

COLUMBIA COUNTY,
FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011

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INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2011

<u>Title</u>	<u>Name</u>
Board of County Commissioners	
District I	Ronald Williams
District II	Rusty DePratter
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



Powell & Jones
Certified Public Accountants

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

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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, 2011, 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, 2011, 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.

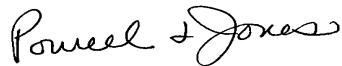
In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. 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 19, 2012

COLUMBIA COUNTY, FLORIDA
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2011. 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, 2011.

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 \$168,780,828 (net assets). Unrestricted net assets for governmental activities were \$13,855,543, and for business-type activities were \$3,563,187. Governmental Activities restricted net assets were \$30,901,486, and were \$0 for Business-type Activities.

Total net assets increased by \$367,537. Of that amount, \$(96,506) is attributable to Governmental Activities and Business-type Activities contributed \$464,043.

Governmental Funds revenues decreased by \$(2,782,166) to \$56,251,969. This decrease in revenue was due primarily to decreases in taxes and miscellaneous revenues. Governmental Fund expenditures decreased by \$(97,060) to \$56,623,120. This minimal decrease in expenditures was primarily due to budgetary control during the year.

Business-type activities revenues increased minimally to \$2,206,087, while business-type expenses increased to \$1,837,720. The increase in expenses was attributable to increased costs in the utilities operations.

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, 2011, the assets of the County exceed liabilities by \$168,780,828.

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

Net Assets

	Governmental	Business-type	Total Government	
			2011	2010
Assets				
Current assets	\$ 48,728,271	\$ 8,213,900	\$ 56,942,171	\$ 57,616,726
Restricted assets	-	4,545,532	4,545,532	4,510,700
Noncurrent assets	121,801,171	10,249,662	132,050,833	133,811,879
Total assets	170,529,442	23,009,094	193,538,536	195,939,305
Liabilities				
Current liabilities (payable from current assets)	2,133,661	1,537,182	3,670,843	3,582,189
Current liabilities (payable from restricted assets)	-	737,130	737,130	808,275
Noncurrent liabilities	11,221,520	9,128,215	20,349,735	23,135,542
Total liabilities	13,355,181	11,402,527	24,757,708	27,526,006
Net assets				
Net assets invested in capital assets, net of related debt	112,417,232	8,043,380	120,460,612	122,973,028
Net assets - restricted	30,901,486	-	30,901,486	29,424,319
Net assets - unrestricted	13,855,543	3,563,187	17,418,730	16,015,952
	\$ 157,174,261	\$ 11,606,567	\$ 168,780,828	\$ 168,413,299

71% 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 18% 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 (11%) 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 improvements and other capital grants received for capital road projects which have been capitalized. The increase in Business-type Activities net assets is due to increased capital grants.

Changes in Net Assets

	Governmental Activities	Business-type Activities	Total Government	
			2011	2010
Revenues:				
Program revenues				
Charges for services	\$ 12,186,747	\$ 2,206,087	\$ 14,392,834	\$ 15,587,783
Operating grants/ contributions	2,566,499	70,588	2,637,087	2,473,458
Capital grants/contributions	755,152	434,457	1,189,609	2,471,171
General revenues				
Property taxes	19,079,730	-	19,079,730	19,694,052
Sales and use taxes	9,487,829	-	9,487,829	9,229,723
Federal and State shared revenues	11,439,782	-	11,439,782	10,532,922
Interest	150,941	39,551	190,492	330,773
Other	885,509	1,481	886,990	2,999,082
Total revenues	56,552,189	2,752,164	59,304,353	63,318,964
Expenses:				
General government	9,800,709	-	9,800,709	9,240,724
Public safety	21,347,764	-	21,347,764	22,640,908
Physical environment	4,499,437	2,403,121	6,902,558	6,527,938
Transportation	12,151,898	-	12,151,898	13,376,641
Economic environment	3,144,488	-	3,144,488	1,283,755
Human services	1,577,788	-	1,577,788	1,890,111
Culture/recreation	2,064,600	-	2,064,600	2,069,495
Court related	1,504,178	-	1,504,178	1,953,795
Interest on long-term debt	442,833	-	442,833	482,582
Total expenses	56,533,695	2,403,121	58,936,816	59,465,949
Transfers in (out)	(115,000)	115,000	-	-
Increase (decrease) in net assets	\$ (96,506)	\$ 464,043	\$ 367,537	\$ 3,853,015

Property taxes provide 38% of the revenues for Governmental Activities, while sales taxes provide 19%. Most of the Governmental Activities resources are spent for Public Safety (38%), General Government (17%), 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, 2011, total assets were \$19,918,189 and total liabilities were

\$1,312,574 . The ending fund balance was \$18,605,615 ; \$2,557,997 of which is committed for specified projects.

During the year ended September 30, 2011, total revenues, \$26,393,115 , exceeded total expenditures, \$11,573,541 , by \$14,819,574 . \$15,626,040 was also transferred to other funds for operational and capital related purposes . The net decrease in the fund balance in the General Fund was therefore, \$(806,466) .

During the fiscal year, the County amended the General Fund budget by \$4,234,904 , primarily due to capital outlays being approved 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. During the year, expenditures exceeded revenues, debt proceeds, and transfers by \$(1,524,773), resulting in an ending fund balance of \$4,727,777 .

The *Municipal Services Fund* 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, 2011, revenues exceeded expenditures and transfers by \$1,091,328 . This was primarily due to lowered spending in Public Safety and Physical Environment.

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 \$12,004,415 , 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 \$1,971,016 , 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, revenues exceeded expenditures by \$2,423,819 , leaving an ending fund balance of \$906,286 .

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 \$(1,725,024) , leaving an ending fund balance of \$3,712,632 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, revenues exceeded expenditures and transfers by \$3,570,821 , leaving an ending fund balance of \$3,457,918 .

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, 2011, were \$18,218,329, total liabilities were \$8,274,222, and net assets were \$9,944,107. Total income was \$2,273,389, and total expenses were \$1,430,423, leaving a net income of \$842,966.

The Utilities Fund, a new fund, accounts for the financial activities associated with the County operated water and sewer services. Total assets at September 30, 2011 were \$4,790,765, total liabilities were \$3,128,305, and net assets were \$1,662,460. Total income was \$478,775, primarily from capital grants, and total expenses were \$478,853, leaving a net operating loss of \$(73,404). Additionally, \$115,000 was transferred in from other funds and an impairment loss of \$493,815 was recognized.

CAPITAL ASSETS ACTIVITY

The County's capital assets for its governmental and business-type activities as of September 30, 2011, is \$132,249,834 (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, 2011, compared to the prior year:

	Capital Assets			
	Governmental Activities	Business-type Activities	Total Government	
			2011	2010
Land and improvements	\$ 7,804,672	\$ 15,073,303	\$ 22,877,975	\$ 16,433,902
Construction in progress	5,901,000	-	5,901,000	7,523,410
Infrastructure	139,783,615	-	139,783,615	138,316,722
Buildings and improvements	49,769,065	624,868	50,393,933	49,574,800
Equipment	25,330,822	3,394,448	28,725,270	28,138,037
	<u>228,589,174</u>	<u>19,092,619</u>	<u>247,681,793</u>	<u>239,986,871</u>
Less accumulated depreciation	(106,789,003)	(8,642,956)	(115,431,959)	(106,199,148)
Total	<u>\$ 121,800,171</u>	<u>\$ 10,449,663</u>	<u>\$ 132,249,834</u>	<u>\$ 133,787,723</u>

DEBT MANAGEMENT

Governmental Activities Debt

During the year, total long-term debt decreased by \$(1,177,341), leaving the following balances:

Bank loans	\$ 203,481
Revenue bonds	7,430,812
Capital leases	1,749,647
Compensated absences	2,161,860
	<u>\$ 11,545,800</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 \$510,000 were made on this loan during the year, leaving a balance of \$540,000 at year end. The County has internally escrowed funds to fully pay this debt. The County also had \$31,541 in long term compensated absences at year end.

At year end, the County had also received \$1,666,282 in loans from the Florida Department of Environmental Protection in support of its utility services.

OTHER FINANCIAL INFORMATION

Economic Factors and Next Year's Budget

- The current unemployment rate for the County, was 8.1%.
- The estimated population for the County in 2011 was 67,531, and is estimated to be approximately the same by the end of 2011.
- The ad valorem tax millage rate for the County was 8.015 mills in 2010, 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, 2011

	Governmental Activities	Business - type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 21,510,620	\$ 6,876,890	\$ 28,387,510
Accounts receivable	168,834	228,096	396,930
Due from other funds	1,463,600	148,534	1,612,134
Due from agency funds	87,343	-	87,343
Due from other governmental units	1,666,818	-	1,666,818
Inventories	16,588	-	16,588
Investments	23,728,216	960,380	24,688,596
Other current assets	86,252	-	86,252
Total current assets	48,728,271	8,213,900	56,942,171
Noncurrent Assets			
Restricted assets			
Cash	-	98,282	98,282
Investments	-	4,447,250	4,447,250
Total restricted assets	-	4,545,532	4,545,532
Capital assets, net	121,801,171	10,249,662	132,050,833
Total noncurrent assets	121,801,171	14,795,194	136,596,365
Total assets	\$ 170,529,442	\$ 23,009,094	\$ 193,538,536
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 1,154,145	\$ 18,333	\$ 1,172,478
Accrued payroll liabilities	355,697	-	355,697
Due to other funds	148,534	1,463,600	1,612,134
Due to other governmental units	72,132	-	72,132
Accrued compensated absences	324,279	31,542	355,821
Interest payable	45,166	6,971	52,137
Deposits	2,102	16,736	18,838
Deferred revenue	31,271	-	31,271
Other current liabilities	335	-	335
Total current liabilities	2,133,661	1,537,182	3,670,843
Current Liabilities Payable from Restricted Assets			
Note payable Gulf Breeze, short-term portion	-	540,000	540,000
Landfill postclosure costs	-	197,130	197,130
	-	737,130	737,130
Noncurrent Liabilities			
Due within one year:			
Notes and loans payable	161,776	114,144	275,920
Capital leases	610,248	-	610,248
Bonds payable	541,418	-	541,418
Due in more than one year:			
Notes and loans payable	41,705	1,552,138	1,593,843
Capital leases	1,139,398	-	1,139,398
Bonds payable	6,889,394	-	6,889,394
Accrued compensated absences	1,837,581	-	1,837,581
Estimated landfill closure liability	-	7,461,933	7,461,933
Total noncurrent liabilities	11,221,520	9,128,215	20,349,735
Total liabilities	13,355,181	11,402,527	24,757,708

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2011

	<u>Governmental Activities</u>	<u>Business - type Activities</u>	<u>Total</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 112,417,232	\$ 8,043,380	\$ 120,460,612
Restricted	30,901,486	-	30,901,486
Unrestricted	13,855,543	3,563,187	17,418,730
Total net assets	<u><u>\$ 157,174,261</u></u>	<u><u>\$ 11,606,567</u></u>	<u><u>\$ 168,780,828</u></u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2011

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	\$ 9,800,709	\$ 2,589,431	\$ 107,147	\$ -	\$ (7,104,131)	\$ -	\$ (7,104,131)
Public Safety	21,347,764	4,888,617	388,494	298,340	(15,772,313)	-	(15,772,313)
Physical Environment	4,499,437	3,835,497	-	33,106	(630,834)	-	(630,834)
Transportation	12,151,898	4,438	771,461	423,706	(10,952,293)	-	(10,952,293)
Economic Environment	3,144,488	10,000	384,672	-	(2,749,816)	-	(2,749,816)
Human Services	1,577,788	75,143	185,099	-	(1,317,546)	-	(1,317,546)
Culture/recreation	2,064,600	143,738	611,163	-	(1,309,699)	-	(1,309,699)
Court-related	1,504,178	639,883	118,463	-	(745,832)	-	(745,832)
Interest on long-term debt	442,833	-	-	-	(442,833)	-	(442,833)
Total governmental activities	56,533,695	12,186,747	2,566,499	755,152	(41,025,297)	-	(41,025,297)
Business - type activities							
Physical Environment							
Landfill and utilities	2,403,121	2,206,087	70,588	434,457	-	308,011	308,011
Total government	58,936,816	14,392,834	2,637,087	1,189,609	(41,025,297)	308,011	(40,717,286)
General revenues							
					19,079,730	-	19,079,730
					9,487,829	-	9,487,829
					70,010	-	70,010
					355,191	-	355,191
					11,084,591	-	11,084,591
					150,941	39,551	190,492
					1,890	1,481	3,371
					135,265	-	135,265
					678,344	-	678,344
					(115,000)	115,000	-
					40,928,791	156,032	41,084,823
					(96,506)	464,043	367,537
					157,270,767	11,142,524	168,413,291
					\$ 157,174,261	\$ 11,606,567	\$ 168,780,828

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2011

	Special Revenue Funds					Debt Service Fund	Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	County Transportation Trust	Municipal Services Benefit Unit	Clerk of Courts Operating	Sheriff Operating	Economic Development	Connector Road Project	Road Improvement		
ASSETS										
Current assets										
Cash	\$ -	\$ 2,432,897	\$ 3,510,196	\$ 21,329	\$ 976,238	\$ 785,180	\$ 4,144,033	\$ 3,400,678	\$ 6,240,069	\$ 21,510,620
Accounts receivable	-	3,937	153,504	-	2,284	-	-	-	9,109	168,834
Due from other funds	1,640,870	-	1,673,185	19,179	-	-	-	429,695	33,308	3,796,237
Due from other governmental units	369,368	597,318	351,031	5,266	54,956	135,692	-	-	153,187	1,666,818
Inventories	-	16,588	-	-	-	-	-	-	-	16,588
Investments	17,822,491	1,692,591	2,787,140	-	-	-	-	-	1,425,994	23,728,216
Other current assets	85,460	-	756	-	-	-	-	-	36	86,252
Total assets	\$ 19,918,189	\$ 4,743,331	\$ 8,475,812	\$ 45,774	\$ 1,033,478	\$ 920,872	\$ 4,144,033	\$ 3,830,373	\$ 7,861,703	\$ 50,973,565
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 146,988	\$ 12,590	\$ 94,417	\$ 5,643	\$ 441,514	\$ 14,586	\$ 1,706	\$ 372,071	\$ 64,630	\$ 1,154,145
Due to other funds	1,165,586	-	148,534	917	223,589	-	429,695	384	425,123	2,393,828
Due to other governmental units	-	-	-	39,214	-	-	-	-	32,918	72,132
Accrued payroll liabilities	-	862	1,547	-	337,104	-	-	-	16,184	355,697
Deposits	-	2,102	-	-	-	-	-	-	-	2,102
Revenues collected in advance	-	-	-	-	31,271	-	-	-	-	31,271
Other current liabilities	-	-	335	-	-	-	-	-	-	335
Total liabilities	1,312,574	15,554	244,833	45,774	1,033,478	14,586	431,401	372,455	538,855	4,009,510
Fund balances										
Nonspendable:										
Inventories	-	16,588	-	-	-	-	-	-	-	16,588
Restricted	-	4,711,189	8,230,979	-	-	-	-	-	4,131,695	17,073,863
Committed	2,553,286	-	-	-	-	-	-	-	38,653	2,591,939
Assigned	4,711	-	-	-	-	906,286	3,712,632	3,457,918	3,154,137	11,235,684
Unassigned	16,047,618	-	-	-	-	-	-	-	(1,637)	16,045,981
Total fund balances	18,605,615	4,727,777	8,230,979	-	-	906,286	3,712,632	3,457,918	7,322,848	46,964,055
Total liabilities and fund balances	\$ 19,918,189	\$ 4,743,331	\$ 8,475,812	\$ 45,774	\$ 1,033,478	\$ 920,872	\$ 4,144,033	\$ 3,830,373	\$ 7,861,703	

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.

Long-term debt transactions including bonds payable (\$7,430,812), notes and loans payable (\$203,481), capital leases payable (\$1,749,646), accrued interest (\$45,166), and compensated absences (\$2,161,860), are not due and payable in the current period and therefore are not reported in the funds.

Net assets of governmental activities

121,801,171

(11,590,965)

\$ 157,174,261

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, 2011

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	County Transportation Trust	Municipal Services Benefit Unit	Clerk of Courts Operating	Sheriff Operating	Economic Development	Connector Road Project		
REVENUES									
Taxes	\$ 22,319,597	\$ 3,702,846	\$ 1,036,454	\$ -	\$ -	\$ -	\$ -	\$ 1,797,610	\$ 28,856,507
Licenses and permits	-	-	6,982,443	-	-	-	23,828	3,998	7,010,269
Intergovernmental	1,857,978	4,405,598	2,306,066	1,425,712	240,623	1,627,712	1,195,167	1,130,111	14,188,967
Charges for services	1,579,994	-	768,526	199,378	128,916	-	-	2,137,690	4,814,504
Fines and forfeitures	117,560	-	-	-	-	-	-	181,531	299,091
Interest	77,610	6,592	8,094	-	-	42,254	6,191	10,200	150,941
Miscellaneous	440,376	159,459	7,224	-	24,075	132,978	-	167,568	931,680
Total revenues	26,393,115	8,274,495	11,108,807	1,625,090	393,614	1,802,944	6,191	5,428,708	56,251,959
EXPENDITURES									
Current expenditures									
General government	4,177,969	-	520,320	948,131	-	-	-	3,389,379	9,035,799
Public safety	2,451,251	-	5,399,759	-	11,512,268	-	-	307,857	19,671,135
Physical environment	725,975	-	3,673,476	-	-	-	-	-	4,399,451
Transportation	-	5,566,885	-	-	-	-	90,505	-	5,657,390
Economic environment	168,844	-	1,134	-	-	2,045,964	-	960,354	3,176,296
Human services	1,490,900	-	-	-	-	-	-	-	1,490,900
Culture/recreation	1,082,008	-	56,711	-	-	-	-	722,301	1,861,020
Court-related	-	-	-	1,022,885	-	-	-	481,293	1,504,178
Capital outlay									
General government	307,927	-	-	-	-	-	-	39,959	347,886
Public safety	549,525	-	5,453	-	492,147	-	-	88,648	1,135,773
Transportation	-	181,659	-	-	-	-	1,731,815	2,807,669	4,721,143
Economic environment	-	-	-	-	-	1,519,600	-	-	1,519,600
Culture/recreation	619,142	-	-	-	-	-	-	25,543	644,685
Court-related	-	-	-	-	-	-	-	1,425	1,425
Debt services									
Principal	-	331,455	166,465	-	-	500,916	-	9,660	1,008,496
Interest	-	91,159	194,161	-	-	160,283	-	2,340	447,943
Total expenditures	11,573,541	6,171,158	10,017,479	1,971,016	12,004,415	4,226,763	1,731,815	6,028,759	56,623,120
Excess of revenues over (under) expenditures	14,819,574	2,103,337	1,091,328	(345,926)	(11,610,801)	(2,423,819)	(1,725,624)	(1,679,179)	(371,161)
Other financing sources									
Sale of fixed assets	-	1,890	-	-	-	-	-	-	1,890
Interfund transfers in	-	-	-	345,926	11,610,801	-	5,250,000	2,049,313	19,256,040
Interfund transfers out	(15,626,040)	(3,630,000)	-	-	-	(115,000)	-	-	(19,371,040)
Total other financing sources (uses)	(15,626,040)	(3,628,110)	-	345,926	11,610,801	(115,000)	5,250,000	2,049,313	(113,110)
Net change in fund balances	(806,466)	(1,524,773)	1,091,328	-	-	(2,538,819)	(1,725,624)	1,449,262	(484,271)
Fund balances beginning of year	19,412,081	6,252,550	7,139,651	-	-	3,445,105	5,438,256	5,873,586	47,448,326
Fund balances end of year	\$ 18,605,615	\$ 4,727,777	\$ 8,230,979	\$ -	\$ -	\$ 906,286	\$ 3,712,632	\$ 7,322,848	\$ 46,964,055

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, 2011

Net change in fund balances - total governmental funds \$ (484,271)

Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for capital assets	\$ 8,370,512	
Less current year depreciation	<u>(9,400,898)</u>	(1,030,386)

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		(62,620)
---------------------------------------	--	----------

Governmental funds do not report donated assets as revenue
Donation of fixed assets

298,340

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		-
---------------	--	---

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	151,253	
Capital lease principal payments	341,114	
Bond principal payments	<u>516,129</u>	1,008,496

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	168,825	
Net change in accrued interest expense	<u>5,110</u>	173,935
		<u>\$ (96,506)</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2011

	<u>Landfill Enterprise</u>	<u>Utilities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash	\$ 6,827,395	\$ 49,495	\$ 6,876,890
Accounts receivable net of allowance for uncollectible accounts	224,208	3,888	228,096
Due from other funds	148,534	-	148,534
Investments	960,380	-	960,380
Total current assets	<u>8,160,517</u>	<u>53,383</u>	<u>8,213,900</u>
Noncurrent Assets			
Restricted assets			
Cash	98,282	-	98,282
Investments	4,447,250	-	4,447,250
Total restricted assets	<u>4,545,532</u>	<u>-</u>	<u>4,545,532</u>
Fixed assets			
Land	887,973	1,027,030	1,915,003
Buildings	493,668	131,200	624,868
Improvements other than buildings	9,547,360	3,610,939	13,158,299
Equipment	3,317,672	76,776	3,394,448
Allowance for depreciation	(8,734,393)	(108,563)	(8,842,956)
Total fixed assets	<u>5,512,280</u>	<u>4,737,382</u>	<u>10,249,662</u>
Total noncurrent assets	<u>10,057,812</u>	<u>4,737,382</u>	<u>14,795,194</u>
Total assets	<u>\$ 18,218,329</u>	<u>\$ 4,790,765</u>	<u>\$ 23,009,094</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 17,790	\$ 543	\$ 18,333
Due to other funds	9,731	1,453,869	1,463,600
Interest payable	-	6,971	6,971
Accrued compensated absences	31,542	-	31,542
Deposits	16,096	640	16,736
Current portion loan payable	-	114,144	114,144
Total current liabilities	<u>75,159</u>	<u>1,576,167</u>	<u>1,651,326</u>
Current Liabilities Payable from Restricted Assets			
Note payable, short-term portion	540,000	-	540,000
Landfill postclosure costs	197,130	-	197,130
Total current liabilities payable from restricted assets	<u>737,130</u>	<u>-</u>	<u>737,130</u>
Noncurrent Liabilities			
Loan payable Department of Environmental Protection	-	1,552,138	1,552,138
Estimated landfill closure liability	7,461,933	-	7,461,933
Total noncurrent liabilities	<u>7,461,933</u>	<u>1,552,138</u>	<u>9,014,071</u>
Total liabilities	<u>8,274,222</u>	<u>3,128,305</u>	<u>11,402,527</u>

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2011

	<u>Landfill Enterprise</u>	<u>Utilities</u>	<u>Total</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 4,972,280	\$ 3,071,100	\$ 8,043,380
Unrestricted	4,971,827	(1,408,640)	3,563,187
Total net assets	<u>\$ 9,944,107</u>	<u>\$ 1,662,460</u>	<u>\$ 11,606,567</u>

See notes to financial statements

COLUMBIA COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2011

	Landfill Enterprise	Utilities	Totals
OPERATING REVENUES			
Licenses and permits	\$ -	\$ 12,468	\$ 12,468
Charges for services			
Physical environment			
Garbage/solid waste revenue	2,160,619	-	2,160,619
Water and wastewater revenue	1,150	31,850	33,000
Total operating revenues	<u>2,161,769</u>	<u>44,318</u>	<u>2,206,087</u>
OPERATING EXPENSES			
Landfill and water/wastewater utilities			
Personal services	669,189	-	669,189
Operating expenses	1,245,454	361,260	1,606,714
Depreciation	573,467	103,577	677,044
Provision for closure and long-term care	(1,165,944)	-	(1,165,944)
Total landfill and water/wastewater utilities	<u>1,322,166</u>	<u>464,837</u>	<u>1,787,003</u>
Code enforcement			
Personal services	40,423	-	40,423
Operating expenses	10,294	-	10,294
Total code enforcement	<u>50,717</u>	<u>-</u>	<u>50,717</u>
Total operating expenses	<u>1,372,883</u>	<u>464,837</u>	<u>1,837,720</u>
Operating (loss)	<u>788,886</u>	<u>(420,519)</u>	<u>368,367</u>
NONOPERATING REVENUES (EXPENSES)			
State grants			
Physical environment			
State grants	70,588	434,457	505,045
Gain (loss) on disposal of capital assets	1,481	-	1,481
Interest earnings	39,551	-	39,551
Debt service costs			
Interest	(33,384)	(14,016)	(47,400)
Amortization	(24,156)	-	(24,156)
Special item - impairment loss	-	(493,845)	(493,845)
Total nonoperating revenues (expenses)	<u>54,080</u>	<u>(73,404)</u>	<u>(19,324)</u>
Change in net assets before capital contributions and operating transfers	842,966	(493,923)	349,043
Operating transfers in	-	115,000	115,000
Change in net assets after operating transfers	842,966	(378,923)	464,043
Net assets at beginning of year	9,101,141	2,041,383	11,142,524
Net assets at end of year	<u>\$ 9,944,107</u>	<u>\$ 1,662,460</u>	<u>\$ 11,606,567</u>

COLUMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2011

	<u>Landfill Enterprise</u>	<u>Utilities</u>
Cash Flows From Operating Activities		
Cash flows received from customers	\$ 2,210,598	\$ 41,070
Cash paid to employees	(503,250)	-
Cash paid for employee benefits	(204,702)	-
Cash paid to vendors	(1,237,958)	(360,717)
Net cash provided (used) by operating activities	<u>264,688</u>	<u>(319,647)</u>
Cash Flows From Noncapital Financing Activities		
State grants received	70,588	434,457
Transfers from other funds	-	115,000
Net cash provided by noncapital financing activities	<u>70,588</u>	<u>549,457</u>
Cash Flows From Capital and Related Financing Activities		
Payments to acquire or construct capital assets	-	(228,670)
Proceeds from disposition of fixed assets	1,481	-
Principal paid on capital debt	(510,000)	(29,009)
Interest paid on capital debt	(49,048)	(66,507)
Net cash used for capital and related financing activities	<u>(557,567)</u>	<u>(324,186)</u>
Cash Flows From Investing Activities		
Interest received	39,551	-
Increase in investments	(34,077)	-
Net cash provided by investing activities	<u>5,474</u>	<u>-</u>
Net decrease in cash	(216,817)	(94,376)
Cash at beginning of year	7,142,494	143,871
Cash at end of year	<u>\$ 6,925,677</u>	<u>\$ 49,495</u>

(continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2011

	<u>Landfill Enterprise</u>	<u>Utilities</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 788,886	\$ (420,519)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	573,467	103,577
Decrease in landfill closure liability	(1,165,944)	-
(Increase) decrease in assets:		
Accounts receivable	32,732	(3,888)
Increase (decrease) in liabilities:		
Accounts payable	17,790	543
Deposits	16,096	640
Accrued compensated absences	1,661	-
Total adjustments	<u>(524,198)</u>	<u>100,872</u>
Net cash provided (used) by operating activities	<u>\$ 264,688</u>	<u>\$ (319,647)</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
September 30, 2011

	Clerk of Circuit Court					Sheriff				Tax Collector		Totals
	Clerk's Trust	Employee Sunshine	Domestic Relations	Jury Witness	Public Defender Occupancy Trust	Individual Depositors	Inmate Welfare	Donation Trust	Evidence Trust	Tag Agency	Ad Valorem Tax Agency	
ASSETS												
Cash	\$ 893,506	\$ 1,191	\$ 1,626	\$ 6,395	\$ 20,038	\$ 6,522	\$ 532,061	\$ 18,041	\$ 63,841	\$ 169,489	\$ 1,890,969	\$ 3,603,679
Accounts receivable	13,316	-	-	-	-	-	12,854	-	-	2,764	-	28,934
Total assets	\$ 906,822	\$ 1,191	\$ 1,626	\$ 6,395	\$ 20,038	\$ 6,522	\$ 544,915	\$ 18,041	\$ 63,841	\$ 172,253	\$ 1,890,969	\$ 3,632,613
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ 6,865	\$ 7,105
Cash bond liability	86,423	-	-	-	-	-	-	-	-	-	-	86,423
Due to individuals	-	-	-	-	-	-	12,957	-	-	-	-	12,957
Court fees payable	246,798	-	-	-	-	-	-	-	-	-	-	246,798
Deposits held in escrow	182,645	-	-	-	-	-	-	-	-	-	38,316	220,961
Due to other funds	76,036	-	-	-	-	6,522	-	-	-	-	4,785	87,343
Due to other governmental units	287,807	-	1,626	6,395	20,038	-	-	-	-	162,120	1,696,191	2,174,177
Interest payable	16,723	-	-	-	-	-	-	-	-	665	-	17,388
Installments payable	454	-	-	-	-	-	-	-	-	-	-	454
Tax deeds payable	1,881	-	-	-	-	-	-	-	-	-	142,948	144,829
Other current liabilities	8,055	1,191	-	-	-	-	531,958	18,041	63,841	9,228	1,864	634,178
Total liabilities	906,822	1,191	1,626	6,395	20,038	6,522	544,915	18,041	63,841	172,253	1,890,969	3,632,613
NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

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.

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 and Utilities Fund are proprietary funds. 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 Fund - The Municipal Services Fund 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.

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.

Utilities Fund – The Utilities Fund accounts for revenues, expenses, assets and liabilities associated with the County operated water and sewer 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, 2011, this allowance was \$18,231. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2011.

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.

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, 2011.

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 \$46,964,055 differs from "net assets" of governmental activities \$157,174,261 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	\$ 228,589,174
Accumulated depreciation	(106,788,003)
Total	<u>\$ 121,801,171</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, 2011, were:

Revenue notes/Bonds payable	\$ 7,430,812
Notes and loans payable	203,481
Capital leases payable	1,749,646
Compensated absences	2,161,860
Total	<u>\$ 11,545,799</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 and bonds payable	\$ 4,500
Capital leases	40,666
Total	<u>\$ 45,166</u>

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$2,245,294 between governmental funds must be eliminated for the statement of net assets.

COLUMBIA COUNTY, FLORIDA

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the government wide stmt 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	\$ 21,510,620	\$ -	\$ -	\$ -	\$ 21,510,620
Accounts receivable - net	168,834	-	-	-	168,834
Due from other funds	3,796,237	-	-	(2,245,294)	1,550,943
Due from other governmental units	1,666,818	-	-	-	1,666,818
Investments	23,728,216	-	-	-	23,728,216
Inventories	16,588	-	-	-	16,588
Other current assets	86,252	-	-	-	86,252
Capital assets - net	-	121,801,171	-	-	121,801,171
Total assets	\$ 50,973,565	\$ 121,801,171	\$ -	\$ (2,245,294)	\$ 170,529,442
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,154,145	\$ -	\$ -	\$ -	\$ 1,154,145
Accrued interest payable	-	-	45,166	-	45,166
Accrued payroll liabilities	355,697	-	-	-	355,697
Due to other funds	2,393,828	-	-	(2,245,294)	148,534
Due to other governmental units	72,132	-	-	-	72,132
Deposits	2,102	-	-	-	2,102
Deferred revenues	31,271	-	-	-	31,271
Other current liabilities	335	-	-	-	335
Accrued compensated absences	-	-	2,161,860	-	2,161,860
Capital leases payable	-	-	1,749,646	-	1,749,646
Notes and loans payable	-	-	203,481	-	203,481
Revenue bonds payable	-	-	7,430,812	-	7,430,812
Total liabilities	4,009,510	-	11,590,965	(2,245,294)	13,355,181
Fund balances/net assets	46,964,055	121,801,171	(11,590,965)	-	157,174,261
Total liabilities and fund balance/net assets	\$ 50,973,565	\$ 121,801,171	\$ -	\$ (2,245,294)	\$ 170,529,442

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

The "net change in fund balances" for governmental funds \$(484,271) differs from the "change in net assets" for governmental activities \$(96,506) 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	\$ 298,340
Loss on dispositions	(62,621)
Capital outlay	8,370,512
Depreciation expense	<u>(9,400,898)</u>
Difference	<u>\$ (794,667)</u>

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>\$1,008,496</u>
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Some revenues and expenses reported in the statement of activities do not require the use of or provide current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	\$ 168,826
Net change in accrued interest	<u>5,110</u>
	<u>\$ 173,936</u>

Reclassification and Eliminations

Transfers in and transfers out in the amount of \$19,256,040 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	\$ 28,856,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,856,507
Licenses and permits	7,010,269	-	-	-	-	-	7,010,269
Intergovernmental	14,188,967	-	-	-	-	-	14,188,967
Charges for services	4,814,504	-	-	-	-	-	4,814,504
Fines and forfeitures	299,091	-	-	-	-	-	299,091
Interest	150,941	-	-	-	-	-	150,941
Miscellaneous	931,680	298,340	-	-	-	-	1,230,020
Total revenues	56,251,959	298,340	-	-	-	-	56,550,299
EXPENDITURES							
Current Expenditures							
General government	9,035,799	776,506	-	(11,596)	-	-	9,800,709
Public safety	19,671,135	1,778,202	-	(101,573)	-	-	21,347,764
Physical environment	4,399,451	97,288	-	2,698	-	-	4,499,437
Transportation	5,657,390	6,502,557	-	(8,049)	-	-	12,151,898
Economic environment	3,176,296	8,827	-	(40,635)	-	-	3,144,488
Human services	1,490,900	86,888	-	-	-	-	1,577,788
Culture/recreation	1,861,020	213,251	-	(9,671)	-	-	2,064,600
Court related	1,504,178	-	-	-	-	-	1,504,178
Capital outlay							
General government	347,886	(347,886)	-	-	-	-	-
Public safety	1,135,773	(1,135,773)	-	-	-	-	-
Transportation	4,721,143	(4,721,143)	-	-	-	-	-
Economic environment	1,519,600	(1,519,600)	-	-	-	-	-
Culture/recreation	644,685	(644,685)	-	-	-	-	-
Court related	1,425	(1,425)	-	-	-	-	-
Debt Service							
Principal	1,008,496	-	(1,008,496)	-	-	-	-
Interest	447,943	-	-	-	(5,110)	-	442,833
Total expenditures	56,623,120	1,093,007	(1,008,496)	(168,826)	(5,110)	-	56,533,695
Excess of revenues over (under) expenditures	(371,161)	(794,667)	1,008,496	168,826	5,110	-	16,604
OTHER FINANCING SOURCES (USES)							
Sale of fixed assets	1,890	-	-	-	-	-	1,890
Transfers in	19,256,040	-	-	-	-	(19,256,040)	-
Transfers out	(19,371,040)	-	-	-	-	19,256,040	(115,000)
Total other financing sources (uses)	(113,110)	-	-	-	-	-	(113,110)
Net change in fund balances	(484,271)	(794,667)	1,008,496	168,826	5,110	-	(96,506)
Fund balances at beginning of year	47,448,326	122,595,838	(10,392,435)	(2,330,686)	(50,276)	-	157,270,767
Fund balances at end of year	\$ 46,964,055	\$ 121,801,171	\$ (9,383,939)	\$ (2,161,860)	\$ (45,166)	\$ -	\$ 157,174,261

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, 2011, 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, 2011.

	<u>Appropriations</u>	<u>Expenses</u>	Variance Positive (Negative)
Enterprise funds			
Landfill enterprise	\$ 2,861,134	\$ 1,429,273	\$ 1,431,861
Utilities	<u>300,657</u>	<u>972,698</u>	<u>(672,041)</u>
	<u>\$ 3,161,791</u>	<u>\$ 2,401,971</u>	<u>\$ 759,820</u>

The appropriations budget did not include debt service payments that are considered to be defeased by the County and an impairment loss in the Utilities Fund that was not a cash expense.

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, 2011, the carrying amount of the County's deposits was \$32,089,471. 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, 2011, 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 .54915068 at September 30, 2011. 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, 2011, the Trust had investments, at fair value, of approximately \$733 million. Of the total investments in the Trust, 13% was invested in asset backed securities. 44% was invested in Federal Treasury and Agency securities, and 37% was invested in corporate securities.

The Board's investments with First Federal Savings Bank and Prosperity Bank are 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, 2011, the County had investments with the following issuers in the percentages of total investments shown below.

Schedule of Investments at September 30, 2011

Investment	Maturities	Fair Value	Percent
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool	38 Day Average	\$ 30,587	0.10%
Fund B Surplus Funds Trust Fund	4.82 Year Average	4,232	0.01%
Florida Local Government Investment Pool	2.08 Years	4,447,250	15.26%
Certificates of Deposit, Money Market	Less than 1 Year	24,653,779	84.63%
Total Investments		<u>\$ 29,135,848</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 2010-2011 fiscal year were levied in October 2010. 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, 2011, was as follows:

	Beginning Balance	Donations	Additions	Reclassifications/ Adjustments	Deletions	Balance
Governmental activities:						
Capital assets:						
Land	\$ 4,977,539	\$ -	\$ 1,307,533	\$ -	\$ -	\$ 6,285,072
Land interests	-	-	1,519,600	-	-	1,519,600
Buildings	46,286,110	-	300,000	444,670	-	47,030,780
Improvements other than buildings	2,663,822	-	74,463	-	-	2,738,285
Road improvements	138,316,722	-	638,575	828,318	-	139,783,615
Construction in progress	3,641,294	-	3,548,934	(1,272,988)	(16,240)	5,901,000
Equipment	24,336,974	298,340	946,133	-	(250,625)	25,330,822
Total capital assets	220,222,461	298,340	8,335,238	-	(266,865)	228,589,174
Less accumulated depreciation	(97,626,623)	-	(9,400,898)	-	238,518	(106,789,003)
Governmental activities capital assets, net	<u>\$ 122,595,838</u>	<u>\$ 298,340</u>	<u>\$ (1,065,660)</u>	<u>\$ -</u>	<u>\$ (28,347)</u>	<u>\$ 121,800,171</u>
Business-type activities:						
Land	\$ 1,909,003	\$ -	\$ 6,000	\$ -	\$ -	\$ 1,915,003
Equipment	3,801,063	-	-	-	(406,615)	3,394,448
Buildings	624,868	-	-	-	-	624,868
Improvements	9,547,360	-	12,477	3,598,463	-	13,158,300
Construction in progress	3,882,116	-	239,584	(3,598,463)	(523,237)	-
Total capital assets	19,764,410	-	258,061	-	(929,852)	19,092,619
Less accumulated depreciation	(8,572,527)	-	(677,044)	-	406,615	(8,842,956)
Business-type activities capital assets, net	<u>\$ 11,191,883</u>	<u>\$ -</u>	<u>\$ (418,983)</u>	<u>\$ -</u>	<u>\$ (523,237)</u>	<u>\$ 10,249,663</u>

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

Governmental activities:	
General government	\$ 713,886
Public safety	1,778,202
Physical environment	97,288
Transportation	6,502,557
Economic environment	8,827
Human services	86,888
Culture/recreation	213,250
Total depreciation expense - governmental activities	<u>\$ 9,400,898</u>
Business -type activities:	
Landfill enterprise	573,467
Utilities enterprise	103,577
Total depreciation expense - business-type activities	<u>\$ 677,044</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2011, were:

Fund	Interfund Receivables	Interfund Payables
General fund	\$ 1,640,870	\$ 1,165,586
Special revenue funds:		
Municipal services benefit unit	1,673,185	148,534
Court service fund	9,287	-
Community Development Bock Grant	-	15,029
Industrial Development Authority	1,157	-
Sheriff:		
Operating	-	223,589
Clerk of Courts:		
Operating	19,179	917
Public records modernization	5,992	-
Reserved 10%	9,543	-
Teen court	2,160	-
Property Appraiser operating	-	59,343
Supervisor of Elections operating	-	149
Tax Collector operating	4,785	350,602
Capital projects funds:		
Connector road project	-	429,695
Road improvement	429,695	384
Paving assessments	384	-
Agency funds:		
Clerk of Circuit Court		
Trust	-	76,036
Sheriff		
Individual depositors	-	6,522
Tax Collector		
Ad valorem tax	-	4,785
Enterprise Fund		
Landfill	148,534	9,731
Utilities	-	1,453,869
Totals	<u>\$ 3,944,771</u>	<u>\$ 3,944,771</u>

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2011, consisted of the following:

Transfers from general fund to:	
Clerk of Courts Operating Fund	\$ 345,926
Property Appraiser Operating Fund	1,066,347
Sheriff Operating Fund	11,610,801
Supervisor of Elections Operating Fund	602,966
Road Improvement Fund	2,000,000
Transfer from Transportation Trust to:	
Road Improvement Fund	3,250,000
Paving Assessments Fund	380,000
Transfer from Economic Development to:	
Utilities Fund	115,000
Total transfers	<u>\$ 19,371,040</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, 2011, were as follows:

	Accounts	Due from Other Governmental Units	Total Receivables
Governmental activities:			
General	\$ -	\$ 369,368	\$ 369,368
County transportation trust	3,937	597,318	601,255
Municipal services	153,504	351,031	504,535
Sheriff operating	2,284	54,956	57,240
Clerk operating	-	5,266	5,266
Economic development	-	135,692	135,692
Other governmental	9,109	153,187	162,296
Total governmental activities	<u>\$ 168,834</u>	<u>\$ 1,666,818</u>	<u>\$ 1,835,652</u>
Business-type activities:			
Landfill enterprise	\$ 224,208	\$ -	\$ 224,208
Utilities	3,888	-	3,888
Landfill enterprise	<u>\$ 228,096</u>	<u>\$ -</u>	<u>\$ 228,096</u>

Payables at September 30, 2011, were as follows:

	Vendors	Other Governmental Units	Total Payables
Governmental activities:			
General	\$ 146,988	\$ -	\$ 146,988
County transportation trust	12,590	-	12,590
Municipal services	94,417	-	94,417
Clerk of Court operating	5,643	39,214	44,857
Sheriff operating	441,514	-	441,514
Economic development	14,586	-	14,586
Connector road	1,706	-	1,706
Road improvement	372,071	-	372,071
Other governmental	64,630	32,918	97,548
Total governmental activities	<u>\$1,154,145</u>	<u>\$ 72,132</u>	<u>\$1,226,277</u>
Business-type activities:			
Landfill enterprise	\$ 17,790	\$ -	\$ 17,790
Utilities	543	-	543
	<u>\$ 18,333</u>	<u>\$ -</u>	<u>\$ 18,333</u>

NOTE 10. LONG-TERM LIABILITIES

A. Governmental Activities

Notes Payable

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 as described in Revenue Bonds Note A. 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 September 30	Principal	Interest	Total
2012	161,776	9,624	171,400
2013	41,705	1,298	43,003
Total	<u>\$ 203,481</u>	<u>\$ 10,922</u>	<u>\$ 214,403</u>

Revenue Bonds

- 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
2012	\$ 175,546	\$ 185,080	\$ 360,626
2013	183,241	177,385	360,626
2014	191,273	169,353	360,626
2015	199,656	160,970	360,626
2016	208,407	152,219	360,626
Thereafter	3,400,186	1,017,478	4,417,664
Total	<u>\$ 4,358,309</u>	<u>\$ 1,862,485</u>	<u>\$ 6,220,794</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
2012	\$ 365,953	\$ 123,845	\$ 489,798
2013	381,655	108,143	489,798
2014	397,931	91,867	489,798
2015	414,999	74,799	489,798
2016	432,799	56,999	489,798
Thereafter	1,079,166	40,880	1,120,046
Total	<u>\$ 3,072,503</u>	<u>\$ 496,533</u>	<u>\$ 3,569,036</u>

Capital Leases

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

- A. Purchase of three motor graders costing \$771,762. The terms of the agreement called for six annual payments of \$95,552, which included interest at 3.75%, with a terminating payment of \$300,000 on November 13, 2014.
- 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 \$57,876 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 June, 2010, the Supervisor of Elections entered into an installment payment agreement with Kansas Bank of Manhattan for the purchase of a copier/printer costing \$43,206. The

agreement is being paid in four annual installments of \$12,000, including interest at 7.5%.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at September 30, 2011:

<u>Year Ending September 30</u>	
2012	\$ 685,824
2013	812,553
2014	95,552
2015	300,000
Less amount representing interest	<u>(144,283)</u>
Total	<u><u>\$1,749,646</u></u>

B. Business-type Activities

Note 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:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	<u>\$ 540,000</u>	<u>\$ 15,930</u>	<u>\$ 555,930</u>
Total	<u><u>\$ 540,000</u></u>	<u><u>\$ 15,930</u></u>	<u><u>\$ 555,930</u></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, 2011, the loan balance was \$561,519.

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, 2011, the balance of the loan was \$906,645.

During the prior year, the County received an additional loan from FDEP in the amount of \$1,379,595, of which \$1,172,656 in principal will be forgiven. This loan is payable in forty semi-

annual payments of \$6,784 including interest at 2.71%, beginning August 15, 2011. At September 30, 2011, the balance of the loan was \$198,118.

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

D. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2011, was as follows:

	Balance at 10/01/10	Adjustments	Additions	Deletions	Balance at 09/30/11	Due Within One Year
<u>Governmental activities:</u>						
Revenue bonds:						
Columbia Bank-Series 2008B	\$ 3,422,166	\$ -	\$ -	\$ 349,663	\$ 3,072,503	\$ 365,872
Prosperity Bank-Series 2008A	4,524,774	-	-	166,465	4,358,309	175,546
	<u>7,946,940</u>	<u>-</u>	<u>-</u>	<u>516,128</u>	<u>7,430,812</u>	<u>541,418</u>
Loan agreements payable:						
Columbia Bank	354,734	-	-	151,253	203,481	161,776
	<u>354,734</u>	<u>-</u>	<u>-</u>	<u>151,253</u>	<u>203,481</u>	<u>161,776</u>
Capital leases payable:						
Caterpillar Financial	120,688	-	-	66,298	54,390	54,390
Caterpillar Financial	112,523	-	-	19,999	92,524	92,524
Caterpillar Financial	115,772	-	-	12,968	102,804	102,804
Caterpillar Financial	59,214	-	-	12,485	46,729	46,729
John Deere Credit	103,662	-	-	14,148	89,514	89,514
Caterpillar Financial	679,069	-	-	55,342	623,727	57,141
Key Government Financing	141,449	-	-	69,101	72,348	72,348
Ringpower Corporation	128,716	-	-	8,003	120,713	8,564
Caterpillar Financial	598,462	-	-	73,110	525,352	75,852
Kansas State Bank of Manhattan	31,206	-	-	9,660	21,545	10,383
	<u>2,090,761</u>	<u>-</u>	<u>-</u>	<u>341,114</u>	<u>1,749,646</u>	<u>610,249</u>
Other Liabilities:						
Compensated absences	2,330,686	-	-	168,826	2,161,860	324,279
	<u>\$ 2,330,686</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,826</u>	<u>\$ 2,161,860</u>	<u>\$ 324,279</u>
<u>Business activities:</u>						
Loan agreements payable:						
Department of Environmental Protection	\$ 1,695,291	\$ -	\$ 27,045	\$ 56,054	\$ 1,666,282	\$ 114,144
Note payable:						
Gulf Breeze loan	1,050,000	-	-	510,000	540,000	540,000
Other Liabilities:						
Compensated absences	29,881	-	40,083	38,423	31,541	-
Estimated liability for landfill closure	8,825,008	-	-	1,165,945	7,659,063	197,130
	<u>\$ 11,600,180</u>	<u>\$ -</u>	<u>\$ 67,128</u>	<u>\$ 1,770,422</u>	<u>\$ 9,896,886</u>	<u>\$ 851,274</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.

\$7,659,063 is reported as landfill closure and postclosure care liability at September 30, 2011, 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 2011. The County expects to close this landfill cell in the year 2018. 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, 2011, restricted cash of \$4,545,532 is held for its 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:

<u>Year Ending September 30</u>	
2012	\$ 177,684
2013	63,781
2014	53,264
2015	18,406
2016	7,368
2017	1,043
	<u>\$ 321,546</u>

NOTE 13. DEFINED BENEFIT AND DEFINED CONTRIBUTION PENSION PLANS

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 Management Services. The FRS offers members both a defined benefit plan and/or a defined contribution pension plan to provide retirement, disability, or death benefits for retirees or their designated beneficiaries. The FRS is noncontributory for all members through June 30, 2011. Effective July 1, 2011, employees are required to contribute 3% of their wages toward the plan. 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.

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, 2011, as follows (contribution rates are in agreement with the actuarially determined rates):

	July 1, 2010 - June 30, 2011	July 1, 2011 - June 30, 2012
<u>Regular Class</u> - Members not qualifying for other classes	9.85%	4.91%
<u>Senior Management Service Class</u> - Members of senior management who do not elect the optional annuity management system.	13.12%	6.27%
<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%	14.10%
<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%	6.04%
<u>Elected County Officer's Class</u> - Certain elected county officials.	16.53%	11.14%
<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%	4.42%

Contributions to the FRS for the fiscal year ended September 30, 2011, were equal to 15% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2009, 2010, and 2011, were \$2,714,043, \$2,895,706, and \$2,672,789, respectively, which are equal to 100% of the required contribution for each year.

Funding Status – The FRS Annual Report July 1, 2009-June 30, 2010 available as previously mentioned, stated that the FRS pension plan was 86.59% funded at July 1, 2010 since the actuarial value of assets was \$120.93 billion compared to the actuarial accrued liability of \$139.65 billion.

NOTE 14. FUND BALANCES GOVERNMENTAL FUNDS

As of September 30, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of County Commissioners (BCC). The BCC is the highest level of decision making authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the BCC.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of amounts for specific purposes is approved by the Board of County Commissioners.

Unassigned - all other spendable amounts.

Fund balances with restrictions are as follows:

Committed and assigned reserves in the General Fund:	
Judges fund reserve	\$ 114,582
SRWMD mitigation reserve	2,416,415
Special projects accounts reserve	4,711
Virginia Bishop reserve	4,921
Bernhardt Trust reserve	17,368
	<u>\$ 2,557,997</u>
Committed and assigned reserves:	
Economic development	\$ 906,286
Connector road project	3,712,632
Road improvement	3,457,918
Court service	822,404
Industrial Development Authority	602,629
Road improvement debt service	1,726,186
Paving assessments	2,918
Court reporters	38,653
	<u>\$ 11,269,626</u>
All restricted funds:	
Special Revenue Funds:	
County Transportation Trust	\$ 4,711,189
Municipal Services Benefit Unit	8,230,979
Impact Fees	293,296
Law Enforcement Special	37,747
Law Library	3,196
Library Enhancement Grant	1,761,927
Local Housing Assistance	349,867
Tourist Development Tax	785,200
Tourist Development Debt Service	49,386
Public Records Modernization Trust	137,183
Reserved 10%	121,157
Minimum Standards School	62,041
Forfeiture Fund	16,579
Inmate Welfare	108,604
Forfeiture Nongrant	398,799
Work Program	6,713
	<u>\$ 17,073,863</u>

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 material.

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 fund had a deficit in fund balance at September 30, 2011:

Teen Court	\$ (1,637)
Total	<u>\$ (1,637)</u>

The deficit of this fund will be funded by interfund transfers 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
BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 22,487,399	\$ 22,487,399	\$ 22,319,597	\$ (167,802)
Intergovernmental	1,259,017	1,350,015	1,857,978	507,963
Charges for services	1,235,850	1,242,650	1,579,994	337,344
Fines and forfeitures	108,000	108,000	117,560	9,560
Interest	145,000	145,000	77,610	(67,390)
Miscellaneous	135,000	205,170	440,376	235,206
Total revenues	25,370,266	25,538,234	26,393,115	854,881
EXPENDITURES				
Current operating:				
General government	3,913,735	3,943,467	4,177,969	(234,502)
Public safety	2,288,505	2,380,803	2,451,251	(70,448)
Physical environment	810,884	810,884	725,975	84,909
Economic environment	221,453	221,453	168,844	52,609
Human services	2,199,510	2,199,510	1,490,900	708,610
Culture/recreation	1,002,049	3,587,126	1,082,008	2,505,118
Court related	-	116,567	-	116,567
Capital outlay:				
General government	5,000	322,928	307,927	15,001
Public safety	35,090	553,065	549,525	3,540
Culture/recreation	38,725	614,132	619,142	(5,010)
Total expenditures	10,514,951	14,749,935	11,573,541	3,176,394
Excess of revenues over expenditures	14,855,315	10,788,299	14,819,574	4,031,275
Other Financing Sources (Uses)				
Transfers out	(13,503,778)	(15,887,637)	(15,626,040)	261,597
Total other financing sources (uses)	(13,503,778)	(15,887,637)	(15,626,040)	261,597
Net change in fund balance	1,351,537	(5,099,338)	(806,466)	4,292,872
Fund balance, beginning of year	19,412,081	19,412,081	19,412,081	-
Fund balance, end of year	\$ 20,763,618	\$ 14,312,743	\$ 18,605,615	\$ 4,292,872

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,536,000	\$ 3,536,000	\$ 3,702,846	\$ 166,846
Intergovernmental	3,504,000	3,504,000	4,405,598	901,598
Interest	17,000	17,000	6,592	(10,408)
Miscellaneous	191,869	191,869	159,459	(32,410)
Total revenues	7,248,869	7,248,869	8,274,495	1,025,626
EXPENDITURES				
Current operating:				
Transportation	6,252,577	6,337,447	5,566,885	770,562
Capital outlay:				
Transportation	-	205,000	181,659	23,341
Debt service				
Principal	240,000	240,000	331,455	(91,455)
Interest	87,062	87,062	91,159	(4,097)
Total expenditures	6,579,639	6,869,509	6,171,158	698,351
Excess of revenues over expenditures	669,230	379,360	2,103,337	1,723,977
Other Financing Sources (Uses)				
Sale of fixed assets	-	-	1,890	1,890
Interfund transfers out	-	(3,630,000)	(3,630,000)	-
Total other financing sources (uses)	-	(3,630,000)	(3,628,110)	1,890
Net change in fund balance	669,230	(3,250,640)	(1,524,773)	1,725,867
Fund balance, beginning of year	6,252,550	6,252,550	6,252,550	-
Fund balance, end of year	\$ 6,921,780	\$ 3,001,910	\$ 4,727,777	\$ 1,725,867

See notes to financial statements.

COLUMBIA COUNTY FLORIDA

MUNICIPAL SERVICES BENEFIT UNIT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 946,000	\$ 946,000	\$ 1,036,454	\$ 90,454
Licenses, permits and assessments	6,471,000	6,471,000	6,982,443	511,443
Intergovernmental	2,460,250	2,460,250	2,306,066	(154,184)
Charges for services	1,300,000	1,300,000	768,526	(531,474)
Interest	34,000	34,000	8,094	(25,906)
Miscellaneous	25,000	25,000	7,224	(17,776)
Total revenues	11,236,250	11,236,250	11,108,807	(127,443)
EXPENDITURES				
Current operating:				
General government	337,500	337,500	520,320	(182,820)
Public safety	5,970,060	5,963,845	5,399,759	564,086
Physical environment	3,800,000	3,800,000	3,673,476	126,524
Economic environment	-	-	1,134	(1,134)
Culture/recreation	45,000	45,000	56,711	(11,711)
Capital outlay:				
Public safety	125,000	131,635	5,453	126,182
Debt service				
Principal	166,501	166,501	166,465	36
Interest	194,125	194,125	194,161	(36)
Total expenditures	10,638,186	10,638,606	10,017,479	621,127
Net change in fund balances	598,064	597,644	1,091,328	493,684
Fund balance, beginning of year	7,139,651	7,139,651	7,139,651	-
Fund balance, end of year	<u>\$ 7,737,715</u>	<u>\$ 7,737,295</u>	<u>\$ 8,230,979</u>	<u>\$ 493,684</u>

See notes to financial statements.

COLUMBIA COUNTY FLORIDA

CLERK OF CIRCUIT COURT OPERATING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,410,560	\$ 1,410,560	\$ 1,422,895	\$ 12,335
Charges for services	245,050	245,050	202,195	(42,855)
Total revenues	1,655,610	1,655,610	1,625,090	(30,520)
EXPENDITURES				
Current operating:				
General government	863,247	863,247	948,131	(84,884)
Court-related	1,131,545	1,131,545	1,022,885	108,660
Total expenditures	1,994,792	1,994,792	1,971,016	23,776
Excess of revenues over expenditures	(339,182)	(339,182)	(345,926)	(6,744)
Other Financing Sources (Uses)				
Transfers in	339,182	339,182	345,926	6,744
Total other financing sources (uses)	339,182	339,182	345,926	6,744
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 61,109	\$ 240,622	\$ 179,513
Charges for services	-	-	128,916	128,916
Miscellaneous	-	-	24,075	24,075
Total revenues	-	61,109	393,613	332,504
EXPENDITURES				
Current operating:				
Public safety	11,299,284	11,412,295	11,512,267	(99,972)
Capital outlay:				
Public safety	155,000	438,623	492,147	(53,524)
Total expenditures	11,454,284	11,850,918	12,004,414	(153,496)
Excess of revenues over expenditures	(11,454,284)	(11,789,809)	(11,610,801)	179,008
Other Financing Sources (Uses)				
Transfers in	11,454,284	11,789,809	11,610,801	(179,008)
Total other financing sources (uses)	11,454,284	11,789,809	11,610,801	(179,008)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

COLUMBIA COUNTY FLORIDA

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

For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,500,000	\$ 2,400,000	\$ 1,627,712	\$ (772,288)
Interest	1,000	1,000	42,254	41,254
Miscellaneous	177,300	177,300	132,978	(44,322)
Total revenues	1,678,300	2,578,300	1,802,944	(775,356)
EXPENDITURES				
Current operating:				
Economic environment	1,933,187	2,833,187	2,045,964	787,223
Capital outlay:				
Economic environment	1,519,600	1,519,600	1,519,600	
Debt service				
Principal	502,325	502,325	500,916	1,409
Interest	158,873	158,873	160,283	(1,410)
Total expenditures	4,113,985	5,013,985	4,226,763	787,222
Excess of revenues over expenditures	(2,435,685)	(2,435,685)	(2,423,819)	11,866
Other Financing Sources (Uses)				
Transfers out	-	(115,000)	(115,000)	-
Total other financing sources (uses)	-	(115,000)	(115,000)	-
Net change in fund balance	(2,435,685)	(2,550,685)	(2,538,819)	11,866
Fund balance, beginning of year	3,445,105	3,445,105	3,445,105	-
Fund balance, end of year	\$ 1,009,420	\$ 894,420	\$ 906,286	\$ 11,866

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
Interest	8,000	8,000	6,191	(1,809)
Total revenues	1,008,000	1,008,000	6,191	(1,001,809)
EXPENDITURES				
Transportation				
Current expenditures	8,000,000	8,000,000	-	8,000,000
Capital outlay	2,700,000	2,700,000	1,731,815	968,185
Total expenditures	10,700,000	10,700,000	1,731,815	8,968,185
Excess of revenues over expenditures	(9,692,000)	(9,692,000)	(1,725,624)	7,966,376
Other financing sources				
Debt proceeds	3,750,000	3,750,000	-	(3,750,000)
Net change in fund balance	(5,942,000)	(5,942,000)	(1,725,624)	4,216,376
Fund balance, beginning of year	5,438,256	5,438,256	5,438,256	-
Fund balance, end of year	\$ (503,744)	\$ (503,744)	\$ 3,712,632	\$ 4,216,376

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, permits and assessments	\$ 35,000	\$ 35,000	\$ 23,828	\$ (11,172)
Intergovernmental	1,360,314	1,360,314	1,195,167	(165,147)
Interest	1,000	1,000	-	(1,000)
Total revenues	1,396,314	1,396,314	1,218,995	(177,319)
EXPENDITURES				
Current operating:				
Transportation	8,130,697	8,130,697	90,505	8,040,192
Capital outlay:				
Transportation	3,824,617	3,824,617	2,807,669	1,016,948
Total expenditures	11,955,314	11,955,314	2,898,174	9,057,140
Excess of revenues over expenditures	(10,559,000)	(10,559,000)	(1,679,179)	8,879,821
Other Financing Sources (Uses)				
Debt proceeds	10,400,000	10,400,000	-	(10,400,000)
Transfers in	-	2,000,000	5,250,000	3,250,000
Total other financing sources (uses)	10,400,000	12,400,000	5,250,000	(7,150,000)
Net change in fund balance	(159,000)	1,841,000	3,570,821	1,729,821
Fund balance, beginning of year	(112,903)	(112,903)	(112,903)	-
Fund balance, end of year	\$ (271,903)	\$ 1,728,097	\$ 3,457,918	\$ 1,729,821

See notes to financial statements.

FUND COMBINING STATEMENTS

COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2011

	Special Revenue Funds														
	Clerk of Courts			Property Appraiser		Sheriff				Supervisor of Elections	Tax Collector		Community Development Block Grant		Court Reporters
	Public Records Modernization	Reserved	Teen Court	Operating	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Operating	Operating	Operating	Operating	Operating	Operating
	Trust	10%	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust
ASSETS															
Current assets															
Cash	\$ 131,199	\$ 111,614	\$ 173	\$ 68,182	\$ 62,041	\$ 16,579	\$ 108,921	\$ 398,799	\$ 6,713	\$ 316	\$ 427,015	\$ -	\$ 38,653		
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-		
Due from other funds	5,992	9,543	2,160	-	-	-	-	-	-	-	4,785	-	-		
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-	29,672	-		
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-		
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total assets	\$ 137,191	\$ 121,157	\$ 2,333	\$ 68,182	\$ 62,041	\$ 16,579	\$ 108,921	\$ 398,799	\$ 6,713	\$ 316	\$ 431,800	\$ 29,672	\$ 38,653		
LIABILITIES AND FUND BALANCES															
LIABILITIES															
Current liabilities															
Accounts payable	\$ 8	\$ -	\$ 3,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,419	\$ 14,643	\$ -		
Accrued payroll liabilities	-	-	-	-	-	-	317	-	-	167	15,700	-	-		
Due to other funds	-	-	-	59,343	-	-	-	-	-	149	350,602	15,029	-		
Due to other governmental units	-	-	-	8,839	-	-	-	-	-	-	24,079	-	-		
Revenues collected in advance	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total liabilities	8	-	3,970	68,182	-	-	317	-	-	316	431,800	29,672	-		
FUND BALANCES															
Restricted	137,183	121,157	-	-	62,041	16,579	108,604	398,799	6,713	-	-	-	-		
Committed	-	-	-	-	-	-	-	-	-	-	-	-	38,653		
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-		
Unassigned	-	-	(1,637)	-	-	-	-	-	-	-	-	-	-		
Total fund balances	137,183	121,157	(1,637)	-	62,041	16,579	108,604	398,799	6,713	-	-	-	38,653		
Total liabilities and fund balances	\$ 137,191	\$ 121,157	\$ 2,333	\$ 68,182	\$ 62,041	\$ 16,579	\$ 108,921	\$ 398,799	\$ 6,713	\$ 316	\$ 431,800	\$ 29,672	\$ 38,653		

COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2011

	Special Revenue Funds					Debt Service Funds				Capital	Total Nonmajor Governmental Funds	
	Board of County Commissioners											
	Court Service	Impact Fees	Industrial Development Authority	Law Enforcement Special	Law Library	Library Enhancement Grant	Local Housing Assistance	Tourist Development Tax	Road Improvement	Tourist Development		Paving Assess- ments
ASSETS												
Cash	\$ 796,397	\$ 293,296	\$ 601,439	\$ 36,293	\$ 3,196	\$ 386,773	\$ 349,867	\$ 742,203	\$ 1,657,869	\$ -	\$ 2,531	\$ 6,240,069
Accounts receivable	-	-	-	-	-	-	-	9,109	-	-	-	9,109
Due from other funds	9,287	-	1,157	-	-	-	-	-	-	-	384	33,308
Due from other governmental units	21,310	-	-	-	-	-	-	33,888	68,317	-	-	153,187
Interest receivable	-	-	33	-	-	-	-	-	-	-	3	36
Investments	-	-	-	1,454	-	1,375,154	-	-	-	49,386	-	1,425,994
Total assets	\$ 826,994	\$ 293,296	\$ 602,629	\$ 37,747	\$ 3,196	\$ 1,761,927	\$ 349,867	\$ 785,200	\$ 1,726,186	\$ 49,386	\$ 2,918	\$ 7,861,703
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Current liabilities												
Accounts payable	\$ 4,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,630
Accrued payroll liabilities	-	-	-	-	-	-	-	-	-	-	-	16,184
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	425,123
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	32,918
Revenues collected in advance	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	4,590	-	-	-	-	-	-	-	-	-	-	538,855
FUND BALANCES												
Restricted	-	293,296	-	37,747	3,196	1,761,927	349,867	785,200	-	49,386	-	4,131,695
Committed	-	-	-	-	-	-	-	-	-	-	-	38,653
Assigned	822,404	-	602,629	-	-	-	-	-	1,726,186	-	2,918	3,154,137
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(1,637)
Total fund balances	822,404	293,296	602,629	37,747	3,196	1,761,927	349,867	785,200	1,726,186	49,386	2,918	7,322,848
Total liabilities and fund balances	\$ 826,994	\$ 293,296	\$ 602,629	\$ 37,747	\$ 3,196	\$ 1,761,927	\$ 349,867	\$ 785,200	\$ 1,726,186	\$ 49,386	\$ 2,918	\$ 7,861,703

COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

September 30, 2011

	Special Revenue Funds							Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds	
	Board of County Commissioners											
	Court Service	Impact Fees	Industrial Development Authority	Law Enforcement Special	Law Library	Library Enhancement Grant	Local Housing Assistance	Tourist Development Tax	Road Improvement	Tourist Development		Paving Assess- ments
REVENUES												
Taxes	\$ 217,027	\$ -	\$ 298,042	\$ -	\$ -	\$ -	\$ -	\$ 493,204	\$ 789,337	\$ -	\$ -	\$ 1,797,610
Licenses, permits, assessments	-	-	-	-	-	-	-	-	-	-	3,998	3,998
Intergovernmental revenue	-	-	-	-	-	594,162	350,000	20,118	-	-	-	1,130,111
Charges for services	141,298	-	-	-	-	-	-	10,000	-	-	-	2,137,690
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	181,531
Interest income	774	173	747	41	-	1,281	607	704	1,250	63	3	10,200
Miscellaneous	-	-	1,300	-	-	25	800	30,823	-	-	-	167,568
Total revenues	359,099	173	300,089	41	-	595,468	351,407	554,849	790,587	63	4,001	5,428,708
EXPENDITURES												
Current Expenditures												
General government	17,000	-	5,949	-	175	-	-	-	-	-	-	3,389,379
Public safety	-	-	-	-	-	-	-	-	-	-	-	307,857
Economic environment	-	-	265,085	-	-	-	287,083	373,514	-	-	-	960,354
Culture/recreation	-	-	-	-	-	722,301	-	-	-	-	-	722,301
Court -related	233,557	-	-	-	-	-	-	-	-	-	-	481,293
Capital outlay												
General government	-	-	-	-	-	-	-	-	-	-	-	39,959
Public safety	-	-	-	-	-	-	-	-	-	-	-	88,648
Culture/recreation	-	-	-	-	-	10,543	-	15,000	-	-	-	25,543
Court -related	-	-	-	-	-	-	-	-	-	-	-	1,425
Debt service												
Principal	-	-	-	-	-	-	-	-	-	-	-	9,660
Interest	-	-	-	-	-	-	-	-	-	-	-	2,340
Total expenditures	250,557	-	271,034	-	175	732,844	287,083	388,514	-	-	-	6,028,759
Excess of revenues over (under) expenditures	108,542	173	29,055	41	(175)	(137,376)	64,324	166,335	790,587	63	4,001	(600,051)
OTHER FINANCING SOURCES (USES)												
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Interfund transfers in	-	-	-	-	-	-	-	-	-	-	380,000	2,049,313
Interfund transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	380,000	2,049,313
Net change in fund balances	108,542	173	29,055	41	(175)	(137,376)	64,324	166,335	790,587	63	384,001	1,449,262
Fund balances beginning of year	713,862	293,123	573,574	37,706	3,371	1,899,303	285,543	618,865	935,599	49,323	(381,083)	5,873,586
Fund balances end of year	\$ 822,404	\$ 293,296	\$ 602,629	\$ 37,747	\$ 3,196	\$ 1,761,927	\$ 349,867	\$ 785,200	\$ 1,726,186	\$ 49,386	\$ 2,918	\$ 7,322,848

COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

September 30, 2011

	Special Revenue Funds												
	Clerk of Courts			Property Appraiser	Sheriff					Supervisor of Elections	Tax Collector	Community Development	
	Public Records Modernization	Reserved	Teen Court	Operating	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Operating	Operating	Block Grant	Court Reporters
	Trust	10%											
REVENUES													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, assessments	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	1,750	-	-	16,829	-	34,672	112,580	-
Charges for services	70,552	-	31,243	154,670	-	-	200,000	-	6,302	-	1,523,625	-	-
Fines and forfeitures	-	122,523	-	-	19,605	7,038	-	32,365	-	-	-	-	-
Interest income	-	-	-	1,002	130	28	258	1,133	5	-	2,001	-	-
Miscellaneous	-	-	-	3,002	661	-	100,418	-	-	23,541	6,998	-	-
Total revenues	70,552	122,523	31,243	158,674	20,396	8,816	300,676	33,498	6,307	40,370	1,532,624	34,672	112,580
EXPENDITURES													
Current Expenditures													
General government	17,233	-	-	1,198,581	-	-	-	-	-	631,336	1,519,105	-	-
Public safety	-	-	-	-	6,004	36	268,468	32,649	700	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	34,672	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Court - related	6,953	110,266	25,386	-	-	-	-	-	-	-	-	-	105,131
Capital outlay													
General government	-	-	-	26,440	-	-	-	-	-	-	13,519	-	-
Public safety	-	-	-	-	-	-	10,866	77,782	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Court - related	1,425	-	-	-	-	-	-	-	-	-	-	-	-
Debt service													
Principal	-	-	-	-	-	-	-	-	-	9,660	-	-	-
Interest	-	-	-	-	-	-	-	-	-	2,340	-	-	-
Total expenditures	25,611	110,266	25,386	1,225,021	6,004	36	279,334	110,431	700	643,336	1,532,624	34,672	105,131
Excess of revenues over (under) expenditures	44,941	12,257	5,857	(1,066,347)	14,392	8,780	21,342	(76,933)	5,607	(602,966)	-	-	7,449
OTHER FINANCING SOURCES (USES)													
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund transfers in	-	-	-	1,066,347	-	-	-	-	-	602,966	-	-	-
Interfund transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,066,347	-	-	-	-	-	602,966	-	-	-
Net change in fund balances	44,941	12,257	5,857	-	14,392	8,780	21,342	(76,933)	5,607	-	-	-	7,449
Fund balances beginning of year	92,242	108,900	(7,494)	-	47,649	7,799	87,262	475,732	1,106	-	-	-	31,204
Fund balances end of year	\$ 137,183	\$ 121,157	\$ (1,637)	\$ -	\$ 62,041	\$ 16,579	\$ 108,604	\$ 398,799	\$ 6,713	\$ -	\$ -	\$ -	\$ 38,653

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 basic financial statements of Columbia County, Florida (the County), as of and for the year ended September 30, 2011, and have issued our report thereon dated June 19, 2012. 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.

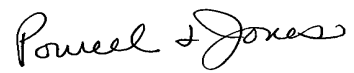
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Columbia County in a separate letter dated June 19, 2012, on pages 82 - 84.

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

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

POWELL & JONES
Certified Public Accountants
June 19, 2012

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, 2011. 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, 2011.

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

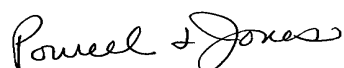
compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

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, 2011, and have issued our report thereon dated April 14, 2011. 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 19, 2012

COLUMBIA COUNTY FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 For The Fiscal Year Ended September 30, 2011

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEAR	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2011
FEDERAL AWARDS								
<i>MAJOR PROGRAMS</i>								
<i>US Department of Justice</i>								
<i>passed through the Florida Department of Law Enforcement</i>								
E. Byrne Memorial Justice Assistance Grant/Recovery Act Funds	16.738	2009-SB-B9-0414	\$ 103,855	\$ 2,662	\$ 101,193	\$ 69,923	\$ 69,923	\$ 31,270
E. Byrne Memorial Justice Assistance Grant/MJTF JAG	16.738	2010-JAGC-COLU-2-B2-076	56,458	-	-	56,458	56,458	-
E. Byrne Memorial Justice Assistance Grant/JAG Equipment	16.738	2011-DJ-BX-3013	17,433	-	-	17,433	17,433	-
E. Byrne Memorial Justice Assistance Grant/Communications & Safety Enhancement	16.738	2010-DJ-BX-0946	22,765	-	-	22,765	22,765	-
			<u>200,511</u>	<u>2,662</u>	<u>101,193</u>	<u>166,579</u>	<u>166,579</u>	<u>31,270</u>
<i>Total major programs</i>			<u>200,511</u>	<u>2,662</u>	<u>101,193</u>	<u>166,579</u>	<u>166,579</u>	<u>31,270</u>
<i>NONMAJOR PROGRAMS</i>								
<i>Department of Housing and Urban Development</i>								
<i>passed through Florida Department of Community Affairs</i>								
Small Cities Community Development Block Grant	14.228	11DB-L4-03-22-01-H-20	750,000	-	-	34,672	34,672	-
			<u>750,000</u>	<u>-</u>	<u>-</u>	<u>34,672</u>	<u>34,672</u>	<u>-</u>
<i>US Drug Enforcement Administration</i>								
<i>passed through the Office of Agricultural Law Enforcement</i>								
Domestic Marijuana Eradication Program	16.004	N/A	1,750	-	-	1,750	1,750	-
			<u>1,750</u>	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>
<i>US Department of Justice</i>								
<i>passed through the Florida Department of Children and Families</i>								
Stop Violence Against Women Grant	16.588	LN917	84,262	-	-	21,065	21,065	-
Stop Violence Against Women Grant	16.588	LN917	67,769	16,941	-	50,828	45,383	-
			<u>152,031</u>	<u>16,941</u>	<u>-</u>	<u>71,893</u>	<u>66,448</u>	<u>-</u>
<i>passed through the Bureau of Justice Assistance</i>								
Bulletproof Vest Grant	16.607	FY2010	4,877	-	-	4,877	4,877	-
<i>Total US Department of Justice</i>			<u>156,908</u>	<u>16,941</u>	<u>-</u>	<u>76,770</u>	<u>71,325</u>	<u>-</u>
<i>General Services Administration</i>								
<i>passed through the State of Florida Division of Elections</i>								
Election Reform Payments/Voter Education	39.011	FY 2009-2010	6,805	2,184	4,621	4,621	4,621	-
<i>Federal Environmental Protection Agency</i>								
<i>passed through Florida Department of Environmental Protection</i>								
Capitalization Grant for Clean Water State Revolving Funds	66.458	WW74202P	755,809	536,867	-	-	-	-
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DW1201010	761,266	538,950	-	-	-	-
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DW120400	1,172,656	999,178	-	123,261	123,261	-
			<u>2,689,731</u>	<u>2,074,995</u>	<u>-</u>	<u>123,261</u>	<u>123,261</u>	<u>-</u>
<i>Help America Vote Act</i>								
<i>passed through the State of Florida Division of Elections</i>								
Voting Systems Assistance/Pollworker Recruitment	90.401	FY 2008-2009	9,371	3,968	5,403	5,403	5,403	-
Federal Elections Activities Grant	90.401	FY 2010-2011	6,805	-	-	6,805	6,805	-
			<u>16,176</u>	<u>3,968</u>	<u>5,403</u>	<u>12,208</u>	<u>12,208</u>	<u>-</u>
<i>US Department of Health and Human Services</i>								
<i>passed through the Florida Department of Revenue</i>								
Title IV-D Grant	93.563	FY 2010/2011	89,941	-	-	89,941	89,941	-
			<u>89,941</u>	<u>-</u>	<u>-</u>	<u>89,941</u>	<u>89,941</u>	<u>-</u>
<i>US Department of Homeland Security</i>								
<i>passed through the Florida Department of Community Affairs</i>								
Emergency Management Performance Grant	97.042	11-FG-7W-03-22-01-031	45,923	-	-	11,084	11,084	-
Training Exercise Grant	97.067	10-DS-39-03-22-01-299	25,000	-	-	25,000	25,000	-
			<u>70,923</u>	<u>-</u>	<u>-</u>	<u>36,084</u>	<u>36,084</u>	<u>-</u>
<i>Total nonmajor programs</i>			<u>3,782,234</u>	<u>2,098,088</u>	<u>10,024</u>	<u>379,307</u>	<u>373,862</u>	<u>-</u>
<i>Total federal awards</i>			<u>\$ 3,982,745</u>	<u>\$ 2,100,750</u>	<u>\$ 111,217</u>	<u>\$ 545,886</u>	<u>\$ 540,441</u>	<u>\$ 31,270</u>

COLUMBIA COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2011

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEAR	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2011
STATE FINANCIAL ASSISTANCE								
<i>MAJOR PROGRAMS</i>								
<i>Department of State</i>								
<i>Division of Library Information Services</i>								
State Aid to Libraries Operating/Equalization Grant	45.030	10-ST-13	\$ 502,468	\$ 177,515	\$ 324,953	\$ -	\$ 324,953	\$ -
State Aid to Libraries Operating/Equalization Grant	45.030	11-ST-13	594,062	-	-	594,062	169,349	424,713
			<u>1,096,530</u>	<u>177,515</u>	<u>324,953</u>	<u>594,062</u>	<u>494,302</u>	<u>424,713</u>
<i>Florida Department of Transportation</i>								
County Incentive Grant/Bascom Norris Road	55.008	4068139-54-01/A0900	2,826,000	1,524,942	-	-	-	-
Small County Road Assistance Program/SCRAP Junction-Centerville	55.016	424021-1-58-01	900,000	-	-	771,461	771,461	-
Small County Road Assistance Program/SCRAP White Springs	55.016	428994-1-58-01	423,706	-	-	423,706	423,706	-
			<u>4,149,706</u>	<u>1,524,942</u>	<u>-</u>	<u>1,195,167</u>	<u>1,195,167</u>	<u>-</u>
<i>Total major programs</i>			<u>5,246,236</u>	<u>1,702,457</u>	<u>324,953</u>	<u>1,789,229</u>	<u>1,689,469</u>	<u>424,713</u>
<i>NONMAJOR PROGRAMS:</i>								
<i>Office of the Governor</i>								
Economic Development Transportation Trust Grant (EDTF)	31.002	06-00123	440,000	296,579	-	-	-	-
Rural Infrastructure Grant	31.030	0T-09-144	300,000	-	-	33,106	33,106	-
			<u>740,000</u>	<u>296,579</u>	<u>-</u>	<u>33,106</u>	<u>33,106</u>	<u>-</u>
<i>Department of Environmental Protection</i>								
Small County Solid Waste Grant Agreement	37.012	104SC	70,588	-	-	70,588	70,588	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP6025	1,200,000	406,139	-	311,195	311,195	-
			<u>1,270,588</u>	<u>406,139</u>	<u>-</u>	<u>381,783</u>	<u>381,783</u>	<u>-</u>
<i>Department of Agriculture and Consumer Services</i>								
Arthropod Mosquito Control State Aid	42.003	FDACS Contract #16041	41,166	-	-	41,166	41,166	-
<i>Department of Community Affairs</i>								
Emergency Management Performance Grant/MATCH	52.008	11-BG-05-03-22-01-131	75,843	-	-	49,828	49,828	-
Residential Construction Mitigation Project/Hurricane Loss Mitigation	52.016	11RC-62-03-22-01-410	45,200	-	-	45,200	45,200	-
			<u>121,043</u>	<u>-</u>	<u>-</u>	<u>95,028</u>	<u>95,028</u>	<u>-</u>
<i>State Housing Initiatives Program</i>								
SHIP Funds 2010	52.901	FY 2009/10	350,000	141,578	208,422	-	208,422	-
SHIP Funds 2011	52.901	FY 2010/11	350,000	-	-	350,000	49,825	300,175
			<u>700,000</u>	<u>141,578</u>	<u>208,422</u>	<u>350,000</u>	<u>258,247</u>	<u>300,175</u>
<i>Department of Health</i>								
Emergency Medical Services County Grant Program	64.003	C7012	75,306	22,474	52,832	-	-	52,832
<i>Florida Department of Law Enforcement</i>								
Regional Drug Enforcement Strike Force Grant	N/A	N/A	107,101	-	-	-	-	107,101
<i>Florida E911 Board</i>								
State Grant Summer Program Award	N/A	S4-11-07-25	7,702	-	-	7,702	7,702	-
<i>Total nonmajor programs</i>			<u>3,062,906</u>	<u>866,770</u>	<u>261,254</u>	<u>908,785</u>	<u>817,032</u>	<u>460,108</u>
<i>Total state financial assistance</i>			<u>\$ 8,309,142</u>	<u>\$ 2,569,227</u>	<u>\$ 586,207</u>	<u>\$ 2,698,014</u>	<u>\$ 2,506,501</u>	<u>\$ 884,821</u>

COLUMBIA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2011

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, 2011

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
--	----

Identification of major programs:

CFDA Number

16.738

Name of Federal Programs

U.S. Department of Justice
 E. Byrne Memorial Justice Assistant Grants

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

Auditee qualified as low-risk auditee?	Yes
--	-----

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

COLUMBIA COUNTY, FLORIDA
 SCHEDULE OF FINDINGS
 For the Fiscal Year Ended September 30, 2011

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, <i>Rules of the Auditor General</i> ?	No
---	----

CSEA Number

55.008
 55.016
 45.030

Name of State Programs

County Incentive Grant
 Small County Road Assistance Program
 State Aid to Libraries Operating/
 Equalization Grant

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 the Columbia County, Florida, as of and for the year ended September 30, 2011, and have issued our report thereon dated June 19, 2012.

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 19, 2012, 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

2010-1

Cash Receipts – From our testing of selected cash receipts in the prior and current years, we found several instances where receipts from the Building Department were deposited several days after being received. To increase internal control and custody over cash receipts we again recommend that these receipts be deposited daily if possible and always by the end of each work week.

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

CURRENT YEAR FINDINGS

2011-1

Incompatible Accounting Duties – The County Finance Director currently makes the bank deposits, prepares the monthly bank reconciliations and records revenue in the general ledger. This condition creates incompatible accounting duties and causes an inherent weakness in internal control over these activities. To strengthen internal controls, we recommend that another responsible employee prepare and make bank deposits and another enter revenues into the general ledger. The County Finance Director would then preaudit these transactions through the monthly bank reconciliation process.

2011-2

Disbursements and Payroll Journals – The accounting software currently prepares detail journals of the biweekly payrolls and periodic disbursement runs prior to the related checks being processed. From our review of these journals, it was not evident that a supervisory person from the Finance Department had reviewed and approved the journals prior to processing the payments. To improve internal control over these transactions, we recommend that the County Finance Director or his designee perform this function on all payroll and disbursement journals or equivalent internal reports.

2011-3

Utilities Accounts Receivable – During the year the Board began billing for water and wastewater services. From our review of these billings, we could not find documentation where adjustments to accounts were reviewed and approved by a supervisory position. To increase internal control over this operation, we recommend that all adjustments to customer billings be documented and approved by a supervisor or other responsible party.

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

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

CURRENT YEAR FINDINGS

There were no additional reportable findings in the current year.

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, 2011.

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, 2011, 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 19, 2012

CLERK OF THE CIRCUIT COURT
COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT
 ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 31, 2011

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Powell & Jones
Certified Public Accountants

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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 31, 2011, 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 31, 2011, 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 6, 2012, 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 6, 2012

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 COMBINED BALANCE SHEET - ALL FUND TYPES
 September 30, 2011

	Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Agency Funds	
ASSETS				
Current assets				
Cash	\$ 21,330	\$ 242,986	\$ 922,756	\$ 1,187,072
Accounts receivable	-	-	13,316	13,316
Due from other funds	19,178	17,695	-	36,873
Due from other governmental units	5,267	-	-	5,267
Total assets	\$ 45,775	\$ 260,681	\$ 936,072	\$ 1,242,528
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 5,644	\$ 3,978	\$ -	\$ 9,622
Due to individuals	-	-	409,513	409,513
Due to other funds	-	-	36,873	36,873
Due to Board of County Commissioners	917	-	39,172	40,089
Due to other governmental units	39,214	-	288,172	327,386
Deposits	-	-	122,684	122,684
Other current liabilities	-	-	39,658	39,658
Total liabilities	\$ 45,775	\$ 3,978	\$ 936,072	\$ 985,825
FUND BALANCES				
Undesignated	-	256,703	-	256,703
Total liabilities and fund balance	\$ 45,775	\$ 260,681	\$ 936,072	\$ 1,242,528

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES
 For the Fiscal Year Ended September 30, 2011

	General Fund	Special Revenue Funds	Totals (Memorandum Only)
REVENUES			
Intergovernmental	\$ 1,422,895	\$ -	\$ 1,422,895
Charges for services	202,194	224,320	426,514
Total revenues	<u>1,625,089</u>	<u>224,320</u>	<u>1,849,409</u>
EXPENDITURES			
Current expenditures			
General government	941,882	16,420	958,302
Court related	1,022,885	143,417	1,166,302
Capital outlay			
General government	6,248	-	6,248
Court related	-	1,425	1,425
Total expenditures	<u>1,971,015</u>	<u>161,262</u>	<u>2,132,277</u>
Excess of revenues over (under) expenditures	<u>(345,926)</u>	<u>63,058</u>	<u>(282,868)</u>
OTHER FINANCING SOURCES (USES)			
Transfer from Board of County Commissioners	345,926	-	345,926
Total other financing sources (uses)	<u>345,926</u>	<u>-</u>	<u>345,926</u>
Net change in fund balances	-	63,058	63,058
Fund balances at beginning of year	-	193,645	193,645
Fund balances at end of year	<u>\$ -</u>	<u>\$ 256,703</u>	<u>\$ 256,703</u>

COLUMBIA COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 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, 2011

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental	\$ 1,410,560	\$ 1,422,895	\$ 12,335	\$ -	\$ -	\$ -
Charges for services	245,050	202,194	(42,856)	220,000	224,320	4,320
Total revenues	<u>1,655,610</u>	<u>1,625,089</u>	<u>(30,521)</u>	<u>220,000</u>	<u>224,320</u>	<u>4,320</u>
EXPENDITURES						
Current expenditures						
General government	926,720	941,882	(15,162)	18,000	16,420	1,580
Court related	1,068,072	1,022,885	45,187	151,000	143,417	7,583
Capital outlay						
General government	-	6,248	(6,248)	-	-	-
Court related	-	-	-	1,500	1,425	75
Total expenditures	<u>1,994,792</u>	<u>1,971,015</u>	<u>23,777</u>	<u>170,500</u>	<u>161,262</u>	<u>9,238</u>
Excess of revenues over (under) expenditures	<u>(339,182)</u>	<u>(345,926)</u>	<u>6,744</u>	<u>49,500</u>	<u>63,058</u>	<u>13,558</u>
OTHER FINANCING SOURCES (USES)						
Transfers from Board of County Commissioners	339,182	345,926	6,744	-	-	-
Total other financing sources (uses)	<u>339,182</u>	<u>345,926</u>	<u>6,744</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	49,500	63,058	13,558
Fund balance at beginning of year	-	-	-	193,645	193,645	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,145</u>	<u>\$ 256,703</u>	<u>\$ 13,558</u>

COLUMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS

September 31, 2011

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 31, 2011, 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.

- Trust
Employee Sunshine Fund

Domestic Relations
Jury and Witness
Public Defender Occupancy 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 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, 2011, the book balance of the Clerk's deposits was \$1,187,072. The bank balance was \$1,316,956. 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, \$100,614, 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 non-contributory through June 30, 2011. Effective July 2011, employees are required to contribute 3% of their gross wages. The Clerk is required to contribute at an actuarially determined rate. The rates at September 30, 2011 were as follows: Regular Employees 4.91%; Senior Management 6.27%; Elected Officials 11.14%, and employees electing the DROP Program 4.42%. 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 31, 2011, 2010 and 2009 were \$151,985, \$163,101, and \$173,477 respectively, equal to the required contributions for each year.

NOTE 4. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 31, 2011, were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 19,178	\$ -
Reserved 10% Fines	9,543	-
Public Records Modernization Trust	5,992	-
Teen Court Trust	2,160	-
	-	36,873
	<u>\$ 36,873</u>	<u>\$ 36,873</u>

NOTE 5. RELATED PARTY TRANSACTIONS

The Clerk's office utilizes a collection service in which a relative of the Clerk has a management position. 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 \$66,716 for the year ended September 30, 2011 from a total of \$166,789 in delinquent collections.

NOTE 6. 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 \$14,110. Future minimum lease payments for these leases are as follows:

Year Ending September 30,	Minimum Lease Payments
2012	\$ 9,996
2013	10,602
2014	9,525
2015	5,978
2016	2,504
Thereafter	1,043
	<u>\$ 39,648</u>

NOTE 7. FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing body. Commitments may be established, modified, or rescinded only through resolutions approved by the governing body.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of amounts for specific purposes is approved by the Clerk.

Unassigned - all other spendable amounts.

Fund balances with restrictions are as follows at September 30, 2011:

	Classification					Total
	Nonspendable	Restricted	Committed	Assigned	Unassigned	
Public Records						
Modernization Trust	\$ -	\$ 137,183	\$ -	\$ -	\$ -	\$ 137,183
Teen Court	-	-	-	-	(1,637)	(1,637)
Reserved 10% Fines	-	121,157	-	-	-	121,157
	<u>\$ -</u>	<u>\$ 258,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,637)</u>	<u>\$ 256,703</u>

NOTE 8. FUND EQUITY DEFICITS

The following governmental fund had a deficit in fund balances at September 30, 2011:

Teen Court	<u>\$ (1,637)</u>
Total	<u>\$ (1,637)</u>

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS

GENERAL FUND

COLUMBIA COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 GENERAL FUND
 BALANCE SHEET
 September 30, 2011

ASSETS	
Current assets	
Cash	\$ 21,330
Due from other funds	19,178
Due from other governmental units	<u>5,267</u>
Total assets	<u><u>\$ 45,775</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Current liabilities	
Accounts payable	\$ 5,644
Due to Board of County Commissioners	917
Due to other governmental units	<u>39,214</u>
Total liabilities	<u>45,775</u>
FUND BALANCE	
	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 45,775</u></u>

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, 2011

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue				
Federal grants				
IV - D grant	\$ 90,000	\$ 90,000	\$ 143,933	\$ 53,933
State grants				
State Court reimbursement	1,320,560	1,320,560	1,278,962	(41,598)
Total intergovernmental revenue	<u>1,410,560</u>	<u>1,410,560</u>	<u>1,422,895</u>	<u>12,335</u>
Charges for services				
General government				
Noncourt related charges				
Recording	145,050	145,050	122,055	(22,995)
Documentary stamp commissions	7,000	7,000	5,815	(1,185)
Marriage licenses fees and charges	20,000	20,000	19,233	(767)
Passports	25,000	25,000	20,125	(4,875)
Copies	25,000	25,000	20,942	(4,058)
Other charges	23,000	23,000	14,024	(8,976)
Total charges for services	<u>245,050</u>	<u>245,050</u>	<u>202,194</u>	<u>(42,856)</u>
Total revenues	<u>1,655,610</u>	<u>1,655,610</u>	<u>1,625,089</u>	<u>(30,521)</u>
EXPENDITURES				
Board of County Commissioners				
Personal services	302,138	302,138	304,161	(2,023)
Operating expenses	1,800	1,800	517	1,283
Capital outlay	-	-	500	(500)
Total Board of County Commissioners	<u>303,938</u>	<u>303,938</u>	<u>305,178</u>	<u>(1,240)</u>
Other general government				
Personal services	288,821	288,821	248,065	40,756
Operating expenses	18,000	18,000	70,227	(52,227)
Capital outlay	-	-	5,748	(5,748)
Total other general government	<u>306,821</u>	<u>306,821</u>	<u>324,040</u>	<u>(17,219)</u>
Clerk administration				
Personal services	247,193	247,193	249,989	(2,796)
Operating expenses	5,295	5,295	6,088	(793)
Total Clerk administration	<u>252,488</u>	<u>252,488</u>	<u>256,077</u>	<u>(3,589)</u>

(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, 2011

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Jury Management				
Personal services	\$ 32,205	\$ 32,205	\$ 32,444	\$ (239)
Operating expenses	6,096	6,096	1,327	4,769
Total jury management	<u>38,301</u>	<u>38,301</u>	<u>33,771</u>	<u>4,530</u>
Circuit Criminal				
Personal services	208,414	208,414	179,741	28,673
Operating expenses	8,539	8,539	5,532	3,007
Total circuit criminal	<u>216,953</u>	<u>216,953</u>	<u>185,273</u>	<u>31,680</u>
Circuit Civil				
Personal services	110,231	110,231	95,280	14,951
Operating expenses	4,422	4,422	3,133	1,289
Total circuit civil	<u>114,653</u>	<u>114,653</u>	<u>98,413</u>	<u>16,240</u>
Foreclosure				
Personal services	8,698	8,698	7,936	(5,862)
Total foreclosure	<u>8,698</u>	<u>8,698</u>	<u>7,936</u>	<u>(5,862)</u>
Circuit Family				
Personal services	109,168	109,168	112,683	(3,515)
Operating expenses	6,614	6,614	2,899	3,715
Total circuit family	<u>115,782</u>	<u>115,782</u>	<u>115,582</u>	<u>200</u>
Circuit Juvenile				
Personal services	58,717	58,717	57,068	1,649
Operating expenses	2,440	2,440	1,438	1,002
Total circuit juvenile	<u>61,157</u>	<u>61,157</u>	<u>58,506</u>	<u>2,651</u>
Circuit Probate				
Personal services	35,287	35,287	40,138	(4,851)
Operating expenses	1,626	1,626	1,229	397
Total circuit probate	<u>36,913</u>	<u>36,913</u>	<u>41,367</u>	<u>(4,454)</u>
Information Technology				
Personal services	62,473	62,473	61,486	987
Operating expenses	1,000	1,000	1,349	(349)
Total information technology	<u>63,473</u>	<u>63,473</u>	<u>62,835</u>	<u>638</u>

(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, 2011

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
County Criminal				
Personal services	\$ 190,702	\$ 190,702	\$ 212,356	\$ (21,654)
Operating expenses	8,433	8,433	3,280	5,153
Total county criminal	<u>199,135</u>	<u>199,135</u>	<u>215,636</u>	<u>(16,501)</u>
County Civil				
Personal services	89,528	89,528	92,933	(3,405)
Operating expenses	3,604	3,604	2,543	1,061
Total county civil	<u>93,132</u>	<u>93,132</u>	<u>95,476</u>	<u>(2,344)</u>
County Traffic				
Personal services	175,604	175,604	165,598	10,006
Operating services	7,744	7,744	5,327	2,417
Total county traffic	<u>183,348</u>	<u>183,348</u>	<u>170,925</u>	<u>12,423</u>
Total expenditures	<u>1,994,792</u>	<u>1,994,792</u>	<u>1,971,015</u>	<u>23,777</u>
Excess of revenues over (under) expenditures	<u>(339,182)</u>	<u>(339,182)</u>	<u>(345,926)</u>	<u>(6,744)</u>
Other financing sources				
Transfers from Board of County Commissioners	<u>339,182</u>	<u>339,182</u>	<u>345,926</u>	<u>6,744</u>
Total other financing sources	<u>339,182</u>	<u>339,182</u>	<u>345,926</u>	<u>6,744</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, 2011

	Public Records Modernization Trust	Teen Court	Reserved 10% Fines	Totals
ASSETS				
Current assets				
Cash	\$ 131,199	\$ 173	\$ 111,614	\$ 242,986
Due from other funds	5,992	2,160	9,543	17,695
Total assets	\$ 137,191	\$ 2,333	\$ 121,157	\$ 260,681
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 8	\$ 3,970	\$ -	\$ 3,978
Total liabilities	8	3,970	-	3,978
FUND BALANCES				
Undesignated	137,183	(1,637)	121,157	256,703
Total liabilities and fund balances	\$ 137,191	\$ 2,333	\$ 121,157	\$ 260,681

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2011

	Public Records Modernization Trust	Teen Court	Reserved 10% Fines	Totals
REVENUES				
Charges for services				
General Government				
Recording of legal instruments	\$ 70,553	\$ -	\$ 122,524	\$ 193,077
Court related	-	31,243	-	31,243
Total revenues	<u>70,553</u>	<u>31,243</u>	<u>122,524</u>	<u>224,320</u>
EXPENDITURES				
General Government				
Financial and administrative				
Operating expenses	16,420	-	-	16,420
Capital outlay	-	-	-	-
Total general government	<u>16,420</u>	<u>-</u>	<u>-</u>	<u>16,420</u>
Court related				
Judicial				
Operating expenses	7,765	25,386	110,266	143,417
Capital outlay	1,425	-	-	1,425
Total court related	<u>9,190</u>	<u>25,386</u>	<u>110,266</u>	<u>144,842</u>
Total expenditures	<u>25,610</u>	<u>25,386</u>	<u>110,266</u>	<u>161,262</u>
Excess of revenues over (under) expenditures	<u>44,943</u>	<u>5,857</u>	<u>12,258</u>	<u>63,058</u>
Net change in fund balances	44,943	5,857	12,258	63,058
Fund balances at beginning of year	92,240	(7,494)	108,899	193,645
Fund balances at end of year	<u>\$ 137,183</u>	<u>\$ (1,637)</u>	<u>\$ 121,157</u>	<u>\$ 256,703</u>

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 September 30, 2011

	Clerk Trust	Employee Sunshine	Domestic Relations	Jury and Witness	Public Defender Occupancy Trust	Totals
ASSETS						
Cash	\$ 893,506	\$ 1,191	\$ 1,626	\$ 6,395	\$ 20,038	\$ 922,756
Accounts receivable	13,316	-	-	-	-	13,316
Total assets	<u>\$ 906,822</u>	<u>\$ 1,191</u>	<u>\$ 1,626</u>	<u>\$ 6,395</u>	<u>\$ 20,038</u>	<u>\$ 936,072</u>
LIABILITIES						
Due to individuals	\$ 403,118	\$ -	\$ -	\$ 6,395	\$ -	\$ 409,513
Due to other funds	36,873	-	-	-	-	36,873
Due to Board of County Commissioners	39,172	-	-	-	-	39,172
Due to other governmental units	286,546	-	1,626	-	-	288,172
Deposits	122,684	-	-	-	-	122,684
Other current liabilities	18,429	1,191	-	-	20,038	39,658
Total liabilities	<u>\$ 906,822</u>	<u>\$ 1,191</u>	<u>\$ 1,626</u>	<u>\$ 6,395</u>	<u>\$ 20,038</u>	<u>\$ 936,072</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Fiscal Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
TRUST				
ASSETS				
Cash	\$ 967,594	\$ 6,736,373	\$ 6,810,461	\$ 893,506
Accounts Receivable	16,086	8,261	11,031	13,316
Total assets	\$ 983,680	\$ 6,744,634	\$ 6,821,492	\$ 906,822
LIABILITIES				
Due to individuals	\$ 265,434	\$ 544,810	\$ 407,126	\$ 403,118
Due to other funds	47,331	415,625	426,083	36,873
Due to Board of County Commissioners	45,149	460,304	466,281	39,172
Due to other governmental units	518,085	5,066,999	5,298,538	286,546
Deposits	89,162	378,128	344,606	122,684
Other current liabilities	18,519	13,545	13,635	18,429
Total liabilities	\$ 983,680	\$ 6,879,411	\$ 6,956,269	\$ 906,822
EMPLOYEE SUNSHINE FUND				
ASSETS				
Cash	\$ 1,209	\$ 2,169	\$ 2,187	\$ 1,191
Total assets	\$ 1,209	\$ 2,169	\$ 2,187	\$ 1,191
LIABILITIES				
Other current liability	\$ 1,209	\$ 2,169	\$ 2,187	\$ 1,191
Total liabilities	\$ 1,209	\$ 2,169	\$ 2,187	\$ 1,191
DOMESTIC RELATIONS				
ASSETS				
Cash	\$ 1,841	\$ 22,581	\$ 22,796	\$ 1,626
Total assets	\$ 1,841	\$ 22,581	\$ 22,796	\$ 1,626
LIABILITIES				
Due to other governmental units	\$ 1,841	\$ 21,861	\$ 22,076	\$ 1,626
Total liabilities	\$ 1,841	\$ 21,861	\$ 22,076	\$ 1,626
JURY AND WITNESS FUND				
ASSETS				
Cash	\$ 8,185	\$ 13,500	\$ 15,290	\$ 6,395
Total assets	\$ 8,185	\$ 13,500	\$ 15,290	\$ 6,395
LIABILITIES				
Due to individuals	\$ 8,185	\$ 13,500	\$ 15,290	\$ 6,395
Total liabilities	\$ 8,185	\$ 13,500	\$ 15,290	\$ 6,395

(continued)

COLUMBIA COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Fiscal Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
PUBLIC DEFENDER OCCUPANCY TRUST FUND				
ASSETS				
Cash	\$ 18,985	\$ 74,319	\$ 73,266	\$ 20,038
Total assets	<u>\$ 18,985</u>	<u>\$ 74,319</u>	<u>\$ 73,266</u>	<u>\$ 20,038</u>
LIABILITIES				
Other current liability	\$ 18,985	\$ 74,319	\$ 73,266	\$ 20,038
Total liabilities	<u>\$ 18,985</u>	<u>\$ 74,319</u>	<u>\$ 73,266</u>	<u>\$ 20,038</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 997,814	\$ 6,848,942	\$ 6,924,000	\$ 922,756
Accounts Receivable	16,086	8,261	11,031	13,316
Total assets	<u>\$ 1,013,900</u>	<u>\$ 6,857,203</u>	<u>\$ 6,935,031</u>	<u>\$ 936,072</u>
LIABILITIES				
Due to individuals	\$ 273,619	\$ 558,310	\$ 422,416	\$ 409,513
Due to other funds	47,331	415,625	426,083	36,873
Due to Board of County Commissioners	45,149	460,304	466,281	39,172
Due to other governmental units	519,926	5,088,860	5,320,614	288,172
Deposits	89,162	378,128	344,606	122,684
Other current liabilities	38,713	90,033	89,088	39,658
Total liabilities	<u>\$ 1,013,900</u>	<u>\$ 6,991,260</u>	<u>\$ 7,069,088</u>	<u>\$ 936,072</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 Clerk
Columbia County, Florida

We have audited the special purpose fund financial statements of the Columbia County Clerk, as of and for the year ended September 31, 2011, and have issued our report thereon dated June 6, 2012. Our report included a paragraph stating that the Clerk 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.

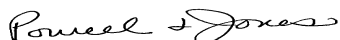
Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbia County Clerk'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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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'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 the Clerk 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 6, 2012

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 31, 2011, and have issued our report thereon dated June 6, 2012. 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 31, 2011. 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.

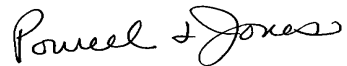
Requirements of Section 28.35, Florida Statutes - For the fiscal year ended September 31, 2011, the Clerk complied with the following:

- 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.

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

POWELL & JONES
Certified Public Accountants
June 6, 2012

PROPERTY APPRAISER

COLUMBIA COUNTY, FLORIDA
PROPERTY APPRAISER
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2011
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Powell & Jones
Certified Public Accountants

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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, 2011, 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, 2011, 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 4, 2012, 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 4, 2012

FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER
GENERAL FUND
BALANCE SHEET
September 30, 2011

ASSETS

Cash	\$ 68,183
Total assets	<u>\$ 68,183</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Current liabilities	
Due to Board of County Commissioners	\$ 59,343
Due to other governmental units	8,840
Total liabilities and fund balance	<u>\$ 68,183</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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services				
General government				
County officer fees				
Columbia County Industrial Development Authority	\$ 4,644	\$ 4,644	\$ 4,228	\$ (416)
Lake Shore Hospital Authority	138,038	138,038	131,104	(6,934)
Suwannee River Water Management District	<u>29,667</u>	<u>29,667</u>	<u>28,177</u>	<u>(1,490)</u>
Total charges for services	<u>172,349</u>	<u>172,349</u>	<u>163,509</u>	<u>(8,840)</u>
Miscellaneous				
Interest earnings	-	-	1,002	1,002
Other miscellaneous	-	-	3,003	3,003
Total miscellaneous	<u>-</u>	<u>-</u>	<u>4,005</u>	<u>4,005</u>
Total revenues	<u>172,349</u>	<u>172,349</u>	<u>167,514</u>	<u>(4,835)</u>
EXPENDITURES				
General government				
Financial and administrative				
Personal services	1,089,332	1,089,332	1,056,073	33,259
Operating expenses	186,657	186,657	142,508	44,149
Capital outlay	<u>3,993</u>	<u>3,993</u>	<u>26,440</u>	<u>(22,447)</u>
Total expenditures	<u>1,279,982</u>	<u>1,279,982</u>	<u>1,225,021</u>	<u>54,961</u>
Excess of revenues over (under) expenditures	(1,107,633)	(1,107,633)	(1,057,507)	50,126
OTHER FINANCING SOURCES				
Transfers from Board of County Commissioners	<u>1,107,633</u>	<u>1,107,633</u>	<u>1,057,507</u>	<u>(50,126)</u>
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, 2011

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, 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, 2011, the book balance of the Property Appraiser's deposits was \$68,183. 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 \$122,171, is reported in the General Long-Term Debt Accounts 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 non-contributory through June 30, 2011. Effective July 1, 2011, employees are required to contribute 3% of their gross wages. The rates at September 30, 2011 were as follows: Regular Employees 4.91%; Senior Management 6.27%; Elected Officials 11.14%. 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, 2011, 2010 and 2009 were \$90,489, \$99,709, and \$95,746, 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:

<u>Year Ending September 30</u>	
2012	\$ 1,512
2013	1,512
2014	1,512
	<u>\$ 4,536</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:

<u>Year Ending September 30</u>	
2012	\$ 2,241
2013	2,241
2014	2,241
2015	187
	<u>\$ 6,910</u>

NOTE 5. MAINTENANCE CONTRACT

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

Year Ending	
<u>September 30</u>	
2012	\$ 7,479
	<u>\$ 7,479</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, 2011, and have issued our report thereon dated June 4, 2012. Our report included a paragraph stating that the Property Appraiser 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.

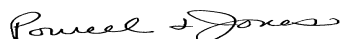
Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Property Appraiser's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but 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 Office's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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



POWELL & JONES
Certified Public Accountants
June 4, 2012

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, 2011, and have issued our report thereon dated June 4, 2012. 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 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, 2011. 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.

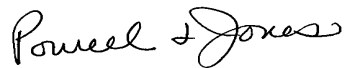
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Property Appraiser had met any of the conditions in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

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 4, 2012

SHERIFF

COLUMBIA COUNTY, FLORIDA

SHERIFF

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011

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COLUMBIA COUNTY, FLORIDA

SHERIFF

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011

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Powell & Jones
Certified Public Accountants

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We have audited the accompanying special purpose financial statements of the Columbia County Sheriff (Sheriff), as of and for the year ended September 30, 2011, 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, 2011, 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 9, 2012, 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

POWELL & JONES
May 9, 2012

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SHERIFF

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

For the Fiscal Year Ended September 30, 2011

	General Fund	Special Revenue Funds	Totals (Memorandum Only)
REVENUES			
Intergovernmental	\$ 240,622	\$ -	\$ 240,622
Charges for services	128,916	206,302	335,218
Fines and forfeitures	-	60,757	60,757
Miscellaneous	24,075	102,810	126,885
Total revenues	<u>393,613</u>	<u>369,869</u>	<u>763,482</u>
EXPENDITURES			
Current expenditures			
Public safety	11,512,268	307,977	11,820,245
Capital outlay			
Public safety	492,146	88,648	580,794
Total expenditures	<u>12,004,414</u>	<u>396,625</u>	<u>12,401,039</u>
Excess of revenues over (under) expenditures	<u>(11,610,801)</u>	<u>(26,756)</u>	<u>(11,637,557)</u>
Other Financing Sources			
Transfers from Board of County Commissioners	11,610,801	-	11,610,801
Total other financing sources	<u>11,610,801</u>	<u>-</u>	<u>11,610,801</u>
Net change in fund balances	-	(26,756)	(26,756)
Fund balances at beginning of year	-	619,548	619,548
Fund balances at end of year	<u>\$ -</u>	<u>\$ 592,792</u>	<u>\$ 592,792</u>

COLUMBIA COUNTY, FLORIDA

SHERIFF
COMBINED BALANCE SHEET
ALL FUND TYPES

September 30, 2011

	Governmental Funds		Fiduciary Fund Types	Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Agency Funds	
ASSETS				
Current assets				
Cash	\$ 976,238	\$ 700,209	\$ 620,465	\$ 2,296,912
Accounts receivable	2,284	-	12,854	15,138
Due from Board of County Commissioners	7,727	-	-	7,727
Due from other governmental units	47,229	-	-	47,229
Total assets	<u>\$ 1,033,478</u>	<u>\$ 700,209</u>	<u>\$ 633,319</u>	<u>\$ 2,367,006</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 441,514	\$ 316	\$ -	\$ 441,830
Accrued liabilities	337,104	-	-	337,104
Due to individuals	-	-	12,957	12,957
Due to Board of County Commissioners	223,589	-	6,522	230,111
Deferred revenue	31,271	107,101	-	138,372
Other current liabilities	-	-	613,840	613,840
Total current liabilities	<u>1,033,478</u>	<u>107,417</u>	<u>633,319</u>	<u>1,774,214</u>
FUND BALANCES				
Fund balances restricted	-	592,792	-	592,792
Total liabilities and fund balances	<u>\$ 1,033,478</u>	<u>\$ 700,209</u>	<u>\$ 633,319</u>	<u>\$ 2,367,006</u>

COLUMBIA COUNTY, FLORIDA

SHERIFF

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

ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended September 30, 2011

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental	\$ 61,109	\$ 240,622	\$ 179,513	\$ -	\$ -	\$ -
Charges for services	-	128,916	128,916	206,302	206,302	-
Fines and forfeitures	-	-	-	60,757	60,757	-
Miscellaneous	-	24,075	24,075	102,810	102,810	-
Total revenue	<u>61,109</u>	<u>393,613</u>	<u>332,504</u>	<u>369,869</u>	<u>369,869</u>	<u>-</u>
EXPENDITURES						
Current expenditures						
Public safety	11,412,295	11,512,268	(99,973)	307,977	307,977	-
Capital outlay						
Public safety	438,623	492,146	(53,523)	88,648	88,648	-
Total expenditures	<u>11,850,918</u>	<u>12,004,414</u>	<u>(153,496)</u>	<u>396,625</u>	<u>396,625</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(11,789,809)</u>	<u>(11,610,801)</u>	<u>179,008</u>	<u>(26,756)</u>	<u>(26,756)</u>	<u>-</u>
Other Financing Sources						
Transfers from Board of County Commissioners	11,789,809	11,610,801	(179,008)	-	-	-
Total other financing sources	<u>11,789,809</u>	<u>11,610,801</u>	<u>(179,008)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	(26,756)	(26,756)	-
Fund balances at beginning of year	-	-	-	619,548	619,548	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 592,792</u>	<u>\$ 592,792</u>	<u>\$ -</u>

COLUMBIA COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

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, 2011, the Sheriff maintained the following Special Revenue Funds:

Minimum Standards School
Forfeiture
Inmate Welfare
Forfeiture - Non Grant
Work Program
Region 2 Drug Strike Force

(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:

- Individual Depositors Trust
- Inmate Trust
- Evidence Trust
- Donation Accounts 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, 2011, the book balance of the Sheriff's deposits were \$2,296,537. The bank balances were \$2,545,911. 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	\$ -	\$ 1,528,496	\$ -	\$ 1,528,496
FDIC Insurance	768,041	-	-	768,041
Total deposits	<u>\$ 768,041</u>	<u>\$ 1,528,496</u>	<u>\$ -</u>	<u>\$ 2,296,537</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, of \$1,097,127, 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 10/01/10	Donations & Other	Additions	Deletions	Balance 09/30/11
Equipment	<u>\$ 5,290,066</u>	<u>\$ 406,225</u>	<u>\$ 580,794</u>	<u>\$ 182,254</u>	<u>\$ 6,094,831</u>

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 through June 30, 2011. Effective July 1, 2011, employees are required to contribute 3% of their gross wages. The Sheriff is required to contribute at an actuarially determined rate. The rates at September 30, 2011 were as follows: Regular Employees 4.91%; Special Risk Employees 14.10%; Senior Management 6.27%; Elected Officials 11.14%, and employees electing the DROP program 4.42%. 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, 2011, 2010 and 2009 were \$1,132,136, \$1,252,809, and \$1,188,580, respectively, which are 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. 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 \$ 66,290. The future minimum payments under these leases at September 30, 2011, are as follows:

<u>Year Ending September 30</u>	<u>Minimum Lease Payment</u>
2012	\$ 45,135
2013	20,740
2014	15,379
2015	6,750
2016	2,670
	<u>\$ 90,674</u>

NOTE 8. FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing body. Commitments may be established, modified, or rescinded only through resolutions approved by the governing body.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of amounts for specific purposes is approved by the Sheriff.

Unassigned - all other spendable amounts.

Fund balances with restrictions are as follows at September 30, 2011:

	Classification					Total
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	
Special Revenue Funds						
Minimum Standards School Forfeiture	\$ -	\$ 62,041	\$ -	\$ -	\$ -	\$ 62,041
Inmate Welfare Forfeiture Nongrant	-	16,579	-	-	-	16,579
Work Program	-	108,605	-	-	-	108,605
Region 2 Strike Force	-	398,799	-	-	-	398,799
	-	6,713	-	-	-	6,713
	-	55	-	-	-	55
	<u>\$ -</u>	<u>\$ 592,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 592,792</u>

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

SHERIFF

GENERAL FUND
BALANCE SHEET

September 30, 2011

ASSETS

Current assets	
Cash	\$ 976,238
Accounts receivable	2,284
Due from Board of County Commissioners	7,727
Due from other governmental units	47,229
Total assets	<u>\$ 1,033,478</u>

LIABILITIES

Liabilities	
Accounts payable	\$ 441,514
Accrued liabilities	337,104
Deferred revenue	31,271
Due to Board of County Commissioners	223,589
Total liabilities	<u>\$ 1,033,478</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, 2011

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue				
Federal grants				
E. Byrne Memorial	\$ -	\$ 61,109	\$ 240,622	\$ 179,513
Charges for Services				
Public safety				
Police services	-	-	128,916	128,916
Miscellaneous				
Other	-	-	24,075	24,075
Total revenues	-	61,109	393,613	332,504
EXPENDITURES				
Administration				
Personal services	875,578	811,752	811,752	-
Operating expenses	154,330	264,462	262,415	2,047
Capital outlay	-	86,423	83,422	3,001
Total administration	1,029,908	1,162,637	1,157,589	5,048
Road Patrol				
Personal services	2,428,480	2,345,172	2,345,172	-
Operating expenses	584,302	622,068	622,068	-
Capital outlay	125,000	295,857	295,857	-
Total road patrol	3,137,782	3,263,097	3,263,097	-
Detective				
Personal services	806,958	868,951	868,951	-
Operating expenses	139,232	139,232	136,913	2,319
Capital outlay	-	9,736	9,736	-
Total Detective	946,190	1,017,919	1,015,600	2,319
Courts Judicial				
Personal services	1,049,461	1,056,832	1,034,467	22,365
Operating expenses	183,386	170,737	167,569	3,168
Capital outlay	-	12,649	12,649	-
Total courts judicial	1,232,847	1,240,218	1,214,685	25,533
Records Evidence				
Personal services	164,972	171,077	171,077	-
Operating expenses	16,992	16,992	16,060	932
Total records evidence	181,964	188,069	187,137	932

(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, 2011

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Communications				
Operating expenses	\$ -	\$ 7,889	\$ 7,889	\$ -
Corrections				
Personal services	2,819,005	2,854,620	2,777,475	77,145
Operating expenses	1,063,379	1,055,700	1,055,632	68
Capital outlay	30,000	30,000	30,000	-
Total corrections	<u>3,912,384</u>	<u>3,940,320</u>	<u>3,863,107</u>	<u>77,213</u>
Sheriff Task Force				
Personal services	282,057	250,533	339,220	(88,687)
Operating expenses	83,630	83,630	85,111	(1,481)
Capital outlay	-	-	28,758	(28,758)
Total Sheriff Task Force	<u>365,687</u>	<u>334,163</u>	<u>453,089</u>	<u>(118,926)</u>
Community Affairs				
Personal services	506,077	490,966	490,966	-
Operating expenses	101,965	114,491	114,491	-
Capital outlay	-	3,214	3,214	-
Total community affairs	<u>608,042</u>	<u>608,671</u>	<u>608,671</u>	<u>-</u>
Bullet Proof Vest				
Operating expenses	-	-	4,877	(4,877)
JAG Grant				
Operating expenses	-	-	18,575	(18,575)
Capital outlay	-	-	21,623	(21,623)
Total JAG grant	<u>-</u>	<u>-</u>	<u>40,198</u>	<u>(40,198)</u>
STOP				
Personal services	39,480	79,173	79,173	-
Operating expenses	-	8,018	8,018	-
Capital outlay	-	744	744	-
Total Stop	<u>39,480</u>	<u>87,935</u>	<u>87,935</u>	<u>-</u>

(Continued)

COLUMBIA COUNTY, FLORIDA

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

	For the Fiscal Year Ended September 30, 2011			Variance With
	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
Networking				
Operating expenses	\$ -	\$ -	\$ 30,618	\$ (30,618)
Recovery Act Grant				
Operating expenses	-	-	63,779	(63,779)
Capital outlay	-	-	6,143	(6,143)
Total Recovery Act Grant	-	-	69,922	(69,922)
Total expenditures	11,454,284	11,850,918	12,004,414	(153,492)
Excess of revenues over (under) expenditures	(11,454,284)	(11,789,809)	(11,610,801)	(179,008)
Other financing sources				
Transfers from the Board of County Commissioners	11,454,284	11,789,809	11,610,801	179,008
Total other financing sources	11,454,284	11,789,809	11,610,801	179,008
Net change in fund balance	-	-	-	-
Fund balance beginning of year	-	-	-	-
Fund balance end of year	\$ -	\$ -	\$ -	\$ -

See notes to financial statements

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS

SPECIAL REVENUE FUND

COLUMBIA COUNTY, FLORIDA

SHERIFF

SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2011

	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Region 2 Strike Force	Totals
ASSETS							
Current Assets							
Cash	\$ 62,041	\$ 16,579	\$ 108,921	\$ 398,799	\$ 6,713	\$ 107,156	\$ 700,209
Total current assets	<u>\$ 62,041</u>	<u>\$ 16,579</u>	<u>\$ 108,921</u>	<u>\$ 398,799</u>	<u>\$ 6,713</u>	<u>\$ 107,156</u>	<u>\$ 700,209</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 316	\$ -	\$ -	\$ -	\$ 316
Deferred revenue	-	-	-	-	-	107,101	107,101
Total liabilities	<u>-</u>	<u>-</u>	<u>316</u>	<u>-</u>	<u>-</u>	<u>107,101</u>	<u>107,417</u>
FUND BALANCES - Restricted	62,041	16,579	108,605	398,799	6,713	55	592,792
Total liabilities and fund balances	<u>\$ 62,041</u>	<u>\$ 16,579</u>	<u>\$ 108,921</u>	<u>\$ 398,799</u>	<u>\$ 6,713</u>	<u>\$ 107,156</u>	<u>\$ 700,209</u>

COLUMBIA COUNTY, FLORIDA

SHERIFF

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the Fiscal Year Ended September 30, 2011

	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Region 2 Strike Force	Totals
REVENUES							
Charges for services							
Public Safety							
Other public safety charges	\$ -	\$ -	\$ 200,000	\$ -	\$ 6,302	\$ -	\$ 206,302
Fines and forfeitures							
Court cases							
Confiscated property and restitution	-	8,788	-	32,365	-	-	41,153
Law enforcement education	19,604	-	-	-	-	-	19,604
Total fines and forfeitures	19,604	8,788	-	32,365	-	-	60,757
Miscellaneous							
Interest	130	28	258	1,133	5	26	1,580
Other miscellaneous							
Commissions	-	-	99,982	-	-	-	99,982
Other	662	-	436	-	-	150	1,248
Total miscellaneous	792	28	100,676	1,133	5	176	102,810
Total revenues	20,396	8,816	300,676	33,498	6,307	176	369,869
EXPENDITURES							
Public Safety							
Law enforcement							
Operating expenses	6,004	36	-	32,649	700	121	39,510
Capital outlay	-	-	-	77,782	-	-	77,782
Total law enforcement	6,004	36	-	110,431	700	121	117,292
Detention and correction							
Personal services	-	-	16,788	-	-	-	16,788
Operating expenses	-	-	251,679	-	-	-	251,679
Capital outlay	-	-	10,866	-	-	-	10,866
Total detention and correction	-	-	279,333	-	-	-	279,333
Total expenditures	6,004	36	279,333	110,431	700	121	396,625

(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, 2011

	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Region 2 Strike Force	Totals
Excess of revenues over (under) expenditures	\$ 14,392	\$ 8,780	\$ 21,343	\$ (76,933)	\$ 5,607	\$ 55	\$ (26,756)
Net change in fund balances	14,392	8,780	21,343	(76,933)	5,607	55	(26,756)
Fund balances beginning of year	47,649	7,799	87,262	475,732	1,106	-	619,548
Fund balances end of year	<u>\$ 62,041</u>	<u>\$ 16,579</u>	<u>\$ 108,605</u>	<u>\$ 398,799</u>	<u>\$ 6,713</u>	<u>\$ 55</u>	<u>\$ 592,792</u>

See notes to financial statements

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

AGENCY FUNDS
COMBINING BALANCE SHEET

September 30, 2011

	Individual Depositors	Inmate Trust	Evidence Trust	Donations Trust	Totals
ASSETS					
Current assets					
Cash	\$ 6,522	\$ 532,061	\$ 63,841	\$ 18,041	\$ 620,465
Accounts receivable	-	12,854	-	-	12,854
Total current assets	<u>\$ 6,522</u>	<u>\$ 544,915</u>	<u>\$ 63,841</u>	<u>\$ 18,041</u>	<u>\$ 633,319</u>
LIABILITIES					
Current liabilities					
Due to individuals	\$ -	\$ 12,957	\$ -	\$ -	\$ 12,957
Due to Board of County Commissioners	6,522	-	-	-	6,522
Other current liabilities	-	531,958	63,841	18,041	613,840
Total current liabilities	<u>\$ 6,522</u>	<u>\$ 544,915</u>	<u>\$ 63,841</u>	<u>\$ 18,041</u>	<u>\$ 633,319</u>

COLUMBIA COUNTY, FLORIDA

SHERIFF

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2011

	Balance Oct. 1, 2010	Additions	Deletions	Balance Sept. 30, 2011
INMATE TRUST				
ASSETS				
Cash	\$ 457,681	\$ 467,762	\$ 393,382	\$ 532,061
Due from individuals	9,594	4,444	1,184	12,854
Total assets	\$ 467,275	\$ 472,206	\$ 394,566	\$ 544,915
LIABILITIES				
Due to individuals	\$ 157,560	\$ 249,963	\$ 394,566	\$ 12,957
Other current liabilities	309,715	222,243	-	531,958
Total liabilities	\$ 467,275	\$ 472,206	\$ 394,566	\$ 544,915
INDIVIDUAL DEPOSITORS				
ASSETS				
Cash	\$ 7,672	\$ 114,053	\$ 115,203	\$ 6,522
Total assets	\$ 7,672	\$ 114,053	\$ 115,203	\$ 6,522
LIABILITIES				
Individual depositors liability	\$ 1,232	\$ 12,992	\$ 14,224	\$ -
Due to Board of County Commissioners	6,440	101,061	100,979	6,522
Total liabilities	\$ 7,672	\$ 114,053	\$ 115,203	\$ 6,522
EVIDENCE TRUST				
ASSETS				
Cash	\$ 67,988	\$ 27,716	\$ 31,863	\$ 63,841
Total assets	\$ 67,988	\$ 27,716	\$ 31,863	\$ 63,841
LIABILITIES				
Other current liabilities	\$ 67,988	\$ 27,716	\$ 31,863	\$ 63,841
Total liabilities	\$ 67,988	\$ 27,716	\$ 31,863	\$ 63,841
DONATIONS TRUST				
ASSETS				
Cash	\$ 19,146	\$ 45	\$ 1,150	\$ 18,041
Total assets	\$ 19,146	\$ 45	\$ 1,150	\$ 18,041
LIABILITIES				
Other current liabilities	\$ 19,146	\$ 45	\$ 1,150	\$ 18,041
Total liabilities	\$ 19,146	\$ 45	\$ 1,150	\$ 18,041
TOTALS-ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 552,487	\$ 609,576	\$ 541,598	\$ 620,465
Due from individuals	9,594	4,444	1,184	12,854
Total assets	\$ 562,081	\$ 614,020	\$ 542,782	\$ 633,319
LIABILITIES				
Individual depositors liability	\$ 1,232	\$ 12,992	\$ 14,224	\$ -
Due to individuals	157,560	249,963	394,566	12,957
Due to Board of County Commissioners	6,440	101,061	100,979	6,522
Other current liabilities	396,849	250,004	33,013	613,840
Total liabilities	\$ 562,081	\$ 614,020	\$ 542,782	\$ 633,319

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, 2011, and have issued our report thereon dated May 9, 2012. 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 *deficiency in internal control* 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 *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 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 9, 2012

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, 2011, and have issued our report thereon dated May 9, 2012. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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

PRIOR YEAR FINDINGS

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

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual 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, 2011. The financial statements of the Sheriff are combined with other County agencies in that report.

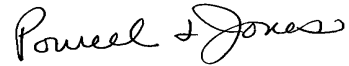
Investment of Public Funds - The Sheriff complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

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)(a), *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.

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

POWELL & JONES
Certified Public Accountants
May 9, 2012

SUPERVISOR OF ELECTIONS

COLUMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011

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Powell & Jones
Certified Public Accountants

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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, 2011, 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, 2011, 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 4, 2012, 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 4, 2012

FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS
GENERAL FUND
BALANCE SHEET
September 30, 2011

ASSETS

Current Assets

Cash	\$	316
Total assets	\$	<u>316</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Current Liabilities

Accounts payable	\$	-
Due to Board of County Commissioners		149
Accrued Liabilities		<u>167</u>
Total liabilities		316

FUND BALANCE

Total liabilities and fund balance	\$	<u>316</u>
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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, 2011

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental			
Federal grants			
Voter education	\$ -	\$ 16,829	\$ 16,829
Total intergovernmental	-	16,829	16,829
Miscellaneous			
Other	-	23,541	23,541
Total miscellaneous	-	23,541	23,541
Total revenues	-	40,370	40,370
EXPENDITURES			
General government			
Other general government			
Supervisor of Elections			
Personal services	314,726	311,527	3,199
Operating expenses	7,149	20,855	(13,706)
Total Supervisor of Elections	321,875	332,382	(10,507)
Elections			
Personal services	150,464	137,796	12,668
Operating expenses	132,145	173,158	(41,013)
Total elections	282,609	310,954	(28,345)
Total general government	604,484	643,336	(38,852)
Excess of revenues over (under) expenditures	(604,484)	(602,966)	1,518
OTHER FINANCING SOURCES			
Transfers in from Board of County Commissioners	604,484	602,966	(1,518)
Total other financing sources	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

COLUMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS

September 30, 2011

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, 2011, the book balance of the Supervisor of Elections' deposits was \$316. 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 \$50,128, 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 non-contributory through June 30, 2011. Effective July 1, 2011, employees are required to contribute 3% of their gross wages. The Supervisor of Elections is required to contribute at an actuarially determined rate. The rates at September 30, 2011, were as follows: Regular Employees 4.91%; Senior Management 6.27%; Elected Officials 11.14%. 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, 2011, 2010 and 2009 were \$37,876, \$39,368, and \$35,388, respectively, equal to the required contributions for each year.

NOTE 3. CAPITAL LEASE PAYABLE

The Supervisor of Elections has a capital lease with Kansas State Bank for two ballot machines. The agreement is being paid in four installments of \$12,000, including \$4,794 interest. Future minimum lease payments are as follows:

Year Ending September 30,	
2012	\$ 12,000
2013	12,000
	<u>\$ 24,000</u>

The Supervisor of Elections has an operating lease with Xerox for one Xerox printer. The agreement is being paid in sixty monthly installments of \$380. Future minimum lease payments are as follows:

Year Ending September 30,	
2012	\$ 4,561
2013	4,561
2014	4,561
2015	4,561
2016	1,899
	<u>\$ 20,143</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, 2011, and have issued our report thereon dated June 4, 2012. 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.

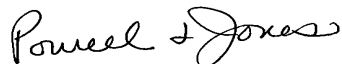
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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 4, 2012

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, 2011, and have issued our report thereon dated June 4, 2012. 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 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, 2011. 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.

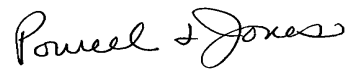
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Supervisor of Elections had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

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 4, 2012

TAX COLLECTOR

COLUMBIA COUNTY, FLORIDA
TAX COLLECTOR
SPECIAL PURPOSE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 2011
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Powell & Jones
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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, 2011, 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, 2011, 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 April 25, 2012, 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
April 25, 2012

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR
 COMBINED BALANCE SHEET - ALL FUND TYPES
 September 30, 2011

	Governmental Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	General Fund	Agency Funds	
ASSETS			
Current assets			
Cash	\$ 427,016	\$ 2,060,458	\$ 2,487,474
Accounts receivable	-	2,764	2,764
Due from other funds	4,785	-	4,785
Total assets	<u>\$ 431,801</u>	<u>\$ 2,063,222</u>	<u>\$ 2,495,023</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 41,404	\$ 7,098	\$ 48,502
Due to individuals	-	142,947	142,947
Due to other funds	-	4,785	4,785
Due to Board of County Commissioners	353,999	-	353,999
Due to other governmental units	20,682	1,788,006	1,808,688
Accrued payroll deductions and matching	15,716	-	15,716
Other current liabilities	-	120,386	120,386
Total liabilities	<u>\$ 431,801</u>	<u>\$ 2,063,222</u>	<u>\$ 2,495,023</u>

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, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services				
County Officer commissions and fees				
Professional and occupational licenses	\$ -	\$ -	\$ 16,188	\$ 16,188
Motor vehicle fees	435,641	475,640	328,245	(147,395)
Drivers license fees	147,893	147,893	147,893	-
Other licenses and permits	-	-	4,437	4,437
State commissions	-	-	1,560	1,560
County commissions	808,628	808,628	459,183	(349,445)
Tax commissions				
Columbia County Industrial Development Authority				
	5,949	5,949	4,792	(1,157)
Suwannee Water Management District				
	21,343	21,343	17,194	(4,149)
Lake Shore Hospital Authority				
	47,210	47,210	38,031	(9,179)
Delinquent tax commissions				
	-	-	262,467	262,467
Special assessment commissions				
	164,828	164,828	158,862	(5,967)
Special assessment administrative fees				
	-	-	84,773	84,773
Total charges for services	<u>1,631,491</u>	<u>1,671,491</u>	<u>1,523,625</u>	<u>(147,867)</u>
Miscellaneous				
Interest earnings				
	-	-	2,001	2,001
Other miscellaneous				
	-	-	6,998	6,998
Total miscellaneous	<u>-</u>	<u>-</u>	<u>8,999</u>	<u>8,999</u>
Total revenues	<u>1,631,491</u>	<u>1,671,491</u>	<u>1,532,624</u>	<u>(138,868)</u>
EXPENDITURES				
General government				
Personal services				
	1,368,993	1,368,993	1,293,261	75,732
Operating expenses				
	262,498	287,921	225,744	62,177
Capital outlay				
	-	14,577	13,619	958
Total expenditures	<u>1,631,491</u>	<u>1,671,491</u>	<u>1,532,624</u>	<u>138,867</u>

(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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
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>

COLUMBIA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS

September 30, 2011

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, 2011, the book balance of the Tax Collector's deposits was \$2,483,174. Of this balance, \$250,000 was covered by federal depository insurance, and \$2,233,174 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 \$4,300.

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 Commissioner s' 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 \$135,048 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 through June 30, 2011. Effective July 1, 2011, employees are required to contribute 3% of their gross wages. The Tax Collector is required to contribute at an actuarially determined rate. The rates at September 30, 2011 were as follows: Regular Employees 4.91%; Senior Management 6.27%; Elected Officials 11.14%; Deferred

Retirement Option Program (DROP) 4.42%. 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, 2011, 2010 and 2009 were \$107,067, \$103,389, and \$97,372, respectively, equal to the required contributions for each year.

NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2011, were:

	Interfund Receivable	Interfund Payable
General Fund	\$ 4,785	\$ -
Ad Valorem Tax Fund	-	4,785
	<u>\$ 4,785</u>	<u>\$ 4,785</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 \$366. Future minimum lease payments are as follows:

<u>September 30,</u>	
2012	\$ 4,388
2013	4,388
2014	4,388
2015	4,388
2016	2,194
	<u>\$ 19,746</u>

The Tax Collector has an operating lease with Mailfinance for a mail machine with scale. The agreement is being paid in 12 monthly installments of \$133 and 48 monthly installments of \$156. Future minimum lease payments are as follows;

<u>September 30,</u>	
2012	\$ 1,869
2013	1,869
2014	1,869
	<u>\$ 5,607</u>

COMBINING FUND STATEMENTS

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

AGENCY FUNDS

COMBINING BALANCE SHEET

September 30, 2011

	<u>Ad Valorem Tax Fund</u>	<u>Tag Agency Fund</u>	<u>Totals</u>
ASSETS			
Cash	\$ 1,890,969	\$ 169,489	\$ 2,060,458
Due from other funds	-	-	-
Accounts receivable	-	2,764	2,764
Total assets	<u>\$ 1,890,969</u>	<u>\$ 172,253</u>	<u>\$ 2,063,222</u>
LIABILITIES			
Accounts payable	\$ 6,858	\$ 240	\$ 7,098
Due to individuals	142,947	-	142,947
Due to other funds	4,784	-	4,784
Due to other governmental units	1,625,886	162,120	1,788,006
Interest payable	-	665	665
Occupational licenses payable	70,310	-	70,310
Escrow funds payable	38,316	-	38,316
Other current liabilities	1,868	9,228	11,096
Total liabilities	<u>\$ 1,890,969</u>	<u>\$ 172,253</u>	<u>\$ 2,063,222</u>

COLUMBIA COUNTY, FLORIDA
TAX COLLECTOR
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
TAG AGENCY FUND				
Assets				
Cash	\$ 86,701	\$ 8,200,103	\$ 8,117,315	\$ 169,489
Dishonored checks receivable	347	71,970	69,553	2,764
Total assets	\$ 87,048	\$ 8,272,073	\$ 8,186,868	\$ 172,253
Liabilities				
Accounts payable	\$ 404	\$ 38,334	\$ 38,498	\$ 240
Due to other funds	-	32	32	-
Due to other governmental units	85,240	8,220,699	8,143,819	162,120
Interest payable	436	3,063	2,834	665
Other current liabilities	968	39,593	31,333	9,228
Total liabilities	\$ 87,048	\$ 8,301,720	\$ 8,216,515	\$ 172,253
AD VALOREM TAX FUND				
Assets				
Cash	\$ 2,173,722	\$ 63,100,871	\$ 63,383,624	\$ 1,890,969
Due from other funds	3,389	-	3,389	-
Dishonored checks receivable	223	94,784	95,007	-
Total assets	\$ 2,177,334	\$ 63,195,655	\$ 63,482,020	\$ 1,890,969
Liabilities				
Accounts payable	\$ 19,150	\$ 1,302,960	\$ 1,315,252	\$ 6,858
Due to individuals	268,130	5,679,006	5,804,189	142,947
Due to other funds	2,883	1,019,879	1,017,977	4,785
Due to other governmental units	1,752,542	58,344,207	58,470,863	1,625,886
Interest payable	8,595	19,162	27,757	-
Occupational licenses payable	73,010	177,564	180,264	70,310
Escrow funds payable	52,459	115,305	129,448	38,316
Other current liabilities	565	6,403,932	6,402,630	1,867
Total liabilities	\$ 2,177,334	\$ 73,062,015	\$ 73,348,380	\$ 1,890,969

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 (Tax Collector), as of and for the year ended September 30, 2011, and have issued our report thereon dated April 25, 2012. Our report included a paragraph stating that the Tax Collector 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.

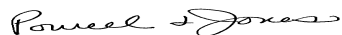
Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Tax Collector's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 management, the Tax Collector, 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
April 25, 2012

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, 2011, and have issued our report thereon dated April 25, 2012. 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 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, 2011. 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.

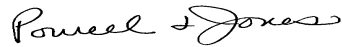
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Tax Collector had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

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.

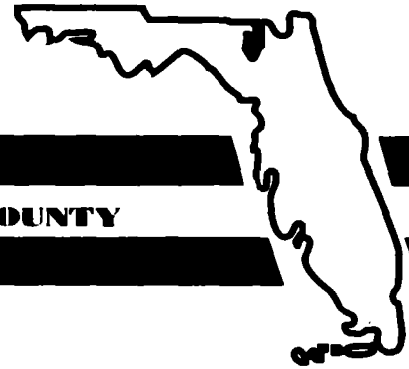
Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

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.



POWELL & JONES
Certified Public Accountants
April 25, 2012

District No. 1 - Ronald Williams
District No. 2 - Rusty DePratter
District No. 3 - Jody DuPree
District No. 4 - Stephen E. Bailey
District No. 5 - Scarlet P. Frisina



BOARD OF COUNTY COMMISSIONERS • COLUMBIA COUNTY

June 28, 2012

Mr. David Martin, C.P.A.
AUDITOR GENERAL
State of Florida
The Capitol
Tallahassee, Florida 32399

RE: Response to Management Letter -
Annual Financial Report
Fiscal Year Ended September 30, 2011
Columbia County

Dear Auditor General:

Columbia County provides the following response to the prior and current year findings within the management letter issued to the Board of County Commissioners in the above referenced financial report.

Prior Year Findings

2010-1

Cash Receipts - This finding has been corrected. It is noted in this financial report due to the overlap between the end of the prior financial report (September 30, 2010) and the time elapsed within the above referenced financial report prior to receipt of the findings.

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

Mr. David Martin, C.P.A.

June 28, 2012

Page 2

Current Year Findings

2011-1

Incompatible Accounting Duties - In order to strengthen internal controls the Finance Director will no longer perform the duties of making and posting deposits. Deposits will be made by a clerk that does not post deposits and the different clerk will post the deposits. The Finance Director will continue to reconcile the monthly deposits to the bank statements.

2011-2

Disbursement and Payroll Journals - In order to strengthen internal controls the Finance Director will sign the payroll disbursement journal as evidence that the journal was reviewed and approved before disbursement.

2011-3

Utilities Accounts Receivable - This utility consists of 23 total customers. The auditor's recommendation will be implemented.

Sincerely,



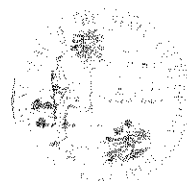
Dale Williams
County Manager

DW/pds

XC: Board of County Commissioners
P. DeWitt Cason, Clerk of Courts
Richard Powell, C.P.A.
Judy Lewis, Internal Auditor
Ben Scott, Finance Director
Outgoing Correspondence

P. DeWitt Cason

Clerk of Circuit Court - Columbia County, Florida



June 28, 2012

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

Dear Mr. Powell:

This letter is to confirm that I have received the Management Letter, prepared by your firm, for our financial statement audit for the fiscal year ended September 30, 2011.

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

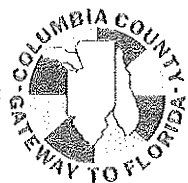
Sincerely,

A handwritten signature in black ink, appearing to read "P. DeWitt Cason", with a long horizontal flourish extending to the right.

P. DeWitt Cason
Columbia County Clerk of Courts

J. DOYLE CREWS

PROPERTY APPRAISER - COLUMBIA COUNTY, FLORIDA



June 11, 2012

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

RE: Management Letter-Audit for Year Ended September 30, 2011

Dear Mr. Powell:

Thank you for the Management letter regarding the audit your office conducted on the Columbia County Property Appraiser's office for year ended September 30, 2011.

I have noted that there were no reportable findings in the prior or current year. Thanks again and we look forward to working with your office in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Doyle Crews".

J. Doyle Crews, CFA
Property Appraiser

JDC/kdm
Cc: Dale Williams, County Manager



Sheriff Mark Hunter

COLUMBIA COUNTY SHERIFF'S OFFICE

4917 US Hwy. 90 East • Lake City, Florida 32055-6288
www.columbiasheriff.com

June 25, 2012

Mr. Richard C. Powell, Jr, CPA
Powell and Jones CPAs
1359 SW Main Blvd
Lake City, Florida 32025

Dear Mr. Powell,

In response to your management letter regarding the financial audit of the Columbia County Sheriff's Office for the fiscal year ended September 30, 2011, I am happy to concur with your statement of no reportable findings. We are extremely pleased with the results of the improvements we have made in strengthening our internal controls. We will continue to improve our financial management and internal controls in the coming years.

I would also like to thank you and the staff of Powell and Jones for the professional manner in which the audit was conducted. It has been a pleasure working with you all.

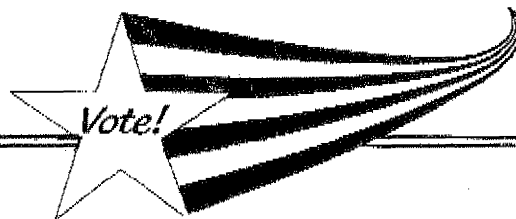
Sincerely,

A handwritten signature in cursive script that reads "Mark Hunter".

Mark Hunter
Sheriff, Columbia County

Liz P. Horne

SUPERVISOR OF ELECTIONS, COLUMBIA COUNTY



June 29, 2012

Powell & Jones, CPAs
1359 SW Main Blvd
Lake City, FL 32025

To Whom It May Concern:

We accept our management letter and will continue to do things as required by the Auditor General Rules. We have enjoyed the experience of working with you.

Regards,

Elizabeth "Liz" P. Horne
Columbia County Supervisor of Elections

EPH/tb



Office (386) 758-1026 ★ Fax (386) 755-7233
971 W. Duval Street, Suite 102 ★ Lake City, Florida 32055-3734
www.votecolumbia.com ★ Email: election@votecolumbia.com



Ronnie Brannon, Tax Collector

Proudly Serving The People of Columbia County
135 NE Hernando Ave., Suite 125 • Lake City, Florida 32055-4006
(386) 758-1077 • (386) 719-7462 Fax

July 2, 2012

Honorable Scarlett Frisina, Chairwoman
Columbia County Board of Commissioners
P.O. Box 1529
Lake City, FL 32056

Dear Ms. Frisina:

We have received our Management Letter from Powell and Jones, Certified Public Accountants, for our financial audit of the period ending September 30, 2011

We are pleased to see there were no reportable findings again this year. We accept this letter and will strive to continue to do things as required by the Auditor General Rules. We appreciate the courtesy afforded us by the auditing staff.

Sincerely,

Ronnie Brannon
Tax Collector

RHB/sb

Cc: Powell & Jones CPA