

**COLUMBIA COUNTY,
FLORIDA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2009

<u>Title</u>	<u>Name</u>
Board of County Commissioners	
District I	Ronald Williams
District II	Dewey Weaver
District III	Jody DuPree
District IV	Stephen E. Bailey
District V	Scarlet P. Frisina
County Attorney	Marlin M. Feagle
Clerk of Circuit Court	P. DeWitt Cason
Property Appraiser	J. Doyle Crews
Sheriff	Mark Hunter
Supervisor of Elections	Elizabeth P. Horne
Tax Collector	Ronnie Brannon

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbia County, Florida, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

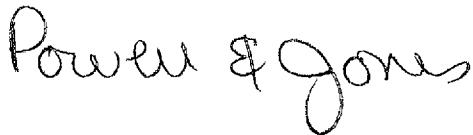
In accordance with *Government Auditing Standards*, we have also issued a report dated June 14, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 10 through 17 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation

of the supplementary information. However, we did not audit the information and express no opinion on it.

The budgetary comparison information presented for the general fund and the other major governmental funds is not a required part of the basic financial statements of the County, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

POWELL & JONES
Certified Public Accountants
June 14, 2010

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2009

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2009. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

The County has implemented Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis.

Its intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at fiscal year end September 30, 2009.

One of the key changes in financial presentation is the requirement to capitalize infrastructure assets and record depreciation. Consequently, significant changes have resulted in the reporting of fixed assets, long term liabilities, and fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The **Government-wide financial statements** present an overall picture of the County's financial position and results of operations. The **Fund financial statements** present financial information for the County's major funds. The **Notes to the financial statements** provide additional information concerning the County's finances that are not disclosed in the government-wide or fund financial statements.

Government-wide financial statements

The government-wide financial statements consist of the statement of net assets and the statement of activities, and are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. Emphasis is placed on the net assets of governmental activities and business-type activities and the change in net assets. Governmental activities are primarily supported by property and non ad valorem taxes, sales and use taxes, federal and state grants, and state shared revenues. Business-type activities are supported by charges to the users of those activities.

The statement of net assets presents information on all assets and liabilities of the County, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Net assets are reported in three categories: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Assets, liabilities, and net assets are reported for all Governmental Activities separate from those of business-type activities.

The **statement of activities** presents information on all revenues and expenses of the County and the change in net assets. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the County. To

assist in understanding the County's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the County include public safety, physical environment, transportation, economic environment, human services, culture and recreation, and general government services. Business-type activities financed by user charges include the landfill operation.

Fund financial statements

A fund is a separate accounting entity with a self-balancing set of accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives in accordance with special regulations, restrictions, or limitations. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

Proprietary fund financial statements provide information on all assets and liabilities of the fund, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances - budget and actual**, is provided for the County's general fund and major special revenue, capital projects, and debt service funds as required supplementary information. For the proprietary funds, which includes business-type activities, a **statement of net assets**; a **statement of revenues, expenses, and changes in fund net assets**; and a **statement of cash flows** are presented. A combining statement of fiduciary net assets is presented for the County's agency funds.

Fund financial statements provide more detailed information about the County's activities. Individual funds are established by the County to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the County. The government-wide financial statements provide an overall picture of the County's financial standing, split between governmental activities and business-type activities. These statements are comparable to private-sector companies and give a good understanding of the County's overall financial health and how the County paid for the various activities, or functions, provided by the County. All assets of the County, including buildings, land, roads, and bridges are reported in the **statement of net assets**. All liabilities, including principal outstanding on bonds, landfill closure liabilities, and future employee benefits obligated but not paid by the County, are included. The **statement of activities** includes depreciation on all long lived assets of the County, but transactions between the different functions of the County have been eliminated in order to avoid "doubling up" the revenues and expenses.

The *fund financial statements* provide a picture of the major funds of the County and a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the fund financial statements to the *government wide financial statements*.

Notes to the financial statements

The **Notes to the financial statements** provide additional detail concerning the financial activities and financial balances of the County. Additional information about the accounting practices of the County, investments of the County, long-term debt, and pension plan are some of the items included in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Total assets of the County exceeded total liabilities by \$164,560,281 (net assets). Unrestricted net assets for governmental activities were \$27,752,339, and for business-type activities were \$3,955,472. Governmental Activities restricted net assets were \$13,803,976, and were \$-0- for Business-type Activities.

Total net assets decreased by \$(3,887,136). Of that amount, \$(4,081,703) is attributable to Governmental Activities and Business-type Activities \$194,567, and income.

Governmental Funds revenues decreased by \$7,828,403 to \$56,101,751. This decrease in revenue was due primarily to economic conditions and decreased grant revenue during the year. Governmental Fund expenditures increased by \$265,148 to \$62,145,514. This negligible increase in expenditures was primarily due to minor increases in County services during the prior year.

Business-type activities revenues decreased 4% to \$2,788,021, while business-type expenses decreased 12% to \$2,593,454. The increase in expenses was attributable to normal inflation.

FINANCIAL ANALYSIS OF THE COUNTY

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At September 30, 2009, the assets of the County exceed liabilities by \$168,447,413.

The following schedule provides a summary of the assets, liabilities, and net assets of the county.

Net Assets

	Governmental	Business-type	Total Government	
	Activities	Activities	2009	2008
Assets				
Current assets	\$ 45,735,343	\$8,892,001	\$ 54,627,344	\$ 55,425,077
Restricted assets	-	4,388,850	4,388,850	4,231,283
Noncurrent assets	126,390,000	5,998,473	132,388,473	133,410,621
Total assets	<u>172,125,343</u>	<u>19,279,324</u>	<u>191,404,667</u>	<u>193,066,981</u>
Liabilities				
Current liabilities (payable from current assets)	2,142,156	79,657	2,221,813	5,919,901
Current liabilities (payable from restricted assets)	-	510,000	510,000	460,000
Noncurrent liabilities	13,791,342	10,321,231	24,112,573	18,239,667
Total liabilities	<u>15,933,498</u>	<u>10,910,888</u>	<u>26,844,386</u>	<u>24,619,568</u>
Net assets				
Net assets invested in capital assets, net of related debt	114,635,530	4,412,964	119,048,494	125,670,057
Net assets - restricted	13,803,976	-	13,803,976	16,578,826
Net assets - unrestricted	<u>27,752,339</u>	<u>3,955,472</u>	<u>31,707,811</u>	<u>26,198,530</u>
	<u>\$156,191,845</u>	<u>\$8,368,436</u>	<u>\$164,560,281</u>	<u>\$168,447,413</u>

72% of the County's net assets reflect its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional 9% of the County's net assets represent resources that are dedicated or subject to restrictions on how they may be used. The remaining balance of unrestricted net assets (19%) may be used to meet the government's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the changes in net assets. The increase in Governmental Activities net assets is due primarily to various road improvement and other capital grants received for capital road projects which have been capitalized. The decrease in Business-type Activities net assets is due to normal operations.

Changes in Net Assets

	Governmental	Business-type	Total Government	
	Activities	Activities	2009	2008
Revenues:				
Program revenues				
Charges for services	\$13,647,448	\$2,290,232	\$15,937,680	\$18,367,007
Operating grants/ contributions	1,596,186	277,316	1,873,502	2,902,995
Capital grants/contributions	1,941,287	-	1,941,287	4,890,442
General revenues				
Property taxes	19,266,907	-	19,266,907	20,004,812
Sales and use taxes	9,282,493	-	9,282,493	9,981,338
Federal and State shared revenues	9,533,274	-	9,533,274	8,658,231
Interest	240,490	185,835	426,325	1,555,155
Other	646,279	34,638	680,917	2,103,464
Total revenues	<u>56,154,364</u>	<u>2,788,021</u>	<u>58,942,385</u>	<u>68,463,444</u>
Expenses:				
General government	10,810,941	-	10,810,941	9,648,668
Public safety	22,777,796	-	22,777,796	21,777,140
Physical environment	5,107,698	2,593,454	7,701,152	7,824,211
Transportation	12,426,642	-	12,426,642	12,586,882
Economic environment	1,754,217	-	1,754,217	2,052,129
Human services	2,533,142	-	2,533,142	1,886,842
Culture/recreation	2,197,755	-	2,197,755	2,149,763
Court related	2,171,867	-	2,171,867	2,389,062
Interest on long-term debt	456,009	-	456,009	215,003
Total expenses	<u>60,236,067</u>	<u>2,593,454</u>	<u>62,829,521</u>	<u>60,529,700</u>
Increase (decrease) in net assets	<u>\$ (4,081,703)</u>	<u>\$ 194,567</u>	<u>\$ (3,887,136)</u>	<u>\$ 7,933,744</u>

Property taxes provide 34% of the revenues for Governmental Activities, while sales taxes provide 16%. Most of the Governmental Activities resources are spent for Public Safety (38%), General Government (18%), Transportation (21%), and Physical Environment (8%).

FUND FINANCIAL INFORMATION

Governmental Funds

General Fund

The County's General Fund is the main operating fund of the County. It is used to account for all financial resources that are not restricted by State or Federal laws, County Ordinances or other externally imposed requirements. As of September 30, 2009, total assets were \$18,793,275 and total liabilities were \$3,220,033. The ending fund balance was \$15,573,242, \$4,212,121 of which is designated for specified projects.

During the year ended September 30, 2009, total revenues, \$26,132,421, exceeded total expenditures, \$13,822,983, by \$12,309,438. \$14,075,914 was also transferred to other funds for operational and capital related purposes. The net increase in the fund balance in the General Fund was therefore, \$1,766,476.

During the fiscal year, the County amended the General Fund budget by \$3,410,513, primarily due to State and Federal grants being received during the course of the year in excess of the original approved budget.

Other Governmental Funds

The *County Transportation Trust Fund* accounts for motor fuel taxes designated for the annual maintenance of roads, bridges, right-of-way, drainage systems, etc. The County has the legal authority to levy ad valorem taxes for the Transportation Fund, but has elected not to do so. As of September 30, 2009, expenditures exceeded revenues, debt proceeds, and transfers by \$(40,372).

The *Municipal Services Benefit Unit Fund (MSBU)* accounts for expenditures incurred for the solid waste collection and fire control services in the unincorporated area, and other services which primarily benefit residents of the unincorporated area of the County. Financing is provided by non-ad valorem assessments and other revenues derived from the unincorporated area. For the fiscal year ended September 30, 2009, expenditures exceeded revenues by \$(2,610,582). This was primarily due to fire control related capital expenditures.

The *Municipal Services Special District Fund (MSSD)* accounts for expenditures incurred for emergency medical services, and 911 communications. Financing is provided by non ad valorem assessments, service fees, and distribution of state shared revenues. For the fiscal year ended September 30, 2009, expenditures exceeded revenues by \$(436,901).

The *Sheriff General Fund* is the general operating fund of the Sheriff, a Constitutional Officer. The primary source of funds are transfers from the Board of County Commission General Fund. Expenditures for the year were \$12,312,694, and by law this fund has no ending fund balance.

The *Clerk of Courts General Fund* is the general operating fund of the Clerk of the Circuit Court, a Constitutional Officer. The primary source of funds are various court related fees and service charges and transfers from the Board of County Commission General Fund. Expenditures for the year were \$2,453,030, and this fund also has no ending fund balance.

The *Economic Development Fund* accounts for expenditures associated with debt service and other outlays for economic development projects authorized by the Board of County Commissioners. During the year, expenditures were exceeded by revenues by \$297,376, leaving an ending fund balance of \$2,192,196.

The *Connector Road Project Fund* accounts for the ongoing project to provide bypass roads to relieve traffic congestion throughout the county. Financing is provided by a previously dedicated local option gas tax and state construction grants. During the year, revenues were exceeded by expenditures by \$(623,609), leaving an ending fund balance of \$5,745,217 to be used in subsequent years for this project.

The *Road Improvement Fund* accounts for the ongoing resurfacing and improvements to various roads within the County. Financing is provided by State construction grants and various transfers from other Board funds. During the year, expenditures exceeded revenues and transfers by \$(753,196), leaving an ending fund balance of \$2,749,718.

Proprietary Funds

The *Landfill Enterprise Fund* accounts for the revenues, expenses, assets, and liabilities associated with the County-operated solid waste disposal facility. This fund is substantially financed by tippage fees charged to users of the services. Total assets as of September 30, 2009, were \$19,279,324, total liabilities were \$10,910,888, and net assets were \$8,368,436. Total income was \$2,788,021, and total expenses were \$2,593,454, leaving a net income of \$194,567.

CAPITAL ASSETS ACTIVITY

The County's capital assets for its governmental and business-type activities as of September 30, 2009, is \$132,337,962 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress, net of depreciation. Prior to 2003, general fixed assets were recorded at cost or fair market value at the time of acquisition. Depreciation was not recognized for governmental activities.

The most significant change in capital assets during the fiscal year was the ongoing construction of various road and other capital projects.

The following schedule provides a summary of the County's capital assets balances for the year ended September 30, 2009, compared to the prior year:

Capital Assets

	Governmental Activities	Business-type Activities	Total Government	
			2009	2008
Land and improvements	\$ 5,948,569	\$ 10,435,333	\$ 16,383,902	\$ 16,136,117
Construction in progress	2,841,270	-	2,841,270	607,003
Infrastructure	135,992,014	-	135,992,014	132,356,488
Buildings and improvements	47,344,742	493,668	47,838,410	47,710,004
Equipment	23,624,150	3,161,114	26,785,264	25,850,168
	<u>215,750,745</u>	<u>14,090,115</u>	<u>229,840,860</u>	<u>222,659,780</u>
Less accumulated depreciation	(89,360,745)	(8,142,151)	(97,502,896)	(89,326,020)
Total	<u>\$126,390,000</u>	<u>\$ 5,947,964</u>	<u>\$132,337,964</u>	<u>\$133,333,760</u>

DEBT MANAGEMENT

Governmental Activities Debt

During the year, total long-term debt decreased by \$2,148,202, leaving the following balances:

Bank loans	\$ 496,298
Revenue bonds	8,441,775
Government loan	1,083,778
Capital leases	1,732,619
Compensated absences	2,396,320
	<u>\$ 14,150,790</u>

Business-type Activities Debt

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. Principal payments of \$460,000 were made on this loan during the year, leaving a balance of \$1,535,000 at year end. The County has internally escrowed funds to fully pay this debt. The County also had \$41,793 in long term compensated absences at year end.

OTHER FINANCIAL INFORMATION

Economic Factors and Next Year's Budget

- The current unemployment rate for the County, was 10.1%.
- The official population for the County in 2009 was 66,409, and is estimated to be approximately the same by the end of 2010.
- The ad valorem tax millage rate for the County was 8,015 mills in 2009, which was the same as the prior year. During the ensuing year, the millage rate was kept at the same rate.

REQUEST FOR INFORMATION

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. Questions concerning this report or requests for additional information should be addressed to the County Manager, P. O. Drawer 1529, Lake City, Florida 32025, or by calling (386) 758-1005.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2009

	Governmental Activities	Business - type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 18,065,243	\$ 7,551,631	\$ 25,616,874
Accounts receivable	245,174	234,209	479,383
Due from other funds	660,800	148,534	809,334
Due from other governmental units	3,059,266	-	3,059,266
Inventories	12,717	-	12,717
Investments	23,605,774	957,627	24,563,401
Other current assets	86,369	-	86,369
Total current assets	45,735,343	8,892,001	54,627,344
Noncurrent Assets			
Restricted assets			
Cash	-	98,104	98,104
Investments	-	4,290,746	4,290,746
Total restricted assets	-	4,388,850	4,388,850
Capital assets, net	126,390,000	5,947,964	132,337,964
Other assets			
Unamortized bond issuance costs	-	50,509	50,509
Total noncurrent assets	126,390,000	10,387,323	136,777,323
Total assets	\$ 172,125,343	\$ 19,279,324	\$ 191,404,667
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 1,331,187	\$ 1,181	\$ 1,332,368
Accrued payroll liabilities	11,029	-	11,029
Due to other funds	148,534	9,731	158,265
Due to other governmental units	58,210	-	58,210
Accrued compensated absences	359,448	41,793	401,241
Interest payable	35,545	26,952	62,497
Deposits	45,000	-	45,000
Deferred revenue	149,066	-	149,066
Other current liabilities	4,137	-	4,137
Total current liabilities	2,142,156	79,657	2,221,813
Current Liabilities Payable from Restricted Assets			
Note payable Gulf Breeze, short-term portion	-	510,000	510,000
Noncurrent Liabilities			
Due within one year:			
Notes and loans payable	352,597	-	352,597
Capital leases	251,674	-	251,674
Bonds payable	495,925	-	495,925
Due in more than one year:			
Notes and loans payable	1,227,479	1,025,000	2,252,479
Capital leases	1,480,945	-	1,480,945
Bonds payable	7,945,850	-	7,945,850
Accrued compensated absences	2,036,872	-	2,036,872
Estimated landfill closure liability	-	9,296,231	9,296,231
Total noncurrent liabilities	13,791,342	10,321,231	24,112,573
Total liabilities	15,933,498	10,910,888	26,844,386

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2009

	<u>Governmental Activities</u>	<u>Business - type Activities</u>	<u>Total</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 114,635,530	\$ 4,412,964	\$ 119,048,494
Restricted for:			
Library	326,355	-	326,355
Road projects	8,497,934	-	8,497,934
Other purposes	6,979,687	-	6,979,687
Unrestricted	25,752,339	3,955,472	29,707,811
Total net assets	<u>\$ 156,191,845</u>	<u>\$ 8,368,436</u>	<u>\$ 164,560,281</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2009

Functions/Programs	Expenses	Program Services			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General Government	\$ 10,810,941	\$ 3,375,774	\$ 227,993	\$ -	\$ (7,207,174)	\$ -	\$ (7,207,174)
Public Safety	22,777,796	4,389,566	195,354	117,433	(18,075,443)	-	(18,075,443)
Physical Environment	5,107,698	4,070,725	-	97,775	(939,198)	-	(939,198)
Transportation	12,426,642	77,339	16,002	1,423,683	(10,909,618)	-	(10,909,618)
Economic Environment	1,754,217	-	582,449	296,579	(875,189)	-	(875,189)
Human Services	2,533,142	1,431	37,023	-	(2,494,688)	-	(2,494,688)
Culture/recreation	2,197,755	53,712	537,365	5,817	(1,600,861)	-	(1,600,861)
Court-related	2,171,867	1,678,901	-	-	(492,966)	-	(492,966)
Interest on long-term debt	456,009	-	-	-	(456,009)	-	(456,009)
Total governmental activities	60,236,067	13,647,448	1,596,186	1,941,287	(43,051,146)	-	(43,051,146)
Business - type activities							
Physical Environment							
Landfill	2,593,454	2,290,232	277,316	-	-	(25,906)	(25,906)
Total government	62,829,521	15,937,680	1,873,502	1,941,287	(43,051,146)	(25,906)	(43,077,052)
General revenues							
					19,266,907	-	19,266,907
					9,282,493	-	9,282,493
					295,419	-	295,419
					9,237,855	-	9,237,855
					12,997	-	12,997
					240,490	185,835	426,325
					35,197	-	35,197
					216,807	-	216,807
					381,278	34,638	415,916
					38,969,443	220,473	39,189,916
					(4,081,703)	194,567	(3,887,136)
					160,273,548	8,173,869	168,447,417
					\$ 156,191,845	\$ 8,368,436	\$ 164,560,281

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2009**

	Special Revenue Funds						Debt Service Fund	Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	County Transportation Trust	Municipal Services Benefit Unit	Municipal Services Special District	Clerk of Courts Operating	Sheriff Operating	Economic Development	Connector Road Project	Road Improvement		
ASSETS											
Current assets											
Cash	\$ -	\$ 2,285,229	\$ 3,150,351	\$ -	\$ 402	\$ 758,373	\$ 1,820,012	\$ 2,886,791	\$ 1,185,041	\$ 5,979,044	\$ 18,065,243
Accounts receivable	4,100	4,272	15,774	209,489	1,234	10,305	-	-	-	-	245,174
Due from other funds	771,697	-	9,931	-	24,289	-	-	3,322,836	429,695	599,932	5,158,380
Due from other governmental units	292,144	658,254	215,086	-	10,360	11,338	245,815	-	1,423,688	202,581	3,059,266
Inventories	-	12,717	-	-	-	-	-	-	-	-	12,717
Investments	17,725,334	1,685,343	20,997	2,754,209	-	-	-	-	-	1,419,891	23,605,774
Other current assets	-	-	-	-	-	-	86,369	-	-	-	86,369
Total assets	\$ 18,793,275	\$ 4,645,815	\$ 3,412,139	\$ 2,963,698	\$ 36,285	\$ 780,016	\$ 2,152,196	\$ 6,209,627	\$ 3,038,424	\$ 8,201,448	\$ 50,232,923
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable	\$ 337,155	\$ 12,753	\$ 79,035	\$ -	\$ 13,489	\$ 549,415	\$ -	\$ 31,715	\$ 288,322	\$ 19,293	\$ 1,331,187
Due to other funds	2,879,064	200	148,534	59,015	14,149	230,601	-	429,695	384	884,472	4,646,114
Due to other governmental units	-	-	-	-	8,647	-	-	-	-	49,563	58,210
Accrued payroll liabilities	-	-	-	-	-	-	-	-	-	11,029	11,029
Deposits	-	45,000	-	-	-	-	-	-	-	-	45,000
Revenues collected in advance	-	-	-	136,305	-	-	-	-	-	12,761	149,066
Other current liabilities	3,814	-	323	-	-	-	-	-	-	-	4,137
Total liabilities	3,220,033	57,963	227,892	195,320	36,285	780,016	-	461,410	288,706	977,118	6,244,743
Fund balances											
Designated	6,212,121	-	384,766	115,085	-	-	-	5,748,217	2,749,718	594,069	15,803,976
Unreserved	9,361,121	4,587,852	2,799,481	2,653,293	-	-	2,152,196	-	-	6,630,261	28,184,204
Total fund balances	15,573,242	4,587,852	3,184,247	2,768,378	-	-	2,152,196	5,748,217	2,749,718	7,224,330	43,988,180
Total liabilities and fund balances	\$ 18,793,275	\$ 4,645,815	\$ 3,412,139	\$ 2,963,698	\$ 36,285	\$ 780,016	\$ 2,152,196	\$ 6,209,627	\$ 3,038,424	\$ 8,201,448	

Amounts reported for governmental activities in the statement of net assets are different because:
 Capital assets used in governmental activities are not financial resources and, are therefore not reported in funds. 126,390,000
 Long-term debt transactions including bonds payable (\$8,441,775), notes and loans payable (\$1,580,076), capital leases payable (\$1,732,619), accrued interest (\$35,545), and compensated absences (\$2,396,320), are not due and payable in the current period and therefore are not reported in the funds. (14,186,335)
 Net assets or governmental activities \$ 156,191,845

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2009

	Special Revenue Funds					Debt Service Fund	Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
	County Transportation Trust	Municipal Services Benefit Unit	Municipal Services Special District	Clerk of Courts Operating	Sheriff Operating	Economic Development	Connector Road Project	Road Improvement			
REVENUES											
Taxes	\$ 23,036,599	\$ 3,563,794	\$ 273,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,675,421	\$ 28,549,395
Licenses and permits	-	-	332,658	-	-	-	-	-	-	-	332,658
Intergovernmental	1,165,386	4,270,776	1,126,268	1,560,543	401,107	117,433	1,806,339	-	1,423,883	1,219,639	13,081,174
Charges for services	1,608,644	6,385	6,591,757	1,016,258	1,646,105	89,767	-	-	27,942	2,072,087	13,058,945
Fines and forfeitures	34,901	-	-	-	-	-	-	-	-	239,478	274,379
Miscellaneous	286,891	31,744	11,545	47,767	69	-	189,344	12,061	4,525	221,254	805,200
Total revenues	26,132,421	7,872,699	8,335,809	2,614,568	2,047,281	207,200	1,995,683	12,061	1,456,150	5,427,879	56,101,751
EXPENDITURES											
Current expenditures											
General government	4,131,265	-	719,248	113,251	750,045	-	-	20,000	-	3,493,362	9,227,171
Public safety	2,603,823	-	3,933,713	2,828,691	-	11,599,068	-	-	-	370,945	21,336,240
Physical environment	1,167,206	-	3,737,586	-	-	-	-	-	-	-	4,904,792
Transportation	-	4,940,018	-	-	-	-	-	615,670	293,825	-	5,849,513
Economic environment	395,391	-	-	-	-	-	7,383	-	-	1,310,196	1,712,970
Human services	2,473,848	-	-	-	-	-	-	-	-	-	2,473,848
Culture/recreation	1,334,010	-	53,234	-	-	-	-	-	-	693,343	2,080,587
Court-related	-	-	-	-	1,702,985	-	-	-	-	468,882	2,171,867
Capital outlay											
General government	66,115	-	-	-	-	-	-	-	-	32,343	98,458
Public safety	245,220	-	2,194,748	109,590	-	713,626	-	-	-	230,632	3,493,816
Physical environment	26,927	-	-	-	-	-	-	-	-	-	26,927
Transportation	-	585,245	-	-	-	-	-	-	-	-	4,500,706
Economic environment	9,715	-	-	-	-	-	20,513	-	-	62,436	92,664
Human services	5,436	-	-	-	-	-	-	-	-	-	5,436
Culture/recreation	698,103	-	-	-	-	-	-	-	-	-	698,103
Court-related	-	-	-	-	-	-	-	-	-	-	-
Debt services											
Principal	665,924	327,870	115,634	-	-	-	1,495,000	-	-	400,211	3,004,639
Interest	-	95,135	192,228	-	-	-	175,411	-	-	5,003	467,777
Total expenditures	13,822,983	5,948,268	10,946,391	3,051,532	2,453,030	12,312,694	1,698,307	635,670	4,209,286	7,067,353	62,145,514
Excess of revenues over (under) expenditures	12,309,438	1,924,431	(2,610,582)	(436,964)	(405,749)	(12,105,494)	297,376	(623,609)	(2,753,136)	(1,639,474)	(6,043,763)
Other financing sources											
Sale of fixed assets	-	35,197	-	-	-	-	-	-	-	-	35,197
Interfund transfers in	-	-	-	-	405,749	12,105,494	-	-	2,000,000	2,159,322	16,670,565
Interfund transfers out	(14,075,914)	(2,000,000)	(15,000)	-	-	-	-	-	-	(579,651)	(16,670,565)
Debt proceeds	-	-	5,084,893	-	-	-	4,000,000	-	-	-	9,084,893
Total other financing sources (uses)	(14,075,914)	(1,964,803)	5,069,893	-	405,749	12,105,494	4,000,000	-	2,000,000	1,579,671	9,120,090
Net change in fund balances	(1,766,476)	(40,372)	2,459,311	(436,964)	-	4,297,376	(623,609)	(753,136)	(59,803)	(59,803)	3,076,327
Fund balances beginning of year	17,339,718	4,628,224	724,936	3,205,342	-	-	(2,145,180)	6,371,826	3,502,854	7,284,133	40,911,853
Fund balances end of year	\$ 15,573,242	\$ 4,587,852	\$ 3,184,247	\$ 2,768,378	\$ -	\$ -	\$ 2,152,196	\$ 5,748,217	\$ 2,749,718	\$ 7,224,330	\$ 43,988,180

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2009

Net change in fund balances - total governmental funds		\$ 3,076,327
Amounts reported for governmental activities in the statement of activities are <i>different</i> because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	\$ 8,916,110	
Less current year depreciation	<u>(9,264,234)</u>	(348,124)
Governmental funds do not report gain or loss on trade-in or disposition of capital assets. However, the statement of activities reports these gains or losses.		
Loss on disposition of capital assets		(553,198)
Governmental funds do not report donated assets as revenue		
Donation of fixed assets		22,928
Debt and capital lease proceeds provide current financial resources to governmental funds, but debt and capital leases increase long-term liabilities in the statement of net assets.		
Loan proceeds		(9,084,893)
Repayments of notes, capital leases and bonds are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Note principal payments	798,333	
Capital lease principal payments	330,041	
Bond principal payments	<u>1,870,753</u>	2,999,127
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Net change in compensated absences	(205,638)	
Accrued interest expense	11,768	(193,870)
Change in net assets or governmental activities		<u>\$ (4,081,703)</u>

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2009**

	<u>Landfill Enterprise</u>
ASSETS	
Current Assets	
Cash	\$ 7,551,631
Accounts receivable	234,209
Due from other funds	148,534
Investments	957,627
Total current assets	8,892,001
Noncurrent Assets	
Restricted assets	
Cash	98,104
Investments	4,290,746
Total restricted assets	4,388,850
Fixed assets	
Land	887,973
Buildings	493,668
Improvements other than buildings	9,547,360
Equipment	3,161,114
Allowance for depreciation	(8,142,151)
Total fixed assets	5,947,964
Other assets	
Unamortized bond issuance costs	50,509
Total noncurrent assets	10,387,323
Total assets	\$ 19,279,324
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 1,181
Due to other funds	9,731
Interest payable	26,952
Accrued compensated absences	41,793
Total current liabilities	79,657
Current Liabilities Payable from Restricted Assets	
Note payable Gulf Breeze, short-term portion	510,000
Noncurrent Liabilities	
Note payable Gulf Breeze, long-term portion	1,025,000
Estimated landfill closure liability	9,296,231
Total noncurrent liabilities	10,321,231
Total liabilities	10,910,888
(Continued)	

**COLUMBIA COUNTY, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2009**

	<u>Landfill Enterprise</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 4,412,964
Unrestricted	<u>3,955,472</u>
Total net assets	<u><u>\$ 8,368,436</u></u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2009

	<u>Landfill Enterprise</u>
OPERATING REVENUES	
Physical environment	
Garbage/solid waste revenue	
Landfill fees commercial	\$ 1,010,393
Landfill fees contractor	1,273,463
Total physical environment	<u>2,283,856</u>
Miscellaneous	
Sale of surplus recycling	6,376
Other miscellaneous	34,638
Total miscellaneous	<u>41,014</u>
Total operating revenues	<u>2,324,870</u>
OPERATING EXPENSES	
Landfill	
Personal services	
Regular salaries	492,162
FICA	36,469
Retirement	48,512
Life and health insurance	80,901
Workers' compensation	52,205
Total personal services	<u>710,249</u>
Operating expenses	
Professional services	156,114
Depreciation	386,810
Other contractual services	4,908
Communications services	3,142
Utility services	18,525
Rentals and leases	6,600
Insurance	6,000
Repairs and maintenance	124,636
Other current charges and obligations	1,553
Administration fees	74,800
Office supplies	2,206
Operating supplies	10,122
Gas and oil	131,029
Leachate disposal	89,556
Hazardous waste disposal	15,568
Total operating expenses	<u>1,031,569</u>
Total landfill	<u>1,741,818</u>

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2009

	Landfill Enterprise
OPERATING EXPENSES (Continued)	
Recycling	
Contractual services	\$ 235,893
Grants and aids	45,447
Total recycling	281,340
Code Enforcement	
Personal services	
Salaries	55,169
FICA	3,796
Retirement	5,443
Health insurance	10,221
Worker's compensation	5,093
Total personal services	79,722
Operating expenses	
Communications	1,990
Repair and maintenance	355
Office supplies	463
Other charges and obligations	5,742
Gas and oil	4,689
Total operating expenses	13,239
Total code enforcement	92,961
Central Landfill Closure	
Operating expenses	
Professional services	67,253
Contractual services	7,362
Landfill closure	275,695
Total landfill closure	350,310
Total operating expenses	2,466,429
Operating (loss)	(141,559)
NONOPERATING REVENUES (EXPENSES)	
State grants	
Physical environment	
Small county grant	277,316
Interest earnings	
SBA	219
Other	185,616
Debt service costs	
Interest	(95,036)
Other debt service costs	(5,636)
Amortization	(26,353)
Total nonoperating revenues (expenses)	336,126
Change in net assets	194,567
Net assets at beginning of year	8,173,869
Net assets at end of year	\$ 8,368,436

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2009

	<u>Landfill Enterprise</u>
Cash Flows From Operating Activities	
Cash flows received from customers	\$ 2,389,527
Cash paid to employees	(547,632)
Cash paid for employee benefits	(242,640)
Cash paid to vendors	(1,033,785)
Net cash provided by operating activities	565,470
 Cash Flows From Noncapital Financing Activities	
State grants received	277,316
Net cash provided by noncapital financing activities	277,316
 Cash Flows From Capital and Related Financing Activities	
Payments to acquire or construct capital assets	(269,407)
Principal paid on bonds	(460,000)
Interest paid on capital debt	(102,833)
Other debt service costs	(5,636)
Net cash used for capital and related financing activities	(837,876)
 Cash Flows From Investing Activities	
Interest received	185,835
Decrease in investments	(162,183)
Net cash provided by investing activities	23,652
 Net increase in cash	 28,562
 Cash at beginning of year	 7,621,173
Cash at end of year	\$ 7,649,735

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2009

	<u>Landfill Enterprise</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	<u>\$ (141,559)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	386,810
Increase in landfill closure liability	275,695
(Increase) decrease in assets:	
Accounts receivable	64,657
Increase (decrease) in liabilities:	
Accounts payable	(19,832)
Accrued compensated absences	(301)
Total adjustments	<u>707,029</u>
Net cash provided by operating activities	<u><u>\$ 565,470</u></u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS
September 30, 2009

	Board of County Commissioners	Clerk of Circuit Court					Sheriff		Tax Collector		Totals
	IDA Agency	Clerk's Trust	Employee Sunshine	Domestic Relations	Jury Witness	Public Defender	Individual Depositors	Inmate Welfare	Ad	Tag	
						Occupancy Trust			Valorem Tax	Agency	
ASSETS											
Cash	\$ 565,608	\$ 1,094,953	\$ 1,133	\$ 2,278	\$ 1,446	\$ 17,229	\$ 11,305	\$ 400,073	\$ 2,220,557	\$ 109,703	\$ 4,424,285
Accounts receivable	54	15,417	-	-	-	-	-	11,235	-	-	26,706
Due from other funds	-	785	-	-	-	-	-	-	-	-	785
Total assets	\$ 565,662	\$ 1,111,155	\$ 1,133	\$ 2,278	\$ 1,446	\$ 17,229	\$ 11,305	\$ 411,308	\$ 2,220,557	\$ 109,703	\$ 4,451,776
LIABILITIES											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash bond liability	-	-	-	-	-	-	-	-	-	-	-
Due to individuals	-	-	-	-	-	-	-	4,364	-	-	4,364
Court fees payable	-	223,966	-	-	-	-	-	-	-	-	223,966
Deposits held in escrow	-	257,307	-	-	-	-	-	-	-	-	257,307
Due to other funds	564,863	70,114	-	785	-	-	9,815	-	6,277	-	651,854
Due to other governmental units	-	422,621	-	1,493	1,446	17,229	-	-	1,849,669	83,113	2,375,571
Interest payable	-	16,738	-	-	-	-	-	-	338,491	220	355,449
Installments payable	-	1,691	-	-	-	-	-	-	-	-	1,691
Tax deeds payable	-	116,772	-	-	-	-	-	-	-	-	116,772
Other current liabilities	799	1,946	1,133	-	-	-	1,490	406,944	26,120	26,370	464,802
Total liabilities	565,662	1,111,155	1,133	2,278	1,446	17,229	11,305	411,308	2,220,557	109,703	4,451,776
NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Columbia County, Florida, (the "County") is a political subdivision of the State pursuant to Article VIII, Section 1(a) of the Constitution of the State of Florida. The County is governed by the Board of County Commissioners and five elected constitutional officers (Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector) in accordance with State statutes and regulations. The constitutional officers maintain separate accounting records and budgets from the Board of County Commissioners. The Constitution of the State of Florida, Article VIII, Section 1(d) created the constitutional officers and Article VIII, Section 1(e), created the Board of County Commissioners.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund types in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement 34-Basic Financial Statement and Management's Discussion and Analysis - for State and Local Governments. This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation (based on the size of government) starting with the fiscal year ending 2002. As part of this statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.). This requirement permits an optional four-year further delay for implementation of the infrastructure related portion to the fiscal year ending in 2007. The County fully implemented the basic model in the FY 2002-2003, and implemented the infrastructure related portion in 2007.

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the Board) and its component units. However, some component units, because of the closeness of their relationships with the Board, should be blended as though they are part of the Board. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial

reporting entity consists of (1) the primary government (the Board), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County 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 County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing body, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any, should be included in the Board's special purpose financial statements. Management determined that the Columbia County Industrial Development Authority was the only organization that should be included in the County's financial statements as a component unit.

Blended Component Unit

Columbia County Industrial Development Authority (CCIDA) was created pursuant to the provisions of Section 159.45, *Florida Statutes*. The Board of County Commissioners appoints the governing body, approves the millage rate and the budget of the CCIDA. Although legally separate, the CCIDA is appropriately blended as a governmental fund-type (special revenue) component unit into the primary government.

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry, if that money is restricted to a particular

program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. As applicable, the County also chooses to eliminate the indirect costs between governmental activities to avoid a “doubling up” effect.

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be 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 or expenses, as appropriate. Governmental 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.

Fund financial statements for the primary government’s governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually, and nonmajor funds in the aggregate for governmental and enterprise funds.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources.” Governmental funds operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Any noncurrent portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds

The County's Landfill Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The County applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

C. Basis of Presentation

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds which either had debt outstanding or specific community focus as major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

1. Governmental Major Funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

County Transportation Trust Fund - The County Transportation Trust Fund accounts for expenditures incurred for the maintenance and repairs of County roads. Financing is provided by local option fuel taxes and distributions of state shared fuel taxes and other revenues.

Municipal Services Benefit Unit Fund - The Municipal Services Benefit Unit Fund (MSBU) accounts for expenditures incurred for the solid waste collection and fire services in the unincorporated area, and other services which primarily benefit residents of the unincorporated area of the County. Financing is provided by non ad valorem assessments and other revenues derived from the unincorporated area.

Municipal Services Special District Fund - The Municipal Services Special District Fund (MSSD) accounts for expenditures incurred for emergency medical services, and 911 communications. Financing is provided by non ad valorem assessments, service fees, and distribution of state shared revenues.

Clerk of Courts Operating Fund - The Operating Fund of the Clerk of 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.

Sheriff Operating Fund - The Operating 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.

Economic Development Debt Service Fund - The Economic Development Debt Service Fund accounts for expenditures associated with debt service and other outlays for economic development projects authorized by the Board of County Commissioners.

Connector Road Project Fund - The Connector Road Project Fund accounts for the ongoing project to provide bypass roads to relieve traffic congestion throughout the County. Financing is provided by proceeds of a previously dedicated local option gas tax and state construction grants.

Road Improvement Fund - The Road Improvement Fund accounts for the ongoing resurfacing and improvements to various roads within the County. Financing is provided by State construction grants and various transfers from other County funds.

2. Proprietary Funds:

Landfill Enterprise Fund - The Landfill Enterprise Fund accounts for the revenues, expenses, assets, and liabilities associated with the County operated solid waste disposal services.

3. Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires noncurrent governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net assets.

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Cash Equivalents

The County maintains a cash pool that is available for use by most funds. Earnings from the pooled cash are allocated to the respective funds based on applicable cash participation by each fund. The cash pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the cash pools are classified as cash and cash equivalents for financial statement

purposes. In addition, longer-term investments are held by certain of the County's funds and are reported as investments on these statements.

2. Investments

Investments, consisting of investments in the Florida Local Government Surplus Funds Trust Fund and Florida Counties Investment Trust Fund and U.S. Treasury money market funds, are stated at cost which approximates market value. All such investments are secured as required by State law.

3. Allowance for Doubtful Accounts

The County provides an allowance for Landfill Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2009, this allowance was \$17,558. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2009.

4. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts.

5. Inventories

Inventories are valued at cost, which approximates market, using the "first-in, first-out" method of accounting. Supplies inventories of certain governmental funds are recorded as expenditures when consumed rather than when purchased.

6. Restricted Assets

Certain net assets of the County are classified as restricted assets on the statement of net assets because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributions, or laws or regulations of other governments. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net assets and then from unrestricted net assets.

7. Encumbrances

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

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are

reported at estimated historical cost, or not reported. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The County holds legal title to the capital assets used in the operations of the Board, Clerk of the Circuit Court, Property Appraiser, Supervisor of Elections and Tax Collector, as is accountable for them under Florida Law.

The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations.

Property, plant, and equipment of the County, as well as component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	5 - 40
Machinery and equipment	3 - 12
Road and bridge construction	20 - 40

9. Capitalization of Interest

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the County did not have any capitalized interest.

10. Deferred Revenues

Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

11. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The noncurrent portion is the amount estimated to be used in subsequent fiscal years. Both the current and noncurrent estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation.

12. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue

reduction” approach in accounting to rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The County has no arbitrage liability outstanding as of September 30, 2009.

13. Landfill Closure Costs

Under the terms of current state and federal regulations, the County was required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of twenty years after closure. The County recognizes these costs of post-closure maintenance annually. Required obligations for closure and post-closure costs are recognized in the Landfill Fund.

14. Capital Contributions

The capital contributions accounted for in the proprietary fund type represents contributions from other funds. Any current year contributions are reported after nonoperating revenues and expenses on the statement of revenues, expenses, and changes in fund assets in accordance with GASB Statement 33.

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

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

“Total fund balances” of the County’s governmental funds \$43,988,180 differs from “net assets” of governmental activities \$156,191,845 reported in the statement of net assets. This difference primarily results from the long-term economical focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

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

Cost of capital assets	\$ 215,750,746
Accumulated depreciation	(89,360,746)
Total	<u>\$ 126,390,000</u>

Long-term debt transactions

Long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at September 30, 2009, were:

Revenue Notes/Bonds Payable	\$ (8,441,775)
Notes and loans payable	(1,580,076)
Capital leases payable	(1,732,619)
Compensated absences	(2,396,320)
Total	<u>\$ (14,150,790)</u>

Accrued interest

Accrued liabilities in the statement of net assets differs from the amount reported in governmental funds due to accrued interest on the Revenue Bonds, notes, loans, and certain capital lease debts.

Notes payable	\$ (2,376)
Capital leases	(33,169)
Total	<u>\$(35,545)</u>

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$4,497,580 between governmental funds must be eliminated for the statement of net assets.

COLUMBIA COUNTY, FLORIDA

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

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

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Net Assets
ASSETS					
Cash and cash equivalents	\$ 18,065,243	\$ -	\$ -	\$ -	\$ 18,065,243
Accounts receivable - net	245,174	-	-	-	245,174
Due from other funds	5,158,380	-	-	(4,497,580)	660,800
Due from other governmental units	3,059,266	-	-	-	3,059,266
Investments	23,605,774	-	-	-	23,605,774
Inventories	12,717	-	-	-	12,717
Other current assets	86,369	-	-	-	86,369
Capital assets - net	-	126,390,000	-	-	126,390,000
Total assets	<u>\$ 50,232,923</u>	<u>\$ 126,390,000</u>	<u>\$ -</u>	<u>\$ (4,497,580)</u>	<u>\$ 172,125,343</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,331,187	\$ -	\$ -	\$ -	\$ 1,331,187
Accrued interest payable	-	-	35,545	-	35,545
Accrued payroll liabilities	11,029	-	-	-	11,029
Due to other funds	4,646,114	-	-	(4,497,580)	148,534
Due to other governmental units	58,210	-	-	-	58,210
Deposits	45,000	-	-	-	45,000
Deferred revenues	149,066	-	-	-	149,066
Other current liabilities	4,137	-	-	-	4,137
Accrued compensated absences	-	-	2,396,320	-	2,396,320
Capital leases payable	-	-	1,732,619	-	1,732,619
Notes and loans payable	-	-	1,580,076	-	1,580,076
Revenue bonds payable	-	-	8,441,775	-	8,441,775
Total liabilities	<u>6,244,743</u>	<u>-</u>	<u>14,186,335</u>	<u>(4,497,580)</u>	<u>15,933,498</u>
Fund balances/net assets	<u>43,988,180</u>	<u>126,390,000</u>	<u>(14,186,335)</u>	<u>-</u>	<u>156,191,845</u>
Total liabilities and fund balance/net assets	<u>\$ 50,232,923</u>	<u>\$ 126,390,000</u>	<u>\$ -</u>	<u>\$ (4,497,580)</u>	<u>\$ 172,125,343</u>

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

The “net change in fund balances” for governmental funds \$3,076,327 differs from the “change in net assets” for governmental activities (\$4,081,703) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decrease the amount of depreciation expense charges for the year. The statement of activities reports gains or losses arising from the disposition of capital assets. Conversely, governmental funds do not report these gains or losses.

Donated assets	\$ 22,928
Loss on dispositions	(553,198)
Capital outlay	8,916,110
Depreciation expense	<u>(9,264,234)</u>
Difference	<u>\$ (878,394)</u>

Long-term debt transactions

In the statement of activities, debt proceeds increase long-term liabilities. However, in the governmental funds, debt proceeds are treated as other financing sources since they provide current financial resources to governmental funds.

Debt proceeds	<u>\$ (9,084,893)</u>
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Repayments of debt principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Debt reduction	<u>\$2,999,127</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	<u>\$(205,638)</u>
Net change in accrued interest	<u>\$ 11,768</u>

Reclassification and Eliminations

Transfers in and transfers out in the amount of \$16,670,565 between governmental activities should be eliminated.

COLUMBIA COUNTY, FLORIDA

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

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

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Compensated Absences	Accrued Interest	Reclassifications and Eliminations	Statement of Activities
REVENUES							
Taxes	\$ 28,549,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,549,395
Licenses and permits	332,658	-	-	-	-	-	332,658
Intergovernmental	13,081,174	-	-	-	-	-	13,081,174
Charges for services	13,058,945	-	-	-	-	-	13,058,945
Fines and forfeitures	274,379	-	-	-	-	-	274,379
Interest	240,490	-	-	-	-	-	240,490
Miscellaneous	564,710	22,928	(5,512)	-	-	-	582,126
Total revenues	56,101,751	22,928	(5,512)	-	-	-	56,119,167
EXPENDITURES							
Current Expenditures							
General government	9,227,171	1,604,234	-	(20,464)	-	-	10,810,941
Public safety	21,336,240	1,393,610	-	47,946	-	-	22,777,796
Physical environment	4,904,792	85,065	-	117,841	-	-	5,107,698
Transportation	5,849,513	6,566,385	-	10,744	-	-	12,426,642
Economic environment	1,712,970	3,852	-	37,395	-	-	1,754,217
Human services	2,473,848	59,294	-	-	-	-	2,533,142
Culture/recreation	2,080,587	104,992	-	12,176	-	-	2,197,755
Court related	2,171,867	-	-	-	-	-	2,171,867
Capital outlay							
General government	98,458	(98,458)	-	-	-	-	-
Public safety	3,493,816	(3,493,816)	-	-	-	-	-
Physical environment	26,927	(26,927)	-	-	-	-	-
Transportation	4,500,706	(4,500,706)	-	-	-	-	-
Economic environment	92,664	(92,664)	-	-	-	-	-
Human services	5,436	(5,436)	-	-	-	-	-
Culture/recreation	698,103	(698,103)	-	-	-	-	-
Court related	-	-	-	-	-	-	-
Debt Service							
Principal	3,004,639	-	(3,004,639)	-	-	-	-
Interest	467,777	-	-	-	(11,768)	-	456,009
Total expenditures	62,145,514	901,322	(3,004,639)	205,638	(11,768)	-	60,236,067
Excess of revenues over (under) expenditures	(6,043,763)	(878,394)	2,999,127	(205,638)	11,768	-	(4,116,900)
OTHER FINANCING SOURCES (USES)							
Debt proceeds	9,084,893	-	(9,084,893)	-	-	-	-
Sale of fixed assets	35,197	-	-	-	-	-	35,197
Transfers in	16,670,565	-	-	-	-	(16,670,565)	-
Transfers out	(16,670,565)	-	-	-	-	16,670,565	-
Total other financing sources (uses)	9,120,090	-	(9,084,893)	-	-	-	35,197
Net change in fund balance	3,076,327	(878,394)	(6,085,766)	(205,638)	11,768	-	(4,081,703)
Fund balances at beginning of year	40,911,853	127,268,394	(5,668,704)	(2,190,682)	(47,313)	-	160,273,548
Fund balances at end of year	\$ 43,988,180	\$ 126,390,000	\$ (11,754,470)	\$ (2,396,320)	\$ (35,545)	\$ -	\$ 156,191,845

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Prior to September 15, the County Manager 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 Constitutional Officers submit, at various times, to the Board and to certain divisions within the Department of Revenue, State of Florida, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them, as set forth in Chapter 129 of the *Florida Statutes*.
5. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and the Property Appraiser, which are classified as separate special revenue funds.
6. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.
7. Formal budgetary integration is employed as a management control device in all governmental funds.
8. 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, 2009, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Fund budget is adopted on the accrual basis.
9. Legal control of the budget is exercised pursuant to applicable provisions of *Florida Statutes*.
10. Appropriations for the County lapse at the close of the fiscal year.
11. The following is a comparison of the appropriations to total expenses for the proprietary fund for the fiscal year ended September 30, 2009.

	<u>Appropriations</u>	<u>Expenses</u>	<u>Variance Positive</u>
Primary government			
Enterprise fund			
Landfill	<u>\$ 2,852,752</u>	<u>\$ 2,593,454</u>	<u>\$ 259,298</u>

The appropriations budget did not include debt service payments that are considered to be defeased by the County.

NOTE 4. CASH AND CASH EQUIVALENTS

The County maintains a cash pool that is available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions.

1. Deposits

At September 30, 2009, the carrying amount of the County's deposits was \$30,139,263. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

2. Investments

Florida Statutes, and various bond covenants authorize investments in certificates of deposit, money market accounts, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund, administered by the Florida State Board of Administration, Florida Local Government Investment Trust Fund, obligations of the U.S. Government, obligations of government agencies unconditionally guaranteed by the U.S. Government, obligations of the Federal Farm Credit Banks, obligations of the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates, obligations of the Federal Home Loan Bank, obligations of the Government National Mortgage Association, obligations of the Federal National Mortgage Association and securities of any management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss.80a-1 et seq., provided the portfolio is limited to U.S. Government obligations and to repurchase agreements fully collateralized by U.S. Government obligations. The County invested in only these types of instruments during the fiscal year.

In accordance with generally accepted accounting principles, the County's investments are categorized in the following schedule to give an indication of the level of custodial credit risk assumed 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. Investments in the Local Government Surplus Funds Trust Fund, the Florida Local Government Investment Trust Fund, money market accounts and guaranteed investment contracts are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund and the Fund B Surplus Fund Trust Fund investment pools created by Sections 218.405, *Florida Statutes*, U.S. Treasury Securities, and those made locally. On December 4, 2007, the State Board of Administration restructured the Local Government Surplus Funds Trust Fund (Pool) to also establish the Fund B Surplus Funds Trust Fund. The local investments operate under the guidelines established by Section 218.415, *Florida Statutes*. The Board's investments in the Pool, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2009, are similar to money market funds in which shares are reported at fair value, which is amortized cost.

The Board's investments in the Fund B, Surplus Funds Trust Fund, are accounted for as a fluctuating net asset value pool, with a fair value factor of .54915069, at September 30, 2009. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the State Board of Administration, are effected by transferring eligible cash or securities to the Local Government Surplus Funds Trust Fund, consistent with the pro rata allocation of Pool Shareholders of record at the creation of Fund B. One hundred percent of such

distributions from Fund B are available as a liquid balance within the Local Government Surplus Funds Trust Fund.

The Florida Local Government Investment Trust Fund (Trust) is a professionally managed fund available only to public entities in Florida. The investment policy of the trust restricts investments to direct obligations of or securities fully guaranteed by the United States; obligations of certain federal agencies, including collateralized mortgage obligations; repurchase agreements; corporate bonds; and commercial paper. As of September 30, 2009, the Trust had investments, at fair value, of approximately \$467.04 million. Of the total investments in the Trust, 7.8% was invested in asset backed securities. 59% was invested in Federal Agency Mortgage-backed securities.

The Board's investments with First Federal Savings Bank were structured as a retail repurchase agreement. Under a retail repurchase agreement the Bank daily at the close of business sells to the County marketable securities with a fair market value of equal to the balance in the account and repurchases them the next morning for the same price plus negotiated interest. The Bank while retaining possession of the securities has legally pledged to the County a security interest in the pledged securities. A repurchase agreement as an investment is not FDIC insured nor is it a public funds deposit under Florida law.

Investments in the Pool and Trust are reported at fair value based on the fair value per share of the underlying portfolio.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy to minimize interest rate risk is by structuring the investment portfolio so that the investments are readily convertible to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment on a deposit. The County does not hold foreign or foreign currency investments and therefore is not subject to foreign currency risk.

Credit Risk: The County also mitigates credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are held in the possession of an outside party. The County limits this risk by investing only in permitted investments.

Concentrations of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The implementation of GASB Statement No. 40 requires the disclosure of investments in any one issuer that represent 5% or more of total investments.

As of September 30, 2009, the County had investments with the following issuers in the percentages of total investments shown below.

Schedule of Investments at September 30, 2009

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Percent</u>
State Board of Administration Local Government Surpluses Funds Trust Fund Investment Pool	33 Day Average	\$ 26,926	0.10%
Fund B Surplus Funds Trust Fund	6.69 Year Average	9,103	0.03%
Florida Local Government Investment Pool	2.08 Years	4,290,746	14.87%
Certificates of Deposit, Money Market	Less than 1 Year	24,527,372	85.00%
Total Investments		<u>\$ 28,854,147</u>	<u>100.00%</u>

NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2008-2009 fiscal year were levied in October 2008. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Donations	Additions	Deletions	Balance
Governmental activities:					
Capital assets:					
Land	\$ 5,711,913	\$ -	\$ 236,656	\$ -	\$ 5,948,569
Buildings	44,993,046	-	33,395	-	45,026,441
Improvements other than buildings	2,223,290	-	95,010	-	2,318,300
Road improvements	132,356,488	-	3,635,527	-	135,992,015
Construction in progress	607,003	-	2,234,267	-	2,841,270
Equipment	22,947,333	22,928	2,681,255	(2,027,365)	23,624,151
Total capital assets	208,839,073	22,928	8,916,110	(2,027,365)	215,750,746
Less accumulated depreciation	(81,570,678)	-	(9,264,234)	1,474,166	(89,360,746)
Governmental activities capital assets, net	<u>\$ 127,268,395</u>	<u>\$ 22,928</u>	<u>\$ (348,124)</u>	<u>\$ (553,199)</u>	<u>\$ 126,390,000</u>
Business-type activities:					
Landfill	\$ 887,973	\$ -	\$ -	\$ -	\$ 887,973
Equipment	2,902,836	-	258,278	-	3,161,114
Buildings	493,668	-	-	-	493,668
Improvements	9,536,231	-	11,129	-	9,547,360
Total capital assets	13,820,708	-	269,407	-	14,090,115
Less accumulated depreciation	(7,755,341)	-	(386,810)	-	(8,142,151)
Business-type activities capital assets, net	<u>\$ 6,065,367</u>	<u>\$ -</u>	<u>\$ (117,403)</u>	<u>\$ -</u>	<u>\$ 5,947,964</u>

Depreciation expense was charged to functions/programs of the Board as follows:

Governmental activities:	
General government	\$ 1,051,036
Public safety	1,393,610
Physical environment	85,065
Transportation	6,566,385
Economic environment	3,852
Human services	59,294
Culture/recreation	104,992
Total depreciation expense - governmental activities	<u>\$ 9,264,234</u>
Business-type activities:	
Landfill enterprise	\$ 386,810
Total depreciation expense - business-type activities	<u>\$ 386,810</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2009, were:

Fund	Interfund Receivables	Interfund Payables
General fund	\$ 771,697	\$ 2,879,064
Special revenue funds:		
County transportation trust	-	200
Municipal services benefit unit	9,931	148,534
Municipal services special district	-	59,015
Court service fund	10,982	-
Industrial Development Authority	564,862	-
Sheriff:		
Operating	-	230,601
Clerk of Courts:		
Operating	24,289	14,149
Public records modernization	8,619	-
Reserved 10%	6,780	-
Teen court	2,028	1,885
Property Appraiser operating	-	43,232
Supervisor of Elections operating	-	4,181
Tax Collector operating	6,277	453,707
Capital projects funds:		
Connector road project	3,322,836	429,695
Road improvement	429,695	384
Paving assessments	384	381,467
Agency funds:		
IDA Agency	-	564,863
Clerk of Circuit Court		
Trust	785	70,114
Domestic relations	-	785
Sheriff		
Individual depositors	-	9,815
Tax Collector		
Ad valorem tax	-	6,277
Enterprise Fund		
Landfill	148,534	9,731
Totals	<u>\$ 5,307,699</u>	<u>\$ 5,307,699</u>

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2009, consisted of the following:

Transfers from general fund to:	
Clerk of Courts Operating Fund	\$ 405,749
Property Appraiser Operating Fund	1,088,710
Sheriff Operating Fund	12,090,494
Supervisor of Elections Operating Fund	588,961
Transfer from Transportation Trust Fund to:	
Road Improvement	2,000,000
Transfer from Municipal Services Benefit Unit	
Sheriff Operating Fund	15,000
Transfer from Special Law Enforcement Fund to:	
Nongrant Forfeiture Fund	25,000
Minimum Standard School Fund	3,920
Transfer from Tourist Development Debt Service Fund	
Tourist Development Operating Fund	452,731
Total transfers	<u>\$ 16,670,565</u>

Transfers are used to 1) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them, 2) provide matching funds for grants, 3) use unrestricted general fund revenues to finance transportation activities which must be accounted for in another fund, and 4) fund Constitutional Officer operations.

NOTE 9. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2009, were as follows:

	Accounts	Due from Other Governmental Units	Total Receivables
Governmental activities:			
General	\$ 4,100	\$ 292,144	\$ 296,244
County transportation trust	4,272	658,254	662,526
Municipal services benefit unit	15,774	215,086	230,860
Municipal services special district	209,489	-	209,489
Sheriff operating	10,305	11,338	21,643
Clerk operating	1,234	10,360	11,594
Economic development debt service	-	245,815	245,815
Road improvement	-	1,423,688	1,423,688
Other governmental	-	202,581	202,581
Total governmental activities	\$ 245,174	\$ 3,059,266	\$ 3,304,440
Business-type activities:			
Landfill enterprise	\$ 234,209	\$ -	\$ 234,209

Payables at September 30, 2009, were as follows:

	Vendors	Other Governmental Units	Total Payables
Governmental activities:			
General	\$ 337,155	\$ -	\$ 337,155
County transportation trust	12,763	-	12,763
Municipal services benefit unit	79,035	-	79,035
Clerk of Court operating	13,489	8,647	22,136
Sheriff operating	549,415	-	549,415
Connector road project	31,715	-	31,715
Road improvement	288,322	-	288,322
Other governmental	19,293	49,563	68,856
Total governmental activities	\$ 1,331,187	\$ 58,210	\$ 1,389,397
Business-type activities:			
Landfill enterprise	\$ 1,181	\$ -	\$ 1,181

NOTE 10. LONG-TERM LIABILITIES

A. Governmental Activities

Notes Payable

- A. The County had a note with Columbia Bank, associated with the County owned Florida Sports Hall of Fame and Tourist Information Center Complex. This loan was 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	3.49%
Payment, monthly	\$ 8,213
Due date	21st

This note was paid out in the current year.

- B. In December 2006, the County entered into a loan agreement with Columbia Bank in the amount of \$840,000. The proceeds of this loan were used to pay off an existing Revenue Bond held by Suntrust Bank, which was issued for economic development. This note is being paid in 24 quarterly payments of \$42,850 beginning March 4, 2007 which includes interest at 6.65%. This note is secured by a certificate of deposit in the amount of \$840,000 which is also held at Columbia Bank. The scheduled payments of principal and interest on this note payable are as follows:

Year Ending	Principal	Interest	Total
September 30			
2010	\$ 141,677	\$ 29,723	\$ 171,400
2011	151,420	19,980	171,400
2012	161,831	9,569	171,400
2013	41,370	1,633	43,003
Total	<u>\$ 496,298</u>	<u>\$ 60,905</u>	<u>\$ 557,203</u>

Loan Payable

FDEP - On July 14, 2004, the County entered into a loan agreement with the State of Florida Department of Environmental Protection (FDEP) for State Revolving Fund financial assistance for a wastewater treatment system at the I-75 exit 80 area (Ellisville). The terms of this agreement called for a \$276,864 disburseable amount of loan funds plus \$8,800 in capitalized interest for a total loan principal of \$285,664.

This loan was subsequently amended on June 14, 2006 for a total loan amount of \$755,809 when fully disbursed. Upon full disbursement, the loan is payable in forty semi-annual payments of \$24,345 including interest at 2.07%, beginning July 15, 2011. At September 30, 2009, a total of \$564,687 had been drawn on this loan which includes \$27,820 in capitalized interest.

Also, in conjunction with the project, the County entered into an additional loan with the FDEP in the amount of \$2,885,158. This loan is payable in forty semi-annual payments of \$43,070 including interest at 2.65%, beginning on January 15, 2011. At September 30, 2009, \$519,091 had been drawn on this loan which includes \$18,091 in capitalized interest.

Both of these loans are subject to future amendments as to principal amounts, and semi-annual payment amounts and payment inception dates.

Revenue Bonds

- A. On February 1, 2003, the County closed on the Transportation Improvement and Refunding Revenue Bond, Series 2003 in the amount of \$4,600,000. The purpose of this issuance was to refinance the remaining balance of the 1993 Revenue Bonds at a lower interest rate and provide additional funds to finance the costs of certain transportation related improvements. The bonds were being repaid over a period of six years with a fixed interest rate of 2.69%. The debt was secured by and paid from the County's Four Cent Local Option Fuel tax levied pursuant to County ordinance no. 2002-20.

This debt was fully paid in the current year.

- B. On August 23, 2004, the County issued Sales Tax Revenue Bonds in the amount of \$3,250,000. The purpose of the issuance was to purchase and improve real property to be used for economic development and other public projects. The bonds were being repaid over a period of five years with a fixed interest rate of 3.44%. The debt was secured by and paid from the State Half-Cent Sales Tax revenue.

This debt was fully paid in the current year.

- A. On December 31, 2008, the County closed on the Capital Improvement Revenue Bond Series 2008A in the amount of \$4,800,000 with Prosperity Bank. The purpose of this issuance was to provide funds for capital improvements to fire equipment and infrastructure. The bonds are being repaid over a period of twenty years with a fixed interest rate of 4.29%. The debt is secured by and paid from the County's Half Cent Sales Tax revenues pursuant to County Ordinance No. 2008R-13.

The scheduled payments of principal and interest on these bonds are as follows:

Year Ending September 30	Principal	Interest	Total
2010	\$ 159,452	\$ 201,174	\$ 360,626
2011	166,501	194,125	360,626
2012	173,337	187,289	360,626
2013	181,526	179,100	360,626
2014	189,551	171,075	360,626
Thereafter	3,813,999	1,324,920	5,138,919
Total	<u>\$ 4,684,366</u>	<u>\$ 2,257,683</u>	<u>\$ 6,942,049</u>

- B. On December 31, 2008, the County closed on the Capital Improvement Revenue Bond Series 2008B in the amount of \$4,000,000 with Columbia Bank. The purpose of this issuance was to provide funds for capital improvements for economic development projects. The bonds are being repaid over a period of ten years with a fixed interest rate of 4.2%. The debt is secured by and paid from the County's Half Cent Sales Tax revenues pursuant to County Ordinance No. 2008R-43.

The scheduled payments of principal and interest on these bonds are as follows:

Year Ending September 30	Principal	Interest	Total
2010	\$ 336,473	\$ 153,325	\$ 489,798
2011	350,905	138,893	489,798
2012	365,953	123,845	489,798
2013	381,652	108,146	489,798
2014	398,022	91,776	489,798
Thereafter	1,924,404	189,870	2,114,274
Total	<u>\$ 3,757,409</u>	<u>\$ 805,855</u>	<u>\$ 4,563,264</u>

Capital Leases

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

- A. Purchase of three motor graders costing \$441,915. The terms of the agreement called for four annual payments of \$95,943, which included interest at 4.25%, with a terminating payment of \$197,040 on January 20, 2010. The motor graders were paid off in the current year.
- B. Purchase of a rotary mixer costing \$369,420. The terms of the agreement call for five annual payments of \$74,746 beginning June 11, 2007, and a concluding payment of \$58,197 on June 11, 2012. These payments include interest at 7.00%.
- C. Purchase of a wheel loader costing \$192,883. The terms of the agreement call for five annual payments of \$27,876 beginning June 11, 2007, and a concluding payment of \$99,000 on June 11, 2012. These payments include interest at 7.00%.
- D. Purchase of a motor grader costing \$170,878. The terms of the agreement call for five annual payments of \$21,073 beginning June 11, 2007, and a concluding payment of \$110,000 on June 11, 2012. These payments include interest at 7.00%.
- E. Purchase of a bulldozer costing \$108,609. The terms of the agreement call for five annual payments of \$16,630 beginning June 11, 2007, and a concluding payment of \$50,000 on June 11, 2012. These payments include interest at 7.00%.
- F. Purchase of a motor grader costing \$156,310. The terms of the agreement call for five annual payments of \$18,769 beginning January 1, 2007, and a concluding payment of \$91,000 on January 1, 2012. These payments include interest at 4.95%.

- G. Purchase of five motor graders costing \$861,995. The terms of the agreement call for four annual payments of \$77,412 beginning April 9, 2009, with a concluding payment of \$550,002 on April 19, 2013. These payments include interest at 3.25%.
- H. Purchase of three Mack dump trucks costing \$344,026. The terms of the agreement call for five annual payments of \$73,542 beginning January 1, 2008 and concluding with the payment on January 1, 2012. These payments include interest at 2.25%.
- I. Purchase of a motor grader costing \$175,576. The terms of the agreement call for five annual payments of \$17,013 beginning February 1, 2008 with a concluding payment of \$120,000 on February 1, 2013. These payments include interest at 7.00%.
- J. In March 2005, the Supervisor of Elections entered into an installment payment agreement with Xerox corporation for the purchase of a copier/printer costing \$34,050. The agreement is being paid in sixty monthly installments of \$733, including interest at 10.9%.

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, 2009:

Year Ending September 30	
2010	\$ 333,084
2011	327,062
2012	580,742
2013	670,002
Less amount representing interest	(178,271)
Total	<u>\$1,732,619</u>

B. Business-type Activities

Notes Payable

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.

The scheduled payment of principal and interest on this loan are as follows:

Year Ending September 30	Principal	Interest	Total
2010	\$ 485,000	\$ 75,894	\$ 560,894
2011	510,000	46,905	556,905
2012	540,000	15,930	555,930
Total	<u>\$1,535,000</u>	<u>\$ 138,729</u>	<u>\$1,673,729</u>

C. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2009, was as follows:

	Balance at 10/01/08	Adjustment	Additions	Deletions	Balance at 09/30/09	Due Within One Year
Governmental activities:						
Revenue notes payable:						
Notes payable						
Columbia Bank	\$ 665,924	\$ -	\$ -	\$ 665,924	\$ -	\$ -
	<u>665,924</u>	<u>-</u>	<u>-</u>	<u>665,924</u>	<u>-</u>	<u>-</u>
Revenue bonds:						
Transportation-Series 2003	392,528	-	-	392,528	-	-
Sales tax revenue-Series 2004	1,120,000	-	-	1,120,000	-	-
Columbia Bank-Series 2008B	-	-	4,000,000	242,591	3,757,409	335,473
Prosperity Bank-Series 2008A	-	-	4,800,000	115,634	4,684,366	159,452
	<u>1,512,528</u>	<u>-</u>	<u>8,800,000</u>	<u>1,870,753</u>	<u>8,441,775</u>	<u>494,925</u>
Loan agreements payable:						
Columbia Bank	628,708	-	-	132,409	496,298	141,678
Department of Environmental Protection	798,885	-	284,893	-	1,083,778	210,920
	<u>1,427,593</u>	<u>-</u>	<u>284,893</u>	<u>132,409</u>	<u>1,580,076</u>	<u>352,598</u>
Capital leases payable:						
Caterpillar Financial	240,555	-	-	57,907	182,648	61,961
Caterpillar Financial	148,682	-	-	17,468	131,214	18,691
Caterpillar Financial	139,219	-	-	11,327	127,892	12,120
Caterpillar Financial	81,787	-	-	10,905	70,882	11,668
Caterpillar Financial	95,404	-	-	95,404	-	-
John Deere Credit	129,946	-	-	12,817	117,129	13,466
Caterpillar Financial	805,203	-	-	52,015	753,188	54,268
Key Government Financing	270,484	-	-	63,036	207,448	65,999
Ringpower Corporation	143,187	-	-	6,990	136,196	7,480
Xerox Corporation	8,191	5,514	-	7,683	6,022	6,022
	<u>2,062,658</u>	<u>5,514</u>	<u>-</u>	<u>335,552</u>	<u>1,732,619</u>	<u>251,675</u>
Other Liabilities:						
Compensated absences	2,190,682	-	298,965	93,327	2,396,320	359,448
	<u>\$ 7,859,385</u>	<u>\$ 5,514</u>	<u>\$ 9,383,858</u>	<u>\$ 3,097,965</u>	<u>\$ 14,150,790</u>	<u>\$ 1,458,646</u>
Business activities:						
Note payable:						
Gulf Breeze loan	\$ 1,995,000	\$ -	\$ -	\$ 460,000	\$ 1,535,000	\$ 510,000
Other Liabilities:						
Compensated absences	42,093	-	(300)	-	41,793	-
Estimated liability for landfill closure	9,020,536	-	275,695	-	9,296,231	-
	<u>\$ 11,057,629</u>	<u>\$ -</u>	<u>\$ 275,395</u>	<u>\$ 460,000</u>	<u>\$ 10,873,024</u>	<u>\$ 510,000</u>

NOTE 11. 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.

\$9,296,231 reported as landfill closure and postclosure care liability at September 30, 2009, represents the cumulative amount reported to date based on the use of eight years of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and annual postclosure care in 2009. The County expects to close this landfill cell in the year 2012. Actual cost may be higher because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure. The County is in compliance with these requirements, and at September 30, 2009, restricted cash of \$4,290,746 is held for this purpose. The County expects future inflation costs to be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (because of changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from other future revenues of the County.

NOTE 12. OPERATING LEASES

The County leases office space and equipment under various long-term operating lease commitments with noncancellable terms. Scheduled minimum rental payments for succeeding fiscal years ending September 30, are as follows:

Year Ending September 30	
2010	\$ 160,139
2011	113,991
2012	101,768
2013	78,635
2014	8,592
	<u>\$ 463,125</u>

NOTE 13. DEFINED BENEFIT PENSION PLAN

Florida Retirement System

Plan Description - The County employees participate in the Florida Retirement System (FRS), a cost-sharing multiple-employer public employee retirement system, administered by the Florida Department of Administration. The FRS is noncontributory for all members; all contributions are made by the employer. The FRS provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a five

percent reduction in benefits for each year prior to the normal retirement age. Retirement benefits are based on age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Florida Statutes Chapter 121, as may be amended from time to time by the state legislature, determines contribution rates for the various membership classes of the FRS. The FRS issues a publicly available financial report that includes financial statements, ten-year historical trend information and other required supplementary information. That report may be obtained by writing to the Department of Administration, Division of Retirement, Cedars Executive Center, Building C, 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

Funding Policy - The FRS has the following classes of membership applicable to the County with descriptions and contribution rates in effect during the period ended September 30, 2009, as follows (contribution rates are in agreement with the actuarially determined rates):

	10/01/08 to 09/30/09
<u>Regular Class</u> - Members not qualifying for other classes.	9.85%
<u>Senior Management Service Class</u> - Members of senior management who do not elect the optional annuity management program.	13.12%
<u>Special Risk Class</u> - members employed as law enforcement officers, firefighters, correctional officers, or emergency services and meet the criteria set to qualify for this class.	20.92%
<u>Special Risk Administrative Support Class</u> - Special risk members who are transferred or reassigned to non-special risk and meet the criteria.	12.55%
<u>Elected County Officer's Class</u> - Certain elected county officials.	16.53%
<u>Deferred Retirement Option Program</u> - Members who are eligible for normal retirement that have elected to participate in the deferred retirement option program.	10.91%

Contributions to the FRS for the fiscal year ended September 30, 2009, were equal to 15% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2007, 2008, and 2009, were \$2,205,075, \$2,714,043, and \$2,806,595, respectively, which are equal to 100% of the required contribution for each year.

NOTE 14. FUND EQUITY

The County has established certain reserves within the fund equity section of the governmental funds. Reserved fund balances at September 30, 2009, consist of the following:

General Fund:	
Judges fund reserve	\$ 156,592
SRWMD mitigation reserve	2,508,930
Special projects accounts reserve	82,702
Virginia Bishop reserve	4,499
Bernhardt Trust reserve	17,368
Ft. White library reserve	500,000
Clerk's storage reserve	781,700
Pole barn reserve	15,000
Richardson Community Center	81,486
Community Center District 3 reserve	63,844
Columbia County Jail renovation	2,000,000
	<u>\$ 6,212,121</u>
Special Revenue Funds:	
Local Housing Assistance Fund	
SHIP housing initiatives reserve	\$ 267,714
Municipal Services Benefit Unit Fund	
Capitalization grants SRF reserves	384,766
Municipal Services Special District Fund	
Emergency medical services grant reserve	115,085
Library Enhancement Fund	
State aid to libraries reserve	326,355
Landfill fund	
Landfill postclosure reserve	9,296,231
	<u>\$ 10,390,151</u>
Capital Projects Fund:	
Road projects	\$ 8,497,934

NOTE 15. CONTINGENT LIABILITIES

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

Litigation – 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 16. RISK MANAGEMENT

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

The 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.

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

NOTE 17. CONSTRUCTION COMMITMENTS

During the year, the County had in progress several construction projects including road improvements and facilities renovations. At year end, the significant portion of these related construction commitments were completed and existing funds had been earmarked for any incomplete projects.

NOTE 18. FUND EQUITY DEFICITS

The following governmental funds had a deficit in fund balance at September 30, 2009:

Teen Court	\$ (8,168)
Paving Assessments	(381,084)
Total	<u>\$ (389,252)</u>

The deficits of these funds will be funded by loan proceeds to be received in the ensuing year.

NOTE 19. OTHER POST -EMPLOYMENT BENEFITS (OPEB)

The County is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the County or the retiree. Participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retirees are receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the county younger and statistically healthier active employees. GASB Statement 45 requires governments to report this cost and related liability in its financial statements.

Due to the fact that only a few retirees participated in the plan during the year, management determined that its OPEB obligation at year end would be of a de minimis amount. Management will monitor this situation in the future and take appropriate steps to properly comply with this GASB Statement.

REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 24,557,117	\$ 24,557,117	\$ 23,036,599	\$ (1,520,518)
Intergovernmental	221,681	221,681	1,165,386	943,705
Charges for services	835,100	835,100	1,608,644	773,544
Fines and forfeitures	327,500	327,500	34,901	(292,599)
Miscellaneous	726,900	726,900	286,891	(440,009)
Total revenues	<u>26,668,298</u>	<u>26,668,298</u>	<u>26,132,421</u>	<u>(535,877)</u>
EXPENDITURES				
Current operating:				
General government	4,017,905	4,033,477	4,131,265	(97,788)
Public safety	920,365	2,077,718	2,603,823	(526,105)
Physical environment	846,392	1,282,830	1,167,206	115,624
Economic environment	264,878	402,668	395,391	7,277
Human services	2,210,061	2,215,084	2,473,848	(258,764)
Culture/recreation	1,274,091	2,107,501	1,334,010	773,491
Capital outlay:				
General government	154,000	248,987	66,115	182,872
Public safety	150,000	1,442,316	245,220	1,197,096
Physical environment	-	30,674	26,927	3,747
Economic environment	-	8,600	9,715	(1,115)
Human services	35,000	111,305	5,436	105,869
Culture/recreation	95,516	922,900	698,103	224,797
Debt service				
Principal	-	-	665,924	(665,924)
Total expenditures	<u>9,968,208</u>	<u>14,884,060</u>	<u>13,822,983</u>	<u>1,061,077</u>
Excess of revenues over expenditures	<u>16,700,090</u>	<u>11,784,238</u>	<u>12,309,438</u>	<u>525,200</u>
Other Financing Sources (Uses)				
Transfers to County Officers	(15,498,816)	(13,993,477)	(14,075,914)	(82,437)
Total other financing sources (uses)	<u>(15,498,816)</u>	<u>(13,993,477)</u>	<u>(14,075,914)</u>	<u>(82,437)</u>
Net change in fund balance	1,201,274	(2,209,239)	(1,766,476)	442,763
Fund balance, beginning of year	17,339,718	17,339,718	17,339,718	-
Fund balance, end of year	<u>\$ 18,540,992</u>	<u>\$ 15,130,479</u>	<u>\$ 15,573,242</u>	<u>\$ 442,763</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
COUNTY TRANSPORTATION TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,330,000	\$ 3,330,000	\$ 3,563,794	\$ 233,794
Intergovernmental	3,466,843	3,466,843	4,270,776	803,933
Charges for services	-	-	6,385	6,385
Miscellaneous	136,000	136,000	31,744	(104,256)
Total revenues	<u>6,932,843</u>	<u>6,932,843</u>	<u>7,872,699</u>	<u>939,856</u>
EXPENDITURES				
Current operating:				
Transportation	5,899,672	6,296,466	4,940,018	1,356,448
Capital outlay:				
Transportation	1,500	153,907	585,245	(431,338)
Debt service:				
Transportation	350,700	423,200	423,005	195
Total expenditures	<u>6,251,872</u>	<u>6,873,573</u>	<u>5,948,268</u>	<u>925,305</u>
Excess of revenues over (under) expenditures	<u>680,971</u>	<u>59,270</u>	<u>1,924,431</u>	<u>1,865,161</u>
Other Financing Sources (Uses)				
Sale of fixed assets	-	-	35,197	35,197
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	-
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,964,803)</u>	<u>35,197</u>
Net change in fund balance	<u>(1,319,029)</u>	<u>(1,940,730)</u>	<u>(40,372)</u>	<u>1,900,358</u>
Fund balance, beginning of year	<u>4,628,224</u>	<u>4,628,224</u>	<u>4,628,224</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,309,195</u>	<u>\$ 2,687,494</u>	<u>\$ 4,587,852</u>	<u>\$ 1,900,358</u>

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
MUNICIPAL SERVICES BENEFIT UNIT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 80,000	\$ 80,000	\$ 273,581	\$ 193,581
Licenses and permits	576,000	576,000	332,658	(243,342)
Intergovernmental	1,342,997	1,342,997	1,126,268	(216,729)
Charges for services	6,419,000	6,419,000	6,591,757	172,757
Miscellaneous	67,000	67,000	11,545	(55,455)
Total revenues	8,484,997	8,484,997	8,335,809	(149,188)
EXPENDITURES				
Current operating:				
General government	218,750	644,780	719,248	(74,468)
Public safety	3,576,121	3,960,760	3,933,713	27,047
Physical environment	3,800,000	3,792,750	3,737,586	55,164
Culture/recreation	65,200	53,300	53,234	66
Capital outlay:				
Public safety	40,000	3,767,782	2,194,748	1,573,034
Debt service:				
General government	-	-	23,893	(23,893)
Public safety	355,000	-	283,969	(283,969)
Total expenditures	8,055,071	12,219,372	10,946,391	1,272,981
Excess of revenues over (under) expenditures	429,926	(3,734,375)	(2,610,582)	1,123,793
Other Financing Sources (Uses)				
Debt proceeds	-	-	5,084,893	5,084,893
Transfers to County Officers	-	(15,000)	(15,000)	-
Total other financing sources (uses)	-	(15,000)	5,069,893	5,084,893
Net change in fund balance	429,926	(3,749,375)	2,459,311	6,208,686
Fund balance, beginning of year	724,936	724,936	724,936	-
Fund balance, end of year	\$ 1,154,862	\$ (3,024,439)	\$ 3,184,247	\$ 6,208,686

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
MUNICIPAL SERVICES SPECIAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,553,250	\$ 1,553,250	\$ 1,550,543	\$ (2,707)
Charges for services	1,350,000	1,350,000	1,016,258	(333,742)
Miscellaneous	87,700	87,700	47,767	(39,933)
Total revenues	<u>2,990,950</u>	<u>2,990,950</u>	<u>2,614,568</u>	<u>(376,382)</u>
EXPENDITURES				
Current operating:				
General government	98,750	98,750	113,251	(14,501)
Public safety	2,612,734	2,737,551	2,828,691	(91,140)
Capital outlay:				
Public safety	-	173,090	109,590	63,500
Total expenditures	<u>2,711,484</u>	<u>3,009,391</u>	<u>3,051,532</u>	<u>(42,141)</u>
Net change in fund balance	279,466	(18,441)	(436,964)	(418,523)
Fund balance, beginning of year	3,205,342	3,205,342	3,205,342	-
Fund balance, end of year	<u>\$ 3,484,808</u>	<u>\$ 3,186,901</u>	<u>\$ 2,768,378</u>	<u>\$ (418,523)</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
CLERK OF COURTS OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue				
Federal grants				
IV - D grant	\$ 55,939	\$ 55,939	\$ 68,638	\$ 12,699
State grants				
State Court reimbursement	-	332,469	332,469	-
Total intergovernmental revenue	<u>55,939</u>	<u>388,408</u>	<u>401,107</u>	<u>12,699</u>
Charges for services				
General government				
Noncourt related charges				
Recording	180,000	180,000	165,010	(14,990)
Documentary stamp commissions	14,000	14,000	8,381	(5,619)
Marriage licenses fees and charges	17,500	17,500	21,743	4,243
Passports	30,000	30,000	27,950	(2,050)
Copies	35,000	35,000	26,170	(8,830)
Other charges	34,050	34,050	26,348	(7,702)
Court related charges				
County court criminal	360,500	270,375	305,703	35,328
Circuit court criminal	155,259	116,444	106,494	(9,950)
County court civil	327,880	245,910	198,032	(47,878)
Circuit court civil	292,773	219,580	232,114	12,534
Traffic	807,065	605,299	492,008	(113,291)
Probate	53,000	39,750	36,152	(3,598)
Miscellaneous				
Interest	17,693	13,870	69	(13,801)
Total charges for services	<u>2,324,720</u>	<u>1,821,778</u>	<u>1,646,174</u>	<u>(175,604)</u>
Total revenues	<u>2,380,659</u>	<u>2,210,186</u>	<u>2,047,281</u>	<u>(162,905)</u>
EXPENDITURES				
Board of County Commissioners				
Personal services	322,636	322,636	311,298	11,338
Operating expenses	1,800	1,800	734	1,066
Total Board of County Commissioners	<u>324,436</u>	<u>324,436</u>	<u>312,032</u>	<u>12,404</u>
Other general government				
Personal services	355,201	355,201	319,946	35,255
Operating expenses	44,000	44,000	52,513	(8,513)
Capital outlay	4,468	4,468	-	4,468
Total other general government	<u>403,669</u>	<u>403,669</u>	<u>372,459</u>	<u>31,210</u>
Clerk administration				
Personal services	547,521	509,869	526,618	(16,749)
Operating expenses	35,610	33,161	17,161	16,000
Capital outlay	4,542	4,230	-	4,230
Total Clerk administration	<u>587,673</u>	<u>547,260</u>	<u>543,779</u>	<u>3,481</u>

(Continued)

**COLUMBIA COUNTY, FLORIDA
CLERK OF COURTS OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Court-related payments to State				
Budgeted payments	406,600	343,762	234,071	109,691
Total court-related payments to State	<u>406,600</u>	<u>343,762</u>	<u>234,071</u>	<u>109,691</u>
Jury Management				
Personal services	\$ 32,745	\$ 30,493	\$ 33,224	\$ (2,731)
Operating expenses	1,804	1,680	14,411	(12,731)
Capital outlay	230	214	-	214
Total jury management	<u>34,779</u>	<u>32,387</u>	<u>47,635</u>	<u>(15,248)</u>
Circuit Criminal				
Personal services	216,016	201,161	222,788	(21,627)
Operating expenses	20,746	19,319	9,929	9,390
Capital outlay	2,646	2,464	-	2,464
Total circuit criminal	<u>239,408</u>	<u>222,944</u>	<u>232,717</u>	<u>(9,773)</u>
Circuit Civil				
Personal services	53,860	50,156	48,088	2,068
Operating expenses	5,412	5,040	1,606	3,434
Capital outlay	690	643	-	643
Total circuit civil	<u>59,962</u>	<u>55,839</u>	<u>49,694</u>	<u>6,145</u>
Circuit Family				
Personal services	113,231	105,444	90,476	14,968
Operating expenses	16,236	15,119	10,453	4,666
Capital outlay	2,071	1,929	-	1,929
Total circuit family	<u>131,538</u>	<u>122,492</u>	<u>100,929</u>	<u>21,563</u>
Circuit Juvenile				
Personal services	59,519	55,426	61,288	(5,862)
Operating expenses	5,412	5,040	1,824	3,216
Capital outlay	690	643	-	643
Total circuit juvenile	<u>65,621</u>	<u>61,109</u>	<u>63,112</u>	<u>(2,003)</u>
Circuit Probate				
Personal services	35,754	33,295	37,972	(4,677)
Operating expenses	3,608	3,360	1,078	2,282
Capital outlay	460	428	-	428
Total circuit probate	<u>39,822</u>	<u>37,083</u>	<u>39,050</u>	<u>(1,967)</u>

(Continued)

**COLUMBIA COUNTY, FLORIDA
CLERK OF COURTS OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Information Technology				
Personal services	62,994	62,994	63,897	(903)
Operating expenses	5,790	5,790	1,657	4,133
Capital outlay	1,500	1,500	-	1,500
Total information technology	<u>70,284</u>	<u>70,284</u>	<u>65,554</u>	<u>4,730</u>
County Criminal				
Personal services	\$ 209,160	\$ 194,777	\$ 197,048	\$ (2,271)
Operating expenses	15,334	14,280	8,080	6,200
Capital outlay	1,956	1,821	-	1,821
Total county criminal	<u>226,450</u>	<u>210,878</u>	<u>205,128</u>	<u>5,750</u>
County Civil				
Personal services	50,393	46,928	44,467	2,461
Operating expenses	5,412	5,040	1,749	3,291
Capital outlay	690	643	-	643
Total county civil	<u>56,495</u>	<u>52,611</u>	<u>46,216</u>	<u>6,395</u>
County Traffic				
Personal services	136,257	126,887	133,191	(6,304)
Operating services	14,432	13,440	7,463	5,977
Capital outlay	1,841	1,714	-	1,714
Total county traffic	<u>152,530</u>	<u>142,041</u>	<u>140,654</u>	<u>1,387</u>
Total expenditures	<u>2,799,267</u>	<u>2,626,795</u>	<u>2,453,030</u>	<u>173,765</u>
Excess of revenues over (under) expenditures	<u>(418,608)</u>	<u>(416,609)</u>	<u>(405,749)</u>	<u>10,860</u>
Other financing sources				
Transfers from Board of County Commissioners	416,609	416,609	405,749	(10,860)
Total other financing sources	<u>416,609</u>	<u>416,609</u>	<u>405,749</u>	<u>(10,860)</u>
Net change in fund balance	-	-	-	-
Fund balance beginning of year	-	-	-	-
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
SHERIFF OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue				
Federal grants				
E. Byrne Memorial	\$ -	\$ -	\$ 117,433	\$ 117,433
Charges for Services				
Public safety				
Police services	-	-	89,767	89,767
Total revenue	-	-	207,200	207,200
EXPENDITURES				
Administration				
Personal services	896,692	920,566	884,439	36,127
Operating expenses	206,997	189,503	185,814	3,689
Capital outlay	12,866	30,111	30,111	-
Total administration	1,116,555	1,140,180	1,100,364	39,816
Road Patrol				
Personal services	2,100,735	2,100,735	2,121,358	(20,623)
Operating expenses	570,673	570,673	650,075	(79,402)
Capital outlay	-	420,616	420,279	337
Total road patrol	2,671,408	3,092,024	3,191,712	(99,688)
Detective				
Personal services	796,927	796,927	787,864	9,063
Operating expenses	179,918	179,918	183,414	(3,496)
Capital outlay	109,511	109,511	117,606	(8,095)
Total Detective	1,086,356	1,086,356	1,088,884	(2,528)
Courts Judicial				
Personal services	1,150,941	1,150,941	1,142,895	8,046
Operating expenses	194,746	193,931	170,335	23,596
Capital outlay	-	815	815	-
Total court judicial	1,345,687	1,345,687	1,314,045	31,642
Records Evidence				
Personal services	164,445	164,445	164,068	377
Operating expenses	23,329	23,329	21,858	1,471
Total records evidence	187,774	187,774	185,926	1,848

(Continued)

COLUMBIA COUNTY, FLORIDA
SHERIFF OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Communications				
Personal services	\$ 966,035	\$ 146,465	\$ 207,139	\$ (60,674)
Operating expenses	187,780	31,180	9,652	21,528
Capital outlay	-	-	-	-
Total communications	<u>1,153,815</u>	<u>177,645</u>	<u>216,791</u>	<u>(39,146)</u>
Corrections				
Personal services	2,976,611	2,851,611	2,826,765	24,846
Operating expenses	1,184,179	1,062,169	938,780	123,389
Capital outlay	30,000	67,352	66,969	383
Total corrections	<u>4,190,790</u>	<u>3,981,132</u>	<u>3,832,514</u>	<u>148,618</u>
Sheriff Task Force				
Personal services	384,596	409,178	440,135	(30,957)
Operating expenses	103,377	103,377	98,827	4,550
Capital outlay	-	2,445	7,276	(4,831)
Total Sheriff Task Force	<u>487,973</u>	<u>515,000</u>	<u>546,238</u>	<u>(31,238)</u>
Community Affairs				
Personal services	601,017	601,017	490,725	110,292
Operating expenses	91,971	91,972	112,040	(20,068)
Capital outlay	2,623	2,623	16,863	(14,240)
Total community affairs	<u>695,611</u>	<u>695,612</u>	<u>619,628</u>	<u>75,984</u>
Bullet Proof Vest				
Operating expenses	-	3,791	3,791	-
JAG Grant				
Capital outlay	-	-	18,128	(18,128)
STOP				
Personal services		60,135	69,686	(9,551)
Operating expenses		230	2,280	(2,050)
Total Stop	<u>-</u>	<u>60,365</u>	<u>71,966</u>	<u>(11,601)</u>
E. Byrne Memorial Grant				
Personal services	-	22,690	22,690	-

(Continued)

COLUMBIA COUNTY, FLORIDA
SHERIFF OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Networking				
Operating expenses	\$ 42,000	\$ 42,000	\$ 60,207	(18,207)
Capital outlay	-	41,693	34,235	7,458
Total DOT	<u>42,000</u>	<u>83,693</u>	<u>94,442</u>	<u>(10,749)</u>
JAG Direct				
Operating expenses	-	4,231	4,231	-
Capital outlay	-	1,344	1,344	-
Total Sheriff Grant	-	5,575	5,575	-
Total expenditures	<u>12,977,969</u>	<u>12,397,524</u>	<u>12,312,694</u>	<u>84,830</u>
Excess of revenues over (under) expenditures	(12,977,969)	(12,397,524)	(12,105,494)	(292,030)
Other financing sources				
Transfers from the Board of County Commissioners	<u>12,977,969</u>	<u>12,397,524</u>	<u>12,105,494</u>	<u>292,030</u>
Total other financing sources	<u>12,977,969</u>	<u>12,397,524</u>	<u>12,105,494</u>	<u>292,030</u>
Net change in fund balance	-	-	-	-
Fund balance beginning of year	-	-	-	-
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
ECONOMIC DEVELOPMENT DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 1,806,339	\$ 206,339
Miscellaneous	171,400	171,400	189,344	17,944
Total revenues	<u>1,771,400</u>	<u>1,771,400</u>	<u>1,995,683</u>	<u>224,283</u>
EXPENDITURES				
Current operating:				
Economic environment	175,000	7,500	7,383	117
Capital outlay:				
Economic environment	-	21,000	20,513	487
Debt service:				
Economic environment	1,510,664	1,671,164	1,670,411	753
Total expenditures	<u>1,685,664</u>	<u>1,699,664</u>	<u>1,698,307</u>	<u>1,357</u>
Excess of revenues over (under) expenditures	85,736	71,736	297,376	225,640
Other Financing Sources (Uses)				
Debt proceeds	-	-	4,000,000	4,000,000
Net change in fund balance	<u>85,736</u>	<u>71,736</u>	<u>4,297,376</u>	<u>4,225,640</u>
Fund balance, beginning of year	<u>(2,145,180)</u>	<u>(2,145,180)</u>	<u>(2,145,180)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (2,059,444)</u>	<u>\$ (2,073,444)</u>	<u>\$ 2,152,196</u>	<u>\$ 4,225,640</u>

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
CONNECTOR ROAD PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,954,387	\$ 1,954,387	\$ -	\$ (1,954,387)
Miscellaneous	229,900	229,900	12,061	(217,839)
Total revenues	<u>2,184,287</u>	<u>2,184,287</u>	<u>12,061</u>	<u>(2,172,226)</u>
EXPENDITURES				
Current operating:				
General government	20,000	20,000	20,000	-
Transportation	-	615,670	615,670	-
Capital outlay:				
Transportation	9,055,073	8,439,403	-	8,439,403
Total expenditures	<u>9,075,073</u>	<u>9,075,073</u>	<u>635,670</u>	<u>8,439,403</u>
Net change in fund balance expenditures	(6,890,786)	(6,890,786)	(623,609)	6,267,177
Fund balance, beginning of year	<u>6,371,826</u>	<u>6,371,826</u>	<u>6,371,826</u>	<u>-</u>
Fund balance, end of year	<u>\$ (518,960)</u>	<u>\$ (518,960)</u>	<u>\$ 5,748,217</u>	<u>\$ 6,267,177</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 4,490,345	\$ 4,490,345	\$ 1,423,683	\$ (3,066,662)
Charges for services	-	-	27,942	27,942
Miscellaneous	75,000	75,000	4,525	(70,475)
Total revenues	4,565,345	4,565,345	1,456,150	(3,109,195)
EXPENDITURES				
Current operating:				
Transportation	-	46,000	293,825	(247,825)
Capital outlay:				
Transportation	16,375,000	16,508,000	3,915,461	12,592,539
Total expenditures	16,375,000	16,554,000	4,209,286	12,344,714
Excess of revenues over (under) expenditures	(11,809,655)	(11,988,655)	(2,753,136)	9,235,519
Other Financing Sources				
Debt proceeds	9,300,000	9,300,000	-	(9,300,000)
Transfers in	2,000,000	2,000,000	2,000,000	-
Total other financing sources	11,300,000	11,300,000	2,000,000	(9,300,000)
Net change in fund balance	(509,655)	(688,655)	(753,136)	(64,481)
Fund balance, beginning of year	3,502,854	3,502,854	3,502,854	-
Fund balance, end of year	\$ 2,993,199	\$ 2,814,199	\$ 2,749,718	\$ (64,481)

See notes to financial statements.

FUND COMBINING STATEMENTS

**COLUMBIA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

	<u>Clerk of Courts</u>			<u>Property Appraiser</u>	<u>Minimun Standards School</u>
	<u>Public Records Modernization Trust</u>	<u>Reserved 10%</u>	<u>Teen Court</u>	<u>Operating</u>	
ASSETS					
Current assets					
Cash	\$ 60,452	\$ 18,768	\$ -	\$ 50,129	\$ 40,895
Due from other funds	8,619	6,780	2,028	-	-
Due from other governmental units	-	-	-	-	1,723
Investments	-	-	-	-	-
Total assets	<u>\$ 69,071</u>	<u>\$ 25,548</u>	<u>\$ 2,028</u>	<u>\$ 50,129</u>	<u>\$ 42,618</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Current liabilities					
Accounts payable	\$ 406	\$ -	\$ 8,311	\$ -	\$ -
Accrued payroll deductions and matching	-	-	-	-	-
Due to other funds	-	-	1,885	43,232	-
Due to other governmental units	-	-	-	6,897	-
Revenues collected in advance	-	-	-	-	-
Total liabilities	<u>406</u>	<u>-</u>	<u>10,196</u>	<u>50,129</u>	<u>-</u>
FUND BALANCES					
Reserved	-	-	-	-	-
Unreserved fund balances	68,665	25,548	(8,168)	-	42,618
Total fund balances	<u>68,665</u>	<u>25,548</u>	<u>(8,168)</u>	<u>-</u>	<u>42,618</u>
Total liabilities and fund balances	<u>\$ 69,071</u>	<u>\$ 25,548</u>	<u>\$ 2,028</u>	<u>\$ 50,129</u>	<u>\$ 42,618</u>

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

Sheriff				Supervisor of Elections	Tax Collector	Community Development Block Grant	Court Reporters
Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Operating	Operating		
\$ 6,607	\$ 15,842	\$ 546,031	\$ 5,903	\$ 16,942	\$ 502,706	\$ 49	\$ 70,180
-	-	-	-	-	6,277	-	-
-	-	-	-	-	330	-	-
-	-	-	-	-	-	-	-
<u>\$ 6,607</u>	<u>\$ 15,842</u>	<u>\$ 546,031</u>	<u>\$ 5,903</u>	<u>\$ 16,942</u>	<u>\$ 509,313</u>	<u>\$ 49</u>	<u>\$ 70,180</u>
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**COLUMBIA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

					Special Board of
	Court Service	Impact Fees	Industrial Development Authority	Law Enforcement Special	Law Library
ASSETS					
Cash	\$ 603,034	\$ 293,133	\$ -	\$ 35,696	\$ 3,571
Due from other funds	10,982	-	564,862	-	-
Due from other governmental units	180,000	-	-	-	-
Investments	-	-	-	1,448	-
Total assets	\$ 794,016	\$ 293,133	\$ 564,862	\$ 37,144	\$ 3,571
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Current liabilities					
Accounts payable	\$ 5,820	\$ -	\$ -	\$ -	\$ -
Accrued payroll deductions and matching	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-
Total liabilities	5,820	-	-	-	-
FUND BALANCES					
Reserved	-	-	-	-	-
Unreserved fund balances	788,196	293,133	564,862	37,144	3,571
Total fund balances	788,196	293,133	564,862	37,144	3,571
Total liabilities and fund balances	\$ 794,016	\$ 293,133	\$ 564,862	\$ 37,144	\$ 3,571

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

Revenue Funds			Debt Service Funds			Capital Projects	Total Nonmajor Governmental Funds
County	Commissioners		Jail	Road Improvement	Tourist Development	Paving Assess- ments	
Library Enhancement Grant	Local Housing Assistance	Tourist Development Tax					
\$ 523,292	\$ 351,033	\$ 610,922	\$ 2,088,792	\$ 135,067	\$ -	\$ -	\$ 5,979,044
-	-	-	-	-	-	384	599,932
-	-	20,528	-	-	-	-	202,581
1,369,266	-	-	-	-	49,177	-	1,419,891
<u>\$ 1,892,558</u>	<u>\$ 351,033</u>	<u>\$ 631,450</u>	<u>\$ 2,088,792</u>	<u>\$ 135,067</u>	<u>\$ 49,177</u>	<u>\$ 384</u>	<u>\$ 8,201,448</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,293
-	-	-	-	-	-	-	11,029
-	-	-	-	-	-	381,467	884,472
-	-	-	-	-	-	1	49,563
-	-	-	-	-	-	-	12,761
-	-	-	-	-	-	381,468	977,118
326,355	267,714	-	-	-	-	-	594,069
1,566,203	83,319	631,450	2,088,792	135,067	49,177	(381,084)	6,630,261
1,892,558	351,033	631,450	2,088,792	135,067	49,177	(381,084)	7,224,330
<u>\$ 1,892,558</u>	<u>\$ 351,033</u>	<u>\$ 631,450</u>	<u>\$ 2,088,792</u>	<u>\$ 135,067</u>	<u>\$ 49,177</u>	<u>\$ 384</u>	<u>\$ 8,201,448</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2009

	Special					
	Clerk of Courts			Property Appraiser		
	Public Records Modernization Trust	Reserved 10%	Teen Court	Operating	Minimun Standards School	Forfeiture
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-	-	-
Charges for services	94,961	-	32,789	173,694	-	-
Fines and forfeitures	-	25,548	-	-	20,890	2,210
Miscellaneous	-	-	-	10,153	1,023	32
Total revenues	94,961	25,548	32,789	183,847	21,913	2,242
EXPENDITURES						
Current Expenditures						
General government	13,650	-	-	1,240,214	-	-
Public safety	-	-	-	-	10,116	-
Economic environment	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-
Court - related	68,397	-	38,227	-	-	-
Capital outlay						
General government	-	-	-	32,343	-	-
Public safety	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Debt service						
General government						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Transportation						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	82,047	-	38,227	1,272,557	10,116	-
Excess of revenues over (under) expenditures	12,914	25,548	(5,438)	(1,088,710)	11,797	2,242
OTHER FINANCING SOURCES (USES)						
Interfund transfers in	-	-	-	1,088,710	3,920	-
Interfund transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,088,710	3,920	-
Net change in fund balances	12,914	25,548	(5,438)	-	15,717	2,242
Fund balances beginning of year	55,751	-	(2,730)	-	26,901	4,365
Fund balances end of year	\$ 68,665	\$ 25,548	\$ (8,168)	\$ -	\$ 42,618	\$ 6,607

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2009**

Revenue Funds						
Sheriff			Supervisor of Elections	Tax Collector	Community Development Block Grant	Court Reporters
Inmate Welfare	Forfeiture Nongrant	Work Program	Operating	Operating		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	3,689	-	-	119,088
100,000	-	10,128	-	1,302,857	-	109,176
-	190,622	-	-	-	-	-
89,614	9,554	122	22,901	21,347	-	-
<u>189,614</u>	<u>200,176</u>	<u>10,250</u>	<u>26,590</u>	<u>1,324,204</u>	<u>-</u>	<u>228,264</u>
-	-	-	606,750	1,324,204	-	230,465
228,430	115,138	17,261	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	228,657	1,975	-	-	-	-
-	-	-	7,683	-	-	-
-	-	-	1,118	-	-	-
-	-	-	-	-	-	-
<u>228,430</u>	<u>343,795</u>	<u>19,236</u>	<u>615,551</u>	<u>1,324,204</u>	<u>-</u>	<u>230,465</u>
(38,816)	(143,619)	(8,986)	(588,961)	-	-	(2,201)
-	25,000	-	588,961	-	-	-
-	-	-	-	-	-	-
-	25,000	-	588,961	-	-	-
(38,816)	(118,619)	(8,986)	-	-	-	(2,201)
51,814	664,650	14,889	-	-	49	72,381
<u>Ⓢ 12,998</u>	<u>Ⓢ 546,031</u>	<u>Ⓢ 5,903</u>	<u>Ⓢ -</u>	<u>Ⓢ -</u>	<u>\$ 49</u>	<u>\$ 70,180</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2009

	Special				
	Board of County				
	Court Service	Impact Fees	Industrial Development Authority	Law Enforcement Special	Law Library
REVENUES					
Taxes	\$ 180,000	\$ -	\$ 301,045	\$ -	\$ -
Intergovernmental revenue	-	-	-	-	-
Charges for services	180,619	67,863	-	-	-
Fines and forfeitures	-	-	-	208	-
Miscellaneous	409	1,094	15,790	110	-
Total revenues	361,028	68,957	316,835	318	-
EXPENDITURES					
Current Expenditures					
General government	77,879	-	-	-	200
Public safety	-	-	-	-	-
Economic environment	-	-	248,609	-	-
Culture/recreation	-	-	-	-	-
Court -related	362,258	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Economic environment	-	-	-	-	-
Debt service					
General government					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Transportation					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	440,137	-	248,609	-	200
Excess of revenues over (under) expenditures	(79,109)	68,957	68,226	318	(200)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	-	-	-	-
Interfund transfers out	(98,000)	-	-	(28,920)	-
Total other financing sources (uses)	(98,000)	-	-	(28,920)	-
Net change in fund balances	(177,109)	68,957	68,226	(28,602)	(200)
Fund balances beginning of year	965,305	224,176	496,636	65,746	3,771
Fund balances end of year	\$ 788,196	\$ 293,133	\$ 564,862	\$ 37,144	\$ 3,571

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2009

Revenue Funds			Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
Commissioners							
Library Enhancement Grant	Local Housing Assistance	Tourist Development Tax	Jail	Road Improvement	Tourist Development	Paving Assessments	
\$ -	\$ -	\$ 394,377	\$ -	\$ 799,999	\$ -	\$ -	\$ 1,675,421
514,413	582,449	-	-	-	-	-	1,219,639
-	-	-	-	-	-	-	2,072,087
-	-	-	-	-	-	-	239,478
11,354	646	32,143	3,533	114	1,067	248	221,254
<u>525,767</u>	<u>583,095</u>	<u>426,520</u>	<u>3,533</u>	<u>800,113</u>	<u>1,067</u>	<u>248</u>	<u>5,427,879</u>
-	-	-	-	-	-	-	3,493,362
-	-	-	-	-	-	-	370,945
-	717,397	344,190	-	-	-	-	1,310,196
693,343	-	-	-	-	-	-	693,343
-	-	-	-	-	-	-	468,882
-	-	-	-	-	-	-	32,343
-	-	-	-	-	-	-	230,632
-	-	62,436	-	-	-	-	62,436
-	-	-	-	-	-	-	7,683
-	-	-	-	-	-	-	1,118
-	-	-	-	392,528	-	-	392,528
-	-	-	-	3,885	-	-	3,885
<u>693,343</u>	<u>717,397</u>	<u>406,626</u>	<u>-</u>	<u>396,413</u>	<u>-</u>	<u>-</u>	<u>7,067,353</u>
<u>(167,576)</u>	<u>(134,302)</u>	<u>19,894</u>	<u>3,533</u>	<u>403,700</u>	<u>1,067</u>	<u>248</u>	<u>(1,639,474)</u>
-	-	452,731	-	-	-	-	2,159,322
-	-	-	-	-	(452,731)	-	(579,651)
-	-	452,731	-	-	(452,731)	-	1,579,671
(167,576)	(134,302)	472,625	3,533	403,700	(451,664)	248	(59,803)
2,060,134	485,335	158,825	2,085,259	(268,633)	500,841	(381,332)	7,284,133
<u>\$ 1,892,558</u>	<u>\$ 351,033</u>	<u>\$ 631,450</u>	<u>\$ 2,088,792</u>	<u>\$ 135,067</u>	<u>\$ 49,177</u>	<u>\$ (381,084)</u>	<u>\$ 7,224,330</u>

See notes to financial statements.

SINGLE AUDIT AND COMPLIANCE SECTION

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

To the Board of County Commissioners
And Constitutional Officers
Columbia County, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of Columbia County, Florida, (the County) as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered Columbia County, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbia County, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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

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

Compliance and Other Matters - As part of obtaining reasonable assurance about whether Columbia County, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to management of the County in a separate letter dated June 14, 2010, on pages 92 - 95.

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

June 14, 2010

**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, 2009. Columbia County, Florida's major federal awards 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: 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 awards 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, 2009.

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 considered Columbia County, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal awards program or state financial assistance project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over

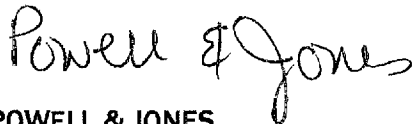
compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal and control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal awards program or state financial assistance project 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 compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of Columbia County, Florida as of and for the year ended September 30, 2009, and have issued our report thereon dated June 14, 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



POWELL & JONES
Certified Public Accountants
June 14, 2010

COLUMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2009

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2009
FEDERAL AWARDS								
MAJOR PROGRAMS								
<i>Federal Environmental Protection Agency passed through Florida Department of Environmental Protection</i>								
Capitalization Grant for Clean Water State Revolving Funds	66.468	VW74202P	\$ 755,809	\$ 227,101	\$ 309,766	\$ -	\$ 187,667	\$ 122,098
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DW1201010	240,000	165,000	75,000	-	-	75,000
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DW1201010	2,405,158	277,950	-	261,000	261,000	-
			<u>3,400,967</u>	<u>670,051</u>	<u>384,766</u>	<u>261,000</u>	<u>448,667</u>	<u>197,098</u>
<i>Federal Emergency Management Agency</i>								
<i>FEMA Fire Grant</i>	97.044	EMW-2008-FO-00927	199,782	-	-	199,782	199,782	-
<i>Total major programs</i>			<u>3,800,749</u>	<u>670,051</u>	<u>384,766</u>	<u>460,782</u>	<u>648,449</u>	<u>197,099</u>
NONMAJOR PROGRAMS								
<i>Federal Bureau of Land Management passed through Florida Department of Agriculture and Consumer Services</i>								
Title IV-A Rural Fire Grant	15.228	2009 VFD	8,095	-	-	8,095	8,095	-
<i>US Department of Justice</i>								
<i>Bureau of Justice Assistance/Office of Criminal Justice Grants</i>								
Bulletproof Vest Grant	16.607	FY2008	4,849	-	-	4,727	4,727	-
E. Byrne Memorial Justice Assistance Grant/Equipment	16.738	2007-DJ-BX-0514	24,905	6,077	18,128	18,128	18,128	-
<i>passed through Florida Department of Law Enforcement</i>								
E. Byrne Memorial Justice Assistance Grant/MJTF JAG #11	16.738	2009-JAGC-COLU-2-T7-144	24,581	-	-	24,581	24,581	-
Byrne Formula Justice Assistance Grant/Computer Enhance	16.738	2009-JAGD-COLU-2-T8-203	5,575	-	-	5,575	5,575	-
			<u>55,061</u>	<u>6,077</u>	<u>18,128</u>	<u>48,284</u>	<u>48,284</u>	<u>-</u>
<i>passed through Florida Department of Children and Families</i>								
Stop Violence Against Women Grant	16.588	LN817	69,697	17,424	-	52,273	52,273	-
Stop Violence Against Women Grant	16.588	LN817	68,475	-	-	12,138	12,138	-
			<u>138,172</u>	<u>17,424</u>	<u>-</u>	<u>64,411</u>	<u>64,411</u>	<u>-</u>
<i>General Services Administration</i>								
<i>passed through State of Florida Division of Elections</i>								
Election Reform Payments/Voter Education Funds	39.011	FY 06/07	8,203	13,176	3,689	-	3,689	-
<i>Help America Vote Act</i>								
<i>passed through State of Florida Division of Elections</i>								
Voting Systems Assistance/Pollworker Recruitment	90.400	FY 06/07	9,371	5,271	12,761	-	-	12,761
<i>Federal Emergency Management Agency</i>								
<i>passed through the Florida Department of Emergency Management</i>								
Hazard Mitigation Grant	97.039	08HM-3G-03-22-01-056	102,640	-	-	-	-	-
<i>US Department of Homeland Security</i>								
<i>passed through the Florida Department of Community Affairs</i>								
Homeland Security Grant	97.067	08-DS-80-03-22-01-872	45,536	-	-	15,000	15,000	-
ODP Grant	97.067	07-DS-5N-03-22-01-208	18,173	-	-	18,173	18,173	-
Hurricane Faye Disaster Assistance Grant	97.036	09-PA-C2-03-22-00-510	76,693	-	-	31,360	31,360	-
Emergency Management Performance Grant Supplemental	97.042	09-BG-20-03-22-01-090	28,688	-	-	28,688	28,688	-
Emergency Management Performance Grant	97.042	09-BG-03-03-22-01-108	34,767	-	-	34,767	34,767	-
			<u>203,857</u>	<u>-</u>	<u>-</u>	<u>127,988</u>	<u>127,988</u>	<u>-</u>
<i>U.S. Department of Health and Human Services</i>								
<i>passed through Florida Department of Revenue</i>								
Title IV-D Funds	83.563	CD312	72,852	4,214	-	68,638	68,638	-
			<u>72,852</u>	<u>4,214</u>	<u>-</u>	<u>68,638</u>	<u>68,638</u>	<u>-</u>
Total nonmajor programs			<u>605,101</u>	<u>48,182</u>	<u>34,578</u>	<u>322,142</u>	<u>325,851</u>	<u>12,761</u>
Total federal awards			<u>\$ 4,203,849</u>	<u>\$ 716,213</u>	<u>\$ 419,344</u>	<u>\$ 782,925</u>	<u>\$ 974,281</u>	<u>\$ 209,860</u>

See notes to schedule of expenditures of federal awards and state financial assistance.

COLUMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2009

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2009
STATE FINANCIAL ASSISTANCE								
MAJOR PROGRAMS								
<i>Office of the Governor</i>								
Economic Development Transportation Trust Grant (EDTF)	31.002	06-00123	\$ 440,000	\$ -	\$ -	\$ 296,579	\$ 296,579	\$ -
<i>State Housing Initiatives Program</i>								
SHIP Funds 2008	52.901	FY 2007/08	586,106	532,767	53,339	-	53,339	-
SHIP Funds 2009	52.901	FY 2008/09	666,023	291,996	-	374,027	314,736	59,291
SHIP Funds 2010	52.901	FY 2009/10	350,000	-	-	208,422	-	208,422
Local Government Trust Disaster Recovery Funds	52.xxx	Exec Order 08-048	500,000	150,678	349,322	-	349,322	-
			<u>2,102,129</u>	<u>975,441</u>	<u>402,661</u>	<u>582,449</u>	<u>717,397</u>	<u>267,713</u>
<i>Florida Department of Transportation</i>								
County Incentive Grant/Bascom Norris Road	55.008	4068139-54-01/AO900	2,826,000	\$ 871,613	\$ -	-	-	-
Small County Road Assistance Program/SCRAP CR 238	55.016	417313-2-58-01	900,900	-	-	900,900	900,900	-
Small County Road Assistance Program/SCRAP CR 135	55.016	424167-1-58-01	522,783	-	-	522,783	522,783	-
Small County Road Assistance Program/SCRAP CR 778	55.016	424168-1-58-01	710,210	-	-	-	-	-
			<u>4,959,893</u>	<u>871,613</u>	<u>-</u>	<u>1,423,683</u>	<u>1,423,683</u>	<u>-</u>
Total major programs			<u>7,502,022</u>	<u>1,847,054</u>	<u>402,661</u>	<u>2,302,711</u>	<u>2,437,658</u>	<u>267,713</u>
NONMAJOR PROGRAMS:								
<i>Department of Environmental Protection</i>								
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP6025	1,200,000	199,910	-	97,775	97,775	-
Small County Solid Waste Grant Agreement	37.012	SC904	277,316	-	-	277,316	277,316	-
			<u>1,477,316</u>	<u>199,910</u>	<u>-</u>	<u>375,091</u>	<u>375,091</u>	<u>-</u>
<i>Department of Agriculture and Consumer Services</i>								
Arthropod Mosquito Control State Aid	42.003	FDACS Contract #014125	39,000	-	-	37,023	37,023	-
<i>Department of State</i>								
<i>Division of Library Information Services</i>								
State Aid to Libraries Operating/Equalization Grant	45.030	08-ST-13	616,483	131,485	484,998	-	484,998	-
State Aid to Libraries Operating/Equalization Grant	45.030	09-ST-13	534,785	-	-	534,785	228,717	306,068
			<u>1,151,268</u>	<u>131,485</u>	<u>484,998</u>	<u>534,785</u>	<u>713,715</u>	<u>306,068</u>
<i>Department of Health</i>								
Emergency Medical Services County Grant Program	64.003	C1012	21,170	-	21,170	-	-	21,170
Emergency Medical Services County Grant Program	64.003	C2012	20,121	-	20,121	-	-	20,121
Emergency Medical Services County Grant Program	64.003	C3012	43,208	-	43,208	-	-	43,208
Emergency Medical Services County Grant Program	64.003	C7012	75,306	23,550	51,756	-	-	51,756
			<u>159,805</u>	<u>23,550</u>	<u>136,255</u>	<u>-</u>	<u>-</u>	<u>136,255</u>
<i>Department of Community Affairs</i>								
Hurricane Faye Disaster Assistance Grant/MATCH	97.036	09-PA-C2-03-22-00-510	12,857	-	-	5,227	5,227	-
Emergency Management Performance Grant/MATCH	52.008	09-BG-03-03-22-01-106	98,726	-	-	98,726	98,726	-
			<u>111,583</u>	<u>-</u>	<u>-</u>	<u>103,953</u>	<u>103,953</u>	<u>-</u>
Total nonmajor programs			<u>2,938,972</u>	<u>364,945</u>	<u>621,253</u>	<u>1,050,852</u>	<u>1,229,782</u>	<u>442,323</u>
Total state financial assistance			<u>\$ 10,440,994</u>	<u>\$ 2,201,999</u>	<u>\$ 1,023,914</u>	<u>\$ 3,353,563</u>	<u>\$ 3,667,441</u>	<u>\$ 710,036</u>

See notes to schedule of expenditures of federal awards and state financial assistance.

COLUMBIA COUNTY, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Fiscal Year Ended September 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Single Audit Report of Columbia, County, Florida, (the "County") have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget Circular A-133.

A. Reporting Entity

The reporting entity consists of Columbia County, the primary government, and each of its component units. The County includes a Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance Section

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus.

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

COLUMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2009

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	No

Federal Awards

Internal control over major programs:

• Material weaknesses 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
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
66.458	Federal Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds
97.044	Federal Emergency Management Agency FEMA Fire Grant

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

Auditee qualified as low-risk auditee?	Yes
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Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

COLUMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2009

State Financial Assistance

Internal control over major projects:

- 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 projects: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, *Rules of the Auditor General*? No

CSFA Number

31.002
52.901
55.006

Name of State Programs

Economic Development Transportation Trust Grant
State Housing Initiatives Program
Small County Road Assistance Program

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

Financial Statement Findings

None

State Financial Assistance 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, 2009, and have issued our report thereon dated June 14, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project, and Schedule of Findings. Disclosures in those reports and schedule, which are dated June 14, 2010, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

BOARD OF COUNTY COMMISSIONERS

PRIOR YEAR FINDINGS

Medicaid Billings – In the prior year, we found instances where the County was billed for and reimbursed the State for erroneous charges under the State of Florida Medicaid Assistance Programs. These erroneous charges were due to apparent duplicate billings for hospital stays and for nursing home patients who had out of county addresses. Based on our preliminary findings, the County directed us to perform extended procedures regarding this matter. In our separate report dated August 18, 2009, we identified \$189,794.51 in clearly apparent erroneous billings and subsequent payments made to the State under this program. We are aware that the County is seeking reimbursement of these payments from the State, which is still in process. Based on our findings, the County has instituted additional screening and preaudit procedures to assure that all County payments made under these programs are valid and proper.

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

CURRENT YEAR FINDINGS

Quarterly 941 Reports – From our audit procedures applied to validate the general ledger payroll related expenditures to the Federal Form 941 reports submitted quarterly, we determined that there was a variance of \$42,798.82 for the year that we were unable to reconcile or otherwise explain.

We recommend that the County investigate this variance as well as implement a system to formally reconcile the payroll related expenditures in the general ledger to the payroll reports on at least a quarterly basis to verify reporting accuracy that the payroll reports are accurate.

Employee Leave Records – From our audit of employee leave accrual computations, we found inconsistencies in the use of certain employee leave hours that indicated that leave hours were

used in excess of the computed hours that would have been available to certain employees. We recommend that the County review the actual utilization of leave time as compared to the accrual and donation of leave to employees. In the event the County determines that errors have occurred, we further recommend that the review of leave records be expanded to determine if such errors have occurred for other employees.

Firefighters Compensation - From our audit of related expenditures, we found that fire department employees were apparently being compensated for their "Kelly Day" as a paid day off in the same manner as a paid holiday. The intended use of Kelly Days is to minimize overtime by requiring shift employees to take an additional scheduled unpaid day off. We recommend that shift employees subject to the Kelly Day take the Kelly Day as an unpaid day off, as its intended use. We are aware that the County has implemented this recommendation, as well as other measures to control overtime by firefighters.

GASB 45 Other Postemployment Benefits (OPEB) - Statement 45 of the Governmental Accounting Standards Board requires governments to calculate the costs and liabilities associated with health benefits to retired employees. County retirees are charged with the same rates as active employees on the County's health insurance plan. Due to the fact that the premiums are based on a blending of the experience among younger active employees and older retirees, GASB 45 classifies this as an "implicit rate subsidy" that must be calculated and disclosed.

Although the County has relatively few retirees on the health insurance plan, this pronouncement requires the County to have an actuarial study performed to properly disclose the OPEB obligation in its financial statements. We recommend that the County evaluate the new accounting requirement and take appropriate action for compliance.

CLERK OF THE CIRCUIT COURT

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

PROPERTY APPRAISER

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SHERIFF

PRIOR YEAR FINDINGS

Prepaid Phone Cards – From our review of the inmate prepaid phone card inventory system in the prior years, we found that there was either no documentation of the activity of the inventory and distribution of these cards or incomplete documentation being retained for audit review. For proper accountability, we recommended that a process of internal controls be implemented over the inventory and distribution of the inmate phone cards that would provide for monitoring of the current stock of cards as well as fully documenting the distribution of the cards to individual inmates.

In the current year we found that our implemented recommendations significantly improved the weaknesses in the internal controls over the phone cards, although some issued cards were unaccounted for due to the recommended controls being implemented after the fiscal year started.

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

CURRENT YEAR FINDINGS

Sheriff Salary Reconciliation – From our reconciliation of the approved salary for the Sheriff of Columbia County with the allowable certification adjustments and the amounts recorded in the related salary expenditure account in the general ledger, we determined that the current Sheriff was underpaid by approximately \$3,911 during the year. We found that this error in compensation was due to the calculation of the Sheriff's earnings based upon the established bi-weekly pay periods instead of, more accurately, on a daily basis due to the transition of individuals serving as Sheriff during the year.

We recommend that if such changes occur in the future, that the salary of each Sheriff be calculated utilizing the actual days in office for each officer.

SUPERVISOR OF ELECTIONS

PRIOR YEAR FINDINGS

The prior year finding was corrected during the current year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

TAX COLLECTOR

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

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

Investment of Public Funds - The County 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 County had met any of conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

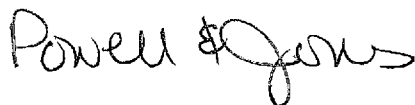
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Requirements of Section 28.35 Florida Statutes - For the fiscal year ended September 30, 2009, the Clerk of the Circuit Court complied with the following:

- a. The budget certified by the Florida Clerk of Courts Operations Corporation.
- b. The performance standards developed and certified to Section 28.35, *Florida Statutes*.

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

CONCLUSION - We have reviewed information regarding our audit with appropriate County officials and management and have provided them with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the County. We look forward to a long and mutually beneficial relationship with the Board of County Commissioners and other County Officials and employees. We also appreciate the helpful assistance and courtesy afforded us by all County employees.



POWELL & JONES
Certified Public Accountants
June 14, 2010

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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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), as of and for the year ended September 30, 2009, 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.

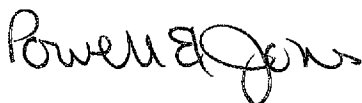
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2009, and the results of its operations and budgetary comparisons 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 14, 2010, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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
June 14, 2010

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

COMBINED BALANCE SHEET - ALL FUND TYPES

September 30, 2009

	Governmental Fund Types		Fiduciary	Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Fund Types Agency Funds	
ASSETS				
Current assets				
Cash	\$ 402	\$ 79,218	\$ 1,117,039	\$ 1,196,659
Accounts receivable	1,234	-	15,417	16,651
Due from other funds	24,290	17,426	785	42,501
Due from other governmental units	10,359	-	-	10,359
Total assets	\$ 36,285	\$ 96,644	\$ 1,133,241	\$ 1,266,170
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 13,488	\$ 8,717	\$ -	\$ 22,205
Due to other funds	-	1,885	40,616	42,501
Due to other governmental units	22,797	-	473,097	495,894
Interest payable	-	-	16,738	16,738
Deposits held in trust	-	-	120,380	120,380
Registry deposits held in trust	-	-	36,560	36,560
Court liability fees payable	-	-	223,966	223,966
Juvenile installments	-	-	1,691	1,691
Bond liability	-	-	100,342	100,342
Tax deed sales	-	-	116,772	116,772
Other current liabilities	-	-	3,079	3,079
Total liabilities	36,285	10,602	1,133,241	1,180,128
FUND BALANCES				
Unreserved	-	86,042	-	86,042
Total liabilities and fund balances	\$ 36,285	\$ 96,644	\$ 1,133,241	\$ 1,266,170

See notes to 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, 2009

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Intergovernmental	\$ 401,107	\$ -	\$ 401,107
Charges for services	1,646,105	153,296	1,799,401
Miscellaneous	69	-	69
Total revenues	<u>2,047,281</u>	<u>153,296</u>	<u>2,200,577</u>
EXPENDITURES			
Current expenditures			
General government	750,045	13,650	763,695
Court related	1,702,985	106,624	1,809,609
Total expenditures	<u>2,453,030</u>	<u>120,274</u>	<u>2,573,304</u>
Excess of revenues over (under) expenditures	<u>(405,749)</u>	<u>33,022</u>	<u>(372,727)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County			
Commissioners	405,749	-	405,749
Total other financing sources (uses)	<u>405,749</u>	<u>-</u>	<u>405,749</u>
Net change in fund balance	<u>-</u>	<u>33,022</u>	<u>33,022</u>
Fund balance at beginning of year	<u>-</u>	<u>53,020</u>	<u>53,020</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 86,042</u>	<u>\$ 86,042</u>

COLUMBIA COUNTY, FLORIDA

**CLERK OF THE CIRCUIT COURT
COMBINED STATEMENT OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS**

For the Fiscal Year Ended September 30, 2009

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental	\$ 388,408	\$ 401,107	\$ 12,699	\$ -	\$ -	\$ -
Charges for services	1,807,908	1,646,105	(161,803)	138,250	153,296	15,046
Miscellaneous	13,870	69	(13,801)	-	-	-
Total revenues	2,210,186	2,047,281	(162,905)	138,250	153,296	15,046
EXPENDITURES						
Current expenditures						
General government	792,421	750,045	42,376	34,530	13,650	20,880
Court related	1,813,677	1,702,985	110,692	104,856	106,624	(1,768)
Capital outlay						
General government	5,968	-	5,968	1,000	-	1,000
Court related	14,729	-	14,729	2,000	-	2,000
Total expenditures	2,626,795	2,453,030	173,765	142,386	120,274	22,112
Excess of revenues over (under) expenditures	(416,609)	(405,749)	10,860	(4,136)	33,022	37,158
OTHER FINANCING SOURCES						
Transfers from the Board of County Commissioners	416,609	405,749	(10,860)	-	-	-
Total other financing sources (uses)	416,609	405,749	(10,860)	-	-	-
Net change in fund balances	-	-	-	(4,136)	33,022	37,158
Fund balances at beginning of year	-	-	-	53,020	53,020	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 48,884	\$ 86,042	\$ 37,158

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

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," as amended by GASB 39 "Determining Whether Certain Organizations Are Component Units an Amendment of GASB Statement 14," 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, 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 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, 2009, the Clerk maintained the following Special Revenue Funds:

Public Records Modernization Trust Fund
Teen Court Fund
Reserved 10% Fines Fund

(ii) **Fiduciary Fund**

Agency Funds - Agency Funds are used to account for assets held by the Clerk 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 Clerk.

Domestic Relations
Jury and Witness
Public Defender Occupancy Trust
Trust
Employee Sunshine 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 Clerk of the Circuit Court currently maintains his accounting records for all funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types 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.

D. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriations budget, which includes the appropriations to the General Fund of the Clerk of the Circuit Court. The Clerk also initially prepares and appropriately amends internally the Clerk's General Fund budget.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriations budget of the Clerk of the Circuit Court.

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2009, the book balance of the Clerk's deposits was \$1,196,360. This bank balance was covered by federal depository insurance and pledged collateral held at various qualified public depositories. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

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

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. Fixed Assets - 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.

NOTE 3. PENSION PLAN

Plan Description - The Clerk 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 Clerk is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53%, and employees electing

the DROP Program 10.91%. The contribution requirements of plan members and the Clerk are established and may be amended by the Florida Legislature. The Clerk's contributions to the System for the years ending September 30, 2009, 2008 and 2007 were \$167,114, \$170,923, and \$173,477, respectively, equal to the required contributions for each year.

NOTE 4. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2009, were:

	Interfund Receivables	Interfund Payables
General Fund	\$ 24,290	\$ -
Reserved 10% Fines	6,780	-
Public Records Modernization Trust	8,618	-
Teen Court	2,028	1,885
Trust	785	39,831
Domestic Relations Trust	-	785
	<u>\$ 42,501</u>	<u>\$ 42,501</u>

NOTE 5. COMMITMENTS

Also, on September 27, 2007, the Clerk entered into an agreement with FACC for Clericus court software. The total cost of the agreement is \$147,585, with the balance of \$29,517 still outstanding at September 30, 2009.

NOTE 6. RELATED PARTY TRANSACTIONS

The Clerk's office utilizes a collection service in which the spouse of the Clerk has an equity interest. The terms of the Office's agreement with the company are similar to those of other area Clerk's Offices. The company's compensation is based upon a percent of amount of delinquent accounts collected and is paid by delinquent account holders. The Clerk's Office makes no payments to the collection service. Compensation totaled approximately \$65,044 for the year ended September 30, 2009 from a total of \$227,835 in delinquent collections.

NOTE 7. LEASE COMMITMENTS

The Clerk has various leases for equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the total year totaled \$11,107. Future minimum lease payments for these leases are as follows:

Year Ending September 30,	Minimum Lease Payments
2010	\$ 7,592
2011	7,078
2012	4,539
2013	4,308
2014	2,513
	<u>\$ 26,030</u>

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS**

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

**CLERK OF THE CIRCUIT COURT
GENERAL FUND**

**BALANCE SHEET
September 30, 2009**

ASSETS

Current Assets

Cash	\$	402
Accounts receivable		1,234
Due from other funds		24,290
Due from other governmental units		10,359
Total assets	\$	36,285

LIABILITIES AND FUND BALANCE

LIABILITIES

Current liabilities

Accounts payable	\$	13,488
Due to other governmental units		22,797
Total liabilities		36,285

FUND BALANCE

Unreserved		-
Total liabilities and fund balance	\$	36,285

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue				
Federal grants				
IV - D grant	\$ 55,939	\$ 55,939	\$ 68,638	\$ 12,699
State grants				
State Court reimbursement	-	332,469	332,469	-
Total intergovernmental revenue	<u>55,939</u>	<u>388,408</u>	<u>401,107</u>	<u>12,699</u>
Charges for services				
General government				
Noncourt related charges				
Recording	180,000	180,000	165,010	(14,990)
Documentary stamp commissions	14,000	14,000	8,381	(5,619)
Marriage licenses fees and charges	17,500	17,500	21,743	4,243
Passports	30,000	30,000	27,950	(2,050)
Copies	35,000	35,000	26,170	(8,830)
Other charges	34,050	34,050	26,348	(7,702)
Court related charges				
County court criminal	360,500	270,375	305,703	35,328
Circuit court criminal	155,259	116,444	106,494	(9,950)
County court civil	327,880	245,910	198,032	(47,878)
Circuit court civil	292,773	219,580	232,114	12,534
Traffic	807,065	605,299	492,008	(113,291)
Probate	53,000	39,750	36,152	(3,598)
Miscellaneous				
Interest	17,693	13,870	69	(13,801)
Total charges for services	<u>2,324,720</u>	<u>1,821,778</u>	<u>1,646,174</u>	<u>(175,604)</u>
Total revenues	<u>2,380,659</u>	<u>2,210,186</u>	<u>2,047,281</u>	<u>(162,905)</u>
EXPENDITURES				
Board of County Commissioners				
Personal services	322,636	322,636	311,298	11,338
Operating expenses	1,800	1,800	734	1,066
Total Board of County Commissioners	<u>324,436</u>	<u>324,436</u>	<u>312,032</u>	<u>12,404</u>
Other general government				
Personal services	355,201	355,201	319,946	35,255
Operating expenses	44,000	44,000	52,513	(8,513)
Capital outlay	4,468	4,468	-	4,468
Total other general government	<u>403,669</u>	<u>403,669</u>	<u>372,459</u>	<u>31,210</u>
Clerk administration				
Personal services	547,521	509,869	526,618	(16,749)
Operating expenses	35,610	33,161	17,161	16,000
Capital outlay	4,542	4,230	-	4,230
Total Clerk administration	<u>587,673</u>	<u>547,260</u>	<u>543,779</u>	<u>3,481</u>

(Continued)

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Court-related payments to State				
Budgeted payments	406,600	343,762	234,071	109,691
Total court-related payments to State	406,600	343,762	234,071	109,691
Jury Management				
Personal services	\$ 32,745	\$ 30,493	\$ 33,224	\$ (2,731)
Operating expenses	1,804	1,680	14,411	(12,731)
Capital outlay	230	214	-	214
Total jury management	34,779	32,387	47,635	(15,248)
Circuit Criminal				
Personal services	216,016	201,161	222,788	(21,627)
Operating expenses	20,746	19,319	9,929	9,390
Capital outlay	2,646	2,464	-	2,464
Total circuit criminal	239,408	222,944	232,717	(9,773)
Circuit Civil				
Personal services	53,860	50,156	48,088	2,068
Operating expenses	5,412	5,040	1,606	3,434
Capital outlay	690	643	-	643
Total circuit civil	59,962	55,839	49,694	6,145
Circuit Family				
Personal services	113,231	105,444	90,476	14,968
Operating expenses	16,236	15,119	10,453	4,666
Capital outlay	2,071	1,929	-	1,929
Total circuit family	131,538	122,492	100,929	21,563
Circuit Juvenile				
Personal services	59,519	55,426	61,288	(5,862)
Operating expenses	5,412	5,040	1,824	3,216
Capital outlay	690	643	-	643
Total circuit juvenile	65,621	61,109	63,112	(2,003)
Circuit Probate				
Personal services	35,754	33,295	37,972	(4,677)
Operating expenses	3,608	3,360	1,078	2,282
Capital outlay	460	428	-	428
Total circuit probate	39,822	37,083	39,050	(1,967)

(Continued)

COLUMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Information Technology				
Personal services	62,994	62,994	63,897	(903)
Operating expenses	5,790	5,790	1,657	4,133
Capital outlay	1,500	1,500	-	1,500
Total information technology	<u>70,284</u>	<u>70,284</u>	<u>65,554</u>	<u>4,730</u>
County Criminal				
Personal services	\$ 209,160	\$ 194,777	\$ 197,048	\$ (2,271)
Operating expenses	15,334	14,280	8,080	6,200
Capital outlay	1,956	1,821	-	1,821
Total county criminal	<u>226,450</u>	<u>210,878</u>	<u>205,128</u>	<u>5,750</u>
County Civil				
Personal services	50,393	46,928	44,467	2,461
Operating expenses	5,412	5,040	1,749	3,291
Capital outlay	690	643	-	643
Total county civil	<u>56,495</u>	<u>52,611</u>	<u>46,216</u>	<u>6,395</u>
County Traffic				
Personal services	136,257	126,887	133,191	(6,304)
Operating services	14,432	13,440	7,463	5,977
Capital outlay	1,841	1,714	-	1,714
Total county traffic	<u>152,530</u>	<u>142,041</u>	<u>140,654</u>	<u>1,387</u>
Total expenditures	<u>2,799,267</u>	<u>2,626,795</u>	<u>2,453,030</u>	<u>173,765</u>
Excess of revenues over (under) expenditures	<u>(418,608)</u>	<u>(416,609)</u>	<u>(405,749)</u>	<u>10,860</u>
Other financing sources				
Transfers from Board of County Commissioners	418,608	416,609	405,749	(10,860)
Total other financing sources	<u>418,608</u>	<u>416,609</u>	<u>405,749</u>	<u>(10,860)</u>
Net change in fund balance	-	-	-	-
Fund balance beginning of year	-	-	-	-
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

**CLERK OF THE CIRCUIT COURT
SPECIAL REVENUE FUNDS**

COMBINING BALANCE SHEET

September 30, 2009

	Public Records Modernization Trust	Teen Court	Reserved 10% Fines	Totals
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 60,451	\$ -	\$ 18,767	\$ 79,218
Due from other funds	8,619	2,028	6,779	17,426
Total assets	<u>\$ 69,070</u>	<u>\$ 2,028</u>	<u>\$ 25,546</u>	<u>\$ 96,644</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 406	\$ 8,311	\$ -	\$ 8,717
Due to other funds	-	1,885	-	1,885
Total liabilities	<u>406</u>	<u>10,196</u>	<u>-</u>	<u>10,602</u>
FUND BALANCES				
Unreserved	<u>68,664</u>	<u>(8,168)</u>	<u>25,546</u>	<u>86,042</u>
Total liabilities and fund balances	<u>\$ 69,070</u>	<u>\$ 2,028</u>	<u>\$ 25,546</u>	<u>\$ 96,644</u>

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, 2009

	<u>Public Records Modernization Trust</u>	<u>Teen Court</u>	<u>Reserved 10% Fines</u>	<u>Totals</u>
REVENUES				
Charges for services				
General government				
Recording of legal instruments	\$ 94,961	\$ -	\$ 25,546	\$ 120,507
Court related	-	32,789	-	32,789
Total revenues	<u>94,961</u>	<u>32,789</u>	<u>25,546</u>	<u>153,296</u>
EXPENDITURES				
General Government				
Financial and administrative				
Operating expenses	<u>13,650</u>	-	-	<u>13,650</u>
Total general government	<u>13,650</u>	-	-	<u>13,650</u>
Court related				
Judicial				
Operating expenses	<u>68,397</u>	<u>38,227</u>	-	<u>106,624</u>
Total court related	<u>68,397</u>	<u>38,227</u>	-	<u>106,624</u>
Total expenditures	<u>82,047</u>	<u>38,227</u>	-	<u>120,274</u>
Net change in fund balances	12,914	(5,438)	25,546	33,022
Fund balances at beginning of year	55,750	(2,730)	-	53,020
Fund balances at end of year	<u>\$ 68,664</u>	<u>\$ (8,168)</u>	<u>\$ 25,546</u>	<u>\$ 86,042</u>

See notes to financial statements.

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

**CLERK OF THE CIRCUIT COURT
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2009**

	<u>Clerk Trust</u>	<u>Employee Sunshine</u>	<u>Domestic Relations</u>	<u>Jury and Witness</u>	<u>Public Defender Occupancy Trust</u>	<u>Totals</u>
ASSETS						
Cash	\$ 1,094,953	\$ 1,133	\$ 2,278	\$ 1,446	\$ 17,229	\$ 1,117,039
Due from other funds	785	-	-	-	-	785
Dishonored checks receivable	15,417	-	-	-	-	15,417
Total assets	<u>\$ 1,111,155</u>	<u>\$ 1,133</u>	<u>\$ 2,278</u>	<u>\$ 1,446</u>	<u>\$ 17,229</u>	<u>\$ 1,133,241</u>
LIABILITIES						
Due to other funds	\$ 39,831	\$ -	\$ 785	\$ -	\$ -	\$ 40,616
Due to other governmental units	452,929	-	1,493	1,446	17,229	473,097
Interest payable	16,738	-	-	-	-	16,738
Deposits held in trust	120,380	-	-	-	-	120,380
Registry deposits held in trust	36,560	-	-	-	-	36,560
Court fees payable	223,966	-	-	-	-	223,966
Juvenile installments	1,691	-	-	-	-	1,691
Bond liability	100,342	-	-	-	-	100,342
Tax deeds	116,772	-	-	-	-	116,772
Other current liabilities	1,946	1,133	-	-	-	3,079
Total liabilities	<u>\$ 1,111,155</u>	<u>\$ 1,133</u>	<u>\$ 2,278</u>	<u>\$ 1,446</u>	<u>\$ 17,229</u>	<u>\$ 1,133,241</u>

**COLUMBIA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2009**

	Balance October 1 2008	Additions	Deductions	Balance September 30, 2009
DOMESTIC RELATIONS FUND				
Assets				
Cash	\$ 2,763	\$ 26,433	\$ 26,918	\$ 2,278
Total assets	\$ 2,763	\$ 26,433	\$ 26,918	\$ 2,278
Liabilities				
Due to other funds	\$ 967	\$ 8,904	\$ 9,086	\$ 785
Due to other governmental units	1,796	16,930	17,233	1,493
Total liabilities	\$ 2,763	\$ 25,834	\$ 26,319	\$ 2,278
JURY AND WITNESS FUND				
Assets				
Cash	\$ 6,106	\$ 11,500	\$ 16,160	\$ 1,446
Liabilities				
Due to other governmental units	\$ 6,106	\$ 11,500	\$ 16,160	\$ 1,446
PUBLIC DEFENDER OCCUPANCY TRUST FUND				
Assets				
Cash	\$ 25,100	\$ 73,985	\$ 81,856	\$ 17,229
Liabilities				
Due to other funds	\$ 248	\$ -	\$ 248	\$ -
Due to Public Defender	24,852	73,985	81,608	17,229
Total liabilities	\$ 25,100	\$ 73,985	\$ 81,856	\$ 17,229
EMPLOYEE SUNSHINE FUND				
Assets				
Cash	\$ 982	\$ 2,597	\$ 2,446	\$ 1,133
Liabilities				
Other current liabilities	\$ 982	\$ 2,597	\$ 2,446	\$ 1,133

(Continued)

**COLUMBIA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2009**

	Balance October 1 2008	Additions	Deductions	Balance September 30, 2009
TRUST FUND				
Assets				
Cash	\$ 1,233,111	\$ 9,683,364	\$ 9,821,522	\$ 1,094,953
Due from other funds	-	785	-	785
Dishonored checks receivable	14,464	6,232	5,279	15,417
Total assets	\$ 1,247,575	\$ 9,690,381	\$ 9,826,801	\$ 1,111,155
Liabilities				
Due to other funds	\$ 189,415	\$ 1,717,215	\$ 1,866,799	\$ 39,831
Due to other governmental units	310,858	3,383,103	3,241,032	\$ 452,929
Registry deposits held in trust	36,560	-	-	36,560
Deposits in suspense	121,426	43,432	44,478	120,380
Court liability fees payable	353,079	2,073,609	2,202,722	223,966
Juvenile installments	3,001	41,049	42,359	1,691
Bond liability	172,504	247,558	319,720	100,342
Tax deeds sales	40,981	206,425	130,634	116,772
Other current liabilities	2,803	8,050,310	8,051,167	1,946
Interest payable	16,948	16,875	17,085	16,738
Total liabilities	\$ 1,247,575	\$ 15,779,576	\$ 15,915,996	\$ 1,111,155
TOTALS - ALL FUNDS				
Assets				
Cash	\$ 1,268,062	\$ 9,797,879	\$ 9,948,902	\$ 1,117,039
Due from other funds	-	785	-	785
Dishonored checks receivable	14,464	6,232	5,279	15,417
Total assets	\$ 1,282,526	\$ 9,804,896	\$ 9,954,181	\$ 1,133,241
Liabilities				
Due to other funds	\$ 190,630	\$ 1,726,119	\$ 1,876,133	\$ 40,616
Due to other governmental units	343,612	3,485,518	3,356,033	473,097
Interest payable	16,948	16,875	17,085	16,738
Deposits in suspense	121,426	43,432	44,478	120,380
Registry deposits held in trust	36,560	-	-	36,560
Court fees payable	353,079	2,073,609	2,202,722	223,966
Juvenile installments	3,001	41,049	42,359	1,691
Bond liability	172,504	247,558	319,720	100,342
Tax deeds sales	40,981	206,425	130,634	116,772
Other current liabilities	3,785	8,052,907	8,053,613	3,079
Total liabilities	\$ 1,282,526	\$ 15,893,492	\$ 16,042,777	\$ 1,133,241

COMPLIANCE SECTION

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

To the 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, 2009, and have issued our report thereon dated June 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered Columbia County Clerk of the Circuit Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbia County Clerk of the Circuit Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Columbia County Clerk of the Circuit Court's internal control over financial reporting.

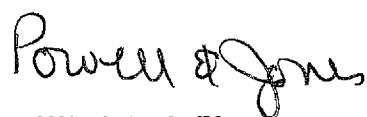
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Columbia County Clerk of the Circuit Court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Columbia County Clerk of the Circuit Court's financial statements that is more than inconsequential will not be prevented or detected by the Columbia County Clerk of the Circuit Court's internal control.

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

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

Compliance and Other Matters - As part of obtaining reasonable assurance about whether 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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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
Certified Public Accountants
June 14, 2010

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 (the Clerk), as of and for the year ended September 30, 2009, and have issued our report thereon dated June 14, 2010. 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

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Columbia County, Florida, for the year ended September 30, 2009. 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 had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

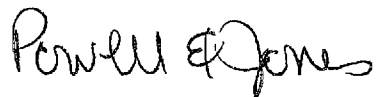
Financial Condition Assessment - As required by the *Rules of the Auditor General* [Sections 10.544(7)(c) and 10.556(7)], we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Requirements of Section 28.35, Florida Statutes - For the fiscal year ended September 30, 2009, the Clerk complied with the following:

- a. The budget certified by the Florida Clerk of Courts Operations Corporation
- b. The performance standards developed and certified to Section 28.35, *Florida Statutes*

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

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



POWELL & JONES
Certified Public Accountants
June 14, 2010

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Columbia County, Florida

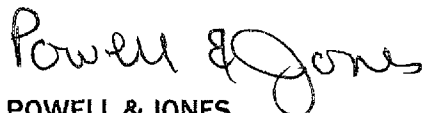
We have audited the accompanying special purpose fund financial statements of the Columbia County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2009, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Property Appraiser. Our responsibility is to express an opinion on these special purpose fund 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 fund 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 fund 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 special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Rule 10.557(4) of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Property Appraiser is part of the reporting entity, Columbia County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Property Appraiser, as of September 30, 2009, and the results of its operations and budgetary comparisons 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 June 10, 2010, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



POWELL & JONES
June 10, 2010

FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

**PROPERTY APPRAISER
GENERAL FUND
BALANCE SHEET
September 30, 2009**

ASSETS

Cash	\$	50,129
Total assets	\$	<u>50,129</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Current liabilities

Due to Board of County Commissioners	\$	43,232
Due to other governmental units		6,897
Total liabilities and fund balance	\$	<u>50,129</u>

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
PROPERTY APPRAISER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services				
General government				
County officer fees				
Columbia County Industrial				
Development Authority	\$ 8,579	\$ 8,579	\$ 8,250	\$ (329)
Lake Shore Hospital Authority	141,277	141,277	135,856	\$ (5,421)
Suwannee River Water Management District	30,736	30,736	29,557	\$ (1,179)
Total charges for services	<u>180,592</u>	<u>180,592</u>	<u>173,663</u>	<u>(6,929)</u>
Miscellaneous				
Interest earnings	-	-	4,232	4,232
Other miscellaneous	-	-	5,922	5,922
Total miscellaneous	<u>-</u>	<u>-</u>	<u>10,154</u>	<u>10,154</u>
Total revenues	<u>180,592</u>	<u>180,592</u>	<u>183,817</u>	<u>3,225</u>
EXPENDITURES				
General government				
Financial and administrative				
Personal services	1,074,802	1,118,950	1,097,907	21,043
Operating expenses	178,713	150,061	142,308	7,753
Capital outlay	9,372	38,024	32,343	5,681
Total expenditures	<u>1,262,887</u>	<u>1,307,035</u>	<u>1,272,558</u>	<u>34,477</u>
Excess of revenues over (under) expenditures	(1,082,295)	(1,126,443)	(1,088,741)	37,702
OTHER FINANCING SOURCES				
Transfers from Board of County Commissioners	1,082,295	1,126,443	1,088,741	(37,702)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COLUMBIA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
September 30, 2009**

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," as amended by GASB 39, "Determining Whether Certain Organizations are Component Units an Amendment of GASB Statement 14," 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.

D. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriations budget, which includes the operating budget of the Property Appraiser. The Property Appraiser's budget is also subject to approval by the Florida Department of Revenue.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Property Appraiser, which was amended during the year.

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2009, the book balance of the Property Appraiser's deposits was \$50,129. The total bank balance was covered by federal depository insurance.

F. Inventories - It is the policy of the Property Appraiser 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. Fixed Assets - Fixed assets used in the Supervisor of Elections' operations are accounted for in the Board of County Commissioner's general fixed assets 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. Depreciation on equipment is provided on the straight-line basis over useful lives of three to twelve years.

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 Board of County Commissioners fund that will pay for them. The remainder of the compensated absences liability, totaling \$110,121, is reported in the General Long-Term Debt Accounts Group of Columbia County.

I. 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.

J. Risk Management - The Property Appraiser 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 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, 2009 were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53%. 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, 2009, 2008 and 2007 were \$95,746, \$86,913, and \$87,744, respectively equal to the required contributions for each year.

NOTE 4. OPERATING LEASE

The Property Appraiser has an operating lease with Pitney Bowes for a postage meter. The agreement is being paid in sixteen quarterly installments of \$378. Future minimum lease payments are as follows:

Year Ending September 30	
2010	\$ 1,512
	<u>\$ 1,512</u>

The Property Appraiser has an operating lease with GE Capital dated August 5, 2009, for a copier. The agreement is being made in 63 monthly installments of \$187. Future minimum lease payments are as follows:

Year Ending September 30	
2010	\$ 2,241
2011	2,241
2012	2,241
2013	2,241
2014	2,241
2015	187
	<u>\$ 11,392</u>

NOTE 5. MAINTENANCE CONTRACT

The Property appraiser has an equipment maintenance agreement with United Image Technologies. Future minimum payments are as follows:

<u>Year Ending September 30</u>	
2010	\$ 6,414
2011	6,927
2012	<u>7,479</u>
	<u>\$ 20,820</u>

COMPLIANCE SECTION

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

To the Property Appraiser
Columbia County, Florida

We have audited the special purpose fund financial statements of the Columbia County Property Appraiser, as of and for the year ended September 30, 2009, and have issued our report thereon dated June 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Property Appraiser's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbia County Property Appraiser's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Columbia County Property Appraiser's internal control over financial reporting.

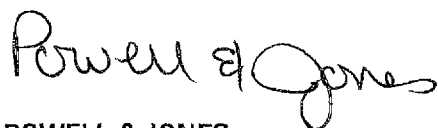
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Columbia County Property Appraiser's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Columbia County Property Appraiser's financial statements that is more than inconsequential will not be prevented or detected by the Columbia County Property Appraiser's internal control.

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

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

Compliance and Other Matters - As part of obtaining reasonable assurance about whether 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 and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Property Appraiser of Columbia County, and 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 10, 2010

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, 2009, and have issued our report thereon dated June 10, 2010. 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

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

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

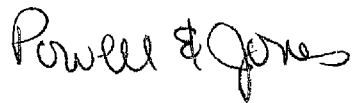
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Property Appraiser had met any of the conditions in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition

assessment was based in part on representations made by management and the review of financial information they provided.

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

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

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

POWELL & JONES
Certified Public Accountants
June 10, 2010

COLUMBIA COUNTY, FLORIDA

SHERIFF

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

COLUMBIA COUNTY, FLORIDA

SHERIFF

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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COLUMBIA COUNTY, FLORIDA

SHERIFF

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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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, 2009, 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.

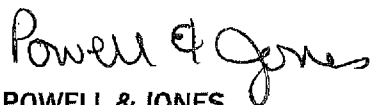
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2009, and the results of its operations and budgetary comparisons 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 7, 2010, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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
May 7, 2010

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SHERIFF
 COMBINED BALANCE SHEET
 ALL FUND TYPES
 September 30, 2009

	Governmental Funds		Fiduciary Fund Types	Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Agency Funds	
ASSETS				
Current assets				
Cash	\$ 758,373	\$ 615,277	\$ 411,377	\$ 1,785,027
Accounts receivable	10,305	-	11,235	21,540
Due from other governmental units	11,338	1,724	-	13,062
Total assets	\$ 780,016	\$ 617,001	\$ 422,612	\$ 1,819,629
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 549,415	\$ 2,844	\$ -	\$ 552,259
Due to individuals	-	-	5,854	5,854
Due to Board of County Commissioners	230,601	-	9,815	240,416
Deferred revenue	-	-	-	-
Other current liabilities	-	-	406,943	406,943
Total current liabilities	780,016	2,844	422,612	1,205,472
FUND BALANCES				
Fund balance undesignated	-	614,157	-	614,157
Total liabilities and fund balances	\$ 780,016	\$ 617,001	\$ 422,612	\$ 1,819,629

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, 2009

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Intergovernmental	\$ 117,433	\$ -	\$ 117,433
Charges for services	89,767	110,128	199,895
Fines and forfeitures	-	213,722	213,722
Miscellaneous	-	100,345	100,345
Total revenue	<u>207,200</u>	<u>424,195</u>	<u>631,395</u>
EXPENDITURES			
Current expenditures			
Public safety	11,599,068	370,945	11,970,013
Capital outlay			
Public safety	713,626	230,632	944,258
Total expenditures	<u>12,312,694</u>	<u>601,577</u>	<u>12,914,271</u>
Excess of revenues over (under) expenditures	<u>(12,105,494)</u>	<u>(177,382)</u>	<u>(12,282,876)</u>
Other Financing Sources			
Transfers from Board of County Commissioners	12,105,494	28,920	12,134,414
Total other financing sources	<u>12,105,494</u>	<u>28,920</u>	<u>12,134,414</u>
Net change in fund balances	-	(148,462)	(148,462)
Fund balances at beginning of year	-	762,619	762,619
Fund balances at end of year	<u>\$ -</u>	<u>\$ 614,157</u>	<u>\$ 614,157</u>

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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, 2009

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental	\$ -	\$ 117,433	\$ 117,433	\$ -	\$ -	\$ -
Charges for services	-	89,767	89,767	110,128	110,128	-
Fines and forfeitures	-	-	-	213,722	213,722	-
Miscellaneous	-	-	-	100,345	100,345	-
Total revenue	-	207,200	207,200	424,195	424,195	-
EXPENDITURES						
Current expenditures						
Public safety	11,721,013	11,599,068	121,945	370,945	370,945	-
Capital outlay						
Public safety	676,511	713,626	(37,115)	230,632	230,632	-
Total expenditures	12,397,524	12,312,694	84,830	601,577	601,577	-
Excess of revenues over (under) expenditures	(12,397,524)	(12,105,494)	292,030	(177,382)	(177,382)	-
Other Financing Sources						
Transfers from Board of County Commissioners	12,397,524	12,105,494	(292,030)	28,920	28,920	-
Total other financing sources	12,397,524	12,105,494	(292,030)	28,920	28,920	-
Net change in fund balances	-	-	-	(148,462)	(148,462)	-
Fund balances at beginning of year	-	-	-	762,619	762,619	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 614,157	\$ 614,157	\$ -

COLUMBIA COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

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," as amended by GASB 39 "Determining Whether Certain Organizations are Component Units an Amendment of GASB Statement 14," 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, 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. Governmental 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 Funds**

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, 2009, the Sheriff maintained the following Special Revenue Funds:

- Minimum Standards School
- Forfeiture
- Inmate Welfare
- Forfeiture - Non Grant
- 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, 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 Sheriff:

Bond and Fine
Inmate Trust

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 Sheriff currently maintains his accounting records for all funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types 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.

D. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriations budget.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Sheriff.

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash."

At September 30, 2009, the book balance of the Sheriff's deposits was \$1,785,028. These balances were covered by federal depository insurance and collateral held at various qualified public depositories. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

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

Bank Deposit Covered by	Category			Bank Balance
	1	2	3	
Eligible collateral	\$ -	\$ 1,273,352	\$ -	\$ 1,273,352
FDIC Insurance	511,676	-	-	511,676
Total deposits	<u>\$ 511,676</u>	<u>\$ 1,273,352</u>	<u>\$ -</u>	<u>\$ 1,785,028</u>

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

G. **Fixed Assets** - Fixed assets used in governmental fund type operations are accounted for in the general fixed assets 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.

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 accounts 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 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 2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 10/01/08	Donations	Additions	Deletions	Balance 09/30/09
Equipment	\$ 5,278,493	\$ 22,928	\$ 944,258	\$ 1,107,577	\$ 5,138,102

NOTE 3. 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 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 Sheriff is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%, employees electing the DROP program 10.91%. The contribution requirements of plan members and the Sheriff are established and may be amended by the Florida Legislature. The Sheriff's contributions to the System for the years ending September 30, 2009, 2008 and 2007 were \$1,188,580, \$1,255,705, and \$1,173,160, respectively, equal to the required contributions for each year.

NOTE 4. CONTINGENT LIABILITIES

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

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

NOTE 5. RISK MANAGEMENT

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

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

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

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

NOTE 6. DEFERRED REVENUE

The Sheriff reports deferred revenue, if applicable, on the 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.

NOTE 7. PRIOR PERIOD ADJUSTMENT

There is a \$272,661 prior period adjustment to the general fixed assets in the current year. This adjustment was required because the prior year asset records provided during our audit had prematurely deleted asset items that were actually deleted in the current year and because there was a revaluation of two assets that were added in the prior year.

NOTE 8. OPERATING LEASES

The Sheriff has several operating lease agreements for property and equipment with noncancellable terms. These leases are considered for accounting purposes, to be operating leases. Lease expenditures for the fiscal year totaled \$ 34,406. The future minimum payments under these leases at September 30, 2009, are as follows:

<u>Year Ending September 30</u>	<u>Minimum Lease Payment</u>
2010	\$ 29,638
2011	25,082
2012	12,573
2013	8,169
2014	4,734
	<u>\$ 80,196</u>

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

SHERIFF

GENERAL FUND

BALANCE SHEET

September 30, 2009

ASSETS

Current assets	
Cash	\$ 758,373
Accounts receivable	10,305
Due from other governmental units	11,338
Total assets	<u>\$ 780,016</u>

LIABILITIES

Liabilities	
Accounts payable	\$ 549,415
Due to Board of County Commissioners	230,601
Total liabilities	<u>\$ 780,016</u>

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, 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue				
Federal grants				
E. Byrne Memorial	\$ -	\$ -	\$ 117,433	\$ 117,433
Charges for Services				
Public safety				
Police services	-	-	89,767	89,767
Total revenue	-	-	207,200	207,200
EXPENDITURES				
Administration				
Personal services	896,692	920,566	884,439	36,127
Operating expenses	206,997	189,503	185,814	3,689
Capital outlay	12,866	30,111	30,111	-
Total administration	1,116,555	1,140,180	1,100,364	39,816
Road Patrol				
Personal services	2,100,735	2,100,735	2,121,358	(20,623)
Operating expenses	570,673	570,673	650,075	(79,402)
Capital outlay	-	420,616	420,279	337
Total road patrol	2,671,408	3,092,024	3,191,712	(99,688)
Detective				
Personal services	796,927	796,927	787,864	9,063
Operating expenses	179,918	179,918	183,414	(3,496)
Capital outlay	109,511	109,511	117,606	(8,095)
Total Detective	1,086,356	1,086,356	1,088,884	(2,528)
Courts Judicial				
Personal services	1,150,941	1,150,941	1,142,895	8,046
Operating expenses	194,746	193,931	170,335	23,596
Capital outlay	-	815	815	-
Total court judicial	1,345,687	1,345,687	1,314,045	31,642
Records Evidence				
Personal services	164,445	164,445	164,068	377
Operating expenses	23,329	23,329	21,858	1,471
Total records evidence	187,774	187,774	185,926	1,848

(Continued)

See notes to financial statements.

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, 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Communications				
Personal services	\$ 966,035	\$ 146,465	\$ 207,139	\$ (60,674)
Operating expenses	187,780	31,180	9,652	21,528
Capital outlay	-	-	-	-
Total communications	<u>1,153,815</u>	<u>177,645</u>	<u>216,791</u>	<u>(39,146)</u>
Corrections				
Personal services	2,976,611	2,851,611	2,826,765	24,846
Operating expenses	1,184,179	1,062,169	938,780	123,389
Capital outlay	30,000	67,352	66,969	383
Total corrections	<u>4,190,790</u>	<u>3,981,132</u>	<u>3,832,514</u>	<u>148,618</u>
Sheriff Task Force				
Personal services	384,596	409,178	440,135	(30,957)
Operating expenses	103,377	103,377	98,827	4,550
Capital outlay	-	2,445	7,276	(4,831)
Total Sheriff Task Force	<u>487,973</u>	<u>515,000</u>	<u>546,238</u>	<u>(31,238)</u>
Community Affairs				
Personal services	601,017	601,017	490,725	110,292
Operating expenses	91,971	91,972	112,040	(20,068)
Capital outlay	2,623	2,623	16,863	(14,240)
Total community affairs	<u>695,611</u>	<u>695,612</u>	<u>619,628</u>	<u>75,984</u>
Bullet Proof Vest				
Operating expenses	-	3,791	3,791	-
JAG Grant				
Capital outlay	-	-	18,128	(18,128)
STOP				
Personal services		60,135	69,686	(9,551)
Operating expenses		230	2,280	(2,050)
Total Stop	<u>-</u>	<u>60,365</u>	<u>71,966</u>	<u>(11,601)</u>
E. Byrne Memorial Grant				
Personal services	-	22,690	22,690	-

(Continued)

COLUMBIA COUNTY, FLORIDA

SHERIFF

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Networking				
Operating expenses	\$ 42,000	\$ 42,000	\$ 60,207	(18,207)
Capital outlay	-	41,693	34,235	7,458
Total DOT	<u>42,000</u>	<u>83,693</u>	<u>94,442</u>	<u>(10,749)</u>
JAG Direct				
Operating expenses	-	4,231	4,231	-
Capital outlay	-	1,344	1,344	-
Total Sheriff Grant	<u>-</u>	<u>5,575</u>	<u>5,575</u>	<u>-</u>
Total expenditures	<u>12,977,969</u>	<u>12,397,524</u>	<u>12,312,694</u>	<u>84,830</u>
Excess of revenues over (under) expenditures	(12,977,969)	(12,397,524)	(12,105,494)	(292,030)
Other financing sources				
Transfers from the Board of County Commissioners	<u>12,977,969</u>	<u>12,397,524</u>	<u>12,105,494</u>	<u>292,030</u>
Total other financing sources	<u>12,977,969</u>	<u>12,397,524</u>	<u>12,105,494</u>	<u>292,030</u>
Net change in fund balance	-	-	-	-
Fund balance beginning of year	-	-	-	-
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS**

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2009

	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Totals
ASSETS						
Current Assets						
Cash	\$ 40,895	\$ 6,607	\$ 15,842	\$ 546,030	\$ 5,903	\$ 615,277
Due from other governmental units	1,724	-	-	-	-	1,724
Total current assets	\$ 42,619	\$ 6,607	\$ 15,842	\$ 546,030	\$ 5,903	\$ 617,001
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 2,844	\$ -	\$ -	\$ 2,844
Total liabilities	-	-	2,844	-	-	2,844
FUND BALANCES						
Total liabilities and fund balances	\$ 42,619	\$ 6,607	\$ 15,842	\$ 546,030	\$ 5,903	\$ 617,001

COLUMBIA COUNTY, FLORIDA

SHERIFF

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the Fiscal Year Ended September 30, 2009

	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Totals
REVENUES						
Charges for services						
Public Safety						
Other public safety charges	\$ -	\$ -	\$ 100,000	\$ -	\$ 10,128	\$ 110,128
Fines and forfeitures						
Court cases						
Confiscated property and restitution	-	2,210	-	190,622	-	192,832
Law enforcement education	20,890	-	-	-	-	20,890
Total fines and forfeitures	20,890	2,210	-	190,622	-	213,722
Miscellaneous						
Interest	207	32	543	4,021	116	4,919
Other miscellaneous						
Commissions	-	-	89,064	-	-	89,064
Other	816	-	7	5,533	6	6,362
Total miscellaneous	1,023	32	89,614	9,554	122	100,345
Total revenues	21,913	2,242	189,614	200,176	10,250	424,195
EXPENDITURES						
Public Safety						
Law enforcement						
Operating expenses	10,116	-	-	115,138	-	125,254
Capital outlay	-	-	-	228,657	-	228,657
Total law enforcement	10,116	-	-	343,795	-	353,911
Detention and correction						
Personal services	-	-	16,704	-	-	16,704
Operating expenses	-	-	211,726	-	17,261	228,987
Capital outlay	-	-	-	-	1,975	1,975
Total detention and correction	-	-	228,430	-	19,236	247,666
Total expenditures	10,116	-	228,430	343,795	19,236	601,577

(Continued)

COLUMBIA COUNTY, FLORIDA

SHERIFF

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the Fiscal Year Ended September 30, 2009

	<u>Minimum Standards School</u>	<u>Forfeiture</u>	<u>Inmate Welfare</u>	<u>Forfeiture Nongrant</u>	<u>Work Program</u>	<u>Totals</u>
Excess of revenues over (under) expenditures	\$ 11,797	\$ 2,242	\$ (38,816)	\$ (143,614)	\$ (8,986)	\$ (177,382)
OTHER FINANCING SOURCES						
Transfers from Board of County Commissioners	3,920	-	-	25,000	-	28,920
Net change in fund balances	15,717	2,242	(38,816)	(118,620)	(8,986)	(148,462)
Fund balances beginning of year	26,901	4,365	51,814	664,650	14,889	762,619
Fund balances end of year	<u>\$ 42,618</u>	<u>\$ 6,607</u>	<u>\$ 12,998</u>	<u>\$ 546,031</u>	<u>\$ 5,903</u>	<u>\$ 614,157</u>

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2009

	<u>Individual Depositors</u>	<u>Inmate Trust</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash	\$ 11,305	\$ 400,072	\$ 411,377
Accounts receivable	-	11,235	11,235
Total current assets	<u>\$ 11,305</u>	<u>\$ 411,307</u>	<u>\$ 422,612</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities			
Due to individuals	\$ 1,490	\$ 4,364	\$ 5,854
Due to Board of County Commissioners	9,815	-	9,815
Other current liabilities	-	406,943	406,943
Total current liabilities	<u>11,305</u>	<u>411,307</u>	<u>422,612</u>
NET ASSETS			
Total liabilities and net assets	<u>\$ 11,305</u>	<u>\$ 411,307</u>	<u>\$ 422,612</u>

COLUMBIA COUNTY, FLORIDA

SHERIFF
AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2009

	Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009
INMATE TRUST				
ASSETS				
Cash	\$ 299,308	\$ 326,167	\$ 225,403	\$ 400,072
Due from individuals	13,667	-	2,432	11,235
Total assets	\$ 312,975	\$ 326,167	\$ 227,835	\$ 411,307
LIABILITIES				
Due to individuals	\$ 1,126	\$ 3,238	\$ -	\$ 4,364
Other current liabilities	311,849	100,764	5,670	406,943
Total liabilities	\$ 312,975	\$ 104,002	\$ 5,670	\$ 411,307
INDIVIDUAL DEPOSITORS				
ASSETS				
Cash	\$ 8,799	\$ 105,076	\$ 102,570	\$ 11,305
Total assets	\$ 8,799	\$ 105,076	\$ 102,570	\$ 11,305
LIABILITIES				
Individual depositors liability	\$ 1,214	\$ 20,003	\$ 19,727	\$ 1,490
Due to other governmental units	7,585	85,073	82,843	9,815
Total liabilities	\$ 8,799	\$ 105,076	\$ 102,570	\$ 11,305
TOTALS-ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 308,107	\$ 431,243	\$ 327,973	\$ 411,377
Due from individuals	13,667	-	2,432	11,235
Total assets	\$ 321,774	\$ 431,243	\$ 330,405	\$ 422,612
LIABILITIES				
Individual depositors liability	\$ 1,214	\$ 20,003	\$ 19,727	\$ 1,490
Due to individuals	1,126	3,238	-	4,364
Due to other governmental units	7,585	85,073	82,843	9,815
Other current liabilities	311,849	100,764	5,670	406,943
Total liabilities	\$ 321,774	\$ 209,078	\$ 108,240	\$ 422,612

COMPLIANCE SECTION

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

To the 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, 2009, and have issued our report thereon dated May 7, 2010. Our report included a paragraph stating that the Sheriff is an integral part of Columbia County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbia County Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

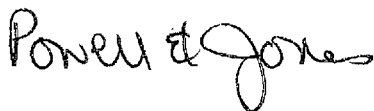
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sheriff's internal control.

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

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 May 7, 2010 on pages 166 through 167.

Compliance and Other Matters - 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance and other matters 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 or other matters that are required to be reported under *Government Auditing Standards*.

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



POWELL & JONES
Certified Public Accountants
May 7, 2010

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, 2009, and have issued our report thereon dated May 7, 2010. 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

Prepaid Phone Cards – From our review of the inmate prepaid phone card inventory system in the prior years, we found that there was either no documentation of the activity of the inventory and distribution of these cards or incomplete documentation being retained for audit review. For proper accountability, we recommended that a process of internal controls be implemented over the inventory and distribution of the inmate phone cards that would provide for monitoring of the current stock of cards as well as fully documenting the distribution of the cards to individual inmates.

In the current year we found that our implemented recommendations significantly improved the weaknesses in the internal controls over the phone cards, although some issued cards were unaccounted for due to the recommended controls being implemented after the fiscal year started.

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

CURRENT YEAR FINDINGS

Officer Salary Reconciliation – From our reconciliation of the approved salary for the Sheriff of Columbia County with the allowable certification adjustments and the amounts recorded in the related salary expenditure account in the general ledger, we determined that the current Sheriff was underpaid by approximately \$3,911 during the year. We found that this error in compensation was due to the calculation of the Sheriff's earnings based upon the established bi-weekly pay periods instead of, more accurately, on a daily basis due to the transition of individuals serving as Sheriff during the year.

We recommend that if such changes occur in the future, that the salary of each Sheriff be calculated utilizing the actual days in office for each officer.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Columbia County, Florida, for the year ended September 30, 2009. The financial statements of the Sheriff are combined with other County agencies in that report.

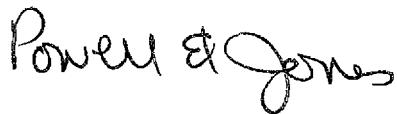
Investment of Public Funds - The Sheriff complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

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

Financial Condition Assessment - As required by the *Rules of the Auditor General* [Sections 10.544(7)(c) and 10.556(7)], we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

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

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



POWELL & JONES
Certified Public Accountants
May 7, 2010

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

**COLUMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Columbia County, Florida

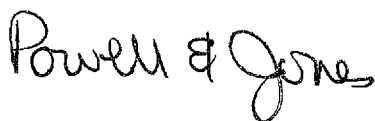
We have audited the accompanying special purpose fund financial statements of the Columbia County Supervisor of Elections (Supervisor of Elections), as of and for the year ended September 30, 2009, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Supervisor of Elections. Our responsibility is to express an opinion on these special purpose fund 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 fund 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 fund financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special purpose fund financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Rule 10.557(4) of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Supervisor of Elections is part of the reporting entity, Columbia County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Supervisor of Elections, as of September 30, 2009, and the results of its operations and budgetary comparisons 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, 2010, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



POWELL & JONES
June 9, 2010

FINANCIAL STATEMENTS

**COLUMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GENERAL FUND
BALANCE SHEET
September 30, 2009**

ASSETS

Current Assets	
Cash	\$ 16,942
Total assets	<u>\$ 16,942</u>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Current Liabilities	
Due to Board of County Commissioners	\$ 4,181
Deferred revenue	12,761
Total liabilities	<u>16,942</u>
FUND BALANCE	-
Total liabilities and fund balance	<u>\$ 16,942</u>

**COLUMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009**

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental			
Federal grants			
Voter education	\$ -	\$ 3,689	\$ 3,689
Total intergovernmental	-	3,689	3,689
Miscellaneous			
Other		22,901	22,901
Total miscellaneous	-	22,901	22,901
Total revenues	-	26,590	26,590
EXPENDITURES			
General government			
Other general government			
Supervisor of Elections			
Personal services	321,383	320,120	1,263
Operating expenses	-	12,295	(12,295)
Debt service	-	8,801	(8,801)
Total Supervisor of Elections	321,383	341,216	(19,833)
Elections			
Personal services	149,777	112,614	37,163
Operating expenses	116,597	161,722	(45,125)
Total elections	266,374	274,336	(7,962)
Total general government	587,757	615,552	(27,795)
Excess of revenues over (under) expenditures	(587,757)	(588,962)	(1,205)
OTHER FINANCING SOURCES			
Transfers in from Board of County Commissioners	587,757	588,962	1,205
Total other financing sources	587,757	588,962	1,205
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

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," as amended by GASB 39 "Determining Whether Certain Organizations Are Component Units an Amendment of GASB Statement 14," 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, 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 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.

C. Basis of Accounting - "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 Supervisor of Elections currently maintains accounting records for all

funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types 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.

The Supervisor of Elections 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. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriations budget, which includes the operating budget of the Supervisor of Elections.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Supervisor of Elections.

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2009, the book balance of the Supervisor of Elections' deposits was \$16,942. The total balance was covered by federal depository insurance.

F. Inventories - It is the policy of the Supervisor of Elections 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. Capital Assets - Capital assets used in governmental fund type operations are accounted for in the Board of County Commissioners' general fixed assets 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. Equipment of the Board is depreciated using the straight-line method over useful lives of three to twelve years.

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, totaling \$6,022, is reported in the General Long-Term Debt Account Group of Columbia County, Florida.

I. **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.

J. **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 2. 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, 2009, were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Supervisor of Elections are established and may be amended by the Florida Legislature. The Supervisor of Elections' contributions to the System for the years ending September 30, 2009, 2008 and 2007 were \$35,388, \$35,136, and \$35,309, respectively, equal to the required contributions for each year.

NOTE 3. LONG-TERM DEBT

In March 2005, the Supervisor of Elections entered into an installment payment agreement with Xerox Corporation for the purchase of a copier/printer costing \$34,050. The agreement is being paid in sixty monthly installments of \$733, including interest at 10.9%.

Annual debt service requirements to maturity for this note, including interest of \$262, is as follows:

Year Ending	
<u>September 30</u>	
2010	\$ 6,284
	<u>\$ 6,284</u>

COMPLIANCE SECTION

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

Honorable Supervisor of Elections
Columbia County, Florida

We have audited the special purpose fund financial statements of the Columbia County Supervisor of Elections, as of and for the year ended September 30, 2009, and have issued our report thereon dated June 9, 2010. Our report included a paragraph stating that the Supervisor of Elections is an integral part of Columbia County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Supervisor of Elections' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbia County Supervisor of Elections' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

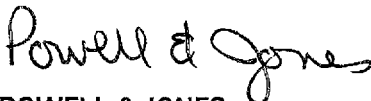
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

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

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

Compliance and Other Matters - As part of obtaining reasonable assurance about whether 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance and other matters 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 or other matters that are required to be reported under *Government Auditing Standards*.

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


POWELL & JONES
Certified Public Accountants
June 9, 2010

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, 2009, and have issued our report thereon dated June 9, 2010. 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

The prior year finding was corrected during the current year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

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

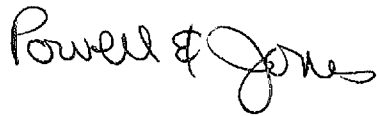
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Supervisor of Elections had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* [Sections 10.544(7)(c) and 10.556(7)], we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition

assessment was based in part on representations made by management and the review of financial information they provided.

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

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

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

POWELL & JONES
Certified Public Accountants
June 9, 2010

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2009

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Columbia County, Florida

We have audited the accompanying special purpose fund financial statements of the Columbia County Tax Collector (Tax Collector), as of and for the year ended September 30, 2009, as listed in the table of contents. These special purpose fund financial statements are the responsibility of the Tax Collector. Our responsibility is to express an opinion on these special purpose fund financial statements based on our audit.

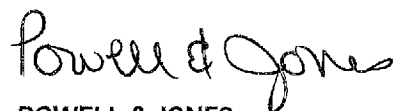
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose fund 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 fund financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special purpose fund financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Rule 10.557(4) of Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Tax Collector is part of the reporting entity, Columbia County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Tax Collector, as of September 30, 2009, and the results of its operations and budgetary comparisons for the General Fund 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 26, 2010, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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



POWELL & JONES
May 26, 2010

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

**TAX COLLECTOR
COMBINED BALANCE SHEET - ALL FUND TYPES
September 30, 2009**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General Fund</u>	<u>Agency Funds</u>	
ASSETS			
Current assets			
Cash	\$ 502,706	\$ 2,330,261	\$ 2,832,967
Accounts receivable	-	1,008	1,008
Due from other funds	6,277	-	6,277
Due from other governmental units	330	-	330
Total assets	\$ 509,313	\$ 2,331,269	\$ 2,840,582
LIABILITIES			
Current liabilities			
Accounts payable	\$ 1,902	\$ -	\$ 1,902
Due to individuals	-	328,336	328,336
Due to other funds	-	6,277	6,277
Due to Board of County Commissioners	496,372	-	496,372
Due to other governmental units	-	1,895,466	1,895,466
Accrued payroll deductions and matching	11,039	-	11,039
Other current liabilities	-	101,190	101,190
Total liabilities	\$ 509,313	\$ 2,331,269	\$ 2,840,582

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services				
County Officer commissions and fees				
Professional and occupational licenses	\$ -	\$ -	\$ 13,581	\$ 13,581
Motor vehicle fees	195,948	254,636	350,168	95,532
Other licenses and permits	-	-	4,985	4,985
State commissions	-	-	1,560	1,560
County commissions	816,667	816,667	362,961	(453,706)
Tax commissions				
Columbia County Industrial Development Authority				
	6,105	6,105	4,441	(1,664)
Suwannee Water Management District				
	21,882	21,882	15,916	(5,966)
Lake Shore Hospital Authority				
	100,339	100,339	72,982	(27,357)
Delinquent tax commissions	-	-	244,835	244,835
Special assessment commissions	154,933	154,933	147,255	(7,678)
Special assessment administrative fees	-	-	84,173	84,173
Total charges for services	1,295,874	1,354,562	1,302,857	(51,705)
Miscellaneous				
Interest earnings	-	-	2,899	2,899
Other miscellaneous	-	-	18,448	18,448
Total miscellaneous	-	-	21,347	21,347
Total revenues	1,295,874	1,354,562	1,324,204	(30,358)
EXPENDITURES				
General government				
Personal services	1,058,603	1,104,391	1,100,342	4,049
Operating expenses	237,271	250,171	223,862	26,309
Total expenditures	1,295,874	1,354,562	1,324,204	30,358
(Continued)				

COLUMBIA COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Excess of revenues over (under) expenditures	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

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," as amended by GASB 39 "Determining Whether Certain Organizations Are Component Units an Amendment of GASB Statement 14," 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 fund 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 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 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.

Ad Valorem Tax Fund
Tag Agency 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 Tax Collector currently maintains his accounting records for all funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types 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 Tax Collector.

D. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriated budget, which includes its funding of the operations of the Tax Collector. The operating budget of the Tax Collector is approved by the Florida Department of Revenue.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Tax Collector, as amended during the year.

E. Cash - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash". At September 30, 2009, the book balance of the Tax Collector's deposits was \$2,829,767. Of this balance, \$250,000 was covered by federal depository insurance, and \$2,579,767 was covered by pledged collateral. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

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

The Tax Collector also has petty cash reserves in the amount of \$3,200.

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

G. Fixed Assets - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets 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. Depreciation has been provided on the County's equipment on the straight-line basis over three to twelve years. Assets purchased by the Tax Collector are reported in the Board of County Commissioners' General Fixed Assets Accounts.

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 totaling \$115,937 is reported in the General Long-Term Debt Accounts of Columbia County, Florida.

I. 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.

J. Risk Management - The Tax Collector 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 Tax Collector 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 2. PENSION PLAN

Plan Description - The Tax Collector 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 Tax Collector is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Senior Management 13.12%; Elected Officials 16.53%; Deferred Retirement Option Program (DROP) 10.91%. The contribution requirements of plan members and the Tax Collector are established and may be amended by the Florida Legislature. The Tax

Collector's contributions to the System for the years ending September 30, 2009, 2008 and 2007 were \$97,372, \$90,283, and \$91,049, respectively, equal to the required contributions for each year.

NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2009, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 6,277	\$ -
Ad Valorem Tax Fund	-	6,277
	<u>\$ 6,277</u>	<u>\$ 6,277</u>

NOTE 4. OPERATING LEASES

The Tax Collector has an operating lease with Lanier Worldwide, Inc. for three copiers. The agreement is being paid in sixty monthly installments of \$375. Future minimum lease payments are as follows:

<u>September 30,</u>	
2010	\$ 4,501
2011	2,250
	<u>\$ 6,751</u>

The Tax Collector has an operating lease with Hasler Financial for a mail machine with scale. The agreement is being paid in 60 monthly installments of \$140. Future minimum lease payments are as follows;

<u>September 30,</u>	
2010	\$ 1,680
2011	1,120
	<u>\$ 2,800</u>

COMBINING FUND STATEMENTS

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

AGENCY FUNDS

COMBINING BALANCE SHEET

September 30, 2009

	Ad Valorem Tax Fund	Tag Agency Fund	Totals
ASSETS			
Cash	\$ 2,220,557	\$ 109,704	\$ 2,330,261
Accounts receivable	-	1,008	1,008
Total assets	<u>\$ 2,220,557</u>	<u>\$ 110,712</u>	<u>\$ 2,331,269</u>
LIABILITIES			
Due to individuals	\$ 328,336	-	\$ 328,336
Due to other funds	6,277	-	6,277
Due to other governmental units	1,785,032	110,434	1,895,466
Interest payable	10,154	220	10,374
Occupational licenses payable	71,535	-	71,535
Escrow funds payable	19,152	-	19,152
Other current liabilities	71	58	129
Total liabilities	<u>\$ 2,220,557</u>	<u>\$ 110,712</u>	<u>\$ 2,331,269</u>

**COLUMBIA COUNTY, FLORIDA
TAX COLLECTOR
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2009**

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
TAG AGENCY FUND				
Assets				
Cash	\$ 129,921	\$ 5,332,614	\$ 5,352,831	\$ 109,704
Dishonored checks receivable	670	13,960	13,622	1,008
Total assets	\$ 130,591	\$ 5,346,574	\$ 5,366,453	\$ 110,712
Liabilities				
Accounts payable	\$ 138	\$ 26,872	\$ 27,010	\$ -
Due to other funds	419	-	419	-
Due to other governmental units	124,722	5,305,999	5,320,287	110,434
Interest payable	3,749	575	4,104	220
Other current liabilities	1,563	36,750	38,255	58
Total liabilities	\$ 130,591	\$ 5,370,196	\$ 5,390,075	\$ 110,712
AD VALOREM TAX FUND				
Assets				
Cash	\$ 2,026,112	\$ 62,764,947	\$ 62,570,502	\$ 2,220,557
Dishonored checks receivable	-	159,809	159,809	-
Total assets	\$ 2,026,112	\$ 62,924,756	\$ 62,730,311	\$ 2,220,557
Liabilities				
Accounts payable	\$ 15,999	\$ 241,368	\$ 257,367	\$ -
Due to individuals	\$ 284,345	\$ 4,020,378	\$ 3,976,387	328,336
Due to other funds	14,911	1,012,140	1,020,774	6,277
Due to other governmental units	1,625,653	59,805,909	59,646,530	1,785,032
Interest payable	-	10,154	-	10,154
Occupational licenses payable	69,189	88,519	86,173	71,535
Escrow funds payable	15,718	78,685	75,251	19,152
Other current liabilities	297	1,074,253	1,074,479	71
Total liabilities	\$ 2,026,112	\$ 66,331,406	\$ 66,136,961	\$ 2,220,557

SUWANNEE COUNTY, FLORIDA
TAX COLLECTOR
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2009

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 2,156,033	\$ 68,097,562	\$ 67,923,334	\$ 2,330,261
Accounts receivable	670	173,769	173,431	1,008
Total assets	\$ 2,156,703	\$ 68,271,331	\$ 68,096,765	\$ 2,331,269
Liabilities				
Accounts payable	\$ 16,137	\$ 268,241	\$ 284,378	\$ -
Due to individuals	284,345	4,020,378	3,976,387	328,336
Due to other funds	15,330	1,012,140	1,021,193	6,277
Due to other governmental units	1,750,375	65,111,908	64,966,817	1,895,466
Interest payable	3,749	10,729	4,104	10,374
Occupational licenses payable	69,189	88,519	86,173	71,535
Escrow funds payable	15,718	78,685	75,251	19,152
Other current liabilities	1,860	1,111,003	1,112,734	129
Total liabilities	\$ 2,156,703	\$ 71,701,603	\$ 71,527,037	\$ 2,331,268

COMPLIANCE SECTION

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

To the Tax Collector
Columbia County, Florida

We have audited the special purpose fund financial statements of the Columbia County Tax Collector, as of and for the year ended September 30, 2009, and have issued our report thereon dated May 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Tax Collector's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbia County Tax Collector's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Columbia County Tax Collector's internal control over financial reporting.

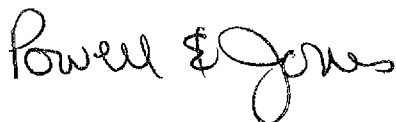
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Columbia County Tax Collector's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Columbia County Tax Collector's financial statements that is more than inconsequential will not be prevented or detected by the Columbia County Tax Collector's internal control.

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

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

Compliance and Other Matters - As part of obtaining reasonable assurance about whether 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 or other matters that are required to be reported under *Government Auditing Standards*.

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 26, 2010

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, 2009, and have issued our report thereon dated May 26, 2010. 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

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

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

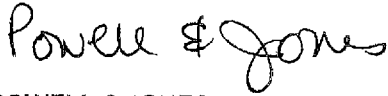
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Tax Collector had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* [Sections 10.544(7)(c) and 10.556(7)], we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition

assessment was based in part on representations made by management and the review of financial information they provided.

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

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

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

POWELL & JONES
Certified Public Accountants
May 26, 2010