | | |
| Current ad valorem taxes | \$7,528,753 | \$7,311,671 | \$ (217,082) |
| Delinquent ad valorem taxes | 25,000 | 45,092 | 20,092 |
| Real property fees | 200 | - | (200) |
| Total ad valorem taxes | <u>7,553,953</u> | <u>7,356,763</u> | <u>(197,190)</u> |
| Sales and use taxes | | | |
| Local government infrastructure surtax | <u>3,219,129</u> | <u>3,578,285</u> | <u>359,156</u> |
| Total taxes | <u>10,773,082</u> | <u>10,935,048</u> | <u>161,966</u> |
| Intergovernmental revenue | | | |
| State grants | | | |
| Public safety | | | |
| Sheriff's Department | 55,960 | 69,653 | 13,693 |
| State Emergency Management | 12,000 | 14,873 | 2,873 |
| State Emergency Preparedness | 92,090 | 101,253 | 9,163 |
| Hazardous materials | - | 2,867 | 2,867 |
| Emergency management SLA | - | 3,764 | 3,764 |
| Physical environment | | | |
| Litter and Marine Debris | 10,000 | 4,998 | (5,002) |
| Transportation | | | |
| Economic development | 98,713 | 98,713 | - |
| Human services | | | |
| Mosquito control-1 | 26,600 | 26,600 | - |
| Culture/recreation | | | |
| Aid to libraries | 40,000 | 40,494 | 494 |
| Florinet grant | 3,500 | 3,500 | - |
| Total state grants | <u>338,863</u> | <u>366,715</u> | <u>27,852</u> |
| State shared revenues | | | |
| General government | | | |
| Insurance agents county licenses | 4,500 | 11,875 | 7,375 |
| Alcoholic beverage licenses | 10,000 | 10,796 | 796 |
| Racing tax | 223,250 | 223,250 | - |
| Total state shared revenues | <u>237,750</u> | <u>245,921</u> | <u>8,171</u> |

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 1997

| | Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------------------|------------|------------|--|
| Library fines | | | |
| Lake City | \$ 20,000 | \$ 19,716 | \$ (284) |
| Fort White | 500 | 720 | 220 |
| Total library fines | 20,500 | 20,436 | (64) |
| Total fines and forfeitures | 80,500 | 110,391 | 29,891 |
| Miscellaneous | | | |
| Interest earnings | | | |
| Interest on investments | 50,000 | 247,135 | 197,135 |
| Interest SBA | 10,000 | 45 | (9,955) |
| Interest County officers | | | |
| Sheriff | - | 10,609 | 10,609 |
| Supervisor of Elections | - | 306 | 306 |
| Restitution interest | - | 292 | 292 |
| Total interest earnings | 60,000 | 258,387 | 198,387 |
| Rents and royalties | | | |
| Rents | - | 373 | 373 |
| Jefferson Pilot rent | 46,644 | 89,516 | 42,872 |
| Total rents and royalties | 46,644 | 89,889 | 43,245 |
| Sale of fixed assets | | | |
| Equipment | 10,000 | - | (10,000) |
| Contributions and donations | | | |
| Library | - | 500 | 500 |
| Donation Bernhard Trust | - | 7,837 | 7,837 |
| Library Council | 6,000 | 6,000 | - |
| Total contributions and donations | 6,000 | 14,337 | 8,337 |
| Other miscellaneous | - | (62,852) | (62,852) |
| Total miscellaneous | 122,644 | 299,761 | 177,117 |
| Total revenues | 11,910,886 | 12,622,323 | 711,437 |
| EXPENDITURES | | | |
| General government | | | |
| Legislative | | | |
| Personal services | 416,159 | 416,159 | - |
| Operating expenses | 84,441 | 45,194 | 39,247 |
| Capital outlay | 5,342 | 41,297 | (35,955) |
| Total legislative | 505,942 | 502,650 | 3,292 |

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 1997

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|------------------------------------|------------------|------------------|--|
| Supervisor of Elections | | | |
| Personal services | \$ 2,150 | \$ 2,743 | \$ (593) |
| Non-departmental | | | |
| Personal services | 3,698 | 3,698 | - |
| Operating expenses | 235,144 | 235,144 | - |
| Capital outlay | 2,150 | - | 2,150 |
| Total non-departmental | <u>240,992</u> | <u>238,842</u> | <u>2,150</u> |
| Courthouse maintenance | | | |
| Personal services | 140,586 | 140,586 | - |
| Operating expenses | 79,999 | 79,999 | - |
| Capital outlay | 75 | 75 | - |
| Total Courthouse maintenance | <u>220,660</u> | <u>220,660</u> | <u>-</u> |
| Courthouse annex maintenance | | | |
| Operating expenses | 47,541 | 47,541 | - |
| Capital outlay | 1,492 | 1,492 | - |
| Total Courthouse annex maintenance | <u>49,033</u> | <u>49,033</u> | <u>-</u> |
| Montgomery building | | | |
| Operating expenses | <u>17,061</u> | <u>17,061</u> | <u>-</u> |
| Jail maintenance | | | |
| Operating expenses | <u>24,484</u> | <u>24,484</u> | <u>-</u> |
| Criminal investigations | | | |
| Operating expenses | <u>3,904</u> | <u>3,904</u> | <u>-</u> |
| Elections office | | | |
| Operating expenses | <u>2,558</u> | <u>2,558</u> | <u>-</u> |
| Total general government | <u>2,096,018</u> | <u>2,169,951</u> | <u>(73,933)</u> |
| Public safety | | | |
| Law enforcement | | | |
| Personal services | <u>167,164</u> | <u>167,164</u> | <u>-</u> |
| Detention Center operations | | | |
| Personal services | <u>129,880</u> | <u>129,880</u> | <u>-</u> |
| Detention Center facilities | | | |
| Personal services | 36,301 | 36,301 | - |
| Operating expenses | 172,303 | 172,303 | - |
| Capital outlay | 11,464 | 11,464 | - |
| Debt service | <u>156,372</u> | <u>156,372</u> | <u>-</u> |
| Total Detention Center facilities | <u>376,440</u> | <u>376,440</u> | <u>-</u> |

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 1997

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--------------------------------------|------------------|------------------|---|
| Economic environment | | | |
| Industry development | | | |
| Operating expenses | \$ 46,120 | \$ 46,120 | \$ - |
| Debt service | 33,671 | 33,671 | - |
| Grants and aids | 5,000 | 5,000 | - |
| Total industry development | <u>84,791</u> | <u>84,791</u> | <u>-</u> |
| Commissioners special projects | | | |
| Operating expenses | 441 | 441 | - |
| Grants and aids | <u>19,138</u> | <u>19,138</u> | <u>-</u> |
| Total Commissioners special projects | <u>19,579</u> | <u>19,579</u> | <u>-</u> |
| Otted grant | | | |
| Operating expenses | <u>400</u> | <u>400</u> | <u>-</u> |
| Veterans services | | | |
| Personal services | 69,127 | 69,127 | - |
| Operating expenses | <u>4,078</u> | <u>4,078</u> | <u>-</u> |
| Total veterans services | <u>73,205</u> | <u>73,205</u> | <u>-</u> |
| Other economic environment | | | |
| Grants and aids | <u>33,599</u> | <u>33,599</u> | <u>-</u> |
| Total economic environment | <u>211,574</u> | <u>211,574</u> | <u>-</u> |
| Human services | | | |
| Mosquito control | | | |
| Personal services | 9,888 | 9,888 | - |
| Operating expenses | 36,880 | 36,880 | - |
| Capital outlay | <u>23,440</u> | <u>23,440</u> | <u>-</u> |
| Total mosquito control | <u>70,208</u> | <u>70,208</u> | <u>-</u> |
| Health | | | |
| Grants and aids | <u>871,754</u> | <u>871,754</u> | <u>-</u> |
| Mental health | | | |
| Grants and aids | <u>52,500</u> | <u>52,500</u> | <u>-</u> |
| Welfare | | | |
| Grants and aids | <u>40,000</u> | <u>40,000</u> | <u>-</u> |
| Retardation | | | |
| Grants and aids | <u>22,250</u> | <u>22,250</u> | <u>-</u> |
| Other human services | | | |
| Grants and aid | <u>18,000</u> | <u>18,000</u> | <u>-</u> |
| Total human services | <u>1,074,712</u> | <u>1,074,712</u> | <u>-</u> |

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 1997

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|--------------------|---------------------|---|
| Excess (deficiency) of revenues over expenditures | <u>\$6,508,135</u> | <u>\$ 7,142,347</u> | <u>\$ 634,212</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Interfund transfers | | | |
| Transfer to Clerk operating | (447,055) | (368,193) | 78,862 |
| Transfer to Property Appraiser | (581,971) | (580,635) | 1,336 |
| Transfer to Sheriff | (5,552,229) | (5,451,821) | 100,408 |
| Transfer to Supervisor of Elections | (290,847) | (292,039) | (1,192) |
| Transfer to Tax Collector | (328,129) | (204,790) | 123,339 |
| Transfer to CDBG | - | (24,123) | (24,123) |
| Transfer to MSBU | - | (6,602) | (6,602) |
| Transfer to MSSD | - | (6,602) | (6,602) |
| Total other financing sources (uses) | <u>(7,200,231)</u> | <u>(6,934,805)</u> | <u>265,426</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and financing uses | (692,096) | 207,542 | 899,638 |
| Fund balance at beginning of year | <u>4,296,409</u> | <u>4,296,409</u> | <u>-</u> |
| Fund balance at end of year | <u>\$3,604,313</u> | <u>\$ 4,503,951</u> | <u>\$ 899,638</u> |

See notes to financial statements.

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 1997

| <u>Industrial Development Authority</u> | <u>Law Enforcement Special</u> | <u>Law Library</u> | <u>Library Enhancement Grant</u> | <u>Local Housing Assistance</u> | <u>Municipal Services Benefit Unit</u> | <u>Municipal Services Special District</u> | <u>Tourist Development Tax</u> | <u>Totals</u> |
|---|--|------------------------|--|---|--|--|--|--------------------|
| \$ 42,954 | \$ 3,925 | \$ 931 | \$ - | \$ 45,274 | \$ 867,567 | \$1,015,675 | \$ 2,160 | \$3,028,821 |
| 484 | - | - | - | - | 12,947 | 76,795 | - | 515,287 |
| - | - | - | - | - | - | - | - | 18,214 |
| - | - | - | - | - | 354,765 | 40,490 | - | 430,430 |
| 14 | - | 625 | - | - | 702 | 209,503 | - | 289,159 |
| - | - | - | - | - | - | - | - | 133,057 |
| - | 937 | - | 866,852 | 113,060 | 13,664 | 933,798 | 4,549 | 3,807,074 |
| <u>\$ 43,452</u> | <u>\$ 4,862</u> | <u>\$ 1,556</u> | <u>\$ 866,852</u> | <u>\$ 158,334</u> | <u>\$1,249,645</u> | <u>\$2,276,261</u> | <u>\$ 6,709</u> | <u>\$8,222,042</u> |
| | | | | | | | | |
| \$ 996 | \$ - | \$ - | \$ 11,561 | \$ 23,000 | \$ 76,849 | \$ 82,735 | \$ 4,411 | \$ 277,715 |
| - | - | - | 56,647 | - | 148,491 | 62,959 | - | 499,043 |
| - | - | - | - | - | 8,768 | 6,937 | - | 15,705 |
| - | - | - | - | - | - | - | - | 10,108 |
| - | - | - | - | - | - | 262,211 | - | 262,211 |
| - | - | - | - | - | 19 | 417 | - | 436 |
| <u>996</u> | <u>-</u> | <u>-</u> | <u>68,208</u> | <u>23,000</u> | <u>234,127</u> | <u>415,259</u> | <u>4,411</u> | <u>1,065,218</u> |
| | | | | | | | | |
| 42,456 | 4,862 | 1,556 | 798,644 | 135,334 | 1,015,518 | 1,861,002 | 2,298 | 7,156,824 |
| <u>\$ 43,452</u> | <u>\$ 4,862</u> | <u>\$ 1,556</u> | <u>\$ 866,852</u> | <u>\$ 158,334</u> | <u>\$1,249,645</u> | <u>\$2,276,261</u> | <u>\$ 6,709</u> | <u>\$8,222,042</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

For the Fiscal Year Ended September 30, 1997

| Industrial Development Authority | Law Enforcement Special | Law Library | Library Enhancement Grant | Local Housing Assistance | Municipal Services Benefit Unit | Municipal Services Special District | Tourist Development Tax | Totals |
|--|-------------------------------|-----------------|---------------------------------|--------------------------------|---------------------------------------|--|-------------------------------|---------------------|
| \$117,068 | \$ - | \$ - | \$ - | \$ - | \$ 303,328 | \$ - | \$ 90,000 | \$ 2,244,618 |
| - | - | - | - | - | 297,748 | - | - | 297,748 |
| - | - | - | 339,590 | 309,560 | 341,002 | 700,997 | - | 3,216,439 |
| 3,000 | - | 6,030 | - | - | 2,159 | 920,210 | - | 1,023,379 |
| - | 7,862 | - | - | - | 50 | - | - | 680,765 |
| 4,781 | 144 | - | 49,918 | 7,602 | 2,463,973 | 1,655,170 | 194,283 | 5,188,737 |
| <u>124,849</u> | <u>8,006</u> | <u>6,030</u> | <u>389,508</u> | <u>317,162</u> | <u>3,408,260</u> | <u>3,276,377</u> | <u>284,283</u> | <u>12,651,686</u> |
| - | - | 7,083 | - | - | 57,247 | 50,058 | - | 203,015 |
| - | 4,000 | - | - | - | 304,002 | 2,155,211 | - | 2,463,213 |
| - | - | - | - | - | 2,392,101 | - | - | 2,411,003 |
| - | - | - | - | - | 59,514 | - | - | 2,500,808 |
| 112,838 | - | - | - | 288,816 | 1,105 | - | 312,990 | 1,894,962 |
| - | - | - | 342,026 | - | 20,803 | - | - | 362,829 |
| - | - | - | - | - | - | - | - | 4,185 |
| - | - | - | - | - | 21,647 | 254,540 | - | 308,187 |
| - | - | - | - | - | 17,021 | - | - | 461,137 |
| 3,079 | - | - | - | - | - | - | 808 | 3,887 |
| - | - | - | 186,034 | - | - | - | - | 186,034 |
| - | - | - | - | - | - | 129,595 | - | 129,595 |
| - | - | - | - | - | - | - | - | 138,202 |
| <u>115,917</u> | <u>4,000</u> | <u>7,083</u> | <u>528,060</u> | <u>288,816</u> | <u>2,873,440</u> | <u>2,589,404</u> | <u>313,798</u> | <u>11,067,057</u> |
| <u>8,932</u> | <u>4,006</u> | <u>(1,053)</u> | <u>(138,552)</u> | <u>28,346</u> | <u>534,820</u> | <u>686,973</u> | <u>(29,515)</u> | <u>1,584,629</u> |
| - | - | - | - | - | 6,602 | 6,602 | - | 797,327 |
| - | - | - | - | - | - | - | - | 166,137 |
| - | - | - | - | - | (46,358) | (30,133) | - | (852,162) |
| - | - | - | - | - | (39,756) | (23,531) | - | 111,302 |
| 8,932 | 4,006 | (1,053) | (138,552) | 28,346 | 495,064 | 663,442 | (29,515) | 1,695,931 |
| 33,524 | 856 | 2,609 | 937,196 | 106,988 | 520,454 | 1,197,560 | 31,813 | 5,460,893 |
| <u>\$ 42,456</u> | <u>\$ 4,862</u> | <u>\$ 1,556</u> | <u>\$ 798,644</u> | <u>\$ 135,334</u> | <u>\$1,015,518</u> | <u>\$1,861,002</u> | <u>\$ 2,298</u> | <u>\$ 7,156,824</u> |

See notes to financial statements.

DEBT SERVICE FUNDS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 1997

| | <u>Courthouse Improvement Debt Service</u> | <u>1993 Debt Service</u> | <u>Tourist Development Debt Service</u> | <u>Totals</u> |
|--|--|------------------------------|---|---------------------|
| REVENUES | | | | |
| Taxes | \$ - | \$ 1,050,000 | \$ 160,699 | \$ 1,210,699 |
| Intergovernmental revenue | 2,469,362 | 864,236 | - | 3,333,598 |
| Miscellaneous | 873,500 | 47,107 | 17,081 | 937,688 |
| Total revenues | <u>3,342,862</u> | <u>1,961,343</u> | <u>177,780</u> | <u>5,481,985</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| General government | 753,032 | - | - | 753,032 |
| Transportation | - | 1,181,356 | - | 1,181,356 |
| Economic environment | 57,239 | - | 151,630 | 208,869 |
| Total expenditures | <u>810,271</u> | <u>1,181,356</u> | <u>151,630</u> | <u>2,143,257</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,532,591</u> | <u>779,987</u> | <u>26,150</u> | <u>3,338,728</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Interfund transfers in | 8,686,954 | - | - | 8,686,954 |
| Interfund transfers out | (373,210) | (700,000) | - | (1,073,210) |
| Total other financing sources (uses) | <u>8,313,744</u> | <u>(700,000)</u> | <u>-</u> | <u>7,613,744</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 10,846,335 | 79,987 | 26,150 | 10,952,472 |
| Fund balances at beginning of year | <u>2,382,928</u> | <u>1,733,665</u> | <u>327,250</u> | <u>4,443,843</u> |
| Fund balances at end of year | <u>\$13,229,263</u> | <u>\$ 1,813,652</u> | <u>\$ 353,400</u> | <u>\$15,396,315</u> |

See notes to financial statements.

CAPITAL PROJECTS FUNDS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

September 30, 1997

| | Capital Projects | Fifth and Sixth Cent Fuel Tax Trust | Road Improvement | Industrial Park Trust | Totals |
|--|---------------------|--|---------------------|--------------------------|------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash | \$ - | \$ 196,944 | \$ 21,767 | \$ - | \$ 218,711 |
| Due from other funds | - | - | 90,069 | - | 90,069 |
| Investments | - | 499,225 | 553 | 95,718 | 595,496 |
| Total assets | \$ - | \$ 696,169 | \$ 112,389 | \$ 95,718 | \$ 904,276 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | \$ - | \$ 22,125 | \$ - | \$ - | \$ 22,125 |
| Due to other funds | - | - | - | 1,269 | 1,269 |
| FUND BALANCES | | | | | |
| Undesignated fund balances | - | 674,044 | 112,389 | 94,449 | 880,882 |
| Total liabilities and fund balances | \$ - | \$ 696,169 | \$ 112,389 | \$ 95,718 | \$ 904,276 |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 1997

| | <u>Capital Projects</u> | <u>Fifth and Sixth Cent Fuel Tax Trust</u> | <u>Road Improvement</u> | <u>Industrial Park Trust</u> | <u>Totals</u> |
|--|-----------------------------|--|-----------------------------|----------------------------------|--------------------|
| OTHER FINANCING SOURCES (USES) | | | | | |
| Interfund transfers in | \$ 373,210 | \$ - | \$ - | \$ - | \$ 373,210 |
| Interfund transfers out | <u>(8,686,954)</u> | <u>(60,000)</u> | <u>-</u> | <u>-</u> | <u>(8,746,954)</u> |
| Total other financing sources (uses) | <u>(8,313,744)</u> | <u>(60,000)</u> | <u>-</u> | <u>-</u> | <u>(8,373,744)</u> |
| | | | | | |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (8,686,954) | (273,082) | (147,688) | 3,998 | (9,103,726) |
| | | | | | |
| Fund balances at beginning of year | <u>8,686,954</u> | <u>947,126</u> | <u>260,077</u> | <u>90,451</u> | <u>9,984,608</u> |
| | | | | | |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ 674,044</u> | <u>\$ 112,389</u> | <u>\$ 94,449</u> | <u>\$ 880,882</u> |

See notes to financial statements.

SINGLE AUDIT AND COMPLIANCE SECTION

**COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

For the Fiscal Year Ended September 30, 1997

| Grantor/Program Title | CFDA# | Grant Number | Award Amount | Reported in Prior Years | Fund Balance October 1, 1996 | Match | 1997 | | Fund Balance September 30, 1997 |
|--|-------|----------------------|--------------------|-------------------------|------------------------------|------------------|--------------------|--------------------|---------------------------------|
| | | | | | | | Revenue Recognized | Expenditures | |
| STATE FINANCIAL AWARDS | | | | | | | | | |
| Department of Community Affairs | | | | | | | | | |
| Hazardous Waste Grant | | 97CP-3V-03-22-22-007 | *\$ 2,867 | \$ - | \$ - | \$ - | \$ 2,867 | \$ 2,867 | \$ - |
| Evaluation and Appraisal Report Program Assistance | | | * 14,069 | - | - | - | 14,069 | 14,069 | - |
| Department of State - Division of Library and Information Services | | | | | | | | | |
| State aid to Libraries | | | | | | | | | |
| Operating | | 97-ST-08 | * 339,590 | - | - | - | 339,590 | 339,590 | - |
| Equalization | | 97-ST-08 | * 40,494 | - | - | - | 40,494 | 40,494 | - |
| | | 94-ST-08 | * 351,325 | 351,325 | 84,842 | - | - | 49,734 | 35,108 |
| | | 95-ST-08 | * 309,303 | 309,303 | 309,303 | - | - | - | 309,303 |
| | | 96-ST-08 | * 454,233 | 454,233 | 454,233 | - | - | - | 454,233 |
| Department of Environmental Protection | | | | | | | | | |
| Recycling and Education Grant | | RE-97-10 | * 118,929 | - | - | - | 107,892 | 107,892 | - |
| Waste Tire Grant | | WT-97-12 | * 30,020 | - | - | - | 30,020 | 30,020 | - |
| Small County Grant | | SC-97-04 | * 50,000 | - | - | - | 50,000 | 50,000 | - |
| Litter and Marine Litter | | LC-97-10 | * 10,000 | - | - | - | 4,998 | 4,998 | - |
| Department of Health & Rehabilitative Services | | | | | | | | | |
| Emergency Medical Services County Grant Program | | C-96-12 | * 16,492 | - | - | - | 16,492 | 16,492 | - |
| Emergency Medical Services | | M-5029 | * 225,000 | - | - | - | - | - | - |
| Department of Agriculture & Consumer Services | | | | | | | | | |
| Mosquito Grant | | | * 26,600 | - | - | - | 26,600 | 26,600 | - |
| Rural Community Fire Protection | | | * 1,600 | - | - | - | 1,600 | 1,600 | - |
| Office of State Court Administrator | | | | | | | | | |
| Grant in aid - Family Medication | | | * 14,246 | - | - | - | 14,246 | 14,246 | - |
| Office of Governor | | | | | | | | | |
| Office of Tourism, Trade, and Economic Development | | 96/9712A | * 163,629 | - | - | - | 98,713 | 98,713 | - |
| Total state financial awards | | | <u>2,168,397</u> | <u>1,114,861</u> | <u>848,378</u> | <u>-</u> | <u>747,581</u> | <u>797,315</u> | <u>798,644</u> |
| Total all financial awards | | | <u>\$3,159,298</u> | <u>\$1,211,804</u> | <u>\$ 848,378</u> | <u>\$ 26,426</u> | <u>\$1,580,936</u> | <u>\$1,649,813</u> | <u>\$ 798,644</u> |

* State grants and aids appropriation under Section 216.349, Florida Statutes.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

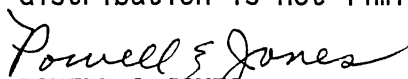
To the Board of County Commissioners
Columbia County, Florida

We have audited the component unit general purpose financial statements of the Columbia County Board of County Commissioners, the primary government of Columbia County, Florida, as of and for the year ended September 30, 1997, and have issued our report thereon dated July 24, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Board of County Commissioners' 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 these 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Columbia County Board of County Commissioners in a separate letter dated July 24, 1998, on pages 2 - 55 - 2 - 57.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Board of County Commissioners' 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 assurance 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 over financial reporting that might be material weaknesses. A material weakness is a 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 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. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Columbia County Board of County Commissioners in a separate letter dated July 24, 1998, on pages 2 - 55 - 2 - 57.

This report is intended for the information of management, the Columbia County Board of County Commissioners, and federal and state awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


POWELL & JONES
July 24, 1998

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND IN INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of County Commissioners
Columbia County, Florida

Compliance

We have audited the compliance of the Columbia County Board of County Commissioners with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended September 30, 1997. The Columbia County Board of County Commissioners' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Columbia County Board of County Commissioners' management. Our responsibility is to express an opinion on the Columbia County Board of County Commissioners' compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Columbia County Board of County Commissioners' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Columbia County Board of County Commissioners' compliance with those requirements.

In our opinion, the Columbia County Board of County Commissioners complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 1997.

Internal Control Over Compliance

The management of the Columbia County Board of County Commissioners is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to a federal program. In planning and performing our audit, we considered the Columbia County Board of County Commissioners' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

**COLUMBIA COUNTY, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT**

SUMMARY OF FINDINGS

For the Fiscal year Ended September 30, 1997

Section I. Summary of Auditor's Results

Financial Statement

| | |
|--|-------------|
| Types of auditor's report issued | Unqualified |
| Internal control over financial reporting: | |
| Material weakness identified? | No |
| Reportable condition identified not considered to be material weaknesses? | Yes |
| Noncompliance material on financial statements noted? | No |

Federal Awards

| | |
|---|---------------|
| Internal control over major programs: | |
| Material weakness identified? | No |
| Reportable condition identified not considered to be material weaknesses? | None reported |
| Type of auditor's report issued on compliance for major programs: | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? | No |

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|--------------------|--|
| 14.228 | Community Development Block Grant- Economic Development |

Section II. Financial Statement Findings

#97-1. In accordance with the terms of the "Participating Party Agreement" entered into by the Board of County Commissioners with AeroCorp, a private corporation, AeroCorp was to contribute \$611,975 toward the cost of the project funded by the above CDBG grant. At the time of audit, the Board of County Commissioners had billed, but had not received full payment for this contribution, although the project was completed in August, 1997, eight months earlier. During this period, County funds have been utilized to fund this receivable from AeroCorp. Subsequent to completion of the audit, these funds were received from AeroCorp.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
STATE FINANCIAL ASSISTANCE**

To the Board of County Commissioners
Columbia County, Florida


We have audited the component unit general purpose financial statements of Columbia County Board of County Commissioners, the primary government of Columbia County, Florida, as of and for the year ended September 30, 1997, and have issued our report thereon dated July 24, 1998.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards and *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.

Compliance with laws, regulations, contracts and grants applicable to the Columbia County Board of County Commissioners is the responsibility of Columbia County Board of County Commissioners' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Columbia County Board of County Commissioners' compliance with certain provisions of laws, regulations, contracts, and grants including those applicable to state grants and aids appropriations identified in the Schedule of Expenditures of Federal and State Awards, pursuant to Section 216.349, *Florida Statutes*, and Chapter 10.660, *Rules of the Auditor General*. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of management, the Board of County Commissioners, and all applicable state agencies. However, this report is a matter of public record and its distribution is not limited.


POWELL & JONES
July 24, 1998

MANAGEMENT LETTER

To the Board of County Commissioners
Columbia County, Florida

In planning and performing our audit of the component unit general purpose financial statements of the Columbia County Board of County Commissioners, the primary government of Columbia County, Florida, for the year ended September 30, 1997, we considered the Columbia County Board of County Commissioners' internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiencies. In addition to furnishing information required by Chapter 10.550, *Rules of the Auditor General*, and other compliance matters, the remaining sections of this report letter discuss these findings.

IMMATERIAL INTERNAL CONTROL AND COMPLIANCE FINDINGS

PRIOR YEAR FINDINGS

Fixed Asset Records - Chapter 10.400, *Rules of the Auditor General*, provide detailed procedures for maintenance of County fixed asset property records including required information on each item of property, maintenance of general ledger control accounts, disposition procedures, and annual inventory procedures. From our review of the Board's fixed asset records, in both the current and prior years we noted the following:

1. From our review of the Board's property records, we found where certain items purchased during the year had not been added to the fixed asset records at the time of our audit.
2. The year end inventory is not conducted by persons other than the property custodians, and there is not a formal reconciliation performed between the physical and book inventories, with all differences investigated and corrected as appropriate.

Subsequent to year end, the Board amended its property record accountability procedures to fully comply with the above provisions of Chapter 10.440, *Rules of the Auditor General*.

All other prior year findings were cleared during the current year.

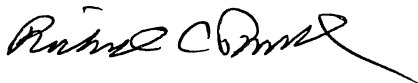
CURRENT YEAR FINDINGS

Mobile Telephone Bills - From our review of selected mobile telephone billings, we could not find where all monthly billings for mobile telephone were reviewed for personal calls and where all such calls were reimbursed to the Board. To strengthen internal controls, we recommend that the employees assigned mobile telephones review monthly billings for personal calls, and reimburse the Board for the cost of any calls made.

CONCLUSION - We have reviewed each of our specific findings with the appropriate County officials or employees and have provided them with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this year's audit of the County. We appreciate the progress the Board and County Officers are making on improving the prior noted weaknesses and reaffirm our desire to assist in these endeavors. We also appreciated the continued helpful assistance of all County employees in completing this year's audit.

Sincerely,

POWELL & JONES

A handwritten signature in black ink, appearing to read "Richard C. Powell", with a long, sweeping flourish extending to the right.

Richard C. Powell
Certified Public Accountant
July 24, 1998



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

2585 S. First Street
Lake City, Florida 32025
904 / 755-4200
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INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
Columbia County, Florida

We have audited the accompanying component unit general purpose financial statements of the Columbia County Clerk of the Circuit Court, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, as listed in the preceding table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbia County Clerk of the Circuit Court, a component unit of Columbia County, Florida, as of September 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Columbia County Clerk of the Circuit Court. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 9, 1998, on our consideration of the Columbia County Clerk of the Circuit Court's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts and grants.

Powell & Jones
POWELL & JONES
July 9, 1998

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended September 30, 1997

| | General Fund | Special Revenue Fund | Totals (Memorandum Only) |
|---|------------------|----------------------------|--------------------------------|
| REVENUES | | | |
| Charges for services | \$ 791,234 | \$ 28,580 | \$ 819,814 |
| Miscellaneous | <u>29,901</u> | <u>1,921</u> | <u>31,822</u> |
| Total revenues | <u>821,135</u> | <u>30,501</u> | <u>851,636</u> |
| EXPENDITURES | | | |
| Current expenditures | | | |
| General government | 1,170,406 | 7,540 | 1,177,946 |
| Capital outlay | | | |
| General government | 13,571 | 29,122 | 42,693 |
| Debt service | | | |
| General government | <u>5,351</u> | <u>1,070</u> | <u>6,421</u> |
| Total expenditures | <u>1,189,328</u> | <u>37,732</u> | <u>1,227,060</u> |
| Excess (deficiency) of revenues over expenditures | <u>(368,193)</u> | <u>(7,231)</u> | <u>(375,424)</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers from other governmental units | <u>368,193</u> | <u>-</u> | <u>368,193</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures | - | (7,231) | (7,231) |
| Fund balances at beginning of year | - | 50,141 | 50,141 |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ 42,910</u> | <u>\$ 42,910</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended September 30, 1997

| | General Fund | | | Special Revenue Fund | | |
|---|--------------|------------|--|----------------------|-----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers from other governmental units | \$ 358,639 | \$ 368,193 | \$ 9,554 | \$ - | \$ - | \$ - |
| Excess (deficiency) of revenues and other financing sources over expenditures | - | - | - | (7,231) | (7,231) | - |
| Fund balances at beginning of year | - | - | - | 50,141 | 50,141 | - |
| Fund balances at end of year | \$ - | \$ - | \$ - | \$ 42,910 | \$ 42,910 | \$ - |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

NOTE 1. THE REPORTING ENTITY

Columbia County is a political subdivision of the State of Florida and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. The County is governed by a board of five elected County Commissioners. Additionally, certain functions of county government are operated in a fiduciary capacity by five elected Constitutional Officers. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

NOTE. 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Clerk's significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

A. Basis of Presentation

The accounts of the Clerk of the Circuit Court are organized on the basis of funds and account groups, each of which is considered 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 equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Clerk of the Circuit Court. It is used to account for all financial resources not properly accounted for in any other fund.

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. As of September 30, 1997, the Clerk of the Circuit Court maintained the Public Records Modernization Trust Fund, as a special revenue fund.

The collateral for the Clerk's deposits is categorized to give an indication of the level of risk assumed by the Clerk at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the Clerk or his agent in the Clerk's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the Clerk's name. Category 3 includes uninsured or unregistered deposits for which the securities are held by the counterparty's trust department or agent, but not in the Clerk's name. All of the collateral covering the Clerk's deposits was Category 1.

E. Inventories

It is the policy of the Clerk of the Circuit Court to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

F. Property, Plant and Equipment

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Asset Group of Accounts, except for its infrastructure fixed assets which the County has elected not to report. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. No depreciation has been provided on the County's general fixed assets. Assets purchased by the Clerk of the Circuit Court are reported in the County's General Fixed Asset Account Group.

G. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

Compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group of the Board of County Commissioners.

H. Total Column on the Combined Statements

The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3. DEFINED BENEFIT PENSION PLAN

All Columbia County full-time employees participate in the Florida Retirement System ("the System"), a multiple-employer public employee retirement system. The payroll for Clerk employees covered by the System for the year ended September 30, 1997, was \$717,981; this figure also represents the total payroll.

NOTE 4. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 1997, were:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|---------------------------------------|----------------------------------|-------------------------------|
| General Fund | \$ 42,426 | \$ 372 |
| Domestic Relations | - | 10,186 |
| Public Defender Occupancy Trust | - | 100 |
| Public Records Modernization Trust | 3,816 | - |
| Registry of Court | - | 671 |
| Trust | - | 34,913 |
| | <u>\$ 46,242</u> | <u>\$46,242</u> |

NOTE 5. LONG-TERM DEBT

Capital Lease

The Clerk of the Circuit Court has an installment payment agreement with Lanier Worldwide, Inc. for the purchase of a copier costing \$17,142. The agreement calls for thirty-six monthly payments of \$535, which includes interest at 7.73%.

The following is a schedule of the future minimum lease payments under the above capital lease and the present value of the net minimum lease payments at September 30, 1997:

| | |
|---|-----------------|
| <u>September 30,</u> 1998 | \$ 4,816 |
| Less: amount representing interest | <u>(152)</u> |
| Present value of future minimum lease payments | <u>\$ 4,664</u> |

Changes in Long-Term Debt

During the year ended September 30, 1997, the following occurred in liabilities reported in the general long-term debt account group:

| | <u>Balance October 1, 1996</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance September 30, 1997</u> |
|---------------|--|------------------|--------------------|---|
| Capital lease | <u>\$ 10,942</u> | <u>\$ -</u> | <u>\$ 6,278</u> | <u>\$ 4,664</u> |

NOTE 6. CONTINGENT LIABILITIES

The Clerk is defendant in certain threatened litigation. Although the outcome of this action is not presently determinable, in the opinion of the Clerk's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Clerk.

COMBINING STATEMENTS

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 1997

| | <u>Balance</u> Oct. 1, 1996 | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> Sept. 30, 1997 |
|---|--------------------------------|--------------------|--------------------|----------------------------------|
| DOMESTIC RELATIONS FUND | | | | |
| Assets | | | | |
| Cash | \$ 10,790 | \$4,493,850 | \$4,490,936 | \$ 13,704 |
| Dishonored checks receivable | 980 | 3,498 | 2,940 | 1,538 |
| Due from individuals | 234 | - | 234 | - |
| Total assets | <u>\$ 12,004</u> | <u>\$4,497,348</u> | <u>\$4,494,110</u> | <u>\$ 15,242</u> |
| Liabilities | | | | |
| Due to other governmental units | \$ 1,359 | \$ 17,770 | \$ 14,073 | \$ 5,056 |
| Due to other funds | 10,645 | 110,346 | 110,805 | 10,186 |
| Total liabilities | <u>\$ 12,004</u> | <u>\$ 128,116</u> | <u>\$ 124,878</u> | <u>\$ 15,242</u> |
| JURY AND WITNESS FUND | | | | |
| Assets | | | | |
| Cash | \$ 207 | \$ 12,244 | \$ 11,710 | \$ 741 |
| Liabilities | | | | |
| Due to other governmental units | \$ 207 | \$ 12,244 | \$ 11,710 | \$ 741 |
| PUBLIC DEFENDER OCCUPANCY TRUST FUND | | | | |
| Assets | | | | |
| Cash | \$ 7,926 | \$ 94,655 | \$ 94,154 | \$ 8,427 |
| Due from other funds | 360 | - | 360 | - |
| Total assets | <u>\$ 8,286</u> | <u>\$ 94,655</u> | <u>\$ 94,514</u> | <u>\$ 8,427</u> |
| Liabilities | | | | |
| Due to other funds | \$ - | \$ 100 | \$ - | \$ 100 |
| Due to Public Defender | 8,286 | 94,195 | 94,154 | 8,327 |
| Total liabilities | <u>\$ 8,286</u> | <u>\$ 94,295</u> | <u>\$ 94,154</u> | <u>\$ 8,427</u> |
| REGISTRY OF COURT FUND | | | | |
| Assets | | | | |
| Cash | \$ 117,016 | \$1,623,232 | \$1,613,861 | \$ 126,387 |
| Liabilities | | | | |
| Due to other funds | \$ 212 | \$ 459 | \$ - | \$ 671 |
| Deposits held in escrow | 108,037 | 1,620,646 | 1,614,437 | 114,246 |
| Interest payable | 8,767 | 4,138 | 1,435 | 11,470 |
| Total liabilities | <u>\$ 117,016</u> | <u>\$1,625,243</u> | <u>\$1,615,872</u> | <u>\$ 126,387</u> |

(continued)

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 1997

| | <u>Balance</u> <u>Oct. 1, 1996</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>Sept. 30, 1997</u> |
|--------------------------------------|---------------------------------------|---------------------|---------------------|---|
| TOTALS - ALL AGENCY FUNDS | | | | |
| Assets | | | | |
| Cash | \$ 553,306 | \$10,312,174 | \$10,329,406 | \$ 536,074 |
| Dishonored checks receivable | 3,835 | 11,424 | 9,733 | 5,526 |
| Due from other funds | 1,980 | - | 1,980 | - |
| Due from individuals | 234 | 565 | 234 | 565 |
| State documentary stamp inventory | 6,000 | - | 6,000 | - |
| Total assets | <u>\$ 565,355</u> | <u>\$10,324,163</u> | <u>\$10,347,353</u> | <u>\$ 542,165</u> |
| Liabilities | | | | |
| Accounts payable | \$ 1,108 | \$ 3,344,175 | \$ 3,344,127 | \$ 1,156 |
| Court fees payable | 85,752 | 695,259 | 726,088 | 54,923 |
| Deposits held in escrow | 108,037 | 1,620,646 | 1,614,437 | 114,246 |
| Due to other funds | 39,971 | 492,924 | 487,025 | 45,870 |
| Due to other governmental units | 276,770 | 2,946,183 | 2,959,397 | 263,556 |
| Due to Public Defender | 8,286 | 94,195 | 94,154 | 8,327 |
| Interest payable | 8,767 | 4,138 | 1,435 | 11,470 |
| Juvenile installments | 1,214 | 13,503 | 13,566 | 1,151 |
| Suspense liability | 11,235 | 323,462 | 319,461 | 15,236 |
| Tax deeds sales | 9,874 | 32,498 | 31,374 | 10,998 |
| Retirement funds payable | 8,292 | 2,345 | 2,500 | 8,137 |
| Installments payable | 6,049 | 1,046 | - | 7,095 |
| Total liabilities | <u>\$ 565,355</u> | <u>\$ 9,570,374</u> | <u>\$ 9,593,564</u> | <u>\$ 542,165</u> |

See notes to financial statements.

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

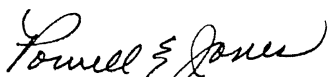
To the Clerk of the Circuit Court
Columbia County, Florida

We have audited the component unit general purpose financial statements of the Columbia County Clerk of the Circuit Court, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, and have issued our report thereon dated July 9, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Clerk of the Circuit Court'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*.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Clerk of the Circuit Court's 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 assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose material weaknesses. A material weakness is a 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 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.

This report is intended for the information of management, Clerk of the Circuit Court of Columbia County, and the Board of County Commissioners. However, this report is a matter of public record and its distribution is not limited.


POWELL & JONES
July 9, 1998

MANAGEMENT LETTER

Honorable Clerk of the Circuit Court
Columbia County, Florida

In planning and performing our audit of the component unit general purpose financial statements of the Columbia County Clerk of the Circuit Court, a component unit of Columbia County, Florida, for the year ended September 30, 1997, we considered the Office's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiencies. In addition to furnishing information required by Chapter 10.550, *Rules of the Auditor General*, and other compliance matters, the remaining sections of this report letter discuss these findings.

PRIOR YEAR FINDINGS

All prior year findings were cleared during the year.

CURRENT YEAR FINDINGS

Cash Receipts - During our audit of cash receipts, we noted that the cashier was able to void vouchers without prior approval. In order to strengthen controls over cash receipts, we recommend that all voided vouchers have prior approval from a responsible official whose duties do not relate to cash collections.

ANNUAL REPORT OF UNITS OF LOCAL GOVERNMENT - The financial report for the year ended September 30, 1997, filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements. The financial statements of the Clerk of the Circuit Court are combined with other County agencies in that report.

FINANCIAL EMERGENCY STATUS - Nothing came to our attention that caused us to believe that the Clerk of the Circuit Court is, or during the fiscal year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

PUBLIC RECORDS MODERNIZATION TRUST FUND - The Clerk of the Circuit Court complied with Section 28.24(15)(d), *Florida Statutes*, regarding the collection and use of Public Records Modernization Trust Fund moneys.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.544(1)(f).



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

2585 S. First Street
Lake City, Florida 32025
904 / 755-4200
Fax: 904 / 755-4490

INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Columbia County, Florida

We have audited the accompanying component unit general purpose financial statements of the Columbia County Property Appraiser, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, as listed in the preceding table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbia County Property Appraiser, a component unit of Columbia County, Florida, as of September 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated June 24, 1998, on our consideration of the Columbia County Property Appraiser's internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.


POWELL & JONES
June 24, 1998

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

**COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS**

September 30, 1997

| | <u>Governmental Fund Type</u> | <u>Account Group</u> | |
|---|-----------------------------------|---------------------------------------|---|
| | <u>General Fund</u> | <u>General Long-Term Debt</u> | <u>Totals (Memorandum Only)</u> |
| ASSETS | | | |
| Current Assets | | | |
| Cash | \$ 15,440 | \$ - | \$ 15,440 |
| Other Debits | | | |
| Amount to be provided for debt service | - | 24,925 | 24,925 |
| Total assets | <u>\$ 15,440</u> | <u>\$ 24,925</u> | <u>\$ 40,365</u> |
| | | | |
| LIABILITIES AND FUND BALANCE | | | |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Due to other governmental units | \$ 15,440 | \$ - | \$ 15,440 |
| Long-Term Liabilities | | | |
| Note payable | - | 24,925 | 24,925 |
| Total liabilities | <u>\$ 15,440</u> | <u>\$ 24,925</u> | <u>\$ 40,365</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

GENERAL FUND

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Fiscal Year Ended September 30, 1997

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|---------------|---------------|---|
| Excess (deficiency) of revenues and other financing sources over expenditures | \$ - | \$ - | \$ - |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

NOTE 1. THE REPORTING ENTITY

Columbia County is a political subdivision of the State of Florida and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. The County is governed by a board of five elected County Commissioners. Additionally, certain functions of county government are operated in a fiduciary capacity by five elected Constitutional Officers. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

NOTE. 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Property Appraiser's significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

A. Basis of Presentation

The accounts of the Property Appraiser are organized on the basis of funds and account groups, each of which is considered 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 equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

GOVERNMENTAL FUND

General Fund - The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources not properly accounted for in any other fund.

ACCOUNT GROUPS

The General Long-Term Debt Account Group is used to establish accounting control and accountability over the debt of the Property Appraiser's office. This account group is not a fund, but is rather a financial reporting devise designed to provide accountability for certain liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group of the Board of County Commissioners.

NOTE 3. DEFINED BENEFIT PENSION PLAN

All Columbia County full-time employees participate in the Florida Retirement System ("the System"), a multiple-employer public employee retirement system. The payroll for Property Appraiser employees covered by the System for the year ended September 30, 1997, was \$378,219; this figure also represents the total payroll.

Membership is compulsory for all full-time and part-time employees working in a regularly established position for Columbia County. Elected County officials may elect not to participate in the System.

The Florida Retirement System provides vesting of benefits after ten years of creditable service, eight years for Elected State and County Officers' Class (ESCOC), or seven years for Senior Management Service Class (SMSC). Members are eligible for normal retirement when they have met the minimum requirements for their specific class of membership. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age.

Benefits are computed on the basis of age, average final compensation, and service credit. Average final compensation is the average of the five highest fiscal years of earnings. Members may select one of four benefit options at retirement. The System also provides death and disability benefits.

Retirement coverage is employee noncontributory. Employers pay all contributions. Rates are based on class of membership. The contribution requirement for the year ended September 30, 1997, was \$75,687, which represents 20.0% of covered payroll.

The "pension benefit obligation" is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users (1) assess the Florida Retirement Systems' funding status on a going-concern basis, (2) assess progress in accumulating sufficient assets to pay benefits when due, and (3) make comparisons among Public Employee Retirement Systems. The measure is independent of and should not be confused with the actuarial funding method used to determine contributions to the System.

At June 30, 1997, the unfunded pension benefit obligation for the State of Florida Retirement System, determined through an actuarial valuation performed as of that date was \$(1.958) billion, as follows:

| | |
|-------------------------------------|-------------------|
| | <u>Billions</u> |
| Pension Benefits Obligation | \$ 54.263 |
| Net Assets Available for | |
| Benefits at Amortized Cost | <u>56.221</u> |
| Unfunded Pension Benefit Obligation | <u>\$ (1.958)</u> |

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

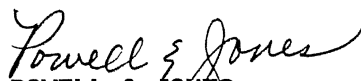
To the Property Appraiser
Columbia County, Florida

We have audited the component unit general purpose financial statements of the Columbia County Property Appraiser, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, and have issued our report thereon dated June 24, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Property Appraiser'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*.

Internal Control Over Financial Reporting - In planning and performing our audit we considered the Columbia County Property Appraiser's 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 assurance 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 over financial reporting that might be material weaknesses. A material weakness is a 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 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.

This report is intended for the information of management, the Board of County Commissioners, and Property Appraiser of Columbia County. However, this report is a matter of public record and its distribution is not limited.


POWELL & JONES
June 24, 1998

MANAGEMENT LETTER

Honorable Property Appraiser
Columbia County, Florida

In planning and performing our audit of the component unit general purpose financial statements of the Columbia County Property Appraiser, a component unit of Columbia County, Florida, for the year ended September 30, 1997, we considered the Office's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

This letter furnishes information required by Chapter 10.550, *Rules of the Auditor General*.

PRIOR YEAR FINDINGS - All prior year findings were cleared during the current year.

CURRENT YEAR FINDINGS - There were no reportable findings in the current year.

ANNUAL REPORT OF UNITS OF LOCAL GOVERNMENT - The financial report for the year ended September 30, 1997, filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements. The financial statements of the Property Appraiser are combined with other County Agencies in that report.

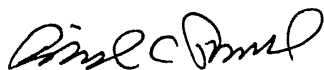
FINANCIAL EMERGENCY STATUS - Nothing came to our attention that caused us to believe that the Property Appraiser is, or during the fiscal year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.544(1)(f).

CONCLUSION - We have reviewed information regarding our audit with the Property Appraiser and have provided appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this year's examination of the County. We appreciate the helpful assistance of all County employees in completing this year's audit.

Sincerely,

POWELL & JONES



Richard C. Powell
Certified Public Accountant
June 24, 1998



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

2585 S. First Street
Lake City, Florida 32025
904 / 755-4200
Fax: 904 / 755-4490

INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff
Columbia County, Florida


We have audited the accompanying component unit general purpose financial statements of the Columbia County Sheriff, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, as listed in the preceding table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbia County Sheriff, a component unit of Columbia County, Florida, as of September 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 17, 1998, on our consideration of the Columbia County Sheriff's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Columbia County Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.


POWELL & JONES
July 17, 1998

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SHERIFF

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1997

| | <u>Governmental</u> | <u>Fund Types</u> | <u>Fiduciary</u> | <u>Account Group</u> | <u>Totals</u> |
|------------------------------------|---------------------|-------------------|-------------------|----------------------|--------------------|
| | <u>General</u> | <u>Special</u> | <u>Trust and</u> | <u>General</u> | <u>(Memorandum</u> |
| | <u>Fund</u> | <u>Revenue</u> | <u>Agency</u> | <u>Fixed</u> | <u>Only)</u> |
| | <u></u> | <u>Funds</u> | <u>Funds</u> | <u>Assets</u> | <u></u> |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash | \$ 378,074 | \$ 44,698 | \$ 125,120 | \$ - | \$ 547,892 |
| Due from other governments | 31,699 | - | - | - | 31,699 |
| Inventories | - | 4,825 | - | - | 4,825 |
| General Fixed Assets | | | | | |
| Equipment | - | - | - | 2,216,146 | 2,216,146 |
| Total assets | <u>\$ 409,773</u> | <u>\$ 49,523</u> | <u>\$ 125,120</u> | <u>\$2,216,146</u> | <u>\$2,800,562</u> |
| LIABILITIES AND FUND EQUITY | | | | | |
| EQUITY | | | | | |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | \$ 249,849 | \$ 1,505 | \$ - | \$ - | \$ 251,354 |
| Due to other governments | 159,924 | - | 94 | - | 160,018 |
| Cash bonds liability | - | - | 64,864 | - | 64,864 |
| Individual depositors liability | - | - | 13,632 | - | 13,632 |
| Due to individuals | - | - | 46,530 | - | 46,530 |
| Total liabilities | <u>409,773</u> | <u>1,505</u> | <u>125,120</u> | <u>-</u> | <u>536,398</u> |
| FUND EQUITY | | | | | |
| Undesignated fund balance | - | 48,018 | - | - | 48,018 |
| Investment in general fixed assets | - | - | - | 2,216,146 | 2,216,146 |
| Total fund equity | <u>-</u> | <u>48,018</u> | <u>-</u> | <u>2,216,146</u> | <u>2,264,164</u> |
| Total liabilities and fund equity | <u>\$ 409,773</u> | <u>\$ 49,523</u> | <u>\$ 125,120</u> | <u>\$2,216,146</u> | <u>\$2,800,562</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SHERIFF

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

GENERAL AND SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1997

| | General Fund | | | Special Revenue Funds | | |
|---|--------------|-------------|--|-----------------------|-----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ 74,143 | \$ 74,143 | \$ - |
| Fines and forfeitures | - | - | - | 4,560 | 4,560 | - |
| Miscellaneous | - | - | - | 65,663 | 65,663 | - |
| Total revenues | - | - | - | 144,366 | 144,366 | - |
| EXPENDITURES | | | | | | |
| Current Expenditures | | | | | | |
| Public safety | 6,077,094 | 6,007,773 | 69,321 | 120,003 | 120,003 | - |
| Capital Outlay | | | | | | |
| Public safety | 223,069 | 219,719 | 3,350 | 49,546 | 49,546 | - |
| Total expenditures | 6,300,631 | 6,227,492 | 72,671 | 169,549 | 169,549 | - |
| Excess (deficiency) of revenues over expenditures | (6,300,163) | (6,227,492) | 72,671 | (25,183) | (25,183) | - |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers from other governments | 6,300,163 | 6,227,492 | (72,671) | - | - | - |

(continued)

COLUMBIA COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

NOTE 1. THE REPORTING ENTITY

Columbia County is a political subdivision of the State of Florida and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. The County is governed by a board of five elected County Commissioners. Additionally, certain functions of county government are operated in a fiduciary capacity by five elected Constitutional Officers. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

NOTE. 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Sheriff's significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

A. Basis of Presentation

The accounts of the Sheriff are organized on the basis of funds and account groups, each of which is considered 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 equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Sheriff. It is used to account for all financial resources not properly accounted for in any other fund.

Special Revenue Funds - Special Revenue Funds are used to account for the collection and disbursement of earmarked revenues utilized in the general activities of a government.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are required and used by the Sheriff to account for resources received from and disbursed to other governmental units, other funds of Columbia County and individuals. The Sheriff functions purely as an agent for others in the maintenance of these funds.

| Bank Deposit Covered By | Category | | | Bank Balance |
|----------------------------|-------------------|-------------|-------------|-------------------|
| | 1 | 2 | 3 | |
| Eligible Collateral | \$ 324,603 | \$ - | \$ - | \$ 324,603 |
| FDIC Insurance | 223,289 | - | - | 223,289 |
| Total Deposits | <u>\$ 547,892</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 547,892</u> |

E. Inventories

It is the policy of the Sheriff to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

F. Property, Plant and Equipment

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Group of Accounts, except for its infrastructure fixed assets which the County has elected not to report. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. No depreciation has been provided on the Sheriff's general fixed assets.

G. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group.

H. Total Column on the Combined Statements

The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

| | Balance 10/01/96 | Additions | Deletions | Balance 09/30/97 |
|-----------|---------------------|-------------------|-------------------|---------------------|
| Equipment | <u>\$ 2,043,174</u> | <u>\$ 281,879</u> | <u>\$ 108,907</u> | <u>\$ 2,216,146</u> |

The ten year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is not presently available. Historical trend information, commencing with the fiscal year 1986-87, is presented in the Florida Retirement System's June 30, 1997, comprehensive annual financial report.

NOTE 5. CONTINGENT LIABILITIES

The Sheriff is defendant in various pending or threatened litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Sheriff.

NOTE 6. RISK MANAGEMENT

The Sheriff participates in various public entity risk pools for certain of its insurance coverages. Under these insurance risk pools, the Sheriff entity risk pool pays annual premiums to the pools for its insurance coverages. The agreements for formation of the pools provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts.

The Sheriff continues to carry commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreements allow for the pools to make additional assessments to make the pools self-sustaining. It is not possible to estimate the amount of such additional assessments, which might have to be paid by the Sheriff.

The pooling agreements require the pool to be self-sustaining. It is not possible to estimate the amount of losses, which might have to be borne by the Sheriff.

NOTE 7. EQUIPMENT RENTAL

The Sheriff has rental agreements with Xerox Corporation for two copiers. The agreements call for monthly rental payments of \$245 and \$380 for a thirty-six month period.

For the year ended September 30, 1997, the Sheriff paid \$7,500 for the above rentals.

Future rental payments under the above agreements are as follows:

| <u>September 30</u> | <u>Amount</u> |
|---------------------|-----------------|
| 1998 | \$ 6,360 |
| 1999 | 2,450 |
| | <u>\$ 8,810</u> |

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

SHERIFF

GENERAL FUND

BALANCE SHEET

September 30, 1997

ASSETS

| | |
|-----------------------------------|-------------------|
| Cash | \$ 378,074 |
| Due from other governmental units | <u>31,699</u> |
| | <u>\$ 409,773</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|---------------------------------|-------------------|
| Accounts payable | \$ 249,849 |
| Due to other governmental units | <u>159,924</u> |
| Total liabilities | <u>\$ 409,773</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SHERIFF

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 1997

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|--------------------|--|
| Sheriff communications | | | |
| Personal services | \$ 344,832 | \$ 307,112 | \$ 37,720 |
| Operating expenses | <u>25,636</u> | <u>18,021</u> | <u>7,615</u> |
| Total Sheriff communications | <u>370,468</u> | <u>325,133</u> | <u>45,335</u> |
| DARE Enhancement | | | |
| Personal services | 40,165 | 40,146 | 19 |
| Operating expenses | 13,848 | 14,951 | (1,103) |
| Capital outlay | <u>29,147</u> | <u>27,525</u> | <u>1,622</u> |
| Total DARE Enhancement | <u>83,160</u> | <u>82,622</u> | <u>538</u> |
| Sheriff Special Services | | | |
| Personal services | 315,087 | 290,291 | 24,796 |
| Operating expenses | 39,063 | 35,484 | 3,579 |
| Capital outlay | <u>7,749</u> | <u>7,749</u> | <u>-</u> |
| Total Sheriff special services | <u>361,899</u> | <u>333,524</u> | <u>28,375</u> |
| Detention and correction | | | |
| Personal services | 1,801,117 | 1,680,050 | 121,067 |
| Operating expenses | 441,783 | 583,357 | (141,574) |
| Capital outlay | <u>31,486</u> | <u>1,787</u> | <u>29,699</u> |
| Total detention and correction | <u>2,274,386</u> | <u>2,265,194</u> | <u>9,192</u> |
| Total expenditures | <u>6,300,163</u> | <u>6,227,492</u> | <u>72,671</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,300,163)</u> | <u>(6,227,492)</u> | <u>72,671</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers from other governments | <u>6,300,163</u> | <u>6,227,492</u> | <u>(72,671)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures | - | - | - |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See notes to financial statements.

COMBINING STATEMENTS

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 1997

| | Minimum Standards School | Sheriff Inmate Welfare | Totals |
|--|--------------------------------|---------------------------|------------------|
| REVENUES | | | |
| Charges for services | \$ - | \$ 74,143 | \$ 74,143 |
| Fines and forfeitures | 4,560 | - | 4,560 |
| Miscellaneous | <u>1,706</u> | <u>63,957</u> | <u>65,663</u> |
| Total revenues | <u>6,266</u> | <u>138,100</u> | <u>144,366</u> |
| | | | |
| EXPENDITURES | | | |
| Current Expenditures | | | |
| Public safety | 16,829 | 103,174 | 120,003 |
| Capital Outlay | | | |
| Public safety | <u>-</u> | <u>49,546</u> | <u>49,546</u> |
| Total expenditures | <u>16,829</u> | <u>152,720</u> | <u>169,549</u> |
| | | | |
| Excess (deficiency) of revenues over expenditures | (10,563) | (14,620) | (25,183) |
| | | | |
| Fund balances at beginning of year | <u>13,355</u> | <u>59,846</u> | <u>73,201</u> |
| Fund balances at end of year | <u>\$ 2,792</u> | <u>\$ 45,226</u> | <u>\$ 48,018</u> |

See notes to financial statements.

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 1997

| | <u>Balance Oct. 1, 1996</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance Sept. 30, 1997</u> |
|--------------------------------------|---------------------------------|-------------------|-------------------|-----------------------------------|
| INMATE TRUST FUND | | | | |
| Assets | | | | |
| Cash | \$ <u>28,469</u> | \$ <u>204,303</u> | \$ <u>186,242</u> | \$ <u>46,530</u> |
| Liabilities | | | | |
| Due to individuals | \$ <u>28,469</u> | \$ <u>204,303</u> | \$ <u>186,242</u> | \$ <u>46,530</u> |
| TRUST FUND | | | | |
| Assets | | | | |
| Cash | \$ <u>69,350</u> | \$ <u>366,379</u> | \$ <u>357,139</u> | \$ <u>78,590</u> |
| Liabilities | | | | |
| Cash bonds liability | \$ 59,191 | \$ 258,529 | \$ 252,856 | \$ 64,864 |
| Individual depositors liability | 320 | 119,026 | 105,714 | 13,632 |
| Due to other governments | 9,839 | 1,663 | 11,408 | 94 |
| Total liabilities | \$ <u>69,350</u> | \$ <u>379,218</u> | \$ <u>369,978</u> | \$ <u>78,590</u> |
| TOTALS - ALL AGENCY FUNDS | | | | |
| Assets | | | | |
| Cash | \$ <u>97,819</u> | \$ <u>570,682</u> | \$ <u>543,381</u> | \$ <u>125,120</u> |
| Liabilities | | | | |
| Cash bonds liability | \$ 59,191 | \$ 258,529 | \$ 252,856 | \$ 64,864 |
| Individual depositors liability | 320 | 119,026 | 105,714 | 13,632 |
| Due to other governmental | 9,839 | 1,663 | 11,408 | 94 |
| Due to individuals | 28,469 | 204,303 | 186,242 | 46,530 |
| Total liabilities | \$ <u>97,819</u> | \$ <u>583,521</u> | \$ <u>556,220</u> | \$ <u>125,120</u> |

See notes to financial statements.

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Sheriff
Columbia County, Florida

We have audited the component unit general purpose financial statements of the Columbia County Sheriff, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, and have issued our report thereon dated July 17, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Sheriff'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*.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Sheriff's 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 assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose material weaknesses. A material weakness is a 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 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. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Columbia County Sheriff in a separate letter dated July 17, 1998, on pages 5-18 - 5-19.

This report is intended for the information of management, Sheriff of Columbia County, and the Board of County Commissioners. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


POWELL & JONES
July 17, 1998

MANAGEMENT LETTER

Honorable Sheriff
Columbia County, Florida

In planning and performing our audit of the component unit general purpose financial statements of the Columbia County Sheriff, a component unit of Columbia County, Florida, for the year ended September 30, 1997, we considered the Office's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiencies. In addition to furnishing information required by Chapter 10.550, *Rules of the Auditor General*, and other compliance matters, the remaining sections of this report letter discuss these findings.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

Payroll Disbursements - During our review of payroll disbursements, we found instances where it was not clear as to the documentation of time worked and various leave types taken for various classes of employees. We recommend that time sheets be reviewed by a supervisor to assure that all employees' pay computations are properly made and documented.

Accounts Payable - During our review of accounts payable, we noted immaterial instances where expenses that had not yet been actually incurred were listed in the year end accounts payables. Although it was clear that these instances were inadvertent, to more accurately record expenditures, we recommend that only those items or services received by year end be recorded as accounts payables.

Inmate Commissary - During our review of the inmate commissary activity, we noted that revenues earned from the commissary were not regularly reviewed and reconciled, and transferred from the Inmate Trust Fund to the Inmate Welfare Fund. We recommend that the commissary activity report be reconciled monthly with the Inmate Welfare Fund and that the income earned be transferred monthly to the Inmate Welfare Fund.

ANNUAL REPORT OF UNITS OF LOCAL GOVERNMENT - The financial report for the year ended September 30, 1997, will be filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*. The financial statements of the Sheriff will be combined with other County agencies in that report.

FINANCIAL EMERGENCY STATUS - Nothing came to our attention that caused us to believe that the Sheriff is, or during the fiscal year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

2585 S. First Street
Lake City, Florida 32025
904 / 755-4200
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INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Columbia County, Florida

We have audited the accompanying component unit general purpose financial statements of the Columbia County Supervisor of Elections, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, as listed in the preceding table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbia County Supervisor of Elections, a component unit of Columbia County, Florida, as of September 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 24, 1998, on our consideration of the Columbia County Supervisor of Elections internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.


POWELL & JONES
July 24, 1998

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

COMBINED BALANCE SHEET - ALL FUND TYPES

September 30, 1997

| | <u>Governmental Fund Type</u> |
|--|-----------------------------------|
| | <u>General Fund</u> |
| ASSETS | |
| Current Assets | |
| Cash | <u>\$ 8,896</u> |
| LIABILITIES AND FUND EQUITY | |
| LIABILITIES | |
| Current Liabilities | |
| Due to other governmental units | <u>\$ 8,896</u> |

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

NOTES TO FINANCIAL STATEMENTS

September 30, 1998

NOTE 1. THE REPORTING ENTITY

Columbia County is a political subdivision of the State of Florida and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. The County is governed by a board of five elected County Commissioners. Additionally, certain functions of county government are operated in a fiduciary capacity by five elected Constitutional Officers. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

NOTE. 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Supervisor of Elections' significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

A. Basis of Presentation

The accounts of the Supervisor of Elections are organized on the basis of funds, each of which is considered 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 equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUND

General Fund - The General Fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources not properly accounted for in any other fund.

FIDUCIARY FUND

Agency Fund - Agency Funds are required and used by the Supervisor of Elections to account for resources received from and disbursed to other governmental units, other funds of Columbia County and individuals. The Supervisor of Elections functions purely as an agent for others in the maintenance of the Fee Fund.

The Fee Fund was not utilized during the current year.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group of the Board of County Commissioners.

H. Total Column on the Combined Statements

The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3. DEFINED BENEFIT PENSION PLAN

All Columbia County full-time employees participate in the Florida Retirement System ("the System"), a multiple-employer public employee retirement system. The payroll for Supervisor of Elections employees covered by the System for the year ended September 30, 1997, was \$130,357; the total payroll was \$161,217.

Membership is compulsory for all full-time and part-time employees working in a regularly established position for Columbia County. Elected County officials may elect not to participate in the System.

The Florida Retirement System provides vesting of benefits after ten years of creditable service, eight years for Elected State and County Officers' Class (ESCOC), or seven years for Senior Management Service Class (SMSC). Members are eligible for normal retirement when they have met the minimum requirements for their specific class of membership. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age.

Benefits are computed on the basis of age, average final compensation, and service credit. Average final compensation is the average of the five highest fiscal years of earnings. Members may select one of four benefit options at retirement. The System also provides death and disability benefits.

Retirement coverage is employee noncontributory. Employers pay all contributions. Rates are based on class of membership. The contribution requirement for the year ended September 30, 1997, was \$29,211, which represents 22.4% of covered payroll.

The "pension benefit obligation" is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users (1) assess the Florida Retirement Systems' funding status on a going-concern basis, (2) assess progress in accumulating sufficient assets to pay benefits when due, and (3) make comparisons among Public Employee Retirement Systems. The measure is independent of and should not be confused with the actuarial funding method used to determine contributions to the System.

At June 30, 1997, the unfunded pension benefit obligation for the State of Florida Retirement System, determined through an actuarial valuation performed as of that date was \$(1.958) billion, as follows:

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

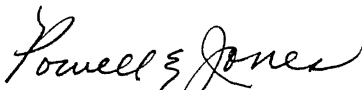
To the Supervisor of Elections
Columbia County, Florida

We have audited the component unit general purpose financial statements of the Columbia County Supervisor of Elections, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, and have issued our report thereon dated July 24, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Supervisor of Elections' 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*.

Internal Control Over Financial Reporting - In planning and performing our audit we consider the Columbia County 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 assurance 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 over financial reporting that might be material weaknesses. A material weakness is a 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 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.

This report is intended for the information of management, the Board of County Commissioners, and Supervisor of Elections of Columbia County. However, this report is a matter of public record and its distribution is not limited.


POWELL & JONES
July 24, 1998

MANAGEMENT LETTER

Honorable Supervisor of Elections
Columbia County, Florida

In planning and performing our audit of the component unit general purpose financial statements of the Columbia County Supervisor of Elections, a component unit of Columbia County, Florida, for the year ended September 30, 1997, we considered the Office's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

This letter furnishes information required by Chapter 10.550, *Rules of the Auditor General*.

PRIOR YEAR FINDINGS

All prior year findings were cleared during the year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

ANNUAL REPORT OF UNITS OF LOCAL GOVERNMENT - The financial report for the year ended September 30, 1997, filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements. The financial statements of the Supervisor of Elections are combined with other County Agencies in that report.

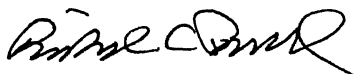
FINANCIAL EMERGENCY STATUS - Nothing came to our attention that caused us to believe that the Supervisor of Elections is, or during the fiscal year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.544(1)(f).

CONCLUSION - We have reviewed information regarding our audit with the Supervisor of Elections and have provided appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this year's examination of the County. We appreciate the helpful assistance of all County employees in completing this year's audit.

Sincerely,

POWELL & JONES



Richard C. Powell
Certified Public Accountant
July 24, 1998



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Columbia County, Florida

We have audited the accompanying component unit general purpose financial statements of the Columbia County Tax Collector, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, as listed in the preceding table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbia County Tax Collector, a component unit of Columbia County, Florida, as of September 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statement listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Columbia County Tax Collector. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 30, 1998, on our consideration of the Columbia County Tax Collector's internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts and grants

Powell & Jones
POWELL & JONES
July 30, 1998

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 1997

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------|----------------|---|
| REVENUES | | | |
| Charges for services | | | |
| General government | | | |
| County officer commissions and fees | | | |
| Professional and occupational | \$ 1,897 | \$ 1,897 | \$ - |
| Motor vehicle fees | 217,499 | 217,499 | - |
| Boat fees | 14,659 | 14,659 | - |
| Other licenses and permits | 14,586 | 14,586 | - |
| State commissions | 435 | 435 | - |
| Tax commissions Columbia County | 190,917 | 190,917 | - |
| Tax commissions CCIDA | 2,012 | 2,012 | - |
| Tax commissions SRWMD | 16,621 | 16,621 | - |
| Tax commissions LSHA | 21,831 | 21,831 | - |
| Delinquent tax commissions | 67,282 | 67,282 | - |
| Commissions special assessment | 76,490 | 76,490 | - |
| Special assessment administrative fees | 48,594 | 48,594 | - |
| Advertising collections | 877 | 877 | - |
| Total charges for services | <u>673,700</u> | <u>673,700</u> | <u>-</u> |
| Miscellaneous | | | |
| Interest earnings | | | |
| Interest county officers Tax Collector | 9,609 | 9,609 | - |
| Other miscellaneous | 3,882 | 3,882 | - |
| Total miscellaneous | <u>13,491</u> | <u>13,491</u> | <u>-</u> |
| Total revenues | <u>687,191</u> | <u>687,191</u> | <u>-</u> |

(continued)

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

NOTE 1. THE REPORTING ENTITY

Columbia County is a political subdivision of the State of Florida and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. The County is governed by a board of five elected County Commissioners. Additionally, certain functions of county government are operated in a fiduciary capacity by five elected Constitutional Officers. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

NOTE. 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Tax Collector's significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

A. Basis of Presentation

The accounts of the Tax Collector are organized on the basis of funds and account groups, each of which is considered 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 equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUND

General Fund - The General Fund is the general operating fund of the Tax Collector. It is used to account for all financial resources not properly accounted for in any other fund.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are required and used by the Tax Collector to account for resources received from and disbursed to other governmental units, other funds of Columbia County and individuals. The Tax Collector functions purely as an agent for others in the maintenance of these funds. The following Agency Funds are maintained:

E. Inventories

It is the policy of the Tax Collector to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

F. Property, Plant and Equipment

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Asset Group of Accounts, except for its infrastructure fixed assets which the County has elected not to report. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. No depreciation has been provided on the County's general fixed assets. Assets purchased by the Tax Collector are reported in the Board of County Commissioners' General Fixed Asset Account Group.

G. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group of the Board of County Commissioners.

H. Total Column on the Combined Statements

The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3. DEFINED BENEFIT PENSION PLAN

All Columbia County full-time employees participate in the Florida Retirement System ("the System"), a multiple-employer public employee retirement system. The payroll for Tax Collector employees covered by the System for the year ended September 30, 1997, was \$403,908; this figure also represents the total payroll.

Membership is compulsory for all full-time and part-time employees working in a regularly established position for Columbia County. Elected County officials may elect not to participate in the System.

The Florida Retirement System provides vesting of benefits after ten years of creditable service, eight years for Elected State and County Officers' Class (ESCOC), or seven years for Senior Management Service Class (SMSC). Members are eligible for normal retirement when they have met the minimum requirements for

NOTE 5. LONG-TERM DEBT

The Tax Collector has an installment payment agreement with Liberty National Leasing Company for the purchase of computer equipment costing \$82,000. The agreement is being paid in four annual payments of \$23,591, including interest of 5.9%.

The following is a schedule of the future minimum lease payments under the above capital lease and the present value of the net minimum lease payments at September 30, 1997:

| | |
|--|------------------|
| <u>September 30,</u> | |
| 1998 | \$ 23,591 |
| Less: amount representing interest | <u>(1,307)</u> |
| Present value of future minimum lease payments | <u>\$ 22,284</u> |

During the year ended September 30, 1997, the following changes occurred in long-term debt:

| | Balance October 1, 1996 | Additions | Deletions | Balance September 30, 1997 |
|----------------|-------------------------------|-------------|------------------|----------------------------------|
| Capital leases | <u>\$ 43,334</u> | <u>\$ -</u> | <u>\$ 21,050</u> | <u>\$ 22,284</u> |

COMBINING STATEMENTS

AGENCY FUNDS

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***


To the Tax Collector
Columbia County, Florida

We have audited the component unit general purpose financial statements of the Columbia County Tax Collector, a component unit of Columbia County, Florida, as of and for the year ended September 30, 1997, and have issued our report thereon dated July 30, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Tax Collector'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*.

Internal Control Over Financial Reporting - In planning and performing our audit we considered the Columbia County Tax Collector's 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 assurance 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 over financial reporting that might be material weaknesses. A material weakness is a 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 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.

This report is intended for the information of management, the Board of County Commissioners, and Tax Collector of Columbia County. However, this report is a matter of public record and its distribution is not limited.


POWELL & JONES
July 30, 1998

MANAGEMENT LETTER

Honorable Tax Collector
Columbia County, Florida

In planning and performing our audit of the component unit general purpose financial statements of the Columbia County Tax Collector, a component unit of Columbia County, Florida, for the year ended September 30, 1997, we considered the Office's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

This letter furnishes the following information required by Chapter 10.550, *Rules of the Auditor General*.

PRIOR YEAR FINDINGS - There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS - There were no reportable findings in the current year.

ANNUAL REPORT OF UNITS OF LOCAL GOVERNMENT - The financial report for the year ended September 30, 1997, filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements. The financial statements of the Tax Collector are combined with other County agencies in that report.

FINANCIAL EMERGENCY STATUS - Nothing came to our attention that caused us to believe that the Tax Collector is, or during the fiscal year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.544(1)(f).

CONCLUSION - We have reviewed information regarding our audit with the Tax Collector and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Office. We appreciate the overall high quality of the financial records and personnel in the Tax Collector's Office. We also appreciate the helpful assistance and courtesy afforded us by these employees.

Sincerely,

POWELL & JONES



Richard C. Powell
Certified Public Accountant
July 30, 1998