

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2002



Powell & Jones
Certified Public Accountants.

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2002

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INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2002

<u>Title</u>	<u>Name</u>
Board of County Commissioners	
District I	Ronald Williams
District II	Dewey Weaver
District III	George Skinner
District IV	Kenneth Witt
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



Powell & Jones
Certified Public Accountants

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

1359 S.W. Main Blvd
Lake City, Florida 32025
386 / 755-4200
Fax: 386 / 755-4490

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, 2002, 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.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A detail report of general fixed asset deletions could not be produced for the year ended September 30, 2002. In the absence of such records, it was not practicable to determine the fairness of amounts reported for general fixed assets. Accordingly, we do not express an opinion on the General Fixed Assets Account Group as of September 30, 2002.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had detail general fixed asset deletion records been available, 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, 2002, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 11, 2003, on our consideration of Columbia County, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

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

September 30, 2002

<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>	
Enterprise Fund	Trust and Agency Funds			
\$10,199,477	\$2,026,324	\$ -	\$ -	\$ 30,158,286
472,066	3,975	-	-	702,640
162,046	238,738	-	-	2,774,367
56,775	12,142	-	-	2,774,394
-	-	-	-	33,573
497,263	-	-	-	12,919,628
-	-	-	-	52,183
2,084,177	-	-	-	2,084,177
887,973	-	-	-	887,973
7,079,071	-	-	-	7,079,071
3,031,283	-	-	-	3,031,283
(7,393,301)	-	-	-	(7,393,301)
-	-	2,732,822	-	2,732,822
-	-	12,766,525	-	12,766,525
-	-	42,362,233	-	42,362,233
-	-	19,167,972	-	19,167,972
-	-	18,659,744	-	18,659,744
-	-	-	-	33,695
234,977	-	-	-	355,515
-	-	-	1,563,434	1,563,434
-	-	-	17,347,504	17,347,504
<u>\$17,311,807</u>	<u>\$2,281,179</u>	<u>\$ 95,689,296</u>	<u>\$ 18,910,938</u>	<u>\$170,093,718</u>

\$ 13,210	\$ -	\$ -	\$ -	\$ 634,285
-	109,450	-	-	109,450
-	124,297	-	-	124,297
136,424	855,548	-	-	2,774,367
-	629,063	-	-	643,077
-	7,318	-	-	7,318
-	251,231	-	-	251,231
70,477	17,897	-	-	88,374
-	-	-	-	72
-	-	-	-	9,032
47,237	-	-	-	47,237
-	192,440	-	-	202,440
-	-	-	-	171,910
-	93,935	-	-	100,237
360,000	-	-	-	360,000

(continued)

COLUMBIA COUNTY, FLORIDA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2002

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets Group	General Long-term Debt Group	
Enterprise Fund	Trust and Agency Funds			
\$ -	\$ -	\$ -	\$ 1,085,138	\$ 1,085,138
-	-	-	1,302,493	1,302,493
-	-	-	15,490,000	15,490,000
3,970,000	-	-	1,033,307	5,003,307
3,095,691	-	-	-	3,095,691
<u>7,693,039</u>	<u>2,281,179</u>	<u>-</u>	<u>18,910,938</u>	<u>31,499,956</u>
506,174	-	-	-	506,174
-	-	-	-	33,284,698
9,112,594	-	-	-	9,112,594
-	-	95,689,296	-	95,689,296
<u>9,618,768</u>	<u>-</u>	<u>95,689,296</u>	<u>-</u>	<u>138,592,762</u>
<u>\$17,311,807</u>	<u>\$2,281,179</u>	<u>\$ 95,689,296</u>	<u>\$ 18,910,938</u>	<u>\$170,092,718</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2002

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals (Memorandum Only)
EXPENDITURES (continued)					
Debt Service					
General government	\$ 7,912	\$ -	\$ -	\$ 1,429,568	\$ 1,437,480
Public safety	1,876	1,876	-	-	3,752
Transportation	-	271,646	334,327	1,249,034	1,855,007
Economic environment	-	-	90,730	1,111,046	1,201,776
Total expenditures	<u>21,169,968</u>	<u>12,497,800</u>	<u>425,057</u>	<u>13,422,626</u>	<u>47,515,451</u>
Excess (deficiency) of revenues over expenditures	<u>(101,431)</u>	<u>2,899,412</u>	<u>74,265</u>	<u>(4,820,165)</u>	<u>(1,947,919)</u>
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	10,878,207	14,475	-	1,140,990	12,033,672
Interfund transfers out	<u>(9,954,967)</u>	<u>(1,078,705)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(12,033,672)</u>
Total other financing sources (uses)	<u>923,240</u>	<u>(1,064,230)</u>	<u>(1,000,000)</u>	<u>1,140,990</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	821,809	1,835,182	(925,735)	(3,679,175)	(1,947,919)
Fund balances at beginning of year	<u>9,296,972</u>	<u>10,857,113</u>	<u>2,489,189</u>	<u>12,589,343</u>	<u>35,232,617</u>
Fund balances at end of year	<u>\$10,118,781</u>	<u>\$12,692,295</u>	<u>\$ 1,563,454</u>	<u>\$ 8,910,168</u>	<u>\$33,284,698</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

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

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

For the Fiscal Year Ended September 30, 2002

Funds Variance Favorable (Unfavorable)	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ (88,671)	\$ 499,154	\$ 470,777	\$ (28,377)	\$ 2,534,525	\$ 2,510,799	\$ (23,726)
(22,411)	-	-	-	-	-	-
270,570	-	-	-	6,319,733	5,678,022	(641,711)
379,604	-	-	-	50,000	37,752	(12,248)
489,121	-	-	-	-	-	-
116,441	62,000	28,545	(33,455)	639,918	375,888	(264,030)
<u>1,144,654</u>	<u>561,154</u>	<u>499,322</u>	<u>(61,832)</u>	<u>9,544,176</u>	<u>8,602,461</u>	<u>(941,715)</u>
48,421	-	-	-	926,163	1,021,007	(94,844)
144,746	-	-	-	-	-	-
701	-	-	-	-	-	-
401,141	-	-	-	1,492,035	1,102,602	389,433
(5,180)	-	-	-	40,000	126,196	(86,196)
-	-	-	-	-	-	-
225,595	-	-	-	-	-	-
2,545	-	-	-	6,906,958	3,243,795	3,663,163
37,886	-	-	-	2,400	2,308	92
-	-	-	-	-	-	-
(7,122)	-	-	-	6,272,900	4,048,434	2,224,466
(1,780)	-	-	-	-	88,636	(88,636)
-	-	-	-	-	-	-
49,018	-	-	-	-	-	-
-	-	-	-	1,429,612	1,429,568	44
(1,876)	-	-	-	-	-	-
(5,160)	320,307	334,327	(14,020)	1,633,571	1,249,034	384,537
-	90,730	90,730	-	1,126,518	1,111,046	15,472
<u>888,935</u>	<u>411,037</u>	<u>425,057</u>	<u>(14,020)</u>	<u>19,830,157</u>	<u>13,422,626</u>	<u>6,407,531</u>
2,033,589	150,117	74,265	(75,852)	(10,285,981)	(4,820,165)	5,465,816
-	-	-	-	3,880,507	-	(3,880,507)
-	-	-	-	1,140,990	1,140,990	-
(117,104)	(1,000,000)	(1,000,000)	-	-	-	-
<u>(117,104)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>5,021,497</u>	<u>1,140,990</u>	<u>(3,880,507)</u>
1,916,485	(849,883)	(925,735)	(75,852)	(5,264,484)	(3,679,175)	1,585,309
-	2,489,189	2,489,189	-	12,589,343	12,589,343	-
<u>\$ 1,916,485</u>	<u>\$ 1,639,306</u>	<u>\$ 1,563,454</u>	<u>\$ (75,852)</u>	<u>\$ 7,324,859</u>	<u>\$ 8,910,168</u>	<u>\$ 1,585,309</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, 2002

OPERATING EXPENSES (continued)

Recycling	
Personal services	
Regular salaries	\$ 35,113
FICA	3,192
Retirement	2,452
Life and health insurance	4,367
Worker's compensation	5,361
Total personal services	<u>50,485</u>
Operating expenses	
Insurance	8,400
Repair and maintenance	4,824
Operating supplies	461
Gas and oil	3,534
Total operating expenses	<u>17,219</u>
Total landfill recycling	<u>67,704</u>
Solid Waste Grants	
Operating expenses	
Other contractual services	<u>5,528</u>
Grants and aids	
City of Lake City	40,215
Waste tire recycling	32,046
Total grants and aids	<u>72,261</u>
Total solid waste grant	<u>77,789</u>
Cell II	
Operating expenses	
Repair and maintenance	4,550
Total operating expenses	<u>2,434,205</u>
Operating income	<u>852,678</u>

NONOPERATING REVENUES (EXPENSES)

State grants	
Physical environment	
Small County grant	50,000
Recycling and education	95,143
Waste tire grant	30,888
Interest earnings	
Interest on investments	277,616
Interest SBA	7,076
Sale of fixed assets	
Equipment	70,000
Landfill	
Debt service	
Interest	(238,025)
Other debt service costs	(16,657)
Bond issuance costs	(26,353)
Total nonoperating revenues (expenses)	<u>249,688</u>

(continued)

COLUMBIA COUNTY, FLORIDA

LANDFILL ENTERPRISE FUND

COMBINED STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2002

Cash Flows From Operating Activities	
Cash flows from customers	\$3,093,564
Cash paid to employees	(421,431)
Cash paid for employee benefits	(156,504)
Cash paid to vendors	<u>(819,877)</u>
Net cash provided by operating activities	<u>1,695,752</u>
Cash Flows From Non-Capital Financing Activities	
State grants	<u>176,031</u>
Net cash provided by non-capital financing activities	<u>176,031</u>
Cash Flows From Capital and Related Financing Activities	
Sale of fixed assets	70,000
Payments to acquire or construct capital assets	(295,147)
Principal paid on bonds	(330,000)
Interest paid on capital debt	(242,678)
Other debt service costs	<u>(16,657)</u>
Net cash used for capital and related financing activities	<u>(814,482)</u>
Cash Flows From Investing Activities	
Interest received	284,692
Increase in investments	<u>(130,375)</u>
Net cash provided by investing activities	<u>154,317</u>
Net increase in cash	1,211,618
Cash at beginning of year	<u>8,987,859</u>
Cash at end of year	<u>\$10,199,477</u>

(continued)

COLUMBIA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2002

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 varying 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.

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Board is the legislative and governing body of Columbia County, Florida, established under the legal authority of the Constitution of the State of Florida, and consists of five elected officials. The Clerk of the Circuit Court serves as Clerk of the Board pursuant to Florida law.

The Board uses the criteria established in GASB No. 14 to define the reporting entity and identify component units. Component units are entities for which the Board is considered to be financially accountable.

As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the Board), (2) organizations for which the Board is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Board is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens

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

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. In these financial statements, the Board's general fund is combined with those of the Constitutional Officers.

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.

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 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 over the following estimates useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	30
Building improvements	30
System infrastructure	20
Vehicles	5
Equipment	7

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.

L. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

T. Impending Change in Accounting Principle

Statement No. 34 of the Government Accounting Standards Board is not yet required to be implemented and the County has not elected to adopt the standard early. The future implementation of this standard will require the restatement of the financial statements because of the retroactive application of the new standard.

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, 2001, 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 as provided in *Florida Statutes*, as follows: The County's annual budget is monitored at varying levels of classification detail. However, for the purpose of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level, as specified in Chapter 129, *Florida Statutes*.

The County has not adopted any ordinance or resolution that extends budgetary control beyond the total annual budget appropriation at the individual fund level.

Monitoring of budget classification below the total annual budget appropriation at the individual fund level is performed by various parties. Generally, department managers may initiate line item budget transfers within their department.

Management authorizations for transfers between departments within a fund may be approved by the Board. Only the Board can authorize transfers between funds or approve budget amendments that change the total annual budget appropriation of an individual fund.

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

At September 30, 2002, the County's investments consisted of the following:

	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Category</u>
*Local Government Surplus Funds Trust Fund	\$ 6,324,545	\$ 6,324,545	-
*Florida Local Government Investment	2,084,177	2,084,177	-
Nations Fund Government Money Market	6,595,083	6,598,083	1
	<u>\$15,003,805</u>	<u>\$15,003,805</u>	

The County's investments are categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County'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 County's name.

*Investments in the investment pools 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, 2002, consist of the following:

<u>Fund Type</u>	<u>Accounts and Notes Due From Individuals</u>	<u>Due from other Govern- mental Units</u>	<u>Total</u>
General	\$ 70,381	\$ 624,134	\$ 694,515
Special Revenue	156,218	431,648	587,866
Debt Service	-	27,897	27,897
Capital Projects	-	1,621,798	1,621,798
Enterprise	472,066	56,775	528,841
Agency	3,975	12,142	16,117
	<u>\$ 702,640</u>	<u>\$2,774,394</u>	<u>\$ 3,477,034</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, 2002:

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, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2002</u>
Land	\$ 2,225,857	\$ 506,965	\$ -	\$ 2,732,822
Buildings	12,710,554	55,971	-	12,766,525
Improvements other than buildings	38,199,384	4,162,849	-	42,362,233
Construction in progress	16,035,253	3,132,719	-	19,167,972
Equipment	20,309,157	1,257,252	2,906,665	18,659,744
Total general fixed assets	<u>\$ 89,480,205</u>	<u>\$ 9,115,756</u>	<u>\$2,906,665</u>	<u>\$ 95,689,296</u>

- B. 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%. This loan was paid off in the current year.
- C. The Supervisor of Elections has an installment payment agreement with Xerox Corporation for the purchase of a copier costing \$8,695. The agreement was being paid in seventy-two monthly installments of \$150, including interest at 7.5%. This copy machine was exchanged for a new copy machine costing \$28,842. The new agreement is being paid in sixty monthly installments of \$634, including interest of 11.5%.

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, 2001:

<u>September 30,</u>	<u>County Commission Governmental</u>	<u>Supervisor of Elections</u>	<u>Total</u>
2003	\$ 769,713	\$ 7,612	\$ 777,325
2004	48,986	7,612	56,598
2005	354,755	7,612	362,367
2006	220,588	-	220,588
Total minimum lease payments	<u>1,394,042</u>	<u>22,836</u>	<u>1,416,878</u>
Less: amount representing interest	<u>110,785</u>	<u>3,600</u>	<u>114,385</u>
Present value of future minimum lease payments	<u>\$1,283,257</u>	<u>\$ 19,236</u>	<u>\$1,302,493</u>

NOTE 8. LONG-TERM DEBT

Notes Payable

- A. The Board has a note with Columbia County Bank, associated with the County owned Florida Sports Hall of Fame and Tourist Information Center Complex. This loan is secured by proceeds of the Three Cent Tourist Development Tax levied by the County, and certain revenues of the complex. Details of this loan follow:

Original amount	\$1,170,000
Current interest rate	4.75%
Payment, monthly	\$ 7,561
Due date	01-21-2019

- B. On September 1, 1995, the County refinanced the Series 1994 Solid Waste Disposal Revenue Bonds with a fixed rate loan from the City of Gulf Breeze, Florida Local Government Loan program. The loan of \$6,090,000 is being repaid over a period of seventeen years with interest rates ranging from 3.70% to 5.90%. The debt is payable from the net revenues of the Solid Waste Disposal facility. Debt service is accounted for in the Landfill Enterprise Fund.

Annual debt service requirements to maturity for notes payable including interest of \$1,767,218, are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Enterprise Fund</u>	<u>Long-Term Debt Account Group</u>	<u>Total</u>
2003	\$ 571,643	\$ 90,730	\$ 662,373
2004	569,543	90,730	660,273
2005	571,223	90,730	661,953
2006	571,523	90,730	662,253
2007	565,429	90,730	656,159
Thereafter	<u>2,799,243</u>	<u>1,028,271</u>	<u>3,827,514</u>
	<u>\$5,648,604</u>	<u>\$1,481,921</u>	<u>\$ 7,130,525</u>

- D. On February 23, 2000, the County also closed on a Revenue Term Bond in the amount of \$3,500,000. The proceeds were used for infrastructure improvements to accommodate Service Zone. The bonds are being repaid over a period of six years with an average interest rate of 5.36%. 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 \$395,300, are as follows:

Fiscal Year Ending September 30,	Amount
2003	\$ 390,700
2004	377,300
2005	1,093,800
2006	1,283,500
	<u>\$ 3,145,300</u>

- E. On December 27, 2000, the County closed on a serial bond issue held by SunTrust Bank in the amount of \$6,001,500. The proceeds are being used for the County connector road project. The bonds are being repaid over five years with a fixed interest rate of 4.5%. The debt is secured by the County Five Cent Local Option Gas Tax.

Debt service requirements to maturity including interest of \$470,250, are as follows:

Fiscal Year Ending September 30,	Amount
2003	\$ 1,300,250
2004	1,348,500
2005	1,441,125
2006	1,380,375
	<u>\$ 5,470,250</u>

Changes in Long-Term Liabilities

During the year ended September 30, 2002, the following occurred in liabilities reported in the general long-term debt account group:

	Balance October 1, 2001	Additions	Retirements	Balance September 30, 2002
Compensated absences	\$ 1,019,168	\$ 65,970	\$ -	\$ 1,085,138
Capital leases	1,483,941	-	181,448	1,302,493
Notes payable	1,073,277	-	39,970	1,033,307
Revenue bonds payable	18,743,500	-	3,253,500	15,490,000
	<u>\$22,319,886</u>	<u>\$ 65,970</u>	<u>\$ 3,474,918</u>	<u>\$ 18,910,938</u>

Proprietary Debt

	Balance October 1, 2000	Additions	Retirements	Balance September 30, 2001
Compensated absences	\$ 51,231	\$ -	\$ 3,994	\$ 47,237
Notes payable	4,660,000	-	330,000	4,330,000
	<u>\$4,711,231</u>	<u>\$ -</u>	<u>\$ 333,994</u>	<u>\$ 4,377,237</u>

NOTE 9. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2002, were:

Fund	Interfund Receivables	Interfund Payables
General Funds:		
Board of County Commissioners	\$ 828,039	\$ 627,003
Clerk of Courts	82,780	106,608

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

Funding Policy - The System is employee noncontributory. The County is required to contribute at an actuarially determined rate. The rates at September 30, 2001 were as follows: Regular Employees 5.76%; Special Risk Employees 16.01%; Senior Management 6.06%; Elected Officials 11.86%. The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County's contributions to the System for the years ending September 30, 2002, 2001 and 2000 were \$1,448,007, \$1,581,203, and \$1,644,974, respectively, equal to the required contributions for each year.

NOTE 12. RENTAL COMMITMENTS

The Board of County Commissioners is committed until April 30, 2003 and November 30, 2003, under leases for office space costing \$50,000 and \$36,000 respectively, per year.

NOTE 13. RISK MANAGEMENT

The County participates in various public entity risk pools for certain of its insurance coverages. Under these insurance risk pools, the County 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 County 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 County.

NOTE 14. LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

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

\$3,095,691 reported as landfill closure and postclosure care liability at September 30, 2002, represents the cumulative amount reported to date based on the use of the estimated capacity of the landfill of approximately 62%. 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 2002. The County expects to close this landfill cell in the year 2007. 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 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 Board of County Commissioners
and Constitutional Officers
Columbia County, Florida

We have audited the general purpose financial statements of Columbia County, Florida, as of and for the year ended September 30, 2002, and have issued our report thereon dated July 11, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 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 instance 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 Columbia County, Florida in a separate management letter dated July 11, 2003, on pages 1-41 - 1-44.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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, Florida in a separate management letter dated July 11, 2003, on pages 1-41 - 1-44.

This report is intended solely for the information and use of management, the Columbia County Board of County Commissioners and Constitutional Officers, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Powell & Jones

POWELL & JONES
Certified Public Accountants
July 11, 2003

COLUMBIA COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2002

Grantor/Program Title	CFDA#	Grant Number	Award Amount	Reported in Prior Years	Fund Balance October 1, 2001	2002		Fund Balance September 30, 2002
						Revenue Recognized	Expenditures	
FEDERAL AWARDS								
MAJOR PROGRAM								
U.S. Department of Justice								
Passed through Florida Department of Law Enforcement - OBTS								
Enhancement Byrne Formula Grant	16.579	*01-CJ-JI-03-22-01-213	\$ 369,485	\$ 343,635	\$ -	\$ 25,850	\$ 25,850	\$ -
		02-CJ-2H-03-22-01-232	365,608	-	-	306,835	306,835	-
			<u>735,093</u>	<u>343,635</u>	<u>-</u>	<u>332,685</u>	<u>332,685</u>	<u>-</u>
NONMAJOR PROGRAMS								
U.S. Department of Health and Human Services								
Passed through Florida Department of Revenue - Title IV-D Funds								
	93.563	CC312	<u>174,172</u>	<u>126,404</u>	<u>-</u>	<u>47,768</u>	<u>47,768</u>	<u>-</u>
U.S. Department of H.U.D. - Passed through the Florida Department of Community Affairs								
Community Development Block Grant								
	14.219	00DB-6M-03-22-01-G05	<u>500,000</u>	<u>50,307</u>	<u>-</u>	<u>365,159</u>	<u>365,159</u>	<u>-</u>
U.S. Department of Justice								
Office of Justice Programs								
Local Law Enforcement Block Grant								
	16.592	01-LB-BX-1476	87,329	-	-	50,000	50,000	-
	16,592	02-LB-BX-0104	80,390	-	-	-	-	-
Passed through State of Florida Office of Attorney General								
VOCA Grant								
	16.575	V1088	31,799	-	-	31,799	31,799	-
Passed through the Department of Community Affairs								
Multi-Jurisdictional Task Force Program								
	16.579	*02-CJ-2H-03-22-01-057	<u>107,187</u>	<u>-</u>	<u>-</u>	<u>107,187</u>	<u>107,187</u>	<u>-</u>
			<u>306,705</u>	<u>-</u>	<u>-</u>	<u>188,986</u>	<u>188,986</u>	<u>-</u>
U.S. Department of Education - Passed Through Department of State Division of Library and Information Services								
Library Services and Technology Act Born to Read								
	45.310	01-LSTA-E-03	<u>36,603</u>	<u>-</u>	<u>-</u>	<u>36,603</u>	<u>36,603</u>	<u>-</u>
Federal Emergency Management Agency								
Passed through the Department of Community Affairs								
State and local assistance								
	83.552	01-CP-04-03-22-01-012	387	-	-	387	387	-
	83.552	02-CP-04-03-22-01-012	14,841	-	-	14,841	14,841	-
State and local assistance								
	83.534	01-CP-04-03-22-01-012	38,647	-	-	38,647	38,647	-
	83.534	02-CP-04-03-22-01-012	<u>103,921</u>	<u>-</u>	<u>-</u>	<u>103,921</u>	<u>103,921</u>	<u>-</u>
			<u>157,796</u>	<u>-</u>	<u>-</u>	<u>157,796</u>	<u>157,796</u>	<u>-</u>
Total federal awards			<u>1,910,369</u>	<u>520,346</u>	<u>-</u>	<u>1,128,997</u>	<u>1,128,997</u>	<u>-</u>

(continued)

COLUMBIA COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2002

Grantor/Program Title	CSFA#	Grant Number	Award Amount	Reported in Prior Years	Fund Balance October 1, 2001	2002		Fund Balance September 30, 2002
						* Revenue **Recognized	* **Expenditures	
STATE FINANCIAL ASSISTANCE								
Department of State								
Division of Library and Information Services								
State aid to Libraries								
Operating	45.018	02-ST-10	\$ 97,042	\$ -	\$ -	\$ 97,042	\$ 97,042	\$ -
Equalization	45.018	*02-ST-10	447,917	-	-	447,917	397,661	50,256
Florida Family Literacy	45.018	01-LSTA-E-03	36,603	-	-	-	-	-
Division of Elections								
Voting Education and Pollworker								
Recruitment Training	N/A	N/A	21,160	-	-	6,306	6,306	-
Voting Systems Assistance	N/A	N/A	232,500	116,250	-	116,250	116,250	-
			<u>835,222</u>	<u>116,250</u>	<u>-</u>	<u>667,515</u>	<u>617,259</u>	<u>50,256</u>
Justice Administrative Commission								
Child Dependency State Appropriation	21.001	N/A	17,708	-	-	17,708	17,708	-
Office of State Courts Administration								
Article V Grants-in-aid	22.004	N/A	100,000	-	-	100,000	100,000	-
Grant-in-aid Family Courts	22.005	N/A	14,246	-	-	14,246	14,246	-
			<u>114,246</u>	<u>-</u>	<u>-</u>	<u>114,246</u>	<u>114,246</u>	<u>-</u>
Department of Environmental Protection								
Recycling and Education Grant	37.011	RE-02-02	95,143	-	-	95,143	95,143	-
Waste Tire Grant	37.015	WT-02-14	63,611	-	-	30,888	30,888	-
Small County Grant	37.012	SC-02-04	50,000	-	-	50,000	50,000	-
Litter and Marine Litter	37.009	LC-01-10	5,030	-	-	5,030	5,030	-
	37.009	LC-02-02	8,675	-	-	8,675	8,675	-
Florida Recreational Development Assistance		F01295	150,000	-	-	150,000	150,000	-
			<u>372,459</u>	<u>-</u>	<u>-</u>	<u>339,736</u>	<u>339,736</u>	<u>-</u>
Department of Revenue								
Digital Map Conversion Grant	73.002	N/A	16,375	-	-	16,375	16,375	-
Department of Health								
Emergency Medical Services County								
Grant Program	64.005	C1012	21,170	-	-	21,170	21,170	-
Department of Agriculture & Consumer Services								
Mosquito Control Grant	42.003	FY01/02	26,577	-	-	26,577	26,577	-
Office of the Governor								
Economic Development Transportaion Fund	31.002	OT01-008	2,000,000	-	-	298,046	298,046	-

(continued)

COLUMBIA COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2002

<u>Grantor/Program Title</u>	<u>CSFA#</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Reported in Prior Years</u>	<u>Fund Balance October 1, 2001</u>	<u>2002</u>		<u>Fund Balance September 30, 2002</u>
						<u>* Revenue **Recognized</u>	<u>* **Expenditures</u>	
STATE FINANCIAL ASSISTANCE (continued)								
Florida Department of Transportation								
County Incentive Grant Program Agreement	55.016	*406813-8-54-01	\$2,156,000	\$ 67,695	\$ -	\$ 350,000	\$ 350,000	\$ -
Small County Outreach Program	55.009	*406813-1-58-01	1,746,425	-	-	1,195,438	1,195,438	-
			<u>3,902,425</u>	<u>67,695</u>	<u>-</u>	<u>1,545,438</u>	<u>1,545,438</u>	<u>-</u>
Total state financial assistance			<u>7,306,182</u>	<u>183,945</u>	<u>-</u>	<u>3,046,811</u>	<u>3,96,5551</u>	<u>50,256</u>
Total all expenditures			<u>\$9,216,551</u>	<u>\$ 704,291</u>	<u>\$ -</u>	<u>\$4,175,808</u>	<u>\$4,125,552</u>	<u>\$ 50,256</u>

* Audited as a major program.
 **Modified accrual basis of accounting.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM
AND STATE FINANCIAL ASSISTANCE PROJECT

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

Compliance

We have audited the compliance 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*, and the requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2002. Columbia County, Florida's major federal programs and state financial assistance projects are 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 each of its major federal awards programs and state financial assistance projects is the responsibility of Columbia County, Florida's management. Our responsibility is to express an opinion on Columbia County, Florida's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about 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 Columbia County, Florida's compliance with those requirements.

In our opinion, Columbia County, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2002.

Internal Control Over Compliance

The management of Columbia County, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs and state financial assistance projects. In planning and performing our audit, we

COLUMBIA COUNTY, FLORIDA

SCHEDULE OF FINDINGS

For the Fiscal Year Ended September 30, 2002

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? No
- Reportable condition identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness identified? No
- Reportable condition identified not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
16.579	U.S. Department of Justice: Byrne Formula Grant
14.219	U.S. Department of HUD: Community Development Block Grant

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

Auditee qualified as low-risk auditee? Yes

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

MANAGEMENT LETTER

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

We have audited the financial statements of Columbia County, Florida, as of and for the year ended September 30, 2002, and have issued our report thereon dated July 11, 2003.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Financial Assistance Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated July 11, 2003, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.55, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

BOARD OF COUNTY COMMISSIONERS PRIOR YEAR FINDINGS

Fixed Assets Accounting System - Recent pronouncements by the Governmental Accounting Standards Board (GASB), with which the County must comply, require that governments must record depreciation on all fixed assets and record such depreciation in its applicable funds. This change became effective for the County in 2001. Due to the fact that the County currently has in excess of \$80 million in fixed assets, we recommend that proper procedures be developed to implement this major forthcoming requirement. In addition to establishing depreciable lives and methods for the various classes of fixed assets, clear guidelines should also be established as to classifying items as depreciable fixed assets.

From our review of the fixed asset accounting system in the current and prior years, we found that the computerized fixed asset accounting system was not capable of producing a report of assets disposed of during the year. Such a report is necessary to fully document asset dispositions and ending account balances.

We are aware that the Board is currently in the process of implementing a new fixed assets accounting system to fully address these requirements.

All other prior year findings were substantially corrected during the current year.

reconciliation. Also, a different fiscal employee currently prepares the bank deposits and verifies the deposit amounts with the related reports of cash received.

Inmate Trust deposits - From our audit of transactions relating to the Inmate Trust accounts in the prior and current year, we found that the documentation retained to support deposits was generally unorganized. This created a situation where receipt documentation was not adequate to facilitate verification of the actual funds turned in for deposit. Also, a monthly report of inmate balances is not regularly run and reconciled to the actual bank account balance.

We recommend that procedures be established to assure that all deposits for inmate accounts are fully supported by receipt documentation. We also recommend that a report of individual inmate balances be run monthly and reconciled to the overall account balance. Any variances should be investigated and resolved.

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

CURRENT YEAR FINDINGS

Fixed Assets Accounting System - Recent pronouncements by the Governmental Accounting Standards Board (GASB), with which the Sheriff must comply, require that governments must record depreciation on all fixed assets and record such depreciation in its applicable funds. This change will become effective for the Sheriff in 2003. Due to the fact that the Sheriff currently has over \$3.4 million in fixed assets, we recommend that proper procedures be developed to implement this major forthcoming requirement. In addition to establishing depreciation lives and methods for the fixed assets, clear guidelines should also be established as to classifying items as depreciable fixed assets.

SUPERVISOR OF ELECTIONS PRIOR YEAR FINDINGS

Employee Bonding - From our review of insurance coverages in the prior and current years, 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.

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

CURRENT YEAR FINDINGS

There were no additional reportable findings in the current year.

TAX COLLECTOR

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

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

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*,

COMPONENT UNIT FINANCIAL
STATEMENTS



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

1359 S.W. Main Blvd.
Lake City, Florida 32025
386 / 755-4200
Fax: 386 / 755-4490

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Board of County Commissioners (the Board), as of and for the year ended September 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the management of the Board. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A detail report of general fixed asset deletions could not be produced for the year ended September 30, 2002. In the absence of such records, it was not practicable to determine the fairness of amounts reported. Accordingly, we do not express an opinion on the General Fixed Assets Account Group as of September 30, 2002.

The accompanying financial statements were prepared for the purpose of complying with state reporting requirements, as described in Note 1, and are intended to present the financial position and results of operations and cash flows of only that portion of the financial reporting entity of Columbia County, Florida, that is attributable to the transactions of the Board.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had detail general fixed asset deletion records been available, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbia County Board of County Commissioners, as of September 30, 2002, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 11, 2003, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2002

Capital Projects Funds	Proprietary Fund Type Enterprise Fund	Account Groups		Totals (Memorandum Only)
		General Fixed Assets Group	General Long-term Debt Group	
\$ 5,800,330	\$10,199,477	\$ -	\$ -	\$ 27,446,708
-	472,066	-	-	687,811
882,462	162,046	-	-	1,512,661
1,621,798	56,775	-	-	3,660,162
-	-	-	-	33,573
1,289,842	497,263	-	-	12,919,628
-	-	-	-	52,183
-	2,084,177	-	-	2,084,177
-	887,973	-	-	887,973
-	7,079,071	-	-	7,079,071
-	3,031,283	-	-	3,031,283
-	(7,393,301)	-	-	(7,393,301)
-	-	2,732,822	-	2,732,822
-	-	12,766,525	-	12,766,525
-	-	42,362,233	-	42,362,233
-	-	19,167,972	-	19,167,972
-	-	15,225,227	-	15,225,227
-	-	-	-	33,695
-	234,977	-	-	355,515
-	-	-	-	1,563,434
-	-	-	17,328,268	17,328,268
<u>\$9,594,432</u>	<u>\$17,311,807</u>	<u>\$ 92,254,779</u>	<u>\$ 18,891,702</u>	<u>\$163,537,620</u>
\$ 208,531	\$ 13,210	\$ -	\$ -	\$ 455,570
465,733	136,424	-	-	1,512,661
-	-	-	-	38,707
-	70,477	-	-	70,477
-	-	-	-	72
-	47,237	-	-	47,237
10,000	-	-	-	10,000
-	-	-	-	36,024
-	-	-	-	5,874
-	360,000	-	-	360,000

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2002

Capital Projects Funds	Proprietary Fund Type	Account Groups		Totals (Memorandum Only)
	Enterprise Fund	General Fixed Assets Group	General Long-term Debt Group	
\$ -	\$ -	\$ -	\$ 1,085,138	\$ 1,085,138
-	-	-	1,283,257	1,283,257
-	-	-	15,490,000	15,490,000
-	3,970,000	-	1,033,307	5,003,307
-	3,095,691	-	-	3,095,691
<u>684,264</u>	<u>7,693,039</u>	<u>-</u>	<u>18,891,702</u>	<u>28,494,015</u>
-	506,174	-	-	506,174
8,910,168	-	-	-	33,169,058
-	9,112,594	-	-	9,112,594
-	-	92,254,779	-	92,254,779
<u>8,910,168</u>	<u>9,618,768</u>	<u>92,254,779</u>	<u>-</u>	<u>135,042,605</u>
<u>\$ 9,594,432</u>	<u>\$17,311,807</u>	<u>\$ 92,254,779</u>	<u>\$ 18,891,702</u>	<u>\$163,536,620</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, 2002

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Totals (Memorandum Only)</u>
EXPENDITURES (continued)					
Debt Service					
General government	\$ -	\$ -	\$ -	\$ 1,429,568	\$ 1,429,568
Transportation	-	271,646	334,327	1,249,034	1,855,007
Economic environment	-	-	90,730	1,111,046	1,201,776
Total expenditures	<u>8,324,049</u>	<u>12,123,171</u>	<u>425,057</u>	<u>13,422,626</u>	<u>34,294,903</u>
Excess (deficiency) of revenues over expenditures	<u>10,748,624</u>	<u>2,861,139</u>	<u>74,265</u>	<u>(4,820,165)</u>	<u>8,863,863</u>
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	28,155	-	-	1,140,990	1,169,145
Interfund transfers out	(40,990)	(128,155)	(1,000,000)	-	(1,169,145)
Interfund transfers to County Officers	(9,913,977)	(911,949)	-	-	(10,825,926)
Total other financing sources (uses)	<u>(9,926,812)</u>	<u>(1,040,104)</u>	<u>(1,000,000)</u>	<u>1,140,990</u>	<u>(10,825,926)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	821,812	1,821,035	(925,735)	(3,679,175)	(1,962,063)
Fund balances at beginning of year	<u>9,296,972</u>	<u>10,755,617</u>	<u>2,489,189</u>	<u>12,589,343</u>	<u>35,131,121</u>
Fund balances at end of year	<u>\$10,118,784</u>	<u>\$12,576,652</u>	<u>\$ 1,563,454</u>	<u>\$ 8,910,168</u>	<u>\$33,169,058</u>

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, 2002

Funds Variance Favorable (Unfavorable)	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ (88,671)	\$ 499,154	\$ 470,777	\$ (28,377)	\$ 2,534,525	\$ 2,510,799	\$ (23,726)
(22,411)	-	-	-	-	-	-
270,570	-	-	-	6,319,733	5,678,022	(641,711)
379,604	-	-	-	50,000	37,752	(12,248)
490,854	-	-	-	-	-	-
116,396	62,000	28,545	(33,455)	639,918	375,888	(264,030)
<u>1,146,342</u>	<u>561,154</u>	<u>499,322</u>	<u>(61,832)</u>	<u>9,544,176</u>	<u>8,602,461</u>	<u>(941,715)</u>
48,421	-	-	-	926,163	1,021,007	(94,844)
142,870	-	-	-	-	-	-
701	-	-	-	-	-	-
401,141	-	-	-	1,492,035	1,102,602	389,433
(5,180)	-	-	-	40,000	126,196	(86,196)
-	-	-	-	-	-	-
225,595	-	-	-	-	-	-
2,545	-	-	-	6,906,958	3,243,795	3,663,163
37,886	-	-	-	2,400	2,308	92
-	-	-	-	-	-	-
(7,122)	-	-	-	6,272,900	4,048,434	2,224,466
(1,780)	-	-	-	-	88,636	(88,636)
-	-	-	-	-	-	-
49,018	-	-	-	-	-	-
-	-	-	-	1,429,612	1,429,568	44
(5,160)	320,307	334,327	(14,020)	1,633,571	1,249,034	384,537
-	90,730	90,730	-	1,126,518	1,111,046	15,472
<u>888,935</u>	<u>411,037</u>	<u>425,057</u>	<u>(14,020)</u>	<u>19,830,157</u>	<u>13,422,626</u>	<u>6,407,531</u>
2,035,277	150,117	74,265	(75,852)	(10,285,981)	(4,820,165)	5,465,816
-	-	-	-	3,880,507	-	(3,880,507)
-	-	-	-	1,140,990	1,140,990	-
(28,155)	(1,000,000)	(1,000,000)	-	-	-	-
(88,949)	-	-	-	-	-	-
<u>(117,104)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>5,021,497</u>	<u>1,140,990</u>	<u>(3,880,507)</u>
1,918,173	(849,883)	(925,735)	(75,852)	(5,264,484)	(3,679,175)	1,585,309
28,155	2,489,189	2,489,189	-	12,589,343	12,589,343	-
<u>\$ 918,173</u>	<u>\$ 1,639,306</u>	<u>\$ 1,563,454</u>	<u>\$ (75,852)</u>	<u>\$ 7,324,859</u>	<u>\$ 8,910,168</u>	<u>\$ 1,585,309</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, 2002

OPERATING EXPENSES (continued)

Recycling	
Personal services	
Regular salaries	\$ 35,113
FICA	3,192
Retirement	2,452
Life and health insurance	4,367
Worker's compensation	5,361
Total personal services	<u>50,485</u>
Operating expenses	
Insurance	8,400
Repair and maintenance	4,824
Operating supplies	461
Gas and oil	3,534
Total operating expenses	<u>17,219</u>
Total landfill recycling	<u>67,704</u>
Solid Waste Grants	
Operating expenses	
Other contractual services	<u>5,528</u>
Grants and aids	
City of Lake City	40,215
Waste tire recycling	32,046
Total grants and aids	<u>72,261</u>
Total solid waste grant	<u>77,789</u>
Cell II	
Operating expenses	
Repair and maintenance	<u>4,550</u>
Total operating expenses	<u>2,434,205</u>
Operating income	<u>852,678</u>

NONOPERATING REVENUES (EXPENSES)

State grants	
Physical environment	
Small County grant	50,000
Recycling and education	95,143
Waste tire grant	30,888
Interest earnings	
Interest on investments	277,616
Interest SBA	7,076
Sale of fixed assets	
Equipment	70,000
Landfill	
Debt service	
Interest	(238,025)
Other debt service costs	(16,657)
Bond issuance costs	(26,353)
Total nonoperating revenues (expenses)	<u>249,688</u>

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

LANDFILL ENTERPRISE FUND

COMBINED STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2002

Cash Flows From Operating Activities	
Cash flows from customers	\$3,093,564
Cash paid to employees	(421,431)
Cash paid for employee benefits	(156,504)
Cash paid to vendors	(819,877)
Net cash provided by operating activities	<u>1,695,752</u>
Cash Flows From Non-Capital Financing Activities	
State grants	<u>176,031</u>
Net cash provided by non-capital financing activities	<u>176,031</u>
Cash Flows From Capital and Related Financing Activities	
Sale of fixed assets	70,000
Payments to acquire or construct capital assets	(295,147)
Principal paid on bonds	(330,000)
Interest paid on capital debt	(242,678)
Other debt service costs	(16,657)
Net cash used for capital and related financing activities	<u>(814,482)</u>
Cash Flows From Investing Activities	
Interest received	284,692
Increase in investments	(130,375)
Net cash provided by investing activities	<u>154,317</u>
Net increase in cash	1,211,618
Cash at beginning of year	<u>8,987,859</u>
Cash at end of year	<u>\$10,199,477</u>

(continued)

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Columbia County, Florida (the "County") is a political subdivision of the State of Florida created under Section 1, Article VIII of the State Constitution. It is governed by an elected Board of County Commissioners (the "Board") which is governed by state statutes and regulations, and ordinances adopted by the Board. In addition, there are five Constitutional Officers who are separately elected, which include the Clerk of the 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.

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Board uses the criteria established in GASB No. 14 to define the reporting entity and identify component units. Component units are entities for which the Board is considered to be financially accountable.

As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the Board), (2) organizations for which the Board is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Board is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Board. The Board may be financially accountable if an organization is fiscally dependent on the Board regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, Board management examined all organizations in the Board's financial statements. management determined that there are no organizations that should be included in the Board's financial statements as component units, except as follows:

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.

Those revenues susceptible to accrual are property taxes, most intergovernmental revenues, special assessments, interest revenue, and charges for services. Fines, 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 investments in the Florida Local Government Surplus Funds Trust Fund, and Florida Counties Investment Trust Fund, and Nations Fund Government Money Market 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, 2002, are recorded as prepaid items.

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

L. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

M. Fund Equity

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

N. Interfund Transactions

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

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

O. Memorandum Only - Total Columns

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

P. Estimates

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

Q. Proprietary Activity Accounting and Financial Reporting

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

R. Restricted Assets

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

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions - The Board's cash at September 30, 2002, consists of legally authorized demand deposits in institutions which are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the Board's cash at September 30, 2002, 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:

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

At September 30, 2002, the Board's investments consisted of the following:

	Carrying Amount	Market Value	Category
*Local Government Surplus Funds Trust Fund	\$ 6,324,545	\$ 6,324,545	-
*Florida Local Government Investment Trust	2,084,177	2,084,177	-
Nations Fund Government Money Market	6,595,084	6,595,084	1
	<u>\$15,003,806</u>	<u>\$15,003,806</u>	

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

NOTE 7. CAPITAL LEASES

The Board has the following installment payment agreements for equipment purchases:

- A. Purchase of a motorgrader costing \$129,155. The terms of the agreement call for five annual payments of \$10,507 payable to John Deere Credit. The payments include interest at 5.983%, with a terminating payment of \$111,000 on October 1, 2005.
- B. Purchase of a motorgrader costing \$135,117. The terms of the agreement call for five annual payments of \$11,247 payable to John Deer Credit. The payments include interest at 5.25% with a terminating payment of \$109,588 on June 1, 2006.
- C. Purchase of a copier costing \$5,165. The terms of the agreement call for sixty monthly payments of \$113, including interest at 11.13%.
- D. Purchase of a motor-grader costing \$166,137, for which an advance payment of \$16,837 was made. The terms of the agreement require four annual payments of \$16,837 with a terminating payment of \$118,000, including interest at 5.5%. This lease was paid off in the current year.
- E. 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.
- F. 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.
- G. 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.
- H. Purchase of three motor graders costing \$387,465. The terms of the agreement require 5 annual payments of \$27,006, including interest of 4.643% and a balloon payment of \$333,000 at the end of sixty months.

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, 2002:

<u>September 30,</u>	
2003	\$ 769,713
2004	48,986
2005	354,755
2006	<u>220,588</u>
Total minimum lease payments	1,394,042
Less: amount representing interest	<u>110,785</u>
Present value of future minimum lease payments	<u>\$1,283,257</u>

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 \$263,501, are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Amount</u>
2003	\$ 1,361,352
2004	1,292,402
2005	<u>1,229,747</u>
	<u>\$ 3,883,501</u>

- C. 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 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. Debt service is accounted for in the applicable debt service fund and is being reimbursed by the tenant.

Debt service requirements to maturity, including interest of \$348,897, are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Amount</u>
2003	\$ 189,807
2004	188,505
2005	190,987
2006	192,687
2007	<u>841,911</u>
	<u>\$ 1,603,897</u>

- D. On February 23, 2000, the County also closed on a Revenue Term Bond in the amount of \$3,500,000. The purpose of this loan was to provide for infrastructure improvements to accommodate industrial development. The bonds are being repaid over a period of six years with an average interest rate of 5.36%. 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 \$395,300, are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Amount</u>
2003	\$ 390,700
2004	377,300
2005	1,093,800
2006	<u>1,283,500</u>
	<u>\$ 3,145,300</u>

- E. On December 27, 2000, the County closed on a serial bond issue held by SunTrust Bank in the amount of \$6,001,500. The proceeds are being used for the County connector road project. The bonds are being repaid over five years with a fixed interest rate of 4.5%. The debt is secured by the County Five Cent Local Option Gas Tax.

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. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Board is required to contribute at an actuarially determined rate. The rates at September 30, 2002 were as follows: Regular Employees 5.76%; Special Risk Employees 16.01%; Senior Management 6.06%; Elected Officials 11.86%. The contribution requirements of plan members and the Board are established and may be amended by the Florida Legislature. The Board's contributions to the System for the years ending September 30, 2002, 2001 and 2000 were \$472,472, \$650,067, and \$580,349, respectively, equal to the required contributions for each year.

NOTE 12. RENTAL COMMITMENTS

The Board of County Commissioners is committed until April 30, 2003 and November 30, 2003, under leases for office space costing \$50,000 and \$36,000 respectively, per year.

NOTE 13. RISK MANAGEMENT

The County participates in various public entity risk pools for certain of its insurance coverages. Under these insurance risk pools, the County 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 County 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 County.

NOTE 14. LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of

In February, 2003, subsequent to year end, the Board closed on a loan with First Federal Savings Bank in the amount of \$4,600,000. The proceeds of the loan were utilized to pay off the Series 1993 Transportation Improvement bonds in the amount of approximately \$2,780,000 with the additional funds allocated to new road improvement projects.

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, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes			
Ad valorem taxes			
Current ad valorem taxes	\$11,868,261	\$11,486,439	\$ (381,822)
Delinquent ad valorem taxes	25,000	48,662	23,662
Sales and use taxes			
Local government			
infrastructure surtax	4,825,259	4,915,593	90,334
Total taxes	<u>16,718,520</u>	<u>16,450,694</u>	<u>(267,826)</u>
Licenses and permits			
Other licenses and permits	<u>1,491</u>	<u>1,491</u>	<u>-</u>
Intergovernmental revenue			
Federal grants			
Public safety			
Other public safety	50,000	-	(50,000)
Federal shared revenues			
Federal wildlife shared			
revenue	-	401	401
State grants			
General government			
Voting assistance funding	232,500	116,250	(116,250)
Other general government	24,719	6,306	(18,413)
Public safety			
Sheriff's department	232,373	195,044	(37,329)
State Emergency Management	12,000	-	(12,000)
Emergency Management State			
and Local Assistance	102,587	157,795	55,208
Clerk's Criminal Justice	-	332,685	332,685
Physical environment			
Alligator Lake Project	113,750	150,000	36,250
Litter and Marine Debris	10,000	13,705	3,705
Human services			
Mosquito control-1	26,620	26,577	(43)
Child support enforcement	-	13,282	13,282
Culture/recreation			
Aid to libraries	46,365	97,042	50,677
State shared revenues			
General government			
Insurance agents county			
licenses	10,000	32,922	22,922
Alcoholic beverage licenses	12,000	12,990	990
Racing tax	40,000	40,000	-
State payments in lieu of taxes	26,696	20,359	(6,337)

(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, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Miscellaneous			
Interest earnings			
Interest on investments	\$ 485,000	\$ 154,427	\$ (330,573)
Interest SBA	65,000	25,439	(39,561)
Interest County officers			
Tax Collector	20,000	9,818	(10,182)
Sheriff	5,000	13,393	8,393
Rents and leases			
Rents	-	373	373
Leases	6,300	5,600	(700)
Contributions and donations			
Donation Bernhard Trust	7,564	7,456	(108)
Friends of Library	24,152	24,152	-
Other contributions	-	5,000	5,000
Other miscellaneous	5,000	94,743	89,743
Total miscellaneous	<u>618,016</u>	<u>340,401</u>	<u>(277,615)</u>
Total revenues	<u>18,871,380</u>	<u>19,072,673</u>	<u>201,293</u>
 EXPENDITURES			
General government			
Legislative			
Personal services	592,783	589,490	3,293
Operating expenses	116,100	87,940	28,160
Capital outlay	35,717	52,900	(17,183)
Total legislative	<u>744,600</u>	<u>730,330</u>	<u>14,270</u>
Executive			
Personal services	<u>1,151</u>	<u>1,151</u>	<u>-</u>
Property Appraiser			
Operating expenses	<u>1,653</u>	<u>-</u>	<u>1,653</u>
Tax Collector			
Operating expenses	<u>-</u>	<u>61,870</u>	<u>(61,870)</u>
Auditing/accounting			
Operating expenses	<u>80,000</u>	<u>72,779</u>	<u>7,221</u>
Data processing			
Operating expenses	<u>37,500</u>	<u>6,920</u>	<u>30,580</u>
Legal counsel			
Personal services	73,959	73,525	434
Operating expenses	12,400	12,246	154
Total legal counsel	<u>86,359</u>	<u>85,771</u>	<u>588</u>
Clerk of Circuit Court			
Operating expenses	<u>767,764</u>	<u>806,326</u>	<u>(38,562)</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, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Montgomery building Operating expenses	\$ 18,500	\$ 14,784	\$ 3,716
Jail maintenance Operating expenses	23,000	21,509	1,491
Criminal investigations Operating expenses	2,000	-	2,000
Elections office Operating expenses	8,000	175	7,825
State Attorney administration Operating expenses	16,800	16,800	-
Public Defender administration Operating expenses	-	11,956	(11,956)
State attorney Operating expenses	-	3,390	(3,390)
Public defender Operating expenses	144,000	154,939	(10,939)
Court reporter services Operating expenses	-	304	(304)
Court interpreters Operating expenses	-	1,355	(1,355)
Circuit witness coordination Operating expenses	-	2,825	(2,825)
Expert witness fees Operating expenses	-	47,002	(47,002)
State Attorney juvenile Operating expenses	10,700	10,628	72
Public Defender juvenile Operating expenses	193,950	193,882	68
Interpreters County civil Operating expenses	1,400	1,369	31
Witness Coordinator civil Operating expenses	250	250	-
Public Defender conflicts Operating expenses	1,000	753	247
State Attorney County Operating expenses	100	79	21

(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, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Emergency management specialist			
Personal services	\$ 77,142	\$ 77,050	\$ 92
Operating expenses	25,165	24,229	936
Capital outlay	-	3,671	(3,671)
Total emergency management specialist	<u>102,307</u>	<u>104,950</u>	<u>(2,643)</u>
Hazardous materials			
Operating expenses	<u>3,200</u>	<u>3,200</u>	<u>-</u>
Terrorism			
Operating expenses	<u>50,000</u>	<u>27,957</u>	<u>22,043</u>
VA Shutters			
Operating expenses	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Total public safety	<u>1,165,304</u>	<u>966,797</u>	<u>198,507</u>
Physical environment			
County agent			
Personal services	148,106	144,863	3,243
Operating expenses	48,086	44,862	3,224
Capital outlay	9,300	8,830	470
Total County agent	<u>205,492</u>	<u>198,555</u>	<u>6,937</u>
Santa Fe Soil			
Grants and aids	<u>7,646</u>	<u>7,646</u>	<u>-</u>
Florida forest management			
Grants and aids	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Aquatic weed/Alligator Lake			
Operating expenses	<u>403,315</u>	<u>324,660</u>	<u>78,665</u>
Florida boating improvement			
Operating expenses	<u>30,541</u>	<u>-</u>	<u>30,541</u>
Recycling and education			
Operating expenses	<u>84,612</u>	<u>84,607</u>	<u>5</u>
Marine litter and debris			
Operating expenses	<u>10,000</u>	<u>8,933</u>	<u>1,067</u>
Landscaping			
Personal services	51,341	51,243	98
Operating expenses	<u>32,400</u>	<u>30,541</u>	<u>1,859</u>
Total landscaping	<u>83,741</u>	<u>81,784</u>	<u>1,957</u>
Total physical environment	<u>828,347</u>	<u>709,185</u>	<u>119,162</u>
Economic environment			
Industry development			
Grants and aids	<u>5,000</u>	<u>5,000</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, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Culture/recreation			
Columbia County Library			
Personal services	\$ 405,202	\$ 400,656	\$ 4,546
Operating expenses	80,600	72,235	8,365
Capital outlay	96,602	78,141	18,461
Total Columbia County Library	<u>582,404</u>	<u>551,032</u>	<u>31,372</u>
Fort White Library			
Personal services	49,325	41,303	8,022
Operating expenses	11,300	6,786	4,514
Capital outlay	12,350	10,892	1,458
Total Fort White Library	<u>72,975</u>	<u>58,981</u>	<u>13,994</u>
Detention Center Library			
Personal services	7,678	2,999	4,679
Operating expenses	900	96	804
Operating expenses	600	-	600
Total Detention Center Library	<u>9,178</u>	<u>3,095</u>	<u>6,083</u>
Library Literacy grant			
Personal services	<u>39,578</u>	<u>37,706</u>	<u>1,872</u>
Parks and recreation			
Operating expenses	32,000	31,602	398
Grants and aids	289,657	276,461	13,196
Total parks and recreation	<u>321,657</u>	<u>308,063</u>	<u>13,594</u>
Special events			
Grants and aids	<u>16,000</u>	<u>16,000</u>	<u>-</u>
Special community facilities			
Operating expenses	45,000	30,833	14,167
Capital outlay	1,400	1,392	8
Grants and aids	372,715	174,622	198,093
Total special community facilities	<u>419,115</u>	<u>206,847</u>	<u>212,268</u>
Total culture/recreation	<u>1,460,907</u>	<u>1,181,724</u>	<u>279,183</u>
Total expenditures	<u>9,937,353</u>	<u>8,324,049</u>	<u>1,613,304</u>
Excess (deficiency) of revenues over expenditures	<u>8,934,027</u>	<u>10,748,624</u>	<u>1,814,597</u>

(continued)

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 2002

Industrial Development Authority	Law Enforcement Special	Law Library	Library Enhancement	Local Housing Assistance	Municipal Services Benefit Unit	Municipal Services Special District	Tourist Development Tax	Totals
\$201,636	\$ 14,844	\$ 9,102	\$ 196,555	\$ 489,246	\$1,688,568	\$1,661,462	\$ 156,109	\$ 8,237,908
325	-	-	-	12,775	4,589	131,832	-	153,741
-	-	-	-	-	168,901	69,450	-	238,351
-	-	529	-	25,286	244,192	109,930	-	738,180
-	-	-	-	-	-	-	-	33,573
-	1,190	-	1,133,424	34,641	17,358	1,157,514	-	3,681,997
<u>\$201,961</u>	<u>\$ 16,034</u>	<u>\$ 9,631</u>	<u>\$1,329,979</u>	<u>\$ 561,948</u>	<u>\$2,123,608</u>	<u>\$3,130,188</u>	<u>\$ 156,109</u>	<u>\$13,083,750</u>
\$ -	\$ -	\$ 568	\$ -	\$ 7,301	\$ 1,707	\$ 117,413	\$ 450	\$ 159,057
-	-	-	-	-	162,046	78,936	-	322,208
-	-	-	-	-	-	-	72	72
-	-	-	-	-	-	21,170	-	21,170
-	-	-	-	-	200	3,391	-	3,591
<u>-</u>	<u>-</u>	<u>568</u>	<u>-</u>	<u>7,301</u>	<u>163,953</u>	<u>220,910</u>	<u>522</u>	<u>506,098</u>
201,961	16,034	9,063	1,329,979	554,647	1,959,655	2,909,278	155,587	12,576,652
<u>201,961</u>	<u>16,034</u>	<u>9,063</u>	<u>1,329,979</u>	<u>554,647</u>	<u>1,959,650</u>	<u>2,909,278</u>	<u>155,587</u>	<u>12,576,652</u>
<u>\$201,961</u>	<u>\$ 16,034</u>	<u>\$ 9,631</u>	<u>\$1,329,979</u>	<u>\$ 561,948</u>	<u>\$2,123,608</u>	<u>\$3,130,188</u>	<u>\$ 156,109</u>	<u>\$13,082,750</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, 2002

Industrial Development Authority	Law Enforcement Special	Law Library	Library Enhancement	Local Housing Assistance	Municipal Services Benefit Unit	Municipal Services Special District	Tourist Development Tax	Totals
\$182,911	\$ -	\$ -	\$ -	\$ -	\$ 92,927	\$ -	\$ 198,800	\$ 2,385,242
-	-	-	-	-	300,589	-	-	300,589
-	-	-	488,520	582,896	295,741	991,144	9,000	4,817,321
838	-	6,779	-	-	-	977,449	-	1,148,881
-	17,067	-	-	-	50	-	-	1,328,054
<u>4,373</u>	<u>421</u>	-	<u>25,990</u>	<u>1,869</u>	<u>2,812,488</u>	<u>1,842,563</u>	<u>105,884</u>	<u>5,004,223</u>
<u>188,122</u>	<u>17,488</u>	<u>6,779</u>	<u>514,510</u>	<u>584,765</u>	<u>3,501,795</u>	<u>3,811,156</u>	<u>313,684</u>	<u>14,984,310</u>
-	-	4,791	-	-	101,210	113,733	-	393,830
-	23,327	-	-	-	547,331	2,889,682	-	3,477,490
-	-	-	-	-	2,463,299	-	-	2,463,299
-	-	-	-	-	-	-	-	3,044,223
140,273	-	-	-	541,982	-	-	285,618	1,366,951
-	-	-	325,130	-	90,381	-	-	415,511
-	-	-	-	-	-	-	-	2,855
-	-	-	-	-	22,667	123,422	-	154,134
-	-	-	-	-	-	-	-	455,620
1,796	-	-	-	-	-	-	3,284	5,080
-	-	-	72,532	-	-	-	-	72,532
-	-	-	-	-	-	-	-	271,646
<u>142,069</u>	<u>23,327</u>	<u>4,791</u>	<u>397,662</u>	<u>541,982</u>	<u>3,224,888</u>	<u>3,126,837</u>	<u>288,902</u>	<u>12,123,171</u>
<u>46,053</u>	<u>(5,839)</u>	<u>1,988</u>	<u>116,848</u>	<u>42,783</u>	<u>276,907</u>	<u>684,319</u>	<u>24,782</u>	<u>2,861,139</u>
-	-	-	-	-	(54,691)	(34,258)	-	(911,949)
-	-	-	-	-	(100,000)	-	-	(128,155)
-	-	-	-	-	(154,691)	(34,258)	-	(1,040,104)
46,053	(5,839)	1,988	116,848	42,783	122,216	650,061	24,782	1,821,035
<u>155,908</u>	<u>21,873</u>	<u>7,075</u>	<u>1,213,131</u>	<u>511,864</u>	<u>1,837,439</u>	<u>2,259,217</u>	<u>130,805</u>	<u>10,755,617</u>
<u>\$201,961</u>	<u>\$ 16,034</u>	<u>\$ 9,063</u>	<u>\$1,329,979</u>	<u>\$ 554,647</u>	<u>\$1,959,655</u>	<u>\$2,909,278</u>	<u>\$ 155,587</u>	<u>\$12,576,652</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, 2002

	1993 Debt Service	Tourist Development Debt Service	Totals
REVENUES			
Taxes	\$ 363,179	\$ 107,598	\$ 470,777
Miscellaneous	<u>24,884</u>	<u>3,661</u>	<u>28,545</u>
Total revenues	<u>388,063</u>	<u>111,259</u>	<u>499,322</u>
EXPENDITURES			
Debt Service			
Transportation	334,327	-	334,327
Economic environment	<u>-</u>	<u>90,730</u>	<u>90,730</u>
Total expenditures	<u>334,327</u>	<u>90,730</u>	<u>425,057</u>
Excess (deficiency) of revenues over expenditures	<u>53,736</u>	<u>20,529</u>	<u>74,265</u>
OTHER FINANCING SOURCES (USES)			
Interfund transfers out	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	(946,264)	20,529	(925,735)
Fund balances at beginning of year	<u>2,278,187</u>	<u>211,002</u>	<u>2,489,189</u>
Fund balances at end of year	<u>\$ 1,331,923</u>	<u>\$ 231,531</u>	<u>\$ 1,563,454</u>

See notes to financial statements.

CAPITAL PROJECTS FUNDS

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, 2002

	<u>Fifth and Sixth Cent Fuel Tax Trust</u>	<u>Road Improvement</u>	<u>Economic Development</u>	<u>Connector Road Project</u>	<u>Courthouse Renovation</u>	<u>Totals</u>
REVENUES						
Taxes	\$ -	\$ 550,000	\$ -	\$ 1,960,799	\$ -	\$ 2,510,799
Intergovernmental revenue	614,889	1,165,438	298,671	350,000	3,249,024	5,678,022
Charges for services	-	-	-	-	37,752	37,752
Miscellaneous	15,911	15	184,272	119,383	56,307	375,888
Total revenues	<u>630,800</u>	<u>1,715,453</u>	<u>482,943</u>	<u>2,430,182</u>	<u>3,343,083</u>	<u>8,602,461</u>
EXPENDITURES						
Current Expenditures						
General government	-	-	-	-	1,021,007	1,021,007
Transportation	595,543	310,819	-	196,240	-	1,102,602
Economic environment	-	-	126,196	-	-	126,196
Capital Outlay						
General government	-	-	-	-	3,243,795	3,243,795
Public safety	-	-	-	-	2,308	2,308
Transportation	-	3,047,045	-	1,001,389	-	4,048,434
Economic environment	-	-	88,636	-	-	88,636
Debt Service						
General government	-	-	-	-	1,429,568	1,429,568
Transportation	-	-	-	1,249,034	-	1,249,034
Economic environment	-	-	1,111,046	-	-	1,111,046
Total expenditures	<u>595,543</u>	<u>3,357,864</u>	<u>1,325,878</u>	<u>2,446,663</u>	<u>5,696,678</u>	<u>13,422,626</u>
Excess (deficiency) of revenues over expenditures	<u>35,257</u>	<u>(1,642,411)</u>	<u>(842,935)</u>	<u>(16,481)</u>	<u>(2,353,595)</u>	<u>(4,820,165)</u>

(continued)

COMPLIANCE SECTION

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


To the Board of County Commissioners
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Board of County Commissioners, as of and for the year ended September 30, 2002, and have issued our report thereon dated July 11, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Board of County Commissioners' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Columbia County Board of County Commissioners in a separate letter dated July 11, 2003, on pages 2-51 - 2-52.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Board of County Commissioners' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Columbia County Board of County Commissioners in a separate letter dated July 11, 2003, on pages 2-51 - 2-52.

This report is intended solely for the information and use of management, the Board of County Commissioners, the Clerk of the Circuit Court of Columbia County, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


POWELL & JONES
July 11, 2003

MANAGEMENT LETTER

To the Board of County Commissioners
Columbia County, Florida

We have audited the financial statements of the Columbia County Board of County Commissioners (the Board), as of and for the year ended September 30, 2002, and have issued our report thereon dated July 11, 2003. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the certain items be addressed in this letter.

IMMATERIAL INTERNAL CONTROL AND COMPLIANCE FINDINGS

PRIOR YEAR FINDINGS

Fixed Assets Accounting System - Recent pronouncements by the Governmental Accounting Standards Board (GASB), with which the County must comply, require that governments must record depreciation on all fixed assets and record such depreciation in its applicable funds. This change became effective for the County in 2001. Due to the fact that the County currently has in excess of \$80 million in fixed assets, we recommend that proper procedures be developed to implement this major forthcoming requirement. In addition to establishing depreciable lives and methods for the various classes of fixed assets, clear guidelines should also be established as to classifying items as depreciable fixed assets.

From our review of the fixed asset accounting system in the current and prior years, we found that the computerized fixed asset accounting system was not capable of producing a report of assets disposed of during the year. Such a report is necessary to fully document asset dispositions and ending account balances.

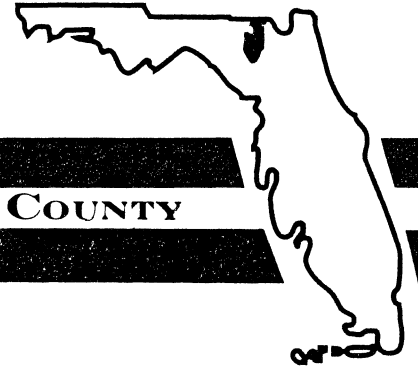
We are aware that the Board is currently in the process of implementing a new fixed assets accounting system to fully address these requirements.

All other prior year findings were substantially corrected during the current year.

CURRENT YEAR FINDINGS

Bidding Procedures Compliance - From our review of Board purchases subject to competitive bidding, for several purchases, we were unable to verify that proper bidding procedures were utilized, including documentation of "sole source" items or "State contract" purchases.

District No. 1 - Ronald Williams
District No. 2 - Dewey Weaver
District No. 3 - George Skinner
District No. 4 - Jennifer Flinn
District No. 5 - James Montgomery



BOARD OF COUNTY COMMISSIONERS • COLUMBIA COUNTY

September 29, 2003

Mr. William O. Monroe
Auditor General
State of Florida
Post Office Box 1735
Tallahassee, Florida 32302

RE: Response to Internal Control and Compliance Findings
Financial Report Ending September 30, 2002
Columbia County, Florida

Dear Mr. Monroe:

Prior year findings related to the fixed asset accounting system will be resolved in this year by the implementation of a new accounting system. The Board has also adopted polices that clarify when assets should be classified as depreciable in order to comply with the new GASB requirements.

Current Year Findings: a procedure has been put in place for all proper documentation relating to sole source, state contract purchases and sealed bids be forwarded to accounting.

Sincerely,

Dale Williams
County Manager

DW/pds

XC: Board of County Commissioners
Richard Powell, CPA, External Auditor
Judy Lewis, Internal Auditor
P. DeWitt Cason, Clerk of Courts

BOARD MEETS FIRST THURSDAY AT 7:00 P.M.
AND THIRD THURSDAY AT 7:00 P.M.



Richard C. Powell, Jr., CPA
 Certified Public Accountant

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

1059 S.W. Main Blvd
 Lake City, Florida 32025
 386 / 755-4200
 Fax: 386 / 755-4490

INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
 Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Clerk of the Circuit Court (the Clerk of the Circuit Court), as of and for the year ended September 30, 2002, as listed in the table of contents. These special purpose financial statements are the responsibility of the Clerk of the Circuit Court. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special 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 accompanying financial statements were prepared for the purpose of complying with state reporting requirements, as described in Note 1, and are intended to present the financial position and results of operations of only that portion of the financial reporting entity of Columbia County, Florida, that is attributable to the transactions of the Clerk of the Circuit Court.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Clerk of the Circuit Court, as of September 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 9, 2003, on our consideration of the 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the special 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 special purpose financial statements of the Clerk of the Circuit Court. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose financial statements taken as a whole.

Powell & Jones
 POWELL & JONES

June 9 2003

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, 2002

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Intergovernmental revenue	\$ 47,768	\$ -	\$ 47,768
Charges for services	1,007,919	77,390	1,085,309
Miscellaneous	<u>5,215</u>	<u>10,406</u>	<u>15,621</u>
Total revenues	<u>1,060,902</u>	<u>87,796</u>	<u>1,148,698</u>
EXPENDITURES			
Current expenditures			
General government	1,585,892	62,473	1,648,365
Capital outlay			
General government	<u>5,102</u>	<u>25,421</u>	<u>30,523</u>
Total expenditures	<u>1,590,994</u>	<u>87,894</u>	<u>1,678,888</u>
Excess (deficiency) of revenues over expenditures	<u>(530,092)</u>	<u>(98)</u>	<u>(530,190)</u>
OTHER FINANCING SOURCES			
Transfers in from Board of County Commissioners	<u>530,092</u>	<u>-</u>	<u>530,092</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	(98)	(98)
Fund balances at beginning of year	-	50,236	50,236
Fund balances at end of year	<u>\$ -</u>	<u>\$ 50,138</u>	<u>\$ 50,138</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, 2002

	General Fund			Special Revenue Funds		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES						
Transfers in from Board of County Commissioners	\$ <u>537,298</u>	\$ <u>530,092</u>	\$ <u>(7,206)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-	(98)	(98)	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,236</u>	<u>50,236</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,138</u>	<u>\$ 50,138</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Columbia County Clerk of the Circuit Court (Clerk).

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Clerk of the Circuit Court, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Clerk's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as a part of the primary government of Columbia County, Florida. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Columbia County, Florida, taken as a whole.

These special purpose financial statements of the Clerk are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. Fund Accounting - Accounts 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 funds and account group utilized by the Clerk are as follows:

(i) Governmental Fund

General Fund - The General Fund of the Clerk of the Circuit Court is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another 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, 2002, the Clerk maintained the following Special Revenue Funds:

Public Records Modernization Trust Fund
Teen Court Fund

F. 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.

G. 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 Assets Account Group.

H. 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 of the Board of County Commissioners.

I. 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.

J. 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.

K. Risk Management

The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Clerk directly purchases insurance and participates in the risk management program through the Columbia County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

COMBINING STATEMENTS

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental revenue			
Federal grants			
Human services			
Other human services grants	\$ -	\$ 47,768	\$ 47,768
Charges for services			
General government			
Recording of legal instruments			
Recording fees user	180,000	230,956	50,956
Recording inter-governmental	<u>62,000</u>	<u>64,249</u>	<u>2,249</u>
Total recording of legal instruments	<u>242,000</u>	<u>295,205</u>	<u>53,205</u>
Certification, copying, record search			
Certify copy seal	48,000	80,674	32,674
Copies inter-governmental	<u>70,000</u>	<u>107,025</u>	<u>37,025</u>
Total certification, copying, record search	<u>118,000</u>	<u>187,699</u>	<u>69,699</u>
Circuit Court fees			
Appeals filed inter-governmental	25,100	19,479	(5,621)
Juvenile cases filed	30,000	33,360	3,360
Prepare court orders	39,000	26,648	(12,352)
Exhibit files	700	387	(313)
Civil filing	69,185	48,479	(20,706)
Marriage certificates	-	1,875	1,875
Other government charges	19,000	15,909	(3,091)
Certified mail user	-	367	367
Certified mail inter-governmental	3,500	3,912	412
Miscellaneous	16,000	19,558	3,558
Court attendance	58,000	52,800	(5,200)
Registry of Court service charges	8,000	7,608	(392)
Marriage licenses	20,000	14,126	(5,874)
Dissolution of marriage	-	987	987
Filing fees civil	45,000	59,095	14,095
Filing fees criminal	40,000	47,266	7,266
Juror and witness payrolls	700	585	(115)
Court minutes	50,000	47,360	(2,640)
Support payments	90,000	10,890	(79,110)
Probate charges	<u>19,000</u>	<u>11,930</u>	<u>(7,070)</u>
Total Circuit Court fees	<u>533,185</u>	<u>422,621</u>	<u>(110,564)</u>

(continued)

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	<u>\$ 537,298</u>	<u>\$ 530,092</u>	<u>\$ (7,206)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 2002

	Public Records Modernization Fund	Teen Court Fund	Totals
REVENUES			
Charges for services			
General government			
Recording of legal instruments	\$ 31,400	\$ -	\$ 31,400
County Officers fees	-	45,990	45,990
Total charges for services	<u>31,400</u>	<u>45,990</u>	<u>77,390</u>
Miscellaneous			
Interest earnings			
Interest County Officers-Clerk	10,406	-	10,406
Total revenues	<u>41,806</u>	<u>45,990</u>	<u>87,796</u>
EXPENDITURES			
General government			
Financial and administrative			
Operating expenses	23,039	-	23,039
Capital outlay	25,421	-	25,421
Total financial and administrative	<u>48,460</u>	<u>-</u>	<u>48,460</u>
Judicial			
Operating expenses	-	39,434	39,434
Total expenditures	<u>48,460</u>	<u>39,434</u>	<u>87,894</u>
Excess of revenues over expenditures	(6,654)	6,556	(98)
Fund balances at beginning of year	44,865	5,371	50,236
Fund balances at end of year	<u>\$ 38,211</u>	<u>\$ 11,927</u>	<u>\$ 50,138</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, 2002

	Balance Oct. 1, 2001	<u>Additions</u>	<u>Deductions</u>	Balance Sept. 30, 2002
TRUST FUND				
Assets				
Cash	\$ 592,272	\$6,381,311	\$6,337,808	\$ 635,775
Dishonored checks receivable	4,658	11,050	12,318	3,390
Total assets	<u>\$ 596,930</u>	<u>\$6,392,361</u>	<u>\$6,350,126</u>	<u>\$ 639,165</u>
Liabilities				
Due to other funds	\$ 44,664	\$ 579,289	\$ 574,627	\$ 49,326
Due to other governmental units	335,817	5,102,326	5,069,795	368,348
Suspense	23,843	36,899	18,628	42,114
Court liability fees payable	145,298	555,115	576,116	124,297
Juvenile installments	68	19,936	19,173	831
Tax deed sales	21,021	69,431	62,471	27,981
Installments payable	7,318	-	-	7,318
Other current liabilities	18,901	5,998	5,949	18,950
Total liabilities	<u>\$ 596,930</u>	<u>\$6,368,994</u>	<u>\$6,326,759</u>	<u>\$ 639,165</u>
EMPLOYEE RETIREMENT COMPENSATION				
TRUST FUND				
Assets				
Cash	<u>\$ 1,179</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 1,213</u>
Liabilities				
Retirement funds payable	<u>\$ 1,179</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 1,213</u>
COURT REPORTING PAYROLL TRUST FUND				
Assets				
Cash	<u>\$ 24,103</u>	<u>\$ 232,402</u>	<u>\$ 254,294</u>	<u>\$ 2,211</u>
Liabilities				
Due to Board of County Commissioners	<u>\$ 24,103</u>	<u>\$ 232,402</u>	<u>\$ 254,294</u>	<u>\$ 2,211</u>

(continued)

COMPLIANCE SECTION

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

To the Clerk of the Circuit Court
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Clerk of the Circuit Court, as of and for the year ended September 30, 2002, and have issued our report thereon dated June 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Clerk of the Circuit Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Clerk of the Circuit Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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


POWELL & JONES
June 9, 2003

MANAGEMENT LETTER

Honorable Clerk of the Circuit Court
Columbia County, Florida

We have audited the financial statements of the Columbia County Clerk of the Circuit Court, as of and for the year ended September 30, 2002, and have issued our report thereon dated June 9, 2003. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the certain items be addressed in this letter.

PRIOR YEAR FINDINGS

All prior year findings were cleared during the current year.

CURRENT YEAR FINDINGS

There were no additional reportable findings during the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements of Columbia County, Florida, for the year ended September 30, 2002. The financial statements of the Clerk of the Circuit Court are combined with other County agencies in that report.

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

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

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(g)(6)(c). and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

P. DeWitt Cason

Clerk of Circuit Court - Columbia County, Florida



September 23, 2003

Richard C. Powell
Powell and Jones, CPA's
2585 S. First Street
Lake City, FL 32025

Dear Mr. Powell:

This letter is to confirm that I have received the Management Letter, prepared by your firm, for our financial statement audit for the fiscal year ended September 30, 2002.

We were glad to see that there were no additional reportable findings for this audit period. As always, we enjoyed the challenges associated with this year's audit and appreciate the professionalism of you and your staff.

Sincerely,

A handwritten signature in cursive script that reads "P. DeWitt Cason".

P. DeWitt Cason
Columbia County Clerk of Courts



FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
Certified Public Accountants

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

1359 S.W. Main Blvd.
Lake City, Florida 32025
386 / 755-4200
Fax: 386 / 755-4490

INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Columbia County, Florida


We have audited the accompanying special purpose financial statements of the Columbia County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2002, as listed in the table of contents. These special purpose financial statements are the responsibility of the Property Appraiser. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special 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 accompanying financial statements were prepared for the purpose of complying with state reporting requirements, as described in Note 1, and are intended to present the financial position and results of operations of only that portion of the financial reporting entity of Columbia County, Florida, that is attributable to the transactions of the Property Appraiser.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Property Appraiser, as of September 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated November 22, 2002, on our consideration of the Property Appraiser's internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


POWELL & JONES
November 22, 2002

COMBINED 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, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenue			
State grants			
General government			
Department of revenue			
mapping	\$ -	\$ 16,375	\$ 16,375
Grants from other local			
units - SRWMD			
mapping grant	-	8,000	8,000
	<u>-</u>	<u>8,000</u>	<u>8,000</u>
		<u>24,375</u>	<u>24,375</u>
Charges for services			
General government			
Sale of maps and			
publications	-	3,949	3,949
Certification, copying,			
and record search	-	196	196
County officer fees			
Lake Shore Hospital			
Authority	64,017	61,922	(2,095)
Columbia County			
Industrial Development			
Authority	5,890	5,697	(193)
Suwannee River Water			
Management District	20,972	20,286	(686)
Total charges for services	<u>90,879</u>	<u>92,050</u>	<u>1,171</u>
Miscellaneous			
Interest earnings			
Interest County Officers			
Property Appraiser	-	3,574	3,574
Other miscellaneous	-	2,325	2,325
Total miscellaneous	<u>-</u>	<u>5,899</u>	<u>5,899</u>
Total revenues	<u>90,879</u>	<u>122,324</u>	<u>31,445</u>
EXPENDITURES			
General government			
Financial and administrative			
Personal services	733,058	721,897	11,161
Operating expenses	118,361	135,281	(16,920)
Capital outlay	29,089	28,935	154
Total expenditures	<u>880,508</u>	<u>886,113</u>	<u>(5,605)</u>
Excess (deficiency) of revenues over expenditures	<u>(789,629)</u>	<u>(763,789)</u>	<u>25,840</u>

(continued)

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Columbia County Property Appraiser (Property Appraiser).

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Property Appraiser, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Property Appraiser's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as a part of the primary government of Columbia County, Florida. The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Columbia County, Florida, taken as a whole.

These special purpose financial statements of the Property Appraiser are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. Fund Accounting - Accounts 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 entity, 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 funds and account group utilized by the Property Appraiser are as follows:

(i) Governmental Fund

General Fund - The General Fund of the Property Appraiser is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

C. Basis of Accounting - The "Basis of Accounting" refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounting records and reported in the financial statements. The Property Appraiser currently maintains his accounting records on the cash basis. However, for financial statement purposes appropriate adjustments are made to report the governmental fund type using the modified accrual basis of accounting. Under the modified accrual basis, revenues are generally recognized when they become measurable and available as net current assets. Expenditures are reported when incurred with the exception of prepaid expenses and principal and interest on general long-term obligations. Encumbrance accounting is not utilized by the Property Appraiser.

The Property Appraiser directly purchases insurance and participates in the risk management program through the Columbia County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

NOTE 3. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Property Appraiser is required to contribute at an actuarially determined rate. The rates at September 30, 2002 were as follows: Regular Employees 5.76%; Special Risk Employees 16.01%; Senior Management 6.06%; Elected Officials 11.86%. The contribution requirements of plan members and the Property Appraiser are established and may be amended by the Florida Legislature. The Property Appraiser's contributions to the System for the years ending September 30, 2002, 2001 and 2000 were \$49,342, \$54,890, and \$59,579, respectively, equal to the required contributions for each year.

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*

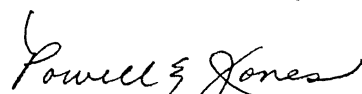
To the Property Appraiser
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Property Appraiser, as of and for the year ended September 30, 2002, and have issued our report thereon dated November 22, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Columbia County Property Appraiser in a separate letter dated November 22, 2002, on pages 4 - 9 - 4 - 10

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


POWELL & JONES
November 22, 2002

MANAGEMENT LETTER

Honorable Property Appraiser
Columbia County, Florida

We have audited the financial statements of the Columbia County Property Appraiser, as of and for the year ended September 30, 2002, and have issued our report thereon dated November 22, 2002. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the certain items be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

Approval of Expenditures - From our audit of selected disbursements, we found that generally there was no audit evidence that the Property Appraiser, or another designated employee other than the finance director, had formally approved invoices prior to payment. To improve internal control over disbursements, we recommend that the Property Appraiser, or another designated employee outside of the accounting function, formally approve invoices prior to being paid. Such approval should be documented on the canceled and paid invoices.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements of Columbia County, Florida, for the year ended September 30, 2002. The financial statements of the Property Appraiser are combined with other County agencies in that report.

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

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


COLUMBIA COUNTY
PROPERTY APPRAISER

J. DOYLE CREWS, C.F.A.
Property Appraiser

135 NE Hernando Ave., Suite 238
Lake City, FL 32055
386-758-1083

September 17, 2003

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

RE: Management Letter-Audit for Year Ended September 30, 2002

Dear Richard;

Thank you for the Management letter regarding the audit your office conducted on the Columbia County Property Appraiser's for year ended September 30, 2002.

I have noted the Current Year Findings in reference to Approval of Expenditures.

I have discussed this matter with the department supervisors in my office and beginning immediately all invoices will be reviewed and approved by myself as well as the appropriate supervisor, before being paid.

I believe this will satisfy your recommendation for improving internal control over disbursements.

Thank you for your recommendation and please call me if you feel this matter requires further attention.

Sincerely,



J. Doyle Crews, CFA
Property Appraiser

JDC/mm
Cc: Dale Williams, County Manager



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

1359 U.S. Main Blvd
Lake City, Florida 32025
366 / 755 4200
Fax: 366 / 755 4496

INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Sheriff (Sheriff), as of and for the year ended September 30, 2002, as listed in the table of contents. These special purpose financial statements are the responsibility of the Sheriff. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

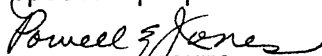
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special 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 accompanying financial statements were prepared for the purpose of complying with state reporting requirements, as described in Note 1, and are intended to present the financial position and results of operations of only that portion of the financial reporting entity of Columbia County, Florida that is attributable to the transactions of the Sheriff.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sheriff, as of September 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 18, 2002, on our consideration of the Sheriff's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the special 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 special purpose financial statements of the Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose financial statements taken as a whole.


POWELL & JONES

November 18, 2002

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, 2002

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Fines and forfeitures	\$ -	\$ 65,228	\$ 65,228
Miscellaneous	<u>211,841</u>	<u>259,878</u>	<u>471,719</u>
Total revenues	<u>211,841</u>	<u>325,106</u>	<u>536,947</u>
 EXPENDITURES			
Current Expenditures			
Public safety	8,530,219	240,872	8,771,091
Capital Outlay			
Public safety	241,600	43,987	285,587
Debt Service			
Public safety	<u>1,876</u>	<u>1,876</u>	<u>3,752</u>
Total expenditures	<u>8,773,695</u>	<u>286,735</u>	<u>9,060,430</u>
 Excess (deficiency) of revenues over expenditures	 <u>(8,561,854)</u>	 <u>38,371</u>	 <u>(8,523,483)</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in from Board of County Commissioners	8,523,253	14,475	8,537,728
Interfund transfers in	38,601	-	38,601
Interfund transfers out	-	<u>(38,601)</u>	<u>(38,601)</u>
Total other financing sources (uses)	<u>8,561,854</u>	<u>(24,126)</u>	<u>8,537,728</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 -	 14,245	 14,245
 Fund balances at beginning of year	 -	 51,260	 51,260
 Fund balances at end of year	 <u>\$ -</u>	 <u>\$ 65,505</u>	 <u>\$ 65,505</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, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ -	\$ 15,933	\$ 14,245	\$ 1,688
Fund balances at beginning of year	-	-	-	51,260	51,260	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,193</u>	<u>\$ 65,505</u>	<u>\$ 1,688</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Sheriff, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Sheriff's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as a part of the primary government of Columbia County, Florida. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Columbia County, Florida, taken as a whole.

These special purpose financial statements of the Sheriff are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. Fund Accounting - Accounts 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 funds and account group utilized by the Sheriff are as follows:

(i) Governmental Fund

General Fund - The General Fund of the Sheriff is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another 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, 2001, the Sheriff maintained the following Special Revenue Funds:

Minimum Standards School
Forfeiture
Forfeiture - Non Grant
Inmate Welfare
Work Program

(ii) Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations,

G. Fixed Assets - 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.

H. 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.

I. 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.

J. 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.

K. Risk Management - The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Sheriff directly purchases insurance and participates in the risk management program through the Columbia County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

NOTE 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 10/01/01	Additions	Deletions	Balance 09/30/02
Equipment	<u>\$ 3,168,992</u>	<u>\$ 392,320</u>	<u>\$ 126,795</u>	<u>\$ 3,434,517</u>

NOTE 4. PENSION PLAN

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

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, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Miscellaneous			
Reimbursement for services	\$ -	\$ 198,533	\$ 198,533
Other miscellaneous	-	13,308	13,308
Total revenue	<u>-</u>	<u>211,841</u>	<u>211,841</u>
EXPENDITURES			
Public safety			
VOCA Grant			
Personal services	50,492	50,492	-
Operating expenses	4,648	4,648	-
Total VOCA grant	<u>55,140</u>	<u>55,140</u>	<u>-</u>
Multi-Jurisdictional Task Force Grant			
Personal services	139,752	139,752	-
Operating expenses	8,247	8,247	-
Capital outlay	24,304	24,304	-
Total Multi-Jurisdictional Task	<u>172,303</u>	<u>172,303</u>	<u>-</u>
Sheriff administration			
Personal services	645,092	645,092	-
Operating expenses	107,566	107,566	-
Capital outlay	5,091	5,091	-
Total Sheriff administration	<u>757,749</u>	<u>757,749</u>	<u>-</u>
Sheriff road patrol			
Personal services	1,686,302	1,884,916	(198,614)
Operating expenses	398,779	399,972	(1,193)
Capital outlay	155,512	145,512	10,000
Total Sheriff road patrol	<u>2,240,593</u>	<u>2,430,400</u>	<u>(189,807)</u>
Sheriff criminal investigation			
Personal services	416,297	416,297	-
Operating expenses	69,513	69,513	-
Total Sheriff criminal investigation	<u>485,810</u>	<u>485,810</u>	<u>-</u>
Sheriff Accreditation			
Personal services	10,592	10,592	-
Operating expenses	894	894	-
Total Sheriff accreditation	<u>11,486</u>	<u>11,486</u>	<u>-</u>
Sheriff process service			
Personal services	751,686	751,686	-
Operating expenses	120,411	122,343	(1,932)
Total Sheriff process service	<u>872,097</u>	<u>874,029</u>	<u>(1,932)</u>

(continued)

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, 2002

	<u>Minimum Standards School</u>	<u>Forfeiture</u>	<u>Inmate Welfare</u>	<u>Forfeiture Non Grant</u>	<u>Work Program</u>	<u>Totals</u>
REVENUES						
Fines and forfeitures						
Court cases						
Confiscated property	\$ -	\$ 11,283	\$ -	\$ 29,335	\$ -	\$ 40,618
Law enforcement education	24,610	-	-	-	-	24,610
Total fines and forfeitures	<u>24,610</u>	<u>11,283</u>	<u>-</u>	<u>29,335</u>	<u>-</u>	<u>65,228</u>
Miscellaneous						
Interest earnings						
Interest on investments	43	48	104	19	193	407
Other miscellaneous						
Telephone commissions jail	-	-	105,190	-	-	105,190
Other miscellaneous	5,398	-	139,999	13	8,871	154,281
Total miscellaneous	<u>5,441</u>	<u>48</u>	<u>245,293</u>	<u>32</u>	<u>9,064</u>	<u>259,878</u>
Total revenues	<u>30,051</u>	<u>11,331</u>	<u>245,293</u>	<u>29,367</u>	<u>9,064</u>	<u>325,106</u>
EXPENDITURES						
Public safety						
Sheriff-Public Safety						
Operating expenses	36,831	7,778	-	13,788	-	58,397
Capital outlay	-	1,172	-	7,764	-	8,936
Total public safety	<u>36,831</u>	<u>8,950</u>	<u>-</u>	<u>21,552</u>	<u>-</u>	<u>67,333</u>
Detention and correction						
Personal services	-	-	16,686	-	3,080	19,766
Operating expenses	-	-	155,588	-	7,121	162,709
Capital outlay	-	-	35,051	-	-	35,051
Debt Service	-	-	1,876	-	-	1,876
Total detention and correction	<u>-</u>	<u>-</u>	<u>209,201</u>	<u>-</u>	<u>10,201</u>	<u>219,402</u>
Total expenditures	<u>36,831</u>	<u>8,950</u>	<u>209,201</u>	<u>21,552</u>	<u>10,201</u>	<u>286,735</u>

(continued)

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2002

	Balance Oct. 1, 2001	Additions	Deductions	Balance Sept. 30, 2002
INMATE TRUST FUND				
Assets				
Cash	<u>\$ 76,378</u>	<u>\$ 295,480</u>	<u>\$ 263,519</u>	<u>\$ 108,339</u>
Liabilities				
Due to individuals	<u>\$ 76,378</u>	<u>\$ 295,480</u>	<u>\$ 263,519</u>	<u>\$ 108,339</u>
TRUST FUND				
Assets				
Cash	<u>\$ 100,986</u>	<u>\$ 415,950</u>	<u>\$ 396,053</u>	<u>\$ 120,883</u>
Liabilities				
Cash bonds liability	\$ 79,594	\$ 326,678	\$ 296,822	\$ 109,450
Individual depositors liability	19,795	88,698	107,645	848
Due to other governmental units	<u>1,597</u>	<u>9,012</u>	<u>24</u>	<u>10,585</u>
Total liabilities	<u>\$ 100,986</u>	<u>\$ 424,388</u>	<u>\$ 404,491</u>	<u>\$ 120,883</u>
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	<u>\$ 177,364</u>	<u>\$ 711,430</u>	<u>\$ 659,572</u>	<u>\$ 229,222</u>
Liabilities				
Cash bonds liability	\$ 79,594	\$ 326,678	\$ 296,822	\$ 109,450
Individual depositors liability	19,795	88,698	107,645	848
Due to individuals	76,378	295,480	263,519	108,339
Due to other governmental units	<u>1,597</u>	<u>9,012</u>	<u>24</u>	<u>10,585</u>
Total liabilities	<u>\$ 177,364</u>	<u>\$ 719,868</u>	<u>\$ 668,010</u>	<u>\$ 229,222</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*

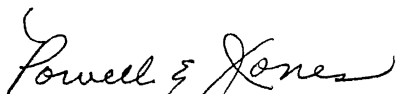
To the Sheriff
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Sheriff, as of and for the year ended September 30, 2002, and have issued our report thereon dated November 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Columbia County Sheriff in a separate letter dated November 18, 2002, on pages 5-18 - 5-19.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Columbia County Sheriff in a separate letter dated November 18, 2002, on pages 5-18 - 5-19.

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


POWELL & JONES
November 18, 2002

MANAGEMENT LETTER

Honorable Sheriff
Columbia County, Florida

We have audited the financial statements of the Columbia County Sheriff, as of and for the year ended September 30, 2002, and have issued our report thereon dated November 18, 2002. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the certain items be addressed in this letter.

PRIOR YEAR FINDINGS

Individual depositors - From our audit of individual depositor transactions in the prior and current years, we found that the computerized accounting system for this operation did not provide a detail listing of individual account balances at month end which reconciled to the total funds held in this account. We also found that the employee who generally received individual depositor receipts also made entries in this accounting system.

In order to strengthen internal controls over this operation, we again recommend that the computer software be appropriately modified so as to produce a detailed listing of the individual account balances on a periodic basis.

During the current year, the Office Comptroller implemented a system to verify the detail liability balances in conjunction with the monthly bank reconciliation. Also, a different fiscal employee currently prepares the bank deposits and verifies the deposit amounts with the related reports of cash received.

Inmate Trust deposits - From our audit of transactions relating to the Inmate Trust accounts in the prior and current year, we found that the documentation retained to support deposits was generally unorganized. This created a situation where receipt documentation was not adequate to facilitate verification of the actual funds turned in for deposit. Also, a monthly report of inmate balances is not regularly run and reconciled to the actual bank account balance.

We recommend that procedures be established to assure that all deposits for inmate accounts are fully supported by receipt documentation. We also recommend that a report of individual inmate balances be run monthly and reconciled to the overall account balance. Any variances should be investigated and resolved.

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



FRANK E. OWENS, SHERIFF

COLUMBIA COUNTY
POST OFFICE BOX 650, LAKE CITY, FLORIDA 32056-0650

Residence 752-3430

Emergency/Communications 752-3222
Administrative Office 752-9212
Investigations 752-7015
Patrol 758-1376
Detention Center 755-7000

September 26, 2003

Powell & Jones, CPA's
2585 S. First Street
Lake City, FL 32025

In response to your management letter for fiscal year ended September 30, 2002,
I have the following response:

(1) Fixed Assets Accounting System: We have purchased new software to accommodate the pronouncement by the Governmental Accounting Standards Board (GASB) to record depreciation. We are also in the process of establishing guidelines to classify items as depreciable fixed assets.

Overall, we pleased with the year end audit of our books.

Sincerely,

Frank E. Owens, Sheriff
Columbia County, Florida

cc: Board of County Commissioners



POWELL & JONES
Certified Public Accountants

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

1359 S.W. Main Blvd.
Lake City, Florida 32025
386 / 755 4200
Fax: 386 / 755 4490

INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Columbia County, Florida


We have audited the accompanying special purpose financial statements of the Columbia County Supervisor of Elections (Supervisor of Elections), as of and for the year ended September 30, 2002, as listed in the table of contents. These special purpose financial statements are the responsibility of the Supervisor of Elections. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special 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 accompanying financial statements were prepared for the purpose of complying with state reporting requirements, as described in Note 1, and are intended to present the financial position and results of operations of only that portion of the financial reporting entity of Columbia County, Florida, that is attributable to the transactions of the Supervisor of Elections.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Supervisor of Elections, as of September 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2003, on our consideration of the Supervisor of Elections internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


POWELL & JONES
June 30, 2003

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, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Miscellaneous			
Interest earnings			
Interest County Officers			
Supervisor of Elections	\$ -	\$ 549	\$ 549
Other miscellaneous	-	2,942	2,942
Total revenues	<u>-</u>	<u>3,491</u>	<u>3,491</u>
EXPENDITURES			
General government			
Other general government			
Personal services Supervisor	228,083	227,174	909
Personal services Elections	78,000	57,337	20,663
Operating expenses Supervisor	8,511	6,058	2,453
Operating expenses Elections	116,404	93,648	22,756
Capital outlay	-	15,194	(15,194)
Debt service	-	7,912	(7,912)
Total expenditures	<u>430,998</u>	<u>407,323</u>	<u>23,675</u>
Excess (deficiency) of revenues over expenditures	<u>(430,998)</u>	<u>(403,832)</u>	<u>(27,166)</u>
OTHER FINANCING SOURCES			
Transfers from Board of County Commissioners	<u>430,998</u>	<u>403,832</u>	<u>27,166</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
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, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Columbia County Supervisor of Elections (Supervisor of Elections).

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Supervisor of Elections, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Supervisor of Elections' Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as a part of the primary government of Columbia County, Florida. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of Columbia County, Florida, taken as a whole.

These special purpose financial statements of the Supervisor of Elections are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. Fund Accounting - Accounts 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 entity, 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 funds and account group utilized by the Supervisor of Elections are as follows:

(i) Governmental Fund

General Fund - The General Fund of the Supervisor of Elections is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

H. 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.

I. 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.

J. 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.

K. Risk Management

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction to property of others. The Supervisor of Elections directly purchases insurance and participates in the risk management program through the Columbia County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

NOTE 3. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Supervisor of Elections is required to contribute at an actuarially determined rate. The rates at September 30, 2002 were as follows: Regular Employees 5.76%; Special Risk Employees 16.01%; Senior Management 6.06%; Elected Officials 11.86%. The contribution requirements of plan members and the Supervisor of Elections are

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 special purpose financial statements of the Columbia County Supervisor of Elections, as of and for the year ended September 30, 2002, and have issued our report thereon dated June 30, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 considered 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 June 30, 2003, on pages 6-9 - 6-10.

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


POWELL & JONES
June 30, 2003

MANAGEMENT LETTER

Honorable Supervisor of Elections
Columbia County, Florida

We have audited the financial statements of the Columbia County Supervisor of Elections, as of and for the year ended September 30, 2002, and have issued our report thereon dated June 30, 2003. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the certain items be addressed in this letter.

PRIOR YEAR FINDINGS

Employee Bonding - From our review of insurance coverages in the prior and current years, 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.

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

CURRENT YEAR FINDINGS

There were no additional reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements of Columbia County, Florida, for the year ended September 30, 2002. The financial statements of the Supervisor of Elections are combined with other County agencies in that report.

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

CAROLYN D. KIRBY

Supervisor of Elections • Columbia County

September 29, 2003

Honorable William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Fl. 32399-1450

Re: Annual Financial Report, Supervisor of Elections Fiscal Year ending September 30, 2002.

Dear Honorable Monroe:

We have received the Columbia County, Florida Supervisor of Elections Annual Financial Report for the fiscal year ending September 30, 2002.

In reference to Employee Bonding, I have sent a request to the Board of County Commissioners to have the appropriate employees bonded under the Commissioners Bonding Umbrella; a copy is enclosed.

Sincerely,



Carolyn D. Kirby
CDK/jl
Cc: Richard Powell

CAROLYN D. KIRBY

Supervisor of Elections • Columbia County

971 West Duval Street (Suite 102)
Lake City, Florida 32055-3734





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

1300 S.W. Main Blvd.
Lake Oly, Florida 32025
386 / 755 4200
Fax: 386 / 755-4400

INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Tax Collector (Tax Collector), as of and for the year ended September 30, 2002, as listed in the table of contents. These special purpose financial statements are the responsibility of the Tax Collector. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special 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 accompanying financial statements were prepared for the purpose of complying with state reporting requirements, as described in Note 1, and are intended to present the financial position and results of operations of only that portion of the financial reporting entity of Columbia County, Florida, that is attributable to the transactions of the Tax Collector.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Tax Collector, as of September 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 9, 2003, on our consideration of the Tax Collector's internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the special 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 special purpose financial statements of the Tax Collector. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the special purpose financial statements taken as a whole.

Powell & Jones
POWELL & JONES
May 9, 2003

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, 2002

	<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	\$ 11,670	\$ 10,399	\$ (1,271)
Motor vehicle fees	312,228	345,647	33,419
Other licenses and permits	12,856	11,502	(1,354)
State commissions	360	360	-
Tax commissions			
Columbia County Industrial Development Authority	4,082	3,147	(935)
Tax commissions			
Suwannee Rive Water Management District	14,532	11,229	(3,303)
Tax commissions			
Lake Shore Hospital Authority	44,358	34,298	(10,060)
Delinquent tax commissions	101,500	110,210	8,710
Special assessment administrative fees	47,250	57,018	9,768
Total charges for services	<u>548,836</u>	<u>583,810</u>	<u>34,974</u>
Miscellaneous			
Interest earnings			
Interest county officers Tax Collector	9,200	7,045	(2,155)
Other miscellaneous	3,185	6,451	3,266
Total miscellaneous	<u>12,385</u>	<u>13,496</u>	<u>1,111</u>
Total revenues	<u>561,221</u>	<u>597,306</u>	<u>36,085</u>

(continued)

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Columbia County Tax Collector (Tax Collector).

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Tax Collector, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Tax Collector's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as a part of the primary government of Columbia County, Florida. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Columbia County, Florida, taken as a whole.

These special purpose financial statements of the Tax Collector are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. Fund Accounting - Accounts 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 funds and account group utilized by the Tax Collector are as follows:

(i) **Governmental Fund**

General Fund - The General Fund of the Tax Collector is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

(ii) **Fiduciary Fund**

Agency Funds - Agency Funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following Agency Funds are maintained by the Tax Collector.

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, 2002

	<u>Balance</u> <u>Oct. 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Sept. 30, 2002</u>
TAG AGENCY FUND				
Liabilities				
Due to other funds	\$ 220	\$ 13,404	\$ 1,066	\$ 12,558
Due to other governmental units	126,398	4,704,592	4,793,333	37,657
Other current liabilities	544	1,947	-	2,491
Total liabilities	<u>\$ 127,162</u>	<u>\$4,719,943</u>	<u>\$4,794,399</u>	<u>\$ 52,706</u>
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 876,998	\$42,024,613	\$41,996,717	\$ 904,894
Dishonored checks receivable	1,593	15,320	16,328	585
Due from other funds	114,910	2,315,784	2,197,267	233,427
Due from other governmental units	7,182	12,142	7,182	12,142
Total assets	<u>\$1,000,683</u>	<u>\$44,367,859</u>	<u>\$44,217,494</u>	<u>\$ 1,151,048</u>
Liabilities				
Due to the Board of County Commissioners	\$ 404,553	\$ 408,296	\$ 404,553	\$ 408,296
Due to other funds	119,173	2,777,212	2,645,206	251,179
Due to other governmental units	349,985	5,372,826	5,385,358	337,453
Escrow funds payable	3,065	179	3,065	179
Occupational licenses payable	8,950	48,684	48,228	9,406
Interest payable	6,355	-	6,355	-
Taxes payable	-	37,710,656	37,710,656	-
Other current liabilities	108,602	2,419,896	2,383,963	144,535
Total liabilities	<u>\$1,000,683</u>	<u>\$48,737,749</u>	<u>\$48,587,384</u>	<u>\$ 1,151,048</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*

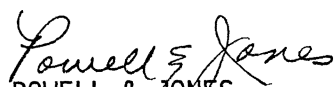
To the Tax Collector
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Tax Collector, as of and for the year ended September 30, 2002, and have issued our report thereon dated May 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 solely for the information and use of the Tax Collector of Columbia County, the Board of County Commissioners, and the Auditor General of Florida, and is not intended to be and should not be used by anyone other than these specified parties.


POWELL & JONES
May 9, 2003

MANAGEMENT LETTER

Honorable Tax Collector
Columbia County, Florida

We have audited the financial statements of the Columbia County Tax Collector, as of and for the year ended September 30, 2002, and have issued our report thereon dated May 9, 2003. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the certain items be addressed in this letter.

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

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

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements of Columbia County, Florida, for the year ended September 30, 2002. The financial statements of the Tax Collector are combined with other County agencies in that report.

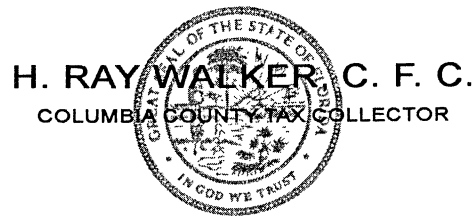
Investment of Public Funds - The Tax Collector complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

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

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(g)(6)(c) and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

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

TELEPHONE (386) 758-1077
FAX (386) 758-1340



135 N.E. Hernando Ave. Suite 125
Lake City, Florida 32055

September 25, 2003

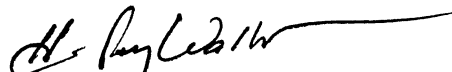
Honorable Ronald Williams, Chairman
Columbia County Board of County Commissioners
Post Office Box 1529
Lake City, Florida 32056-1529

Gentlemen:

We have received our Management Letter from Powell and Jones, Certified Public Accountants, for the fiscal year financial audit ending September 30, 2002.

We are pleased to report there were no reportable findings for the fiscal year 2001-2002.

Sincerely,



H. Ray Walker
Tax Collector

HRW:sm