

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 1998



Powell & Jones
Certified Public Accountants

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 1998

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INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 1998

<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, 1998, 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, 1998, 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 September 3, 1999, 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.

The year 2000 supplementary information on page 1 - 31 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of lack of sufficient written documentation. In addition, we do not provide assurance that the Columbia County Board of County Commissioners and separate Constitutional Officers are or will become year 2000 compliant, the Columbia County Board of County Commissioners and separate Constitutional Officers' year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Columbia County Board of County Commissioners and separate Constitutional Officers does business are or will become year 2000 compliant.

Powell & Jones
POWELL & JONES

September 3, 1999

COLUMBIA COUNTY, FLORIDA

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

September 30, 1998

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
		<u>General Fixed Assets Group</u>	<u>General Long-term Debt Group</u>	
\$ 3,324,640	\$1,369,425	\$ -	\$ -	\$ 19,814,076
320,434	-	-	-	380,354
-	-	-	-	18,214
162,046	115,469	-	-	2,041,336
15,463	-	-	-	1,176,716
-	565	-	-	565
-	-	-	-	13,424
-	-	-	-	136,161
273,221	-	-	-	18,681,757
1,766,296	-	-	-	1,766,296
801,910	-	-	-	801,910
7,079,071	-	-	-	7,079,071
2,505,773	-	-	-	2,505,773
(3,885,360)	-	-	-	(3,885,360)
-	-	1,909,061	-	1,909,061
-	-	12,037,008	-	12,037,008
-	-	29,918,056	-	29,918,056
-	-	1,217,620	-	1,217,620
-	-	15,613,343	-	15,613,343
-	-	-	-	49,482
340,387	-	-	-	517,400
-	-	-	17,803,778	17,803,778
-	-	-	543,014	543,014
<u>\$12,703,881</u>	<u>\$1,485,459</u>	<u>\$ 60,695,088</u>	<u>\$ 18,346,792</u>	<u>\$130,139,055</u>

\$ 301,904	\$ -	\$ -	\$ -	\$ 1,616,334
-	109,845	-	-	109,845
-	74,568	-	-	74,568
134,594	503,345	-	-	2,041,336
-	461,146	-	-	697,271
-	7,095	-	-	7,095
-	13,596	-	-	13,596
-	464	-	-	464
72,000	12,997	-	-	84,997
-	12,419	-	-	12,419
-	-	-	-	7,701
32,124	-	-	-	32,124
-	122,219	-	-	132,327
-	167,765	-	-	169,437
47,023	-	-	-	47,023
35,000	-	-	-	35,000
290,000	-	-	-	290,000
-	-	-	-	102,701

(continued)

COLUMBIA COUNTY, FLORIDA

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

September 30, 1998

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			
\$ -	\$ -	\$ -	\$ 605,131	\$ 605,131
44,571	-	-	1,499,634	1,544,205
-	-	-	14,611,000	14,611,000
5,275,000	-	-	1,631,027	6,906,027
1,411,608	-	-	-	1,411,608
<u>7,643,824</u>	<u>1,485,459</u>	<u>-</u>	<u>18,346,792</u>	<u>30,552,209</u>
506,174	-	-	-	506,174
-	-	-	-	32,238,487
-	-	-	-	1,593,214
3,112,587	-	-	-	3,112,587
1,441,296	-	-	-	1,441,296
-	-	60,695,088	-	60,695,088
<u>5,060,057</u>	<u>-</u>	<u>60,695,088</u>	<u>-</u>	<u>99,586,846</u>
<u>\$12,703,881</u>	<u>\$1,485,459</u>	<u>\$ 60,695,088</u>	<u>\$ 18,346,792</u>	<u>\$130,139,055</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, 1998

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals (Memorandum Only)
EXPENDITURES (continued)					
Debt Service					
General government	\$ -	\$ 55,360	\$ 849,692	\$ -	\$ 905,052
Public safety	149,895	4,828	-	-	154,723
Transportation	-	731,877	1,170,241	523	1,902,641
Economic environment	46,554	-	141,717	55,760	244,031
Total expenditures	5,900,043	21,730,319	2,481,649	1,030,770	31,142,781
Excess (deficiency) of revenues over expenditures	9,382,311	(6,638,439)	2,547,463	(419,697)	4,871,638
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	8,573,707	-	1,000,000	9,573,707
Debt proceeds	-	931,153	-	-	931,153
Interfund transfers out	(7,702,784)	(1,730,923)	(140,000)	-	(9,573,707)
Total other financing sources (uses)	(7,702,784)	7,773,937	(140,000)	1,000,000	931,153
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,679,527	1,135,498	2,407,463	580,303	5,802,791
Fund balances at beginning of year	4,503,959	7,247,750	15,396,315	880,883	28,028,907
Fund balances at end of year	\$ 6,183,486	\$ 8,383,248	\$17,803,778	\$ 1,461,186	\$33,831,698

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

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

For the Fiscal Year Ended September 30, 1998

Funds Variance Favorable (Unfavorable)	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 40,760	\$ 1,193,446	\$ 1,317,178	\$ 123,732	\$ -	\$ 184	\$ 184
99,276	-	-	-	-	-	-
598,474	2,926,990	2,992,420	65,430	300,000	300,000	-
39,798	-	2,407	2,407	-	-	-
133,601	-	-	-	-	-	-
1,438,077	592,000	717,107	125,107	233,504	310,889	77,385
<u>2,349,986</u>	<u>4,712,436</u>	<u>5,029,112</u>	<u>316,676</u>	<u>533,504</u>	<u>611,073</u>	<u>77,569</u>
13,255	331,481	268,697	62,784	52	52	-
39,617	135,605	37,680	97,925	-	-	-
129,058	-	-	-	-	-	-
56,030	-	-	-	981,128	496,696	484,432
539,224	-	-	-	23,484	23,484	-
-	-	-	-	-	-	-
172,299	-	-	-	-	-	-
(44,847)	13,622	13,622	-	-	-	-
381,480	-	-	-	-	-	-
(736,184)	-	-	-	420,955	454,255	(33,300)
4,055	-	-	-	-	-	-
-	-	-	-	-	-	-
47,037	-	-	-	-	-	-
(30,116)	849,692	849,692	-	103,091	-	103,091
27,535	-	-	-	-	-	-
(493,239)	1,155,190	1,170,241	(15,051)	523	523	-
-	154,596	141,717	12,879	55,760	55,760	-
<u>105,204</u>	<u>2,640,186</u>	<u>2,481,649</u>	<u>158,537</u>	<u>1,584,993</u>	<u>1,030,770</u>	<u>554,223</u>
<u>2,455,190</u>	<u>2,072,250</u>	<u>2,547,463</u>	<u>475,213</u>	<u>(1,051,489)</u>	<u>(419,697)</u>	<u>631,792</u>
(73,723)	-	-	-	-	1,000,000	1,000,000
921,336	-	-	-	-	-	-
(42,794)	-	(140,000)	(140,000)	-	-	-
<u>804,819</u>	<u>-</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
3,260,009	2,072,250	2,407,463	335,213	(1,051,489)	580,303	1,631,792
-	15,396,315	15,396,315	-	880,883	880,883	-
<u>\$ 3,260,009</u>	<u>\$17,468,565</u>	<u>\$17,803,778</u>	<u>\$ 335,213</u>	<u>\$ (170,606)</u>	<u>\$ 1,461,186</u>	<u>\$ 1,631,792</u>

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, 1998

OPERATING EXPENSES (continued)

Landfill Recycling	
Personal services	
Regular salaries	\$ 44,337
FICA	3,424
Retirement	7,523
Life and health insurance	4,559
Worker's compensation	7,467
Total personal services	<u>67,310</u>
Operating expenses	
Insurance	6,993
Repair and maintenance	15,530
Operating supplies	845
Gas and oil	4,182
Total operating expenses	<u>27,550</u>
Total landfill recycling	<u>94,860</u>
Solid Waste Grant	
Grants and aids	
City of Lake City	18,611
Waste tire recycling	23,693
Total solid waste grant	<u>42,304</u>
Total operating expenses	<u>2,261,667</u>
Operating income	<u>729,175</u>
NONOPERATING REVENUES (EXPENSES)	
State grants	
Physical environment	
Small county grant	50,000
Recycling and education	118,929
Waste tire grant	30,020
Interest earnings	
Interest on investments	217,231
Interest SBA	16,813
Debt service	
Interest	(295,846)
Bond issuance costs	(26,353)
Total nonoperating revenues (expenses)	<u>110,794</u>
Net income	839,969
Retained earnings, beginning of year	<u>3,713,913</u>
Retained earnings, end of year	<u>\$4,553,882</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, 1998

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating income	<u>\$ 729,175</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	864,085
(Increase) decrease in assets:	
Accounts receivable	137,273
Due from other funds	119,969
Due from other governmental units	31,344
Increase (decrease) in liabilities:	
Accounts payable	292,539
Accrued compensated absences	17,579
Due to other funds	(2,054)
Due to other governmental units	(15,601)
Increase in estimated closure liability	<u>363,335</u>
Total adjustments	<u>1,808,469</u>
Net cash provided by operating activities	<u>\$2,537,644</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, 1998

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. Various such amendments were made during the year. 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, 1998, 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, 1998, 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, 1998, is insured through the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

Investments - Pursuant to Section 125.31, *Florida Statutes*, the Board of County Commissioners is authorized to invest surplus public funds in:

<u>Fund Type</u>	<u>Interest</u>	<u>Accounts and Notes Due From Individuals</u>	<u>Due from other Govern- mental Units</u>	<u>Total</u>
General	\$ -	\$ 31	\$ 201,727	\$ 201,758
Special Revenue	-	78,103	649,314	727,417
Debt Service	13,424	-	310,212	323,636
Enterprise	-	320,434	15,463	335,897
Agency	-	565	-	565
	<u>\$ 13,424</u>	<u>\$ 399,133</u>	<u>\$1,176,716</u>	<u>\$ 1,589,273</u>

The County considers all of these receivables to be collectible and no allowance for uncollectibility has been provided in the financial statements. In addition to these receivables reflected on the balance sheet, the County has the following receivables that did not meet the criteria for revenue recognition at September 30, 1998:

Ambulance fees - In April, 1990, the County assumed operation of the county-wide rescue-ambulance service, including the patient billing operation. Although the County is actively attempting to collect these billed accounts, it is estimated that a substantial amount will not be collected. Receivables due from insurance programs have been recorded in the financial statements.

NOTE 6. CHANGES IN FIXED ASSETS

A summary of changes in the general fixed assets follows:

	<u>Balance October 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 1998</u>
Land	\$ 1,875,761	\$ 33,300	\$ -	\$ 1,909,061
Buildings	11,981,268	55,740	-	12,037,008
Improvements other than buildings	29,035,759	882,297	-	29,918,056
Construction in progress	1,213,045	4,575	-	1,217,620
Equipment	<u>15,560,184</u>	<u>1,870,507</u>	<u>1,817,348</u>	<u>15,613,343</u>
Total general fixed assets	<u>\$ 59,666,017</u>	<u>\$ 2,846,419</u>	<u>\$1,817,348</u>	<u>\$ 60,695,088</u>

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

	<u>Balance October 1, 1997</u>	<u>Net Additions (Deductions)</u>	<u>Balance September 30, 1998</u>
Land	\$ 801,910	\$ -	\$ 801,910
Equipment	2,066,317	439,456	2,505,773
Improvements other than buildings	<u>7,079,071</u>	<u>-</u>	<u>7,079,071</u>
	9,947,298	439,456	10,386,754
Less: accumulated depreciation	<u>(3,021,275)</u>	<u>(864,085)</u>	<u>(3,885,360)</u>
Net fixed assets	<u>\$ 6,926,023</u>	<u>\$ (424,629)</u>	<u>\$ 6,501,394</u>

NOTE 7. CAPITAL LEASES

A. The Board of County Commissioners has the following 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. In the current year, the Board exercised 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 5.85% 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.

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

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, 1998:

September 30,	County Commission		Shriff	Supervisor	Total
	Governmental	Enterprise		of Elections	
1999	\$ 438,248	\$ 49,608	\$ 6,438	\$ 1,804	\$ 496,098
2000	160,748	49,609	6,438	1,804	218,599
2001	204,907	-	6,438	1,804	213,149
2002	191,070	-	6,438	1,804	199,312
2003	719,600	-	537	1,804	721,941
2004	-	-	-	150	150
Total minimum lease payments	1,714,573	99,217	26,289	9,170	1,849,249
Less: amount representing interest	245,675	7,624	3,159	1,564	258,022
Present value of future minimum lease payments	<u>\$1,468,898</u>	<u>\$ 91,593</u>	<u>\$23,130</u>	<u>\$ 7,606</u>	<u>\$1,591,227</u>

NOTE 8. LONG-TERM DEBT

Notes Payable

- A. The Board of County Commissioners has a promissory note payable to the Barnett Bank of North Central Florida related to the construction of the County detention facility and recreational improvements. This note 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-Mutuel Tax. The final payment was made in the current year.
- 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 \$276,233, at year end.
- C. 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:

	Revenue Notes	
	A	C
Original amount	\$1,487,320	\$ 212,680
Current interest rate	6.59%	8.29%
Payment, monthly	\$ 11,037	\$ 1,846
Balance at 09-30-98	\$1,180,149	\$ 174,646
Due date	04-23-2012	04-23-2012

B. On April 15, 1996, the County closed on a Revenue Term Bond held by Sun-Bank National Association in the amount of \$8,400,000. The proceeds will be used for courthouse and other County building renovations. The bonds are being 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 \$1,393,726, are as follows:

Fiscal Year Ending September 30,	Amount
1999	\$ 712,316
2000	1,557,314
2001	1,497,157
2002	1,429,888
2003	1,361,352
Thereafter	<u>2,526,699</u>
	<u>\$ 9,084,726</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, 1998.

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 \$760,832, are as follows:

Fiscal Year Ending September 30,	Amount
1999	\$ 183,967
2000	186,079
2001	191,136
2002	190,752
2003	189,808
Thereafter	<u>1,414,090</u>
	<u>\$ 2,355,832</u>

Changes in Long-Term Liabilities

During the year ended September 30, 1998, the following occurred in liabilities reported in the general long-term debt account group:

	Balance October 1, 1997	Additions	Retirements	Balance September 30, 1998
Compensated absences	\$ 580,812	\$ 24,319	\$ -	\$ 605,131
Capital leases	1,068,436	931,154	499,956	1,499,634
Notes payable	1,969,536	-	338,509	1,631,027
Revenue bonds payable	15,882,000	-	1,271,000	14,611,000
	<u>\$19,500,784</u>	<u>\$ 955,473</u>	<u>\$ 2,109,465</u>	<u>\$ 18,346,792</u>

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 County employees covered by the System for the year ended September 30, 1998, was \$9,537,322; 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, 1998, was \$1,907,341, which represents 20.0% of covered payroll.

The "actuarial accrued liability" 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, 1998, the unfunded actuarial accrued liability for the State of Florida Retirement System, determined through an actuarial valuation performed as of that date was \$(3.791) billion as follows:

	<u>Billions</u>
Actuarial Accrued Liability	\$ 63.206
Actuarial Value of Assets	66.997
Unfunded Actuarial Accrued Liability	<u>\$ (3.791)</u>

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 1998. 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, 1998, restricted cash of \$861,021 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.

NOTE 16. CONTRIBUTED CAPITAL

In the year ended September 30, 1998, a note payable balance of \$192,840, which was previously recorded in and being paid from the Landfill Enterprise Fund was transferred to the General Long-Term Debt group of accounts. The balance of the note transferred was recorded as contributed capital in the Landfill Enterprise Fund.

NOTE 17. SUBSEQUENT EVENTS

In December, 1998, subsequent to year end, the County entered into construction contracts in the amount of \$14,876,641.52 for the first two phases of the Courthouse facilities renovation project. The County is self-administering this project under the provisions of Chapter 255.20, Florida Statutes, and has staffed a construction management department to administer this project. Funding for this project, as well as future phases is currently on hold.

NOTE 18. YEAR 2000 ISSUE (UNAUDITED)

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the County's operations as early as fiscal year 1999.

The Board of County Commissioners and separate Constitutional Officers have completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting their operations. Based on these inventory and related improvements already completed or in progress and documentation furnished by hardware and software providers, the County believes that the Year 2000 Issue will not pose significant operational problems for its computer systems.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the County is or will be Year 2000 ready, the County's remediation efforts will be successful in whole or in part, or that parties with whom the County does business will be year 2000 ready.

**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 and
Constitutional Officers
Columbia County, Florida

We have audited the component unit general purpose financial statements of Columbia County, Florida, as of and for the year ended September 30, 1998, and have issued our report thereon dated September 3, 1999. 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 Columbia County, Florida'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 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 and separate Constitutional Officers in separate letters in the component unit financial statement sections of this report.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County, Florida'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. 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 and separate Constitutional Officers in separate letters in the component unit financial statement sections of this report.

This report is intended for the information of management, the Columbia County Board of County Commissioners, Constitutional Officers, 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
September 3, 1999

COMPONENT UNIT FINANCIAL STATEMENTS



Florida Institute of Certified Public Accountants
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marlan 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, 1998, 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, 1998, 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 September 3, 1999, on our consideration of the Columbia County Board of County Commissioners' internal control over financial reporting and our 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, 1998

<u>Capital Projects Funds</u>	<u>Proprietary Fund Type Enterprise Fund</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
		<u>General Fixed Assets Group</u>	<u>General Long-term Debt Group</u>	
\$ 769,093	\$3,324,640	\$ -	\$ -	\$ 17,789,303
-	320,434	-	-	379,741
-	-	-	-	18,214
88,800	162,046	-	-	898,656
-	15,463	-	-	2,030,642
-	-	-	-	13,424
-	-	-	-	133,057
626,104	273,221	-	-	18,681,757
-	1,766,296	-	-	1,766,296
-	801,910	-	-	801,910
-	7,079,071	-	-	7,079,071
-	2,505,773	-	-	2,505,773
-	(3,885,360)	-	-	(3,885,360)
-	-	1,909,061	-	1,909,061
-	-	12,037,008	-	12,037,008
-	-	29,918,056	-	29,918,056
-	-	1,217,620	-	1,217,620
-	-	13,291,883	-	13,291,883
-	-	-	-	49,482
-	340,387	-	-	517,400
-	-	-	1,147,318	1,147,318
-	-	-	17,168,738	17,168,738
<u>\$ 1,483,997</u>	<u>\$12,703,881</u>	<u>\$ 58,373,628</u>	<u>\$ 18,316,056</u>	<u>\$125,469,050</u>
\$ 22,811	\$ 301,904	\$ -	\$ -	\$ 1,438,052
-	134,594	-	-	898,656
-	-	-	-	323,135
-	72,000	-	-	72,000
-	32,124	-	-	32,124
-	-	-	-	10,108
-	-	-	-	102,701
-	-	-	-	499
-	47,023	-	-	47,023
-	35,000	-	-	35,000
-	290,000	-	-	290,000

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1998

Capital Projects Funds	Proprietary Fund Type Enterprise Fund	Account Groups		Totals (Memorandum Only)
		General Fixed Assets Group	General Long-term Debt Group	
\$ -	\$ -	\$ -	\$ 605,131	\$ 605,131
-	44,571	-	1,468,898	1,513,469
-	-	-	14,611,000	14,611,000
-	-	-	1,631,027	1,631,027
-	5,275,000	-	-	5,275,000
-	1,411,608	-	-	1,411,608
<u>22,811</u>	<u>7,643,824</u>	<u>-</u>	<u>18,316,056</u>	<u>28,296,533</u>
-	506,174	-	-	506,174
1,461,186	-	-	-	32,145,618
-	-	-	-	1,593,214
-	3,112,587	-	-	3,112,587
-	1,441,296	-	-	1,441,296
-	-	58,373,628	-	58,373,628
<u>1,461,186</u>	<u>5,060,057</u>	<u>58,373,628</u>	<u>-</u>	<u>97,172,517</u>
<u>\$ 1,483,997</u>	<u>\$12,703,881</u>	<u>\$ 58,373,628</u>	<u>\$ 18,316,056</u>	<u>\$125,469,050</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, 1998

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals (Memorandum Only)
EXPENDITURES (continued)					
Debt Service					
General government	\$ -	\$ -	\$ 849,692	\$ -	\$ 849,692
Public safety	149,895	-	-	-	149,895
Transportation	-	731,877	1,170,241	523	1,902,641
Economic environment	46,554	-	141,717	55,760	244,031
Total expenditures	5,900,043	11,525,754	2,481,649	1,030,770	20,938,216
Excess (deficiency) of revenues over expenditures	9,382,311	1,800,284	2,547,466	(419,697)	13,310,364
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	140,000	-	1,000,000	1,140,000
Debt proceeds	-	896,000	-	-	896,000
Interfund transfers out	-	(1,000,000)	(140,000)	-	(1,140,000)
Interfund transfers to County Officers	(7,702,784)	(702,727)	-	-	(8,405,511)
Total other financing sources (uses)	(7,702,784)	(666,727)	(140,000)	1,000,000	(7,509,511)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,679,527	1,133,557	2,407,466	580,303	5,800,853
Fund balances at beginning of year	4,503,959	7,156,822	15,396,315	880,883	27,937,979
Fund balances at end of year	\$6,183,486	\$ 8,290,379	\$17,803,781	\$ 1,461,186	\$33,738,832

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

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

For the Fiscal Year Ended September 30, 1998

Funds Variance Favorable (Unfavorable)	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 40,760	\$ 1,193,446	\$ 1,317,178	\$ 123,732	\$ -	\$ 184	\$ 184
99,276	-	-	-	-	-	-
598,475	2,926,990	2,992,420	65,430	300,000	300,000	-
(56,828)	-	2,407	2,407	-	-	-
133,601	-	-	-	-	-	-
1,409,669	592,000	717,110	125,110	233,504	310,889	77,385
<u>2,224,953</u>	<u>4,712,436</u>	<u>5,029,115</u>	<u>316,679</u>	<u>533,504</u>	<u>611,073</u>	<u>77,569</u>
(18,412)	331,481	268,697	62,784	52	52	-
36,825	135,605	37,680	97,925	-	-	-
129,058	-	-	-	-	-	-
56,030	-	-	-	981,128	496,696	484,432
539,224	-	-	-	23,484	23,484	-
-	-	-	-	-	-	-
172,299	-	-	-	-	-	-
(4,802)	13,622	13,622	-	-	-	-
407,939	-	-	-	-	-	-
(736,184)	-	-	-	420,955	454,255	(33,300)
4,055	-	-	-	-	-	-
-	-	-	-	-	-	-
47,037	-	-	-	-	-	-
-	849,692	849,692	-	103,091	-	103,091
27,535	-	-	-	-	-	-
(493,239)	1,155,190	1,170,241	(15,051)	523	523	-
-	154,596	141,717	12,879	55,760	55,760	-
<u>167,365</u>	<u>2,640,186</u>	<u>2,481,649</u>	<u>158,537</u>	<u>1,584,993</u>	<u>1,030,770</u>	<u>554,223</u>
<u>2,392,318</u>	<u>2,072,250</u>	<u>2,547,466</u>	<u>475,216</u>	<u>(1,051,489)</u>	<u>(419,697)</u>	<u>631,792</u>
11,686	-	-	-	-	1,000,000	1,000,000
896,000	-	-	-	-	-	-
(265,014)	-	(140,000)	(140,000)	-	-	-
222,220	-	-	-	-	-	-
<u>864,892</u>	<u>-</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
3,257,210	2,072,250	2,407,466	335,216	(1,051,489)	580,303	1,631,792
-	15,396,315	15,396,315	-	880,883	880,883	-
<u>\$ 3,257,210</u>	<u>\$17,468,565</u>	<u>\$17,803,781</u>	<u>\$ 335,216</u>	<u>\$ (170,606)</u>	<u>\$ 1,461,186</u>	<u>\$ 1,631,792</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, 1998

OPERATING EXPENSES (continued)

Landfill Recycling	
Personal services	
Regular salaries	\$ 44,337
FICA	3,424
Retirement	7,523
Life and health insurance	4,559
Worker's compensation	7,467
Total personal services	<u>67,310</u>
Operating expenses	
Insurance	6,993
Repair and maintenance	15,530
Operating supplies	845
Gas and oil	4,182
Total operating expenses	<u>27,550</u>
Total landfill recycling	<u>94,860</u>
Solid Waste Grant	
Grants and aids	
City of Lake City	18,611
Waste tire recycling	23,693
Total solid waste grant	<u>42,304</u>
Total operating expenses	<u>2,261,667</u>
Operating income	<u>729,175</u>
NONOPERATING REVENUES (EXPENSES)	
State grants	
Physical environment	
Small county grant	50,000
Recycling and education	118,929
Waste tire grant	30,020
Interest earnings	
Interest on investments	217,231
Interest SBA	16,813
Debt service	
Interest	(295,846)
Bond issuance costs	(26,353)
Total nonoperating revenues (expenses)	<u>110,794</u>
Net income	839,969
Retained earnings, beginning of year	<u>3,713,913</u>
Retained earnings, end of year	<u>\$4,553,882</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, 1998

Reconciliation of Operating Income to Net
Cash Provided by Operating Activities

Operating income	<u>\$ 729,175</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	864,085
(Increase) decrease in assets:	
Accounts receivable	137,273
Due from other funds	119,969
Due from other governmental units	31,344
Increase (decrease) in liabilities:	
Accounts payable	292,539
Accrued compensated absences	17,579
Due to other funds	(2,054)
Due to other governmental units	(15,601)
Increase in estimated closure liability	<u>363,335</u>
Total adjustments	<u>1,808,469</u>
Net cash provided by operating activities	<u>\$2,537,644</u>

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

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1998

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

The Board is the legislative and governing body of Columbia County, Florida and consists of five elected officials. The Board operates under a non-charter form of government under the authority provided in the Constitution of the State of Florida. Pursuant to Florida law, the Clerk of the Circuit Court is the clerk and accountant of the Board and serves as the auditor, recorder, and custodian of the Board's funds.

The Board is an integral part of Columbia County, the primary government for financial reporting purposes.

The accompanying financial statements include the Board and its component unit. The component unit is an entity for which the Board is considered to be financially accountable.

As a primary government, the Board is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Board. The Board may also be financially accountable for governmental organizations that are fiscally dependent on it.

Blended Component Units - Although legally separate entities, blended component units are in substance part of the primary government's operations and, accordingly, data from these units are combined with the data of the primary government. Such component units included in the accompanying financial statements are: Columbia County Industrial Development Authority (CCIDA), and Columbia County Law Library. Separately issued financial statements on the CCIDA are available in the public records.

Discretely Presented Component Units - Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate entities. There are no such units in Columbia County.

The Board did not participate in any joint ventures during the 1997-98 fiscal year.

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.

licenses and permits, and certain intergovernmental and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The Board reports deferred revenue, if applicable, on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the 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

For financial statement purposes, 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." Interfund eliminations have not been made in the financial statements.

G. Prepaid Items

Significant payments made to vendors for goods or services that will benefit periods beyond September 30, 1998, 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

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.
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. Various such amendments were made during the year.
5. Formal budgetary integration is employed as a management control device in all governmental funds.

- (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, 1998, the Board's investments consisted of the following:

	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Category</u>
*Florida Counties Investment Trust Fund	\$ 1,624,105	\$ 1,624,105	-
*Local Government Surplus Funds Trust Fund	5,259,436	5,259,436	-
U.S. Treasury Securities	1,794,890	1,794,890	1
Nations Fund Government Money Market	11,619,622	11,619,622	1
Certificate of deposit	150,000	150,000	1
	<u>\$20,448,053</u>	<u>\$20,448,053</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.

*Investments in the State Pool cannot be classified in any credit risk category because the investments are not evidenced by identifiable securities that exist in physical or book entry form.

NOTE 5. RECEIVABLES

Receivables at September 30, 1998, consist of the following:

<u>Fund Type</u>	<u>Interest</u>	<u>Notes and Accounts</u>	<u>Governmental Unit Payments</u>	<u>Total</u>
General	\$ -	\$ 31	\$ 850,898	\$ 850,929
Special Revenue	-	77,490	854,069	931,559
Enterprise	-	320,434	15,463	335,897
Debt Service	13,424	-	310,212	323,636
	<u>\$ 13,424</u>	<u>\$ 397,955</u>	<u>\$2,030,642</u>	<u>\$ 2,442,021</u>

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

In addition to these receivables reflected on the balance sheet, the County has the following receivables that did not meet the criteria for revenue recognition at September 30, 1998:

Ambulance fees - In April, 1990, the County assumed operation of the county-wide rescue/ambulance service, including the patient billing operation. Although the County is actively attempting to collect these billed accounts, it is estimated that a substantial amount will not be collected. Receivables due from insurance programs have been recorded in the financial statements.

NOTE 6. CHANGES IN FIXED ASSETS

A summary of changes in the general fixed assets follows:

6. Purchase of four motor graders costing \$512,000. The terms of the agreement require a down payment of \$41,754 and four annual payments of \$41,754, including interest at 5%, beginning in May, 1998, and a balloon payment of \$411,200 at the end of sixty months. At that time, the Board may also exercise its option to have the vendor repurchase the equipment for \$411,200.
 7. Purchase of a motor grader costing \$128,000. The terms of the agreement require a down payment of \$10,439 and four annual payments of \$10,439, including interest at 5%, beginning in May, 1998, and a balloon payment of \$102,800 at the end of sixty months. At that time the Board may also exercise its option to have the vendor repurchase the equipment for \$102,800.
 8. Purchase of two motor graders costing \$256,000. The terms of the agreement require a down payment of \$20,877 and four annual payments of \$20,877, including interest at 5%, beginning in July, 1998, and a balloon payment of \$205,600 at the end of sixty months. At that time the Board may also exercise its option to have the vendor repurchase the equipment for \$205,600.
 9. Purchase of a land compactor costing \$223,493. The terms of the agreement require four annual payments of \$49,608, 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%. This agreement was terminated in the current year and the equipment was returned to John Deere.

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, 1998:

<u>September 30,</u>	<u>County Commission</u>		<u>Total</u>
	<u>Governmental</u>	<u>Enterprise</u>	
1999	\$ 438,248	\$ 49,608	\$ 487,856
2000	160,748	49,609	210,357
2001	204,907	-	204,907
2002	191,070	-	191,070
2003	719,600	-	719,600
Total minimum lease payments	1,714,573	99,217	1,813,790
Less: amount representing interest	245,675	7,624	253,299
Present value of future minimum lease payments	<u>\$1,468,898</u>	<u>\$ 91,593</u>	<u>\$ 1,560,491</u>

NOTE 8. LONG-TERM DEBT

Notes Payable

- A. The Board of County Commissioners has a promissory note payable to the Barnett Bank of North Central Florida related to the construction of the County detention facility and recreational improvements. This note 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-Mutuel Tax. The final payment was made in the current year.

Debt service requirements to maturity, including interest of \$1,603,548, are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Amount</u>
1999	\$ 1,147,318
2000	1,147,184
2001	526,496
2002	320,306
2003	317,801
Thereafter	<u>3,469,443</u>
	<u>\$ 6,928,548</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 \$1,393,726, are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Amount</u>
1999	\$ 712,316
2000	1,557,314
2001	1,497,157
2002	1,429,888
2003	1,361,352
Thereafter	<u>2,526,699</u>
	<u>\$ 9,084,726</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, 1998.

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 \$760,832, are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Amount</u>
1999	\$ 183,967
2000	186,079
2001	191,136
2002	190,752
2003	189,807
Thereafter	<u>1,414,091</u>
	<u>\$ 2,355,832</u>

Changes in Long-Term Liabilities

During the year ended September 30, 1998, the following occurred in liabilities reported in the general long-term debt account group:

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, 1998, was \$637,263, which represents 16.34% of covered payroll.

The "actuarial accrued liability" 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, 1998, the unfunded actuarial accrued liability for the State of Florida Retirement System, determined through an actuarial valuation performed as of that date was \$(3.791) billion as follows:

	<u>Billions</u>
Actuarial Accrued Liability	\$ 63.206
Actuarial Value of Assets	66.997
Unfunded Actuarial Accrued Liability	<u>\$ (3.791)</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 3.50 percent per year compounded annually, attributable to inflation; and (c) additional projected salary increases of 2.75 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, 1998, 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.

NOTE 17. SUBSEQUENT EVENTS

In December, 1998, subsequent to year end the County entered into construction contracts in the amount of \$14,876,641.52 for the first two phases of the Courthouse facilities renovation project. The County is self-administering this project under the provisions of Chapter 255.20, Florida Statutes, and has staffed a construction management department to administer this project. Funding for this project, as well as future phases is currently on hold.

NOTE 18. YEAR 2000 ISSUE (UNAUDITED)

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Board of County Commissioners' operations as early as fiscal year 1999.

The Board of County Commissioners has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting its operations. Based on this inventory and related improvements already completed or in progress and documentation furnished by hardware and software providers, the Board of County Commissioners believes that the Year 2000 Issue will not pose significant operational problems for its computer systems.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Board of County Commissioners is or will be Year 2000 ready, the Board of County Commissioners' remediation efforts will be successful in whole or in part, or that parties with whom the Board of County Commissioners does business will be year 2000 ready.

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 AND ACTUAL

For the Fiscal Year Ended September 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes			
Ad valorem taxes			
Current ad valorem taxes	\$8,373,939	\$8,192,120	\$ (181,819)
Delinquent ad valorem taxes	25,000	49,047	24,047
Total ad valorem taxes	<u>8,398,939</u>	<u>8,241,167</u>	<u>(157,772)</u>
Sales and use taxes			
Local government infrastructure surtax	<u>3,673,775</u>	<u>3,666,869</u>	<u>(6,906)</u>
Total taxes	<u>12,072,714</u>	<u>11,908,036</u>	<u>(164,678)</u>
Intergovernmental revenue			
Federal grants			
Physical environment			
Federal disaster relief	-	736,154	736,154
State grants			
Public safety			
Sheriff's Department	257,452	354,539	97,087
State Emergency Management	12,000	15,126	3,126
State Emergency Preparedness	98,368	93,213	(5,155)
Physical environment			
Litter and Marine Debris	10,000	8,996	(1,004)
Transportation			
Economic development	-	19,475	19,475
Human services			
Mosquito control-1	26,600	33,275	6,675
Culture/recreation			
Library automation grant	40,494	-	(40,494)
Aid to libraries	-	40,320	40,320
Florinet grant	50,800	50,800	-
Florida boating improvement	-	63,572	63,572
Florida sports complex	100,000	100,000	-
Born to read	7,050	7,050	-
Total state grants	<u>602,764</u>	<u>1,522,520</u>	<u>919,756</u>
State shared revenues			
General government			
State revenue sharing	264,215	469,660	205,445
Insurance agents county licenses	4,500	8,299	3,799
Alcoholic beverage licenses	12,000	11,201	(799)
Racing tax	<u>223,250</u>	<u>223,250</u>	<u>-</u>
Total state shared revenues	<u>503,965</u>	<u>712,410</u>	<u>208,445</u>
Total intergovernmental revenue	<u>1,106,729</u>	<u>2,234,930</u>	<u>1,128,201</u>

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Miscellaneous			
Interest earnings			
Interest on investments	\$ 200,000	\$ 275,119	\$ 75,119
Interest SBA	1,000	6,405	5,405
Interest County officers			
Sheriff	11,109	30,472	19,363
Property appraiser	-	9,590	9,590
Total interest earnings	<u>212,109</u>	<u>321,586</u>	<u>109,477</u>
Rents and royalties			
Rents	-	373	373
Jefferson Pilot rent	95,155	49,454	(45,701)
Total rents and royalties	<u>95,155</u>	<u>49,827</u>	<u>(45,328)</u>
Sale of fixed assets			
Equipment	10,000	-	(10,000)
Contributions and donations			
Donation Bernhard Trust	7,878	7,878	-
Friends of Library	1,500	1,500	-
Library Council	-	1,500	1,500
Total contributions and donations	<u>9,378</u>	<u>10,878</u>	<u>1,500</u>
Other miscellaneous	153,064	70,602	(82,462)
Total miscellaneous	<u>479,706</u>	<u>452,893</u>	<u>(26,813)</u>
Total revenues	<u>14,247,882</u>	<u>15,282,354</u>	<u>1,034,472</u>
EXPENDITURES			
General government			
Legislative			
Personal services	462,287	456,318	5,969
Operating expenses	77,504	67,694	9,810
Capital outlay	2,939	2,939	-
Total legislative	<u>542,730</u>	<u>526,951</u>	<u>15,779</u>
Executive			
Personal services	1,128	1,128	-
Property Appraiser adjustment board			
Operating expenses	<u>1,653</u>	<u>53</u>	<u>1,600</u>

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Melton building			
Operating expenses	\$ 4,434	\$ 496	\$ 3,938
Other general government			
Personal services	<u>798</u>	<u>798</u>	<u>-</u>
Non-departmental			
Personal services	28,571	23,935	4,636
Operating expenses	<u>288,856</u>	<u>315,690</u>	<u>(26,834)</u>
Total non-departmental	<u>317,427</u>	<u>339,625</u>	<u>(22,198)</u>
Courthouse maintenance			
Personal services	175,356	146,987	28,369
Operating expenses	92,017	92,065	(48)
Capital outlay	<u>3,600</u>	<u>-</u>	<u>3,600</u>
Total Courthouse maintenance	<u>270,973</u>	<u>239,052</u>	<u>31,921</u>
Courthouse annex maintenance			
Operating expenses	44,000	38,432	5,568
Capital outlay	<u>1,697</u>	<u>1,697</u>	<u>-</u>
Total Courthouse annex maintenance	<u>45,697</u>	<u>40,129</u>	<u>5,568</u>
Montgomery building			
Operating expenses	<u>14,585</u>	<u>12,711</u>	<u>1,874</u>
Jail maintenance			
Operating expenses	<u>18,708</u>	<u>18,443</u>	<u>265</u>
Criminal investigations			
Operating expenses	<u>4,000</u>	<u>3,495</u>	<u>505</u>
Elections office			
Operating expenses	6,539	6,396	143
Capital outlay	<u>499</u>	<u>499</u>	<u>-</u>
Total elections office	<u>7,038</u>	<u>6,895</u>	<u>143</u>
Total general government	<u>2,683,442</u>	<u>2,617,295</u>	<u>66,147</u>
Public safety			
Law enforcement			
Personal services	<u>220,241</u>	<u>43,582</u>	<u>176,659</u>
Sheriff service of process			
Personal services	<u>33,600</u>	<u>-</u>	<u>33,600</u>
Detention Center operations			
Personal services	<u>109,890</u>	<u>109,890</u>	<u>-</u>

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Economic environment			
Industry development			
Operating expenses	\$ 17,358	\$ 37,113	\$ (19,755)
Debt service	46,554	46,554	-
Grants and aids	5,000	5,000	-
Total industry development	<u>68,912</u>	<u>88,667</u>	<u>(19,755)</u>
Commissioners special projects			
Operating expenses	78,191	575	77,616
Grants and aids	<u>117,026</u>	<u>78,676</u>	<u>38,350</u>
Total Commissioners special projects	<u>195,217</u>	<u>79,251</u>	<u>115,966</u>
Veterans services			
Personal services	73,888	71,917	1,971
Operating expenses	4,931	4,853	78
Capital outlay	<u>1,932</u>	<u>1,932</u>	-
Total veterans services	<u>80,751</u>	<u>78,702</u>	<u>2,049</u>
Other economic environment			
Grants and aids	<u>43,858</u>	<u>43,858</u>	-
Total economic environment	<u>388,738</u>	<u>290,478</u>	<u>98,260</u>
Human services			
Mosquito control			
Personal services	13,708	8,504	5,204
Operating expenses	24,610	20,078	4,532
Capital outlay	<u>46,120</u>	<u>42,559</u>	<u>3,561</u>
Total mosquito control	<u>84,438</u>	<u>71,141</u>	<u>13,297</u>
Health			
Capital outlay	15,000	-	15,000
Grants and aids	<u>1,100,207</u>	<u>749,026</u>	<u>351,181</u>
Total health	<u>1,115,207</u>	<u>749,026</u>	<u>366,181</u>
Mental health			
Grants and aids	<u>60,000</u>	<u>60,000</u>	-
Welfare			
Grants and aids	<u>46,000</u>	<u>44,250</u>	<u>1,750</u>
Retardation			
Grants and aids	<u>22,250</u>	<u>22,250</u>	-
Other human services			
Grants and aid	<u>25,000</u>	<u>18,000</u>	<u>7,000</u>
Total human services	<u>1,352,895</u>	<u>964,667</u>	<u>388,228</u>
(continued)	2 - 36		

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	<u>\$ 7,365,060</u>	<u>\$ 9,382,311</u>	<u>\$ 2,017,251</u>
OTHER FINANCING SOURCES (USES)			
Interfund transfers			
Transfer to Clerk operating	(454,426)	(393,368)	61,058
Transfer to Property Appraiser	(605,637)	(588,180)	17,457
Transfer to Sheriff	(5,543,288)	(6,199,637)	(656,349)
Transfer to Supervisor of Elections	(391,735)	(325,382)	66,353
Transfer to Tax Collector	<u>(425,812)</u>	<u>(196,217)</u>	<u>229,595</u>
Total other financing sources (uses)	<u>(7,420,898)</u>	<u>(7,702,784)</u>	<u>(281,886)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and financing uses	(55,838)	1,679,527	1,735,365
Fund balance at beginning of year	<u>4,503,959</u>	<u>4,503,959</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,448,121</u>	<u>\$ 6,183,486</u>	<u>1,735,365</u>

See notes to financial statements.

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 1998

<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>
\$ 60,948	\$ 4,534	\$ 637	\$ 161,045	\$ 249,470	\$1,764,206	\$1,262,091	\$ 10,598	\$5,309,505
-	-	-	-	-	1,293	57,983	-	59,276
-	-	-	-	-	-	-	-	18,214
-	-	-	-	-	155,973	40,490	-	196,463
32	-	385	-	-	108,133	37,296	-	854,068
-	-	-	-	-	-	-	-	133,057
-	990	-	702,770	119,541	14,447	980,654	-	2,938,014
<u>\$ 60,980</u>	<u>\$ 5,524</u>	<u>\$ 1,022</u>	<u>\$ 863,815</u>	<u>\$ 369,011</u>	<u>\$2,044,052</u>	<u>\$2,378,514</u>	<u>\$ 10,598</u>	<u>\$9,508,597</u>
\$ -	\$ -	\$ -	\$ 3,642	\$ -	\$ 115,992	\$ 107,015	\$ 388	\$ 693,694
-	-	-	-	-	162,046	61,860	-	407,266
-	-	-	-	-	3,982	-	-	3,982
-	-	-	-	-	-	-	-	10,108
-	-	-	-	-	-	-	-	102,701
-	-	-	-	-	49	417	-	466
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,642</u>	<u>-</u>	<u>282,069</u>	<u>169,292</u>	<u>388</u>	<u>1,218,217</u>
-	-	-	-	-	75,000	1,000,000	-	1,343,214
60,980	5,524	1,022	860,173	369,011	1,686,983	1,209,222	10,210	6,947,166
60,980	5,524	1,022	860,173	369,011	1,761,983	2,209,222	10,210	8,290,380
<u>\$ 60,980</u>	<u>\$ 5,524</u>	<u>\$ 1,022</u>	<u>\$ 863,815</u>	<u>\$ 369,011</u>	<u>\$2,044,052</u>	<u>\$8,378,514</u>	<u>\$ 10,598</u>	<u>\$9,508,597</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, 1998

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
\$128,511	\$ -	\$ -	\$ -	\$ -	\$ 177,948	\$ -	\$ -	\$ 2,000,016
-	-	-	-	-	387,276	-	-	387,276
-	-	-	358,058	647,991	284,564	577,098	-	3,951,619
2,932	-	5,914	-	-	(1,225)	743,051	-	789,085
-	10,370	-	-	-	575	-	-	822,488
4,858	279	-	50,690	8,582	2,672,356	1,824,979	161,107	5,375,555
<u>136,301</u>	<u>10,649</u>	<u>5,914</u>	<u>408,748</u>	<u>656,573</u>	<u>3,521,494</u>	<u>3,145,128</u>	<u>161,107</u>	<u>13,326,039</u>
-	-	6,448	-	-	103,538	90,807	-	307,494
-	600	-	-	-	326,787	2,403,647	-	2,731,049
-	-	-	-	-	2,203,945	-	-	2,215,569
-	-	-	-	-	65,885	-	-	2,503,169
117,279	-	-	-	422,896	1,071	-	292,748	1,130,354
-	-	-	288,018	-	44,057	-	-	332,075
-	-	-	-	-	-	-	-	8,002
-	-	-	-	-	12,761	302,453	-	499,008
-	-	-	-	-	16,984	-	-	1,007,012
498	-	-	-	-	-	-	447	945
-	-	-	59,200	-	-	-	-	59,200
-	-	-	-	-	-	-	-	731,877
<u>117,777</u>	<u>600</u>	<u>6,448</u>	<u>347,218</u>	<u>422,896</u>	<u>2,775,028</u>	<u>2,796,907</u>	<u>293,195</u>	<u>11,525,754</u>
18,524	10,049	(534)	61,530	233,677	746,466	348,221	(132,088)	1,800,285
-	-	-	-	-	-	-	140,000	140,000
-	-	-	-	-	-	-	-	896,000
-	(9,387)	-	-	-	-	-	-	(1,702,727)
-	<u>(9,387)</u>	-	-	-	-	-	<u>140,000</u>	<u>(666,727)</u>
18,524	662	(534)	61,530	233,677	746,466	348,221	7,912	1,133,558
42,456	4,862	1,556	798,643	135,334	1,015,517	1,861,001	2,298	7,156,822
<u>\$ 60,980</u>	<u>\$ 5,524</u>	<u>\$ 1,022</u>	<u>\$ 860,173</u>	<u>\$ 369,011</u>	<u>\$1,761,983</u>	<u>\$2,209,222</u>	<u>\$ 10,210</u>	<u>\$ 8,290,380</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, 1998

	<u>Courthouse Improvement Debt Service</u>	<u>1993 Debt Service</u>	<u>Tourist Development Debt Service</u>	<u>Totals</u>
REVENUES				
Taxes	\$ -	\$ 1,072,894	\$ 244,284	\$ 1,317,178
Intergovernmental revenue	2,685,615	306,805	-	2,992,420
Charges for services	2,407	-	-	2,407
Miscellaneous	664,196	47,342	5,572	717,110
Total revenues	<u>3,352,218</u>	<u>1,427,041</u>	<u>249,856</u>	<u>5,029,115</u>
EXPENDITURES				
Operating expenditures				
General government	5,127	-	-	5,127
Current expenditures				
General government	263,570	-	-	263,570
Public safety	37,680	-	-	37,680
Capital outlay				
General government	13,622	-	-	13,622
Debt Service				
General government	849,692	-	-	849,692
Transportation	-	1,170,241	-	1,170,241
Economic environment	-	-	141,717	141,717
Total expenditures	<u>1,169,691</u>	<u>1,170,241</u>	<u>141,717</u>	<u>2,481,649</u>
Excess (deficiency) of revenues over expenditures	<u>2,182,527</u>	<u>256,800</u>	<u>108,139</u>	<u>2,547,466</u>
OTHER FINANCING USES				
Interfund transfers out	-	-	(140,000)	(140,000)
Excess (deficiency) of revenues over expenditures and other financing uses	2,182,527	256,800	(31,861)	2,407,466
Fund balances at beginning of year	13,229,263	1,813,651	353,401	15,396,315
Fund balances at end of year	<u>\$15,411,790</u>	<u>\$ 2,070,451</u>	<u>\$ 321,540</u>	<u>\$17,803,781</u>

See notes to financial statements.

CAPITAL PROJECTS FUNDS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

September 30, 1998

	<u>Fifth and Sixth Cent Fuel Tax Trust</u>	<u>Road Improvement</u>	<u>Industrial Park Trust</u>	<u>Totals</u>
ASSETS				
Current Assets				
Cash	\$ 35,104	\$ 617,056	\$ 116,933	\$ 769,093
Due from other funds	-	88,800	-	88,800
Investments	<u>527,842</u>	<u>584</u>	<u>97,678</u>	<u>626,104</u>
Total assets	<u>\$ 562,946</u>	<u>\$ 706,440</u>	<u>\$ 214,611</u>	<u>\$ 1,483,997</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 10,211	\$ 12,600	\$ -	\$ 22,811
FUND BALANCES				
Undesignated fund balances	<u>552,735</u>	<u>693,840</u>	<u>214,611</u>	<u>1,461,186</u>
Total liabilities and fund balances	<u>\$ 562,946</u>	<u>\$ 706,440</u>	<u>\$ 214,611</u>	<u>\$ 1,483,997</u>

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, 1998

	<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	\$ -	\$1,000,000	\$ -	\$1,000,000
Excess (deficiency) of revenues and other financing sources over expenditures	(121,309)	581,451	120,161	580,303
Fund balances at beginning of year	<u>674,044</u>	<u>112,389</u>	<u>94,450</u>	<u>880,883</u>
Fund balances at end of year	<u>\$ 552,735</u>	<u>\$ 693,840</u>	<u>\$ 214,611</u>	<u>\$1,461,186</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, 1998

Grantor/Program Title	CFDA#	Grant Number	Award Amount	Reported in Prior Years	Fund Balance October 1, 1997	1998		Fund Balance September 30, 1998
						**Revenue Recognized	** Expenditures	
STATE FINANCIAL AWARDS								
Department of State - Division of Library and Information Services								
State aid to Libraries								
Operating		98-ST-08	*\$ 40,320	\$ -	\$ -	\$ 40,320	\$ 40,320	\$ -
Equalization		98-ST-08	* 353,558	-	-	353,558	353,558	-
Florinet Enhanced Connectivity Assistance		DL1597-2-13	* 50,800	-	-	50,800	50,800	-
Born to Read		DL1597-1C-31	* 7,050	-	-	7,050	7,050	-
Office of State Courts Administration								
Grant in Aid Third Judicial Circuit		N/A	* 40,313	-	-	40,313	40,313	-
Grant in Aid Family Courts Trust Fund		N/A	* 13,146	-	-	13,146	13,146	-
Grant in Aid General Appropriations Act		N/A	* 40,500	-	-	40,500	40,500	-
Department of Environmental Protection								
Recycling and Education Grant		RE-98-10	* 118,929	-	-	118,929	118,929	-
Waste Tire Grant		WT-98-12	* 30,020	-	-	30,020	30,020	-
Small County Grant		SC-98-04	* 50,000	-	-	50,000	50,000	-
Litter and Marine Litter		LC-98-10	* 10,000	-	-	7,496	7,496	-
Litter and Marine Litter		LC-97-10	* 10,000	-	-	1,500	1,500	-
Florida Boating - Improvement Program		N/A	63,572	-	-	63,572	63,572	-
Florida Recreation Development Assistance Program		F9664	* 100,000	-	-	100,000	100,000	-
Department of Health & Rehabilitative Services								
Emergency Medical Services County Grant Program								
		C-97-12	* 15,901	-	-	15,901	15,901	-
Emergency Medical Services		M-5029	* 225,000	-	225,000	122,299	122,299	102,701
Department of Agriculture & Consumer Services								
Mosquito Grant		FY96/97	* 26,600	-	-	6,655	6,655	-
Mosquito Grant		FY97/98	* 26,620	-	-	26,620	26,620	-
Office of Governor								
Office of Tourism, Trade, and Economic Development								
		96/9712A	* 163,629	98,713	-	19,475	19,475	-
Total state financial awards			<u>1,385,958</u>	<u>98,713</u>	<u>225,000</u>	<u>1,108,154</u>	<u>1,108,154</u>	<u>102,701</u>
Total all financial awards			<u>\$4,069,294</u>	<u>\$ 98,713</u>	<u>\$ 225,000</u>	<u>\$2,599,082</u>	<u>\$2,599,082</u>	<u>\$ 102,701</u>

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

**Modified accrual basis of accounting.

**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, 1998, and have issued our report thereon dated September 3, 1999. 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 September 3, 1999, on pages 2-57 - 2-58.

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 September 3, 1999, on pages 2-57 - 2-58.

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
September 3, 1999

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON 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 Board of County Commissioners of Columbia County, Florida 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, 1998. The Board of County Commissioners of Columbia County, Florida's 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 Board of County Commissioners of Columbia County, Florida's management. Our responsibility is to express an opinion on the Board of County Commissioners of Columbia County, Florida's 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 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 non-compliance 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 Board of County Commissioners of Columbia County, Florida's 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 Board of County Commissioners of Columbia County, Florida's compliance with those requirements.

In our opinion, the Board of County Commissioners of Columbia County, Florida 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, 1998.

Internal Control Over Compliance

The management of the Board of County Commissioners of Columbia County, Florida 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 Board of County Commissioners of Columbia County, Florida's 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.

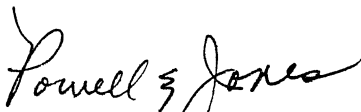
**INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF MANAGEMENT'S
ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS**

To the Board of County Commissioners
Columbia County, Florida

We have examined management's assertion about the Columbia County Board of County Commissioners' compliance with the allowable cost requirements established in the grant agreements applicable to the State grants and aids appropriations identified on the schedule of expenditures of federal and state awards for the fiscal year ended September 30, 1998, on pages 2 - 48 and 2 - 49. Management is responsible for the Columbia County Board of County Commissioners' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Columbia County Board of County Commissioners' compliance with specified requirements.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Columbia County Board of County Commissioners' compliance with specified requirements.

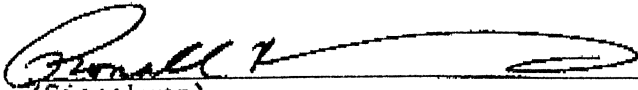
In our opinion, management's assertion that the Columbia County Board of County Commissioners complied with allowable cost requirements of the grants and aids appropriations identified on the schedule of expenditures of federal and state awards is fairly stated, in all material respects



POWELL & JONES
September 3, 1999

MANAGEMENT ASSERTION REPORT

I, Ronald Williams, hereby assert that the Columbia County Board of County Commissioners complied with allowable cost requirements of the state grants and aids appropriations identified on the attached schedule of expenditures of federal and state awards, during the fiscal year ended September 30, 1998.



(Signature)

Chairman of Board of County Commissioners

(Title)

September 23, 1999

(Date)

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

PRIOR AUDIT 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.

CURRENT YEAR STATUS

As indicated, this finding was cleared during the current year.

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

For the Fiscal year Ended September 30, 1998

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:

CFDA Number

Name of Federal Program

83.544

Federal Emergency Management Agency
Disaster Relief Funding

Dollar threshold used to distinguish
between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Section II. Financial Statement Findings

There were no financial statement findings.

Section III. Federal Award Findings and Questioned Costs

None

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, 1998, 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

Mobile Telephone Bills - From our review of selected mobile telephone billings in the prior year and current year, 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.

Road Department Supplies Inventory - In the prior years we found that no year end physical inventory was taken of the parts, fuel, and supplies inventories maintained at the Road Department. Such inventories should be taken at least annually in order to maintain the integrity and accuracy of the inventory system.

In the prior and current year, we found that a computer program was implemented to correct this finding, and a physical inventory was taken and entered into the inventory system. However, the program does not have the capability to extend and total the inventory amounts. We recommend that this deficiency be corrected for proper maintenance of the inventory system.

Fuel Accountability System - From our review of the computerized fuel accountability system in the prior and current year, we found that many monthly fuel usage reports were incorrect due to employees entering invalid odometer readings. This practice undermines the control feature of the fuel accountability system. We recommend that all employees be required to properly enter odometer or other fuel usage readings when fuel is dispensed, and that monthly fuel usage reports be reviewed and investigated for "out of range" readings.

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



Florida Department of Banking Regulation
Certified Public Accountants

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

2105 S. First Street
Tallahassee, Florida 32310
904 / 755-4210
Fax: 904 / 755-4490

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, 1998, 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.

As discussed in Note 1 to the financial statements, the accompanying financial statements present only the Columbia County Clerk of the Circuit Court which is an integral part of Columbia County, the primary government for financial reporting purposes.

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, 1998, 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 and the schedule of expenditures of state financial assistance 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 September 10, 1999, 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.

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, 1998

	General Fund	Special Revenue Funds	Totals (Memorandum Only)
REVENUES			
Intergovernmental revenue	\$ -	\$ 6,590	\$ 6,590
Charges for services	880,727	28,289	909,016
Miscellaneous	<u>24,280</u>	<u>5,000</u>	<u>29,280</u>
Total revenues	<u>905,007</u>	<u>39,879</u>	<u>944,886</u>
EXPENDITURES			
Current expenditures			
General government	1,237,939	23,402	1,261,341
Capital outlay			
General government	56,153	37,257	93,410
Debt service			
General government	<u>4,281</u>	<u>-</u>	<u>4,281</u>
Total expenditures	<u>1,298,373</u>	<u>60,659</u>	<u>1,359,032</u>
Excess (deficiency) of revenues over expenditures	<u>(393,366)</u>	<u>(20,780)</u>	<u>(414,146)</u>
OTHER FINANCING SOURCES			
Transfers from other governmental units	<u>393,366</u>	<u>-</u>	<u>393,366</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	(20,780)	(20,780)
Fund balances at beginning of year	-	42,910	42,910
Fund balances at end of year	<u>\$ -</u>	<u>\$ 22,130</u>	<u>\$ 22,130</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 AND ACTUAL ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended September 30, 1998

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES						
Transfers from other governmental units	\$ 460,396	\$ 393,363	\$ (67,030)	\$ -	\$ -	\$ -
 Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-	(20,780)	(20,780)	-
 Fund balances at beginning of year	-	-	-	42,910	42,910	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 22,130	\$ 22,130	\$ -

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

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 Clerk of the Circuit Court is an elected Constitutional Officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Columbia County, the primary government for financial reporting purposes.

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 Funds - 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, 1998, the Clerk of the Circuit Court maintained the Public Records Modernization Trust Fund and Teen Court Trust Fund, as a special revenue funds.

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, 1998, was \$932,906; this figure also represents the total payroll.

	Interfund Receivables	Interfund Payables
General Fund	\$ 33,902	\$ 9,532
Domestic Relations	13,600	6,374
Public Defender Occupancy Trust	-	146
Public Records Modernization Trust	5,240	-
Registry of Court	-	180
Trust	-	36,510
	<u>\$ 52,742</u>	<u>\$52,742</u>

NOTE 5. LONG-TERM DEBT

Capital Lease

The Clerk of the Circuit Court had an installment payment agreement with Lanier Worldwide, Inc. for the purchase of a copier costing \$17,142. The agreement was paid in thirty-six monthly payments of \$535, which included interest at 7.73%; and was fully paid during the current year.

Changes in Long-Term Debt

During the year ended September 30, 1998, the following occurred in liabilities reported in the general long-term debt account group:

	Balance October 1, 1997	Additions	Retirements	Balance September 30, 1998
Capital lease	<u>\$ 4,664</u>	<u>\$ -</u>	<u>\$ 4,664</u>	<u>\$ -</u>

NOTE 6. YEAR 2000 ISSUE (UNAUDITED)

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Clerk of Circuit Court's operations as early as fiscal year 1999.

The Clerk of Circuit Court has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting its operations. Based on this inventory and related improvements already completed or in progress and documentation furnished by hardware and software providers, the Clerk of Circuit Court believes that the Year 2000 Issue will not pose significant operational problems for its computer systems.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Clerk of Circuit Court is or will be Year 2000 ready, that the Clerk of Circuit Court's remediation efforts will be successful in whole or in part, or that parties with whom the Clerk of Circuit Court does business will be Year 2000 ready.

COMBINING STATEMENTS

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

SPECIAL REVENUE FUNDS

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

For the Fiscal Year Ended September 30, 1998

	<u>Teen Court</u>	<u>PRMTF</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
State Grant			
Teen Court	\$ 6,590	\$ -	\$ 6,590
Charges for services	-	28,289	28,289
Miscellaneous	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total revenues	<u>11,590</u>	<u>28,289</u>	<u>39,879</u>
EXPENDITURES			
Current expenditures			
General government	11,590	11,812	23,402
Capital outlay			
General government	<u>-</u>	<u>37,257</u>	<u>37,257</u>
Total expenditures	<u>11,590</u>	<u>49,069</u>	<u>60,659</u>
Excess (deficiency) of revenues over expenditures	-	(20,780)	(20,780)
Fund balances at beginning of year	<u>-</u>	<u>42,910</u>	<u>42,910</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 22,130</u>	<u>\$ 22,130</u>

See notes to financial 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, 1998

	<u>Balance</u> <u>Oct. 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Sept. 30, 1998</u>
DOMESTIC RELATIONS FUND				
Assets				
Cash	\$ 13,704	\$4,957,923	\$4,968,562	\$ 3,065
Dishonored checks receivable	1,538	3,816	1,538	3,816
Due from other funds	-	13,600	-	13,600
Total assets	<u>\$ 15,242</u>	<u>\$4,975,339</u>	<u>\$4,970,100</u>	<u>\$ 20,481</u>
Liabilities				
Due to other governmental units	\$ 5,056	\$ 506	\$ 5,056	\$ 506
Due to other funds	10,186	6,375	10,186	6,375
Other current liabilities	-	13,600	-	13,600
Total liabilities	<u>\$ 15,242</u>	<u>\$ 20,481</u>	<u>\$ 15,242</u>	<u>\$ 20,481</u>
JURY AND WITNESS FUND				
Assets				
Cash	\$ 741	\$ 20,572	\$ 20,889	\$ 424
Liabilities				
Due to other governmental units	\$ 741	\$ 20,572	\$ 20,889	\$ 424
PUBLIC DEFENDER OCCUPANCY TRUST FUND				
Assets				
Cash	\$ 8,427	\$ 90,911	\$ 97,630	\$ 1,708
Liabilities				
Due to other funds	\$ 100	\$ 146	\$ 100	\$ 146
Due to Public Defender	8,327	90,765	97,530	1,562
Total liabilities	<u>\$ 8,427</u>	<u>\$ 90,911</u>	<u>\$ 97,630</u>	<u>\$ 1,708</u>
REGISTRY OF COURT FUND				
Assets				
Cash	\$ 126,387	\$ 602,011	\$ 593,003	\$ 135,395
Liabilities				
Due to other funds	\$ 671	\$ 180	\$ 671	\$ 180
Deposits held in escrow	114,246	600,214	592,242	122,218
Interest payable	11,470	1,618	91	12,997
Total liabilities	<u>\$ 126,387</u>	<u>\$ 602,012</u>	<u>\$ 593,004</u>	<u>\$ 135,395</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, 1998

	<u>Balance</u> <u>Oct. 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Sept. 30, 1998</u>
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 536,074	\$10,452,450	\$10,421,557	\$ 566,967
Dishonored checks receivable	5,526	4,783	4,748	5,561
Due from other funds	-	13,600	-	13,600
Due from individuals	565	-	-	565
Total assets	<u>\$ 542,165</u>	<u>\$10,470,833</u>	<u>\$10,426,305</u>	<u>\$ 586,693</u>
Liabilities				
Accounts payable	\$ 1,156	\$ 599	\$ 1,156	\$ 599
Court fees payable	54,923	538,647	519,002	74,568
Deposits held in escrow	114,246	600,214	592,242	122,218
Due to other funds	45,870	467,806	470,466	43,210
Due to other governmental units	263,556	3,399,317	3,384,674	278,199
Due to Public Defender	8,327	90,765	97,530	1,562
Interest payable	11,470	1,618	91	12,997
Juvenile installments	1,151	12,778	13,336	593
Suspense liability	15,236	158,505	158,544	15,197
Tax deeds sales	10,998	24,541	27,192	8,347
Retirement funds payable	8,137	371	-	8,508
Installments payable	7,095	-	-	7,095
Other current liabilities	-	13,600	-	13,600
Total liabilities	<u>\$ 542,165</u>	<u>\$ 5,308,761</u>	<u>\$ 5,264,233</u>	<u>\$ 586,693</u>

See notes to financial statements.

COMPLIANCE SECTION

COLUMBIA COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
 For the Fiscal Year Ended September 30, 1998

<u>Grantor/Program Title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Reported in Prior Years</u>	<u>Fund Balance October 1, 1997</u>	<u>1998</u>		<u>Fund Balance September 30, 1998</u>
					<u>Revenue Recognized</u>	<u>Expenditures</u>	
STATE FINANCIAL AWARDS							
Department of Juvenile Justice	80-03-07-780- 790-011	<u>\$ 24,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,590</u>	<u>\$ 6,590</u>	<u>\$ -</u>

**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, 1998, and have issued our report thereon dated September 10, 1999. 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. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Columbia County Clerk of the Circuit Court in a separate letter dated September 10, 1999, on pages 3-18 - 3-19.

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
September 10, 1999

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, 1998, 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

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

CURRENT YEAR FINDINGS

There were no additional reportable findings in the current year.

ANNUAL REPORT OF UNITS OF LOCAL GOVERNMENT - The financial report for the year ended September 30, 1998, 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.



STATE AUDITOR
DEPARTMENT OF REVENUE

Michael G. Powell, Jr., CPA
Markus Jones Powell, CPA

INDEPENDENT AUDITOR'S REPORT

9500 E. Flamingo Ave.
Lake City, Florida 32811
352/7130-4200
FAX 352/7130-4201

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, 1998, 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.

As discussed in Note 1 to the financial statements, the accompanying financial statements present only the Columbia County Property Appraiser which is an integral part of Columbia County, the primary government for financial reporting purposes.

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, 1998, 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 February 19, 1999, 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.

The year 2000 supplementary information on 4 - 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of lack of sufficient written documentation. In addition, we do not provide assurance that the Columbia County Property Appraiser is or will become year 2000 compliant, that the Columbia County Property Appraiser's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Columbia County Property Appraiser does business are or will become year 2000 compliant.

POWELL & JONES
February 19, 1999

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

**COMBINED BALANCE SHEET -
ALL FUND TYPES**

September 30, 1998

	<u>Governmental Fund Type</u>
	<u>General Fund</u>
ASSETS	
Current Assets	
Cash	<u>\$ 20,415</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Due to other governmental units	<u>\$ 20,415</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<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, 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 Property Appraiser is an elected Constitutional Officer, whose Office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Columbia County, the primary government for financial reporting purposes.

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 was 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 device 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, 1998, was \$406,508; 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, 1998, was \$79,971, which represents 19.67% of covered payroll.

The "actuarial accrued liability" 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, 1998, the unfunded actuarial accrued liability for the State of Florida Retirement System, determined through an actuarial valuation performed as of that date was \$(3.791) billion, as follows:

	<u>Billions</u>
Actuarial Accrued Liability	\$ 63.206
Actuarial Value of Assets	<u>66.997</u>
Unfunded Actuarial Accrued Liability	<u>\$ (3.791)</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, 1998, and have issued our report thereon dated February 19, 1999. 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
February 19, 1999

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, 1998, 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, 1998, 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
February 19, 1999



Florida Institute of Certified Public Accountants

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

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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, 1998, 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.

As discussed in Note 1 to the financial statements, the accompanying financial statements present only the Columbia County Sheriff which is an integral part of Columbia County, the primary government for financial reporting purposes.

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, 1998, 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 23, 1999, 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.

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SHERIFF

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

For the Fiscal Year Ended September 30, 1998

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Charges for services	\$ -	\$ 112,709	\$ 112,709
Fines and forfeitures	-	3,472	3,472
Miscellaneous	-	90,869	90,869
Total revenues	<u>-</u>	<u>207,050</u>	<u>207,050</u>
 EXPENDITURES			
Current Expenditures			
Public safety	6,562,491	169,170	6,731,661
Capital Outlay			
Public safety	362,694	13,969	376,663
Debt Service			
Public safety	3,638	1,190	4,828
Total expenditures	<u>6,928,823</u>	<u>184,329</u>	<u>7,113,152</u>
 Excess (deficiency) of revenues over expenditures	 <u>(6,928,823)</u>	 <u>22,721</u>	 <u>(6,906,102)</u>
 OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	28,197	28,197
Transfers from other governmental units	6,902,364	-	6,902,364
Debt proceeds	26,459	-	26,459
Transfers to other funds	-	(28,197)	(28,197)
Total other financing sources (uses)	<u>6,928,823</u>	<u>-</u>	<u>6,928,823</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 -	 22,721	 22,721
 Fund balances at beginning of year	 <u>-</u>	 <u>48,018</u>	 <u>48,018</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 70,739</u>	<u>\$ 70,739</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SHERIFF

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

GENERAL AND SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1998

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ 22,721	\$ 22,721	\$ -
Fund balances at beginning of year	-	-	-	48,018	48,018	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,739</u>	<u>\$ 70,739</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SHERIFF

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 Sheriff is an elected Constitutional Officer, whose Office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Columbia County, the primary government for financial reporting purposes.

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	\$ 213,478	\$ -	\$ -	\$ 213,478
FDIC Insurance	302,623	-	-	302,623
Total Deposits	<u>\$ 516,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,101</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. 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 10/01/97	Additions	Deletions	Balance 09/30/98
Equipment	<u>\$ 2,216,146</u>	<u>\$ 365,223</u>	<u>\$ 259,909</u>	<u>\$ 2,321,460</u>

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. LONG-TERM DEBT

The Sheriff has an installment payment agreement with Xerox Corporation for a copy machine costing \$26,459. The agreement calls for sixty monthly payments of \$536, including interest at 8%.

Annual debt service requirements to maturity for this note, including interest of \$3,159 is as follows:

<u>Year End</u> <u>September 30</u>	<u>Amount</u>
1999	\$ 6,438
2000	6,438
2001	6,438
2002	6,438
2003	537
	<u>\$ 26,289</u>

Changes in Long-Term Liabilities - During the year ended September 30, 1998, the following occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>10/01/97</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>09/30/98</u>
Note payable	<u>\$ -</u>	<u>\$ 26,459</u>	<u>\$ 3,329</u>	<u>\$ 23,130</u>

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

SHERIFF

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
Public safety			
Property and evidence			
Personal services	\$ 101,214	\$ 101,214	\$ -
Operating expenses	16,004	16,004	-
Capital outlay	800	800	-
Total property and evidence	<u>118,018</u>	<u>118,018</u>	<u>-</u>
Juvenile Justice Contract			
Personal services	19,784	19,784	-
Operating expenses	3,276	3,276	-
Capital outlay	805	805	-
Total Juvenile Justice contract	<u>23,865</u>	<u>23,865</u>	<u>-</u>
Operation Ft. White			
Personal services	165,754	165,754	-
Operating expenses	23,320	23,320	-
Total operation Ft. White	<u>189,074</u>	<u>189,074</u>	<u>-</u>
Public Safety			
Personal services	336,215	336,215	-
Operating expenses	46,743	46,743	-
Capital outlay	93,855	93,855	-
Total public safety	<u>476,813</u>	<u>476,813</u>	<u>-</u>
COPS Grant			
Personal services	<u>184,554</u>	<u>184,554</u>	<u>-</u>
STOP Grant			
Personal services	55,713	55,713	-
Operating expenses	8,647	8,647	-
Capital outlay	16,804	16,804	-
Total STOP grant	<u>81,164</u>	<u>81,164</u>	<u>-</u>
BLOCK Grant			
Operating expenses	<u>1,365</u>	<u>1,365</u>	<u>-</u>
Multi-Jurisdictional Task Force Grant			
Personal services	111,516	111,516	-
Operating expenses	11,525	11,525	-
Capital outlay	29,800	29,800	-
Total Multi-Jurisdictional Task	<u>152,841</u>	<u>152,841</u>	<u>-</u>

(continued)

COLUMBIA COUNTY, FLORIDA

SHERIFF

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES			
Interfund transfer	\$ 6,902,364	\$ 6,902,364	\$ -
Debt proceeds	-	26,459	26,459
Total other financing sources	<u>6,902,364</u>	<u>6,928,823</u>	<u>26,459</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, 1998

	Minimum Standards School	Sheriff Inmate Welfare	Sheriff Work Program	Totals
REVENUES				
Charges for services	\$ -	\$ 112,709	\$ -	\$ 112,709
Fines and forfeitures	3,408	64	-	3,472
Miscellaneous	40	66,423	24,406	90,869
Total revenues	3,448	179,196	24,406	207,050
EXPENDITURES				
Current Expenditures				
Public safety	3,862	141,106	24,202	169,170
Capital Outlay				
Public safety	-	-	13,969	13,969
Debt Service				
Public safety	-	1,190	-	1,190
Total expenditures	3,862	142,296	38,171	184,329
Excess (deficiency) of revenues over expenditures	(414)	36,900	(13,765)	22,721
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	-	28,197	28,197
Interfund transfers out	-	(28,197)	-	(28,197)
Total other financing sources (uses)	-	(28,197)	29,197	-
Excess (deficiency) of revenues and financing sources over expenditures and financing uses	(414)	8,703	14,432	22,721
Fund balances at beginning of year	2,792	45,226	-	48,018
Fund balances at end of year	\$ 2,378	\$ 53,929	\$ 14,432	\$ 70,739

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, 1998

	<u>Balance</u> Oct. 1, 1997	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> Sept. 30, 1998
INMATE TRUST FUND				
Assets				
Cash	\$ 46,530	\$ 222,510	\$ 248,163	\$ 20,877
Liabilities				
Due to individuals	\$ 46,530	\$ 222,510	\$ 248,163	\$ 20,877
 TRUST FUND				
Assets				
Cash	\$ 78,590	\$3,344,121	\$3,300,287	\$ 122,424
Liabilities				
Cash bonds liability	\$ 64,864	\$ 318,605	\$ 273,624	\$ 109,845
Individual depositors liability	13,632	115,267	116,480	12,419
Due to other governments	94	-	94	-
Other current liabilities	-	1,869	1,709	160
Total liabilities	<u>\$ 78,590</u>	<u>\$ 435,741</u>	<u>\$ 391,907</u>	<u>\$ 122,424</u>
 TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 125,120	\$3,566,631	\$3,548,450	\$ 143,301
Liabilities				
Cash bonds liability	\$ 64,864	\$ 318,605	\$ 273,624	\$ 109,845
Individual depositors liability	13,632	115,267	116,480	12,419
Due to other governmental	94	-	94	-
Due to individuals	46,530	222,510	248,163	20,877
Other current liabilities	-	1,869	1,709	160
Total liabilities	<u>\$ 125,120</u>	<u>\$ 658,251</u>	<u>\$ 640,070</u>	<u>\$ 143,301</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, 1998, and have issued our report thereon dated July 23, 1999. 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.

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 23, 1999

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, 1998, 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 additional reportable findings in the current year.

ANNUAL REPORT OF UNITS OF LOCAL GOVERNMENT - The financial report for the year ended September 30, 1998, 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.

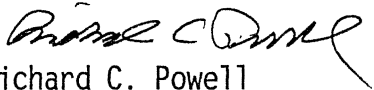
FINANCIAL EMERGENCY STATUS - Nothing came to our attention that caused us to believe that the Sheriff is, or during the fiscal year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

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 Sheriff and have provided appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this year's examination of the Sheriff's office. We appreciate the helpful assistance of all office employees in completing this year's audit.

Sincerely,

POWELL & JONES


Richard C. Powell
Certified Public Accountant
July 23, 1999



POWELL & JONES
Certified Public Accountants

Richard O. Powell, Jr., CPA
Marlan Jones, CPA

2531 W. First Street
Columbia, Florida 32212
(904) 775-1200
Fax: (904) 775-4490

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, 1998, 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.

As discussed in Note 1 to the financial statements, the accompanying financial statements present only the Columbia County Supervisor of Elections which is an integral part of Columbia County, the primary government for financial reporting purposes.

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, 1998, 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 30, 1999, 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.

The year 2000 supplementary information on page 6 - 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of lack of sufficient written documentation. In addition, we do not provide assurance that the Columbia County Supervisor of Elections is or will become year 2000 compliant, that the Columbia County Supervisor of Elections' year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Columbia County Supervisor of Elections does business are or will become year 2000 compliant.

Powell & Jones
POWELL & JONES
July 30, 1999

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Miscellaneous			-
Other miscellaneous	\$ 4,284	\$ 4,284	\$ -
EXPENDITURES			
General government			
Other general government			
Personal services Supervisor	206,141	206,141	-
Personal services Elections	24,728	24,728	-
Operating expenses Supervisor	3,164	3,164	-
Operating expenses Elections	59,922	59,922	-
Capital outlay	42,754	42,754	-
Debt service	1,653	1,653	-
Total expenditures	<u>338,362</u>	<u>338,362</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(334,078)</u>	<u>(334,078)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers from Board of County Commissioners	325,383	325,383	-
Debt proceeds	8,695	8,695	-
Total other financing sources	<u>334,078</u>	<u>334,078</u>	<u>-</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

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 Supervisor of Elections is an elected Constitutional Officer, whose Office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Columbia County, the primary government for financial reporting purposes.

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, 1998, was \$145,865; the total payroll was \$170,593.

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, 1998, was \$38,534, which represents 26.4% of covered payroll.

The "actuarial accrued liability" 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, 1998, the unfunded actuarial accrued liability for the State of Florida Retirement System, determined through an actuarial valuation performed as of that date was \$(3.791) 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***

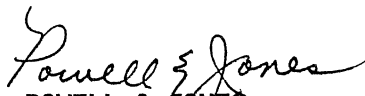
To the Supervisor of Elections
Columbia County, Florida

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, 1998, and have issued our report thereon dated July 30, 1999. 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. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Columbia County Supervisor of Elections in a separate letter dated July 30, 1999, on page 6-9.

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 30, 1999

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, 1998, 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 - There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS - Employee Bonding - From our review of insurance coverages, we could not ascertain that all employees of the Office involved in cash transactions, were covered by honesty bonding insurance. To increase office internal control, we recommend that appropriate bonding insurance be obtained by the Office.

ANNUAL REPORT OF UNITS OF LOCAL GOVERNMENT - The financial report for the year ended September 30, 1998, 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.

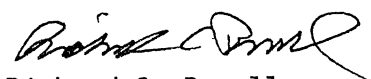
FINANCIAL EMERGENCY STATUS - Nothing came to our attention that caused us to believe that the Supervisor of Elections is, or during the fiscal year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

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 30, 1999



Florida Institute of
Certified Public Accountants

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

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Lake City, Florida 32025
904 / 755 4270
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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, 1998, 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.

As discussed in Note 1 to the financial statements, the accompanying financial statements present only the Columbia County Tax Collector which is an integral part of Columbia County, the primary government for financial reporting purposes.

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, 1998, 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 August 6, 1999, 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

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL FUND

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

For the Fiscal Year Ended September 30, 1998

	<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	\$ 4,048	\$ 4,048	\$ -
Motor vehicle fees	247,059	247,059	-
Boat fees	14,264	14,264	-
Other licenses and permits	12,635	12,635	-
State commissions	360	360	-
Tax commissions			
Columbia County Industrial Development Authority	2,104	2,104	-
Tax commissions			
Suwannee Rive Water Management District	7,497	7,497	-
Tax commissions			
Lake Shore Hospital Authority	22,891	22,891	-
Delinquent tax commissions	82,663	82,663	-
Commissions special assessment	64,433	64,433	-
Special assessment administrative fees	60,050	60,050	-
Total charges for services	<u>518,004</u>	<u>518,004</u>	<u>-</u>
Miscellaneous			
Interest earnings			
Interest county officers Tax Collector	9,818	9,818	-
Other miscellaneous	4,301	4,301	-
Total miscellaneous	<u>14,119</u>	<u>14,119</u>	<u>-</u>
Total revenues	<u>532,123</u>	<u>532,123</u>	<u>-</u>

(continued)

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

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 Tax Collector is an elected Constitutional Officer, whose Office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Columbia County, the primary government for financial reporting purposes. The Office operates from revenues generated by commissions and fees as provided by law.

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, 1998, was \$427,700; this figure also represents the total full-time 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 had an installment payment agreement with Liberty National Leasing Company for the purchase of computer equipment costing \$82,000. The agreement was being paid in four annual payments of \$23,591, including interest of 5.9%, and was fully paid during the year.

During the year ended September 30, 1998, the following changes occurred in long-term debt:

	Balance October 1, 1997	Additions	Deletions	Balance September 30, 1998
Capital leases	<u>\$ 22,284</u>	<u>\$ -</u>	<u>\$ 22,284</u>	<u>\$ -</u>

NOTE 6. YEAR 2000 ISSUE (UNAUDITED)

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Tax Collector's operations as early as fiscal year 1999.

The Tax Collector has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting its operations. Based on this inventory and related improvements already completed or underway and documentation furnished by hardware and software providers, the Tax Collector believes that the Year 2000 Issue will not pose significant operational problems for its computer systems.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Tax Collector is or will be Year 2000 ready, that the Tax Collector's remediation efforts will be successful in whole or in part, or that parties with whom the Tax Collector does business will be Year 2000 ready.

COMBINING STATEMENTS

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 1998

	Balance Oct. 1, 1997	<u>Additions</u>	<u>Deductions</u>	Balance Sept. 30, 1998
TAG AGENCY FUND				
Liabilities				
Due to other funds	\$ 1,260	\$ 13	\$ -	\$ 1,273
Due to other governmental units	97,798	4,033,459	4,026,622	104,635
Other current liabilities	479	6,196	6,511	164
Total liabilities	<u>\$ 99,537</u>	<u>\$4,039,668</u>	<u>\$4,033,133</u>	<u>\$ 106,072</u>
 TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 609,292	\$31,726,324	\$31,677,219	\$ 658,397
Dishonored checks receivable	1,156	1,046	1,163	1,039
Due from other funds	92,066	9,875	72	101,869
Total assets	<u>\$ 702,514</u>	<u>\$31,737,245</u>	<u>\$31,678,454</u>	<u>\$ 761,305</u>
 Liabilities				
Due to other funds	\$ 95,377	\$ 26,640	\$ 17,364	\$ 104,653
Due to other governmental units	101,842	4,603,088	4,204,167	500,763
Escrow funds payable	639	-	174	465
Interest payable	7,098	67,395	74,493	-
Occupational licenses payable	44,066	58,193	55,821	46,438
Taxes payable	365,990	19,587,264	19,953,254	-
Other current liabilities	87,502	1,512,302	1,490,818	108,986
Total liabilities	<u>\$ 702,514</u>	<u>\$25,854,882</u>	<u>\$25,796,091</u>	<u>\$ 761,305</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 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, 1998, and have issued our report thereon dated August 6, 1999. 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
August 6, 1999

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, 1998, 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, 1998, 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.

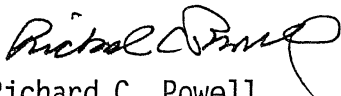
FINANCIAL EMERGENCY STATUS - Nothing came to our attention that caused us to believe that the Tax Collector is, or during the fiscal year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

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
August 6, 1999