

COLUMBIA COUNTY,
FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2012

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2012

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For the Fiscal Year Ended September 30, 2012

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INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2012

<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

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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, 2012, 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, 2012, 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 May 28, 2013, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information listed in the table of contents, be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements, is required by the Governmental Accounting Standards

Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. 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 that collectively comprise Columbia County's financial statements as a whole. The introductory section, combining nonmajor fund financial statements and the combining statement of fiduciary net assets, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Florida Single Audit Act; and is also not a required part of the financial statements. The combining nonmajor financial statements, the combining statement of fiduciary net assets and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



POWELL & JONES
Certified Public Accountants
May 28, 2013

COLUMBIA COUNTY, FLORIDA
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2012

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2012. 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, 2012.

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 \$162,361,853 (net assets). Unrestricted net assets for governmental activities were \$25,351,222, and for business-type activities were \$3,871,720. Governmental Activities restricted net assets were \$19,184,750, and were \$-0- for Business-type Activities.

Total net assets decreased by \$(6,417,432). Of that amount, \$(7,058,588) is attributable to Governmental Activities and Business-type Activities contributed \$641,156.

Governmental Funds revenues decreased by \$2,857,591 to \$53,694,598. This decrease in revenue was due primarily to decreases in taxes and miscellaneous revenues. Governmental Fund expenditures increased by \$3,919,491 to \$60,453,186. This increase in expenditures was primarily due to storm related costs from Tropical Storm Debby.

Business-type activities revenues increased minimally to \$2,991,168, while business-type expenses increased to \$2,650,012. 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, 2012, the assets of the County exceed liabilities by \$162,361,776.

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

Net Assets

	Governmental	Business-type	Total Government	
			2012	2011
Assets				
Current assets	\$ 46,177,963	\$ 7,906,820	\$ 54,084,783	\$ 56,942,171
Restricted assets	86,000	4,637,775	4,723,775	4,545,532
Noncurrent assets	117,917,953	9,957,499	127,875,452	132,050,833
Total assets	164,181,916	22,502,094	186,684,010	193,538,536
Liabilities				
Current liabilities (payable from current assets)	3,805,046	1,537,829	5,342,875	3,670,843
Current liabilities (payable from restricted assets)	-	119,494	119,494	737,130
Noncurrent liabilities	10,262,142	8,597,646	18,859,788	20,349,735
Total liabilities	14,067,188	10,254,969	24,322,157	24,757,708
Net assets				
Net assets invested in capital assets, net of related debt	109,450,476	8,473,073	117,923,549	120,460,612
Net assets - restricted	19,184,750	-	19,184,750	30,901,486
Net assets - unrestricted	21,479,502	3,774,052	25,253,554	17,418,730
	<u>\$150,114,728</u>	<u>\$ 12,247,125</u>	<u>\$162,361,853</u>	<u>\$168,780,828</u>

73% 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 13% 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 (14%) 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 decrease in Governmental Activities net assets is due primarily to storm repair activities as the result of Tropical Storm Debby. The increase in Business-type Activities net assets is due to budgetary management.

Changes in Net Assets

	Governmental Activities	Business-type Activities	Total Government	
			2012	2011
Revenues:				
Program revenues				
Charges for services	\$11,105,531	\$2,804,437	\$13,909,968	\$14,392,834
Operating grants/ contributions	1,097,685	70,588	1,168,273	2,637,087
Capital grants/contributions	1,949,977	-	1,949,977	1,189,609
General revenues				
Property taxes	17,655,721	-	17,655,721	19,079,730
Sales and use taxes	9,617,804	-	9,617,804	9,487,829
Federal and State shared revenues	11,588,442	-	11,588,442	11,439,782
Interest	82,452	97,104	179,556	190,492
Other	596,986	19,039	616,025	886,990
Total revenues	<u>53,694,598</u>	<u>2,991,168</u>	<u>56,685,766</u>	<u>59,304,353</u>
Expenses:				
General government	9,974,160	-	9,974,160	9,800,709
Public safety	19,739,867	-	19,739,867	21,347,764
Physical environment	9,117,260	2,650,012	11,767,272	6,902,558
Transportation	13,520,014	-	13,520,014	12,151,898
Economic environment	1,958,612	-	1,958,612	3,144,488
Human services	2,153,983	-	2,153,983	1,577,788
Culture/recreation	2,160,057	-	2,160,057	2,064,600
Court related	1,437,760	-	1,437,760	1,504,178
Interest on long-term debt	391,473	-	391,473	442,833
Total expenses	<u>60,453,186</u>	<u>2,650,012</u>	<u>63,103,198</u>	<u>58,936,816</u>
Transfers in (out)	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ (7,058,588)</u>	<u>\$ 641,156</u>	<u>\$ (6,417,432)</u>	<u>\$ 367,537</u>

Property taxes provide 33% of the revenues for Governmental Activities, while sales taxes provide 18%. Most of the Governmental Activities resources are spent for Public Safety (33%), General Government (16%), Transportation (22%), and Physical Environment (15%).

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, 2012, total assets were \$14,562,272 and total liabilities were \$1,376,807. The ending fund balance was \$13,185,465; \$ 2,443,755 of which is committed for specified projects.

During the year ended September 30, 2012, total revenues, \$26,496,508, exceeded total expenditures, \$17,316,267, by \$9,180,241. \$14,600,391 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, \$5,420,150. This decrease is substantially due to storm related repairs from Tropical Storm Debby. The County anticipates FEMA reimbursements in subsequent years.

During the fiscal year, the County amended the General Fund budget by \$1,252,919, 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 \$974,304, resulting in an ending fund balance of \$5,702,081.

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, 2012, revenues exceeded expenditures and transfers by \$2,054,599. 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 \$12,467,791, 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 \$1,927,777, 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 \$910,724, leaving an ending fund balance of \$1,817,011.

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 \$198,949, leaving an ending fund balance of \$3,911,581 to be used in subsequent years for this project.

The *Road Improvement Fund* accounts for the ongoing resurfacing and improvements to various roads within the County. Financing is provided by State construction grants and various transfers from other Board funds. During the year, expenditures exceeded revenues by \$2,256,583, leaving an ending fund balance of \$1,201,334.

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, 2012, were \$17,783,499, total liabilities were \$7,191,175, and net assets were \$10,592,324. Total income was \$2,927,612, and total expenses were \$2,278,797, leaving a net income of \$648,815.

The Utilities Fund accounts for the financial activities associated with the County operated water and sewer services. Total assets at September 30, 2012 were \$4,718,595, total liabilities were \$3,063,794, and net assets were \$1,654,801. Total income was \$63,556 and total expenses were \$319,092, leaving a net operating loss of \$(255,536). Additionally, \$300,000 was transferred in from other funds.

CAPITAL ASSETS ACTIVITY

The County's capital assets for its governmental and business-type activities as of September 30, 2012, is \$127,875,452 (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, 2012, compared to the prior year:

	Governmental Activities	Business-type Activities	Total Government	
			2012	2011
Land and improvements	\$ 12,917,677	\$ 15,131,671	\$ 28,049,348	\$ 22,877,975
Construction in progress	5,845,790	60,507	5,906,297	5,901,000
Infrastructure	140,033,543	-	140,033,543	139,783,615
Buildings and improvements	47,963,177	624,868	48,588,045	50,393,933
Equipment	26,115,563	2,813,775	28,929,338	28,725,270
	<u>232,875,750</u>	<u>18,630,821</u>	<u>251,506,571</u>	<u>247,681,793</u>
Less accumulated depreciation	(114,957,797)	(8,673,322)	(123,631,119)	(115,431,959)
Total	<u>\$ 117,917,953</u>	<u>\$ 9,957,499</u>	<u>\$ 127,875,452</u>	<u>\$ 132,249,834</u>

DEBT MANAGEMENT

Governmental Activities Debt

During the year, total long-term debt decreased by \$2,017,635, leaving the following balances:

Bank loans	\$ 6,893,030
Revenue bonds	1,582,094
Capital leases	1,574,447
Compensated absences	2,139,456
	<u>\$ 12,189,027</u>

During the year, the County paid off its loan associated with construction of the landfill which was originally made in 1994 in the amount of \$6,090,000. The County also reduced its governmental

debt by \$741,263 on three bank loans which totaled \$6,893,030 at year end. Capital leases on road equipment were reduced a total of \$175,199 to \$1,574,447 at year end. Compensated absences reduced \$53,946 during the year.

OTHER FINANCIAL INFORMATION

Economic Factors and Next Year's Budget

- The current unemployment rate for the County, was 6.4%.
- The estimated population for the County in 2012 was 67,966, and is estimated to be approximately the same by the end of 2013.
- The ad valorem tax millage rate for the County was 6.7528 mills in 2012, which was approximately 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, 2012

	Governmental Activities	Business - type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 18,847,475	\$ 6,566,635	\$ 25,414,110
Accounts receivable	106,976	229,485	336,461
Due from other funds	1,463,600	148,534	1,612,134
Due from agency funds	194,817	-	194,817
Due from other governmental units	1,807,205	-	1,807,205
Inventories	11,354	-	11,354
Investments	23,743,154	962,166	24,705,320
Other current assets	3,382	-	3,382
Total current assets	46,177,963	7,906,820	54,084,783
Noncurrent Assets			
Restricted assets			
Cash	-	98,329	98,329
Investments	-	4,539,446	4,539,446
Total restricted assets	-	4,637,775	4,637,775
Note receivable	86,000	-	86,000
Capital assets, net	117,917,953	9,957,499	127,875,452
Total noncurrent assets	118,003,953	14,595,274	132,599,227
Total assets	\$ 164,181,916	\$ 22,502,094	\$ 186,684,010
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 2,354,110	\$ 4,347	\$ 2,358,457
Accrued payroll liabilities	542,829	-	542,829
Due to other funds	148,534	1,463,600	1,612,134
Due to agency funds	1,408	-	1,408
Due to other governmental units	23,862	-	23,862
Accrued compensated absences	316,706	28,085	344,791
Interest payable	29,419	7,761	37,180
Deposits	-	17,636	17,636
Deferred revenue	387,504	-	387,504
Other current liabilities	674	16,400	17,074
Total current liabilities	3,805,046	1,537,829	5,342,875
Current Liabilities Payable from Restricted Assets			
Landfill postclosure costs	-	119,494	119,494
	-	119,494	119,494
Noncurrent Liabilities			
Due within one year:			
Notes and loans payable	-	97,668	97,668
Capital leases	656,443	-	656,443
Bonds payable	563,091	-	563,091
Due in more than one year:			
Notes and loans payable	-	1,484,426	1,484,426
Capital leases	918,004	-	918,004
Bonds payable	6,329,939	-	6,329,939
Accrued compensated absences	1,794,665	-	1,794,665
Estimated landfill closure liability	-	7,015,552	7,015,552
Total noncurrent liabilities	10,262,142	8,597,646	18,859,788
Total liabilities	14,067,188	10,254,969	24,322,157

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2012

	<u>Governmental</u> <u>Activities</u>	<u>Business - type</u> <u>Activities</u>	<u>Total</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 109,450,476	\$ 8,375,405	\$ 117,825,881
Restricted	19,184,750	-	19,184,750
Unrestricted	21,479,502	3,871,720	25,351,222
Total net assets	<u>\$ 150,114,728</u>	<u>\$ 12,247,125</u>	<u>\$ 162,361,853</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2012

	Special Revenue Funds					Capital Projects Funds			Total Governmental Funds	
	General Fund	County Transpor- tation Trust	Municipal Services	Clerk of Courts Operating	Sheriff Operating	Economic Development	Connector Road Project	Road Improvement		Other Governmental Funds
ASSETS										
Current assets										
Cash	\$ 468,327	\$ 2,976,887	\$ 653,536	\$ 49,823	\$ 1,091,130	\$ 1,749,753	\$ 4,352,369	\$ 1,129,176	\$ 6,376,474	\$ 18,847,475
Accounts receivable	-	-	99,938	856	5,842	-	-	-	340	106,976
Notes receivable	-	-	-	-	-	86,000	-	-	-	86,000
Due from other funds	1,856,429	-	524,512	21,096	5,496	-	-	429,695	135,359	2,972,587
Due from other governmental units	901,048	554,288	29,348	10,992	39,964	-	-	69,280	202,285	1,807,205
Inventories	-	11,354	-	-	-	-	-	-	-	11,354
Investments	11,335,086	2,193,213	9,288,370	-	-	-	-	-	926,485	23,743,154
Other current assets	1,382	-	-	-	-	2,000	-	-	-	3,382
Total assets	\$ 14,562,272	\$ 5,735,742	\$ 10,595,704	\$ 82,767	\$ 1,142,432	\$ 1,837,753	\$ 4,352,369	\$ 1,628,151	\$ 7,640,943	\$ 47,578,133
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 1,359,148	\$ 33,661	\$ 145,243	\$ 5,225	\$ 252,314	\$ 20,742	\$ 11,093	\$ 426,433	\$ 100,251	\$ 2,354,110
Due to other funds	5,496	-	148,534	38,328	362,059	-	429,695	-	480,000	1,464,112
Due to other governmental units	57	-	-	-	-	-	-	384	23,421	23,862
Accrued payroll liabilities	12,106	-	1,671	-	528,059	-	-	-	993	542,829
Revenues collected in advance	-	-	14,344	39,214	-	-	-	-	333,946	387,504
Other current liabilities	-	-	335	-	-	-	-	-	339	674
Total liabilities	1,376,807	33,661	310,127	82,767	1,142,432	20,742	440,788	426,817	938,950	4,773,091
Fund balances										
Nonspendable:										
Inventories	-	11,354	-	-	-	-	-	-	-	11,354
Note receivable	-	-	-	-	-	86,000	-	-	-	86,000
Other	-	-	-	-	-	2,000	-	-	-	2,000
Restricted	-	5,690,727	10,285,577	-	-	-	-	-	3,208,446	19,184,750
Committed	2,443,755	-	-	-	-	-	-	-	46,294	2,490,049
Assigned	4,711	-	-	-	-	1,729,011	3,911,581	1,201,334	3,450,400	10,297,037
Unassigned	10,736,999	-	-	-	-	-	-	-	(3,147)	10,733,852
Total fund balances	13,185,465	5,702,081	10,285,577	-	-	1,817,011	3,911,581	1,201,334	6,701,993	42,805,042
Total liabilities and fund balances	\$ 14,562,272	\$ 5,735,742	\$ 10,595,704	\$ 82,767	\$ 1,142,432	\$ 1,837,753	\$ 4,352,369	\$ 1,628,151	\$ 7,640,943	

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 the funds:	117,917,953
Long-term debt transactions are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(6,893,030)
Capital leases	(1,574,447)
Accrued compensated absences	(2,111,371)
Interest payable	(29,419)
Net assets of governmental activities	\$ 150,114,728

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, 2012

	Special Revenue Funds					Capital Projects Funds		Other Governmental Funds	Total Governmental Funds	
	General Fund	County Transpor- tation Trust	Municipal Services	Clerk of Courts Operating	Sheriff Operating	Economic Development	Connector Road Project			Road Improvement
REVENUES										
Taxes	\$ 21,400,577	\$ 4,191,529	\$ 368,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,523,423	\$ 27,483,863
Licenses and permits, special assessments	13,859	-	6,998,545	-	-	-	-	-	30,419	7,042,823
Intergovernmental	3,212,139	3,510,122	2,281,769	1,350,607	170,563	1,766,895	1,301,058	359,583	465,217	14,417,953
Charges for services	1,544,489	-	13,835	220,497	70,354	-	-	-	1,986,351	3,835,526
Fines and forfeitures	97,209	-	-	-	-	-	-	-	219,910	317,119
Interest	59,525	2,967	6,789	-	-	831	2,976	1,544	7,820	82,452
Miscellaneous	168,710	478,957	4,673	-	32,065	15,932	-	44,677	145,460	890,474
Total revenues	26,496,508	8,183,575	9,673,945	1,571,104	272,982	1,783,658	1,304,034	405,804	4,378,600	54,070,210
EXPENDITURES										
Current expenditures										
General government	4,536,233	-	497,603	926,742	-	-	-	-	3,364,615	9,325,193
Public safety	2,660,322	-	3,396,256	-	11,664,736	-	-	-	310,915	18,032,229
Physical environment	5,812,216	5,592	3,240,165	-	-	-	-	-	-	9,057,973
Transportation	35,294	6,006,243	-	-	-	-	20,000	1,013,469	-	7,075,006
Economic environment	166,497	-	1,221	-	-	738,821	-	-	1,027,972	1,934,511
Human services	2,089,016	-	-	-	-	-	-	-	-	2,089,016
Culture/recreation	1,196,669	-	52,017	-	-	-	-	-	677,387	1,926,073
Court-related	12,025	-	-	1,001,035	-	-	-	-	424,700	1,437,760
Capital outlay										
General government	61,165	-	-	-	-	-	-	-	11,131	72,296
Public safety	46,618	-	60,133	-	803,055	-	-	-	343,905	1,253,711
Physical environment	58,189	-	-	-	-	-	-	-	-	58,189
Transportation	-	960,469	-	-	-	-	1,085,085	1,648,918	-	3,694,472
Culture/recreation	642,023	-	-	-	-	-	-	-	-	642,023
Court-related	-	-	-	-	-	-	-	-	7,144	7,144
Debt services										
Principal	-	763,153	173,311	-	-	567,952	-	-	10,384	1,514,800
Interest	-	72,152	198,640	-	-	134,812	-	-	1,616	407,220
Total expenditures	17,316,267	7,807,609	7,619,346	1,927,777	12,467,791	1,441,585	1,105,085	2,662,387	6,179,769	58,527,616
Excess of revenues over (under) expenditures	9,180,241	375,966	2,054,599	(356,673)	(12,194,809)	342,073	198,949	(2,256,583)	(1,801,169)	(4,457,406)
Other financing sources										
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Debt proceeds	-	598,338	-	-	-	-	-	-	-	598,338
Interfund transfers in	-	-	-	356,673	12,194,809	868,651	-	-	1,831,117	15,251,250
Interfund transfers out	(14,600,391)	-	-	-	-	(300,000)	-	-	(650,859)	(15,551,250)
Total other financing sources (uses)	(14,600,391)	598,338	-	356,673	12,194,809	568,651	-	-	1,180,258	298,338
Net change in fund balances	(5,420,150)	974,304	2,054,599	-	-	910,724	198,949	(2,256,583)	(620,911)	(4,159,068)
Fund balances beginning of year	18,605,615	4,727,777	8,230,978	-	-	906,287	3,712,632	3,457,917	7,322,904	46,964,110
Fund balances end of year	\$ 13,185,465	\$ 5,702,081	\$ 10,285,577	\$ -	\$ -	\$ 1,817,011	\$ 3,911,581	\$ 1,201,334	\$ 6,701,993	\$ 42,805,042

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, 2012

Net change in fund balances - total governmental funds \$ (4,159,068)

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	\$ 5,822,514	
Less current year depreciation	<u>(9,329,120)</u>	(3,506,606)

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		(398,053)
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Governmental funds do not report donated assets as revenue

Donation of fixed assets		22,441
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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		(598,338)
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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	203,481	
Capital lease principal payments	773,537	
Bond principal payments	<u>537,782</u>	1,514,800

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	50,489	
Net change in accrued interest expense	<u>15,747</u>	66,236

Net change in net assets		<u>\$ (7,058,588)</u>
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See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	Landfill Enterprise	Utilities	Total
ASSETS			
Current Assets			
Cash	\$ 6,458,602	\$ 108,033	\$ 6,566,635
Accounts receivable net of allowance for uncollectible accounts	222,449	7,036	229,485
Due from other funds	148,534	-	148,534
Investments	962,166	-	962,166
Total current assets	<u>7,791,751</u>	<u>115,069</u>	<u>7,906,820</u>
Noncurrent Assets			
Restricted assets			
Cash	98,329	-	98,329
Investments	4,539,446	-	4,539,446
Total restricted assets	<u>4,637,775</u>	<u>-</u>	<u>4,637,775</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	3,669,308	13,216,668
Equipment	2,736,999	76,776	2,813,775
Construction in progress	60,507	-	60,507
Allowance for depreciation	(8,372,534)	(300,788)	(8,673,322)
Total fixed assets	<u>5,353,973</u>	<u>4,603,526</u>	<u>9,957,499</u>
Total noncurrent assets	<u>9,991,748</u>	<u>4,603,526</u>	<u>14,595,274</u>
Total assets	<u>\$ 17,783,499</u>	<u>\$ 4,718,595</u>	<u>\$ 22,502,094</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 1,967	\$ 2,380	\$ 4,347
Due to other funds	9,731	1,453,869	1,463,600
Interest payable	-	7,761	7,761
Accrued compensated absences	28,085	-	28,085
Deposits	16,346	1,290	17,636
Note payable, short-term portion	-	97,668	97,668
Other current liabilities	-	16,400	16,400
Total current liabilities	<u>56,129</u>	<u>1,579,368</u>	<u>1,635,497</u>
Current Liabilities Payable from Restricted Assets			
Landfill postclosure costs	119,494	-	119,494
Total current liabilities payable from restricted assets	<u>119,494</u>	<u>-</u>	<u>119,494</u>
Noncurrent Liabilities			
Loan payable Department of Environmental Protection	-	1,484,426	1,484,426
Estimated landfill closure liability	7,015,552	-	7,015,552
Total noncurrent liabilities	<u>7,015,552</u>	<u>1,484,426</u>	<u>8,499,978</u>
Total liabilities	<u>7,191,175</u>	<u>3,063,794</u>	<u>10,254,969</u>

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	<u>Landfill Enterprise</u>	<u>Utilities</u>	<u>Total</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 5,353,973	\$ 3,021,432	\$ 8,375,405
Unrestricted	<u>5,238,351</u>	<u>(1,366,631)</u>	<u>3,871,720</u>
Total net assets	<u>\$ 10,592,324</u>	<u>\$ 1,654,801</u>	<u>\$ 12,247,125</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, 2012

	<u>Landfill Enterprise</u>	<u>Utilities</u>	<u>Totals</u>
OPERATING REVENUES			
Licenses and permits	\$ -	\$ 4,696	\$ 4,696
Charges for services			
Physical environment			
Garbage/solid waste revenue	2,118,512	-	2,118,512
Water and wastewater revenue	98,352	58,860	157,212
Adjustment to landfill closure liability	524,017	-	524,017
Total operating revenues	<u>2,740,881</u>	<u>63,556</u>	<u>2,804,437</u>
OPERATING EXPENSES			
Landfill and water/wastewater utilities			
Personnel services	672,362	-	672,362
Operating expenses	1,154,585	126,867	1,281,452
Depreciation	389,227	192,225	581,452
Total landfill and water/wastewater utilities	<u>2,216,174</u>	<u>319,092</u>	<u>2,535,266</u>
Code enforcement			
Personnel services	17,475	-	17,475
Operating expenses	28,910	-	28,910
Total code enforcement	<u>46,385</u>	<u>-</u>	<u>46,385</u>
Total operating expenses	<u>2,262,559</u>	<u>319,092</u>	<u>2,581,651</u>
Operating income (loss)	<u>478,322</u>	<u>(255,536)</u>	<u>222,786</u>
NONOPERATING REVENUES (EXPENSES)			
State grants			
Physical environment			
State grants	70,588	-	70,588
Gain (loss) on disposal of capital assets	19,039	-	19,039
Interest earnings	97,104	-	97,104
Debt service costs			
Interest	(16,084)	(52,123)	(68,207)
Other debt services costs	(154)	-	(154)
Total nonoperating revenues (expenses)	<u>170,493</u>	<u>(52,123)</u>	<u>118,370</u>
Change in net assets before capital contributions and operating transfers	<u>648,815</u>	<u>(307,659)</u>	<u>341,156</u>
Operating transfers in	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Change in net assets after operating transfers	<u>648,815</u>	<u>(7,659)</u>	<u>641,156</u>
Net assets at beginning of year	<u>9,943,509</u>	<u>1,662,460</u>	<u>11,605,969</u>
Net assets at end of year	<u>\$ 10,592,324</u>	<u>\$ 1,654,801</u>	<u>\$ 12,247,125</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2012

	<u>Landfill Enterprise</u>	<u>Utilities</u>	<u>Total</u>
Cash Flows From Operating Activities			
Cash flows received from customers	\$ 2,218,873	\$ 77,458	\$ 2,296,331
Cash paid to employees	(531,783)	-	(531,783)
Cash paid for employee benefits	(161,511)	-	(161,511)
Cash paid to vendors	<u>(1,199,318)</u>	<u>(125,030)</u>	<u>(1,324,348)</u>
Net cash provided (used) by operating activities	<u>326,261</u>	<u>(47,572)</u>	<u>278,689</u>
Cash Flows From Noncapital Financing Activities			
State grants received	70,588	-	70,588
Transfers from other funds	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Net cash provided by noncapital financing activities	<u>70,588</u>	<u>300,000</u>	<u>370,588</u>
Cash Flows From Capital and Related Financing Activities			
Payments to acquire or construct capital assets	(231,495)	(58,368)	(289,863)
Proceeds from disposition of fixed assets	19,039	-	19,039
Principal paid on capital debt	(540,000)	(84,188)	(624,188)
Interest paid on capital debt	<u>(16,238)</u>	<u>(51,335)</u>	<u>(67,573)</u>
Net cash used for capital and related financing activities	<u>(768,694)</u>	<u>(193,891)</u>	<u>(962,585)</u>
Cash Flows From Investing Activities			
Interest received	97,104	-	97,104
Increase in investments	<u>(94,005)</u>	<u>-</u>	<u>(94,005)</u>
Net cash provided by investing activities	<u>3,099</u>	<u>-</u>	<u>3,099</u>
Net increase (decrease) in cash	(368,746)	58,537	(310,209)
Cash at beginning of year	<u>6,925,677</u>	<u>49,496</u>	<u>6,975,173</u>
Cash at end of year	<u>\$ 6,556,931</u>	<u>\$ 108,033</u>	<u>\$ 6,664,964</u>

(continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2012

	<u>Landfill Enterprise</u>	<u>Utilities</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Cash Provided (Used) by Operating Activities			
Operating income (loss)	<u>\$ 478,322</u>	<u>\$ (255,536)</u>	<u>\$ 222,786</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	389,227	192,225	581,452
Decrease in landfill closure liability	(524,017)	-	(524,017)
(Increase) decrease in assets:			
Accounts receivable	1,759	(3,148)	(1,389)
Increase (decrease) in liabilities:			
Accounts payable	(15,823)	1,837	(13,986)
Deposits	250	650	900
Accrued compensated absences	(3,457)	-	(3,457)
Other current liabilities	-	16,400	16,400
Total adjustments	<u>(152,061)</u>	<u>207,964</u>	<u>55,903</u>
Net cash provided (used) by operating activities	<u>\$ 326,261</u>	<u>\$ (47,572)</u>	<u>\$ 278,689</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS
September 30, 2012

ASSETS	
Cash	\$ 4,014,475
Accounts receivable	28,639
Due from other funds	1,408
Total assets	<u>\$ 4,044,522</u>
LIABILITIES	
Accounts payable	\$ 478
Cash bond liability	69,938
Due to individuals	14,464
Court fees payable	242,935
Deposits held in escrow	279,337
Due to other funds	194,817
Due to other governmental units	2,218,131
Interest payable	242
Tax deeds payable	283,368
Other current liabilities	740,812
Total liabilities	<u>4,044,522</u>
NET ASSETS	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

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. During the current year, this fund was discontinued by the Board of County Commissioners.

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 regardless 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 Fund - 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.

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, 2012, this allowance was \$19,177. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2012.

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, and 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, 2012.

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 \$42,805,042 differs from "net assets" of governmental activities \$150,114,728 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	\$ 232,875,750
Accumulated depreciation	(114,957,797)
Total	<u>\$ 117,917,953</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, 2012, were:

Revenue notes/Bonds payable	\$ 6,893,030
Capital leases payable	1,574,447
Compensated absences	2,111,371
Total	<u>\$ 10,578,848</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.

Bonds payable	\$ 3,116
Capital leases	26,303
Total	<u>\$ 29,419</u>

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$1,314,170 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	\$ 18,847,475	\$ -	\$ -	\$ -	\$ 18,847,475
Accounts receivable - net	106,976	-	-	-	106,976
Due from other funds	2,972,587	-	-	(1,314,170)	1,658,417
Due from other governmental units	1,807,205	-	-	-	1,807,205
Note receivable	86,000	-	-	-	86,000
Investments	23,743,154	-	-	-	23,743,154
Inventories	11,354	-	-	-	11,354
Other current assets	3,382	-	-	-	3,382
Capital assets - net	-	117,917,953	-	-	117,917,953
Total assets	\$ 47,578,133	\$ 117,917,953	\$ -	\$ (1,314,170)	\$ 164,181,916
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,354,110	\$ -	\$ -	\$ -	\$ 2,354,110
Accrued interest payable	-	-	29,419	-	29,419
Accrued payroll liabilities	542,829	-	-	-	542,829
Due to other funds	1,464,112	-	-	(1,314,170)	149,942
Due to other governmental units	23,862	-	-	-	23,862
Deferred revenues	387,504	-	-	-	387,504
Other current liabilities	674	-	-	-	674
Accrued compensated absences	-	-	2,111,371	-	2,111,371
Capital leases payable	-	-	1,574,447	-	1,574,447
Notes and loans payable	-	-	-	-	-
Revenue bonds payable	-	-	6,893,030	-	6,893,030
Total liabilities	4,773,091	-	10,608,267	(1,314,170)	14,067,188
Fund balances/net assets	42,805,042	117,917,953	(10,608,267)	-	150,114,728
Total liabilities and fund balance/net assets	\$ 47,578,133	\$ 117,917,953	\$ -	\$ (1,314,170)	\$ 164,181,916

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

The "net change in fund balances" for governmental funds \$(4,159,068) differs from the "change in net assets" for governmental activities \$(7,058,588) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Donated assets	\$ 22,441
Loss on dispositions	(398,053)
Capital outlay	5,822,514
Depreciation expense	<u>(9,329,120)</u>
Difference	<u><u>\$ (3,882,218)</u></u>

Debt related items

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. Proceeds of long-term debt are reported as an other financing source in the governmental funds and have the effect of increasing fund balance because current financial resources have been provided. However, debt proceeds increase the liabilities in the statement of net assets and do not result in a funding source in the statement of activities.

Debt reduction	\$1,514,800
Debt proceeds	<u>(598,338)</u>
	<u><u>\$ 916,462</u></u>

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	\$ 50,489
Net change in accrued interest	<u>15,747</u>
	<u><u>\$ 66,236</u></u>

Reclassification and Eliminations

Transfers in and transfers out in the amount of \$15,251,250 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	\$ 27,483,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,483,863
Licenses and permits	7,042,823	-	-	-	-	-	7,042,823
Intergovernmental	14,417,953	-	-	-	-	-	14,417,953
Charges for services	3,835,526	-	-	-	-	-	3,835,526
Fines and forfeitures	317,119	-	-	-	-	-	317,119
Interest	82,452	-	-	-	-	-	82,452
Miscellaneous	890,474	22,441	-	-	-	-	912,915
Total revenues	54,070,210	22,441	-	-	-	-	54,092,651
EXPENDITURES							
Current Expenditures							
General government	9,325,193	653,341	-	(4,374)	-	-	9,974,160
Public safety	18,032,229	1,754,554	-	(46,916)	-	-	19,739,867
Physical environment	9,057,973	89,235	-	(29,948)	-	-	9,117,260
Transportation	7,075,006	6,431,676	-	13,332	-	-	13,520,014
Economic environment	1,934,511	8,827	-	15,274	-	-	1,958,612
Human services	2,089,016	64,967	-	-	-	-	2,153,983
Culture/recreation	1,926,073	231,841	-	2,143	-	-	2,160,057
Court related	1,437,760	-	-	-	-	-	1,437,760
Capital outlay							
General government	72,296	(72,296)	-	-	-	-	-
Public safety	1,253,711	(1,253,711)	-	-	-	-	-
Physical environment	58,189	(58,189)	-	-	-	-	-
Transportation	3,694,472	(3,694,472)	-	-	-	-	-
Culture/recreation	642,023	(642,023)	-	-	-	-	-
Court related	7,144	(7,144)	-	-	-	-	-
Debt Service							
Principal	1,514,800	-	(1,514,800)	-	-	-	-
Interest	407,220	-	-	-	(15,747)	-	391,473
Total expenditures	58,527,616	3,506,606	(1,514,800)	(50,489)	(15,747)	-	60,453,186
Excess of revenues over (under) expenditures	(4,457,406)	(3,484,165)	1,514,800	50,489	15,747	-	(6,360,535)
OTHER FINANCING SOURCES (USES)							
Debt proceeds	598,338	-	(598,338)	-	-	-	-
Loss on disposition of fixed assets	-	(398,053)	-	-	-	-	(398,053)
Transfers in	15,251,250	-	-	-	-	(15,251,250)	-
Transfers out	(15,551,250)	-	-	-	-	15,251,250	(300,000)
Total other financing sources (uses)	298,338	(398,053)	(598,338)	-	-	-	(698,053)
Net change in fund balances	(4,159,068)	(3,882,218)	916,462	50,489	15,747	-	(7,058,588)
Fund balances at beginning of year	46,964,110	121,800,171	(9,383,939)	(2,161,860)	(45,166)	-	157,173,316
Fund balances at end of year	\$ 42,805,042	\$ 117,917,953	\$ (8,467,477)	\$ (2,111,371)	\$ (29,419)	\$ -	\$ 150,114,728

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, 2012, 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, 2012.

	<u>Appropriations</u>	<u>Expenses</u>	Variance Positive (Negative)
Enterprise funds			
Landfill enterprise	\$ 2,594,675	\$ 2,278,797	\$ 315,878
Utilities	805,563	371,215	434,348
	<u>\$ 3,400,238</u>	<u>\$ 2,650,012</u>	<u>\$ 750,226</u>

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

NOTE 4. CASH AND CASH EQUIVALENTS

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

1. Deposits

At September 30, 2012, the carrying amount of the County's deposits was \$29,528,014. 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, 2012, 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 .94896811 at September 30, 2012. 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, 2012, the Trust had investments, at fair value, of approximately \$743 million. Of the total investments in the Trust, 18.59% was invested in asset backed securities. 33% was invested in Federal Treasury and Agency securities, 33% was invested in corporate securities and 18% was invested in government related 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, 2012, the County had investments with the following issuers in the percentages of total investments shown below.

Schedule of Investments at September 30, 2012

Investment	Maturities	Fair Value	Percent	Category
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool	39 Day Average	\$ 31,672	0.11%	-
Fund B Surplus Funds Trust Fund	4.08 Year Average	4,602	0.02%	-
Florida Local Government Investment Pool	2.08 Year Average	4,539,446	15.52%	-
Repurchase agreements	Daily	22,787,890	77.92%	1
Certificates of Deposit, Money Market	Daily - 72 months	1,881,156	6.43%	-
Total Investments		<u>\$ 29,244,766</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 2011-2012 fiscal year were levied in October 2011. 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, 2012, was as follows:

	Beginning Balance	Donations	Additions	Reclassifications/ Adjustments	Deletions	Balance
Governmental activities:						
Capital assets:						
Land	\$ 6,285,072	\$ -	\$ -	\$ -	\$ -	\$ 6,285,072
Land interests	1,519,600	-	-	-	-	1,519,600
Buildings	47,030,780	-	103,474	828,923	-	47,963,177
Improvements other than buildings	2,738,285	-	-	2,374,720	-	5,113,005
Road improvements	139,783,615	-	241,760	8,168	-	140,033,543
Construction in progress	5,901,000	-	3,156,601	(3,211,811)	-	5,845,790
Equipment	25,330,822	22,441	2,320,679	6,630	(1,565,009)	26,115,563
Total capital assets	228,589,174	22,441	5,822,514	6,630	(1,565,009)	232,875,750
Less accumulated depreciation	(106,789,003)	-	(9,329,120)	(6,630)	1,166,956	(114,957,797)
Governmental activities capital assets, net	<u>\$ 121,800,171</u>	<u>\$ 22,441</u>	<u>\$ (3,506,606)</u>	<u>\$ -</u>	<u>\$ (398,053)</u>	<u>\$ 117,917,953</u>
Business-type activities:						
Land	\$ 1,915,003	\$ -	\$ -	\$ -	\$ -	\$ 1,915,003
Equipment	3,394,448	-	170,988	(6,630)	(745,031)	2,813,775
Buildings	624,868	-	-	-	-	624,868
Improvements	13,158,300	-	58,368	-	-	13,216,668
Construction in progress	-	-	60,507	-	-	60,507
Total capital assets	19,092,619	-	289,863	(6,630)	(745,031)	18,630,821
Less accumulated depreciation	(8,842,956)	-	(581,452)	6,630	744,456	(8,673,322)
Business-type activities capital assets, net	<u>\$ 10,249,663</u>	<u>\$ -</u>	<u>\$ (291,589)</u>	<u>\$ -</u>	<u>\$ (575)</u>	<u>\$ 9,957,499</u>

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

Governmental activities:	
General government	\$ 690,052
Public safety	1,754,554
Physical environment	89,235
Transportation	6,489,644
Economic environment	8,827
Human services	64,967
Culture/recreation	231,841
Total depreciation expense - governmental activities	<u>\$ 9,329,120</u>
Business -type activities:	
Landfill enterprise	\$ 389,227
Utilities enterprise	192,225
Total depreciation expense - business-type activities	<u>\$ 581,452</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2012, were:

Fund	Interfund Receivables	Interfund Payables
General fund	\$ 1,856,429	\$ 5,496
Special revenue funds:		
Municipal services benefit unit	524,512	148,534
Court service fund	88,142	-
Community Development Bock Grant	-	76,988
Sheriff:		
Operating	5,496	362,059
Clerk of Courts:		
Operating	21,096	38,328
Public records modernization	6,736	-
Reserved 10%	8,100	-
Teen court	1,485	2,080
Property Appraiser operating	-	57,123
Supervisor of Elections operating	-	1,372
Tax Collector operating	30,896	342,437
Capital projects funds:		
Connector road project	-	429,695
Road improvement	429,695	-
Agency funds:		
Clerk of Circuit Court		
Trust	1,377	74,471
Employee sunshine	31	-
Sheriff		
Individual depositors		
Tax Collector		
Ad valorem tax	-	120,346
Enterprise Fund		
Landfill	148,534	9,731
Utilities	-	1,453,869
Totals	<u>\$ 3,122,529</u>	<u>\$ 3,122,529</u>

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2012, consisted of the following:

Transfers from general fund to:	
Clerk of Courts Operating Fund	\$ 356,673
Property Appraiser Operating Fund	1,123,720
Sheriff Operating Fund	12,194,809
Supervisor of Elections Operating Fund	658,011
Economic Development Fund	267,178
Transfers from Industrial Development Fund to:	
Economic Development Fund	601,473
Transfer from Tourist Development Debt Services to:	
Tourist Development Tax Fund	49,386
Transfer from Economic Development to:	
Utilities Fund	300,000
Total transfers	<u>\$15,551,250</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, 2012, were as follows:

	Accounts	Due from Other Governmental Units	Total Receivables
Governmental activities:			
General	\$ -	\$ 901,048	\$ 901,048
County transportation trust	-	554,288	554,288
Municipal services	99,938	29,348	129,286
Sheriff operating	5,842	39,964	45,806
Clerk operating	856	10,992	11,848
Road improvement	-	69,280	69,280
Other governmental	340	202,285	202,625
Total governmental activities	<u>\$ 106,976</u>	<u>\$ 1,807,205</u>	<u>\$ 1,914,181</u>
Business-type activities:			
Landfill enterprise	\$ 222,449	\$ -	\$ 222,449
Utilities	7,036	-	7,036
Landfill enterprise	<u>\$ 229,485</u>	<u>\$ -</u>	<u>\$ 229,485</u>

Payables at September 30, 2012, were as follows:

	Vendors	Other Governmental Units	Total Payables
Governmental activities:			
General	\$1,359,148	\$ 57	\$1,359,205
County transportation trust	33,661	-	33,661
Municipal services	145,243	-	145,243
Clerk of Court operating	5,225	-	5,225
Sheriff operating	252,314	-	252,314
Economic development	20,742	-	20,742
Connector road	11,093	-	11,093
Road improvement	426,433	384	426,817
Other governmental	100,251	23,421	123,672
Total governmental activities	<u>\$2,354,110</u>	<u>\$ 23,862</u>	<u>\$2,377,972</u>
Business-type activities:			
Landfill enterprise	\$ 1,967	\$ -	\$ 1,967
Utilities	2,380	-	2,380
	<u>\$ 4,347</u>	<u>\$ -</u>	<u>\$ 4,347</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. This loan was fully paid in the current year.

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
2013	\$ 181,526	\$ 179,100	\$ 360,626
2014	189,551	171,075	360,626
2015	199,656	160,970	360,626
2016	206,248	154,378	360,626
2017	215,800	144,826	360,626
Thereafter	3,192,217	864,821	4,057,038
Total	<u>\$ 4,184,998</u>	<u>\$ 1,675,170</u>	<u>\$ 5,860,168</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
2013	\$ 381,565	\$ 108,233	\$ 489,798
2014	397,931	91,867	489,798
2015	414,999	74,799	489,798
2016	432,799	56,999	489,798
2017	451,362	38,436	489,798
Thereafter	629,376	872	630,248
Total	<u>\$ 2,708,032</u>	<u>\$ 371,206</u>	<u>\$ 3,079,238</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%. This lease was fully paid in the current year.
- 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%. This lease was fully paid in the current year.
- 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%. This lease was fully paid in the current year.
- 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%. This lease was fully paid in the current year.
- 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%. This lease was fully paid in the current year.
- 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 \$585,000 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%. This lease was fully paid in the current year.

- 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%. This lease was fully paid in the current year.
- 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%.
- K. Purchase of three motor graders costing \$598,338. The terms of the agreement call for five annual payments \$51,137, beginning on July 23, 2012 with a concluding payment of \$138, on July 23, 2017. These payments include interest at 3.00%

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, 2012:

Year Ending September 30	
2013	\$ 743,690
2014	146,690
2015	351,137
2016	51,137
2017	414,000
Less amount representing interest	<u>(132,207)</u>
Total	<u><u>\$1,574,447</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. This bond was fully paid in the current year.

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 disbursable 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, 2012, the loan balance was \$548,111.

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, 2012, the balance of the loan was \$844,119.

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, 2012, the balance of the loan was \$189,864.

All of these loans are subject to future amendments as to principal amounts, and semi-annual payment amounts and payment inception dates. The following is a schedule of loan payments required under the agreements.

Year Ending September 30,	DEP DW120400	DEP WW74202	DEP DW120101	Interest	Total
2013	\$ 9,114	\$ 24,594	\$ 63,960	\$ 37,853	\$ 135,521
2014	9,364	25,105	65,678	35,374	135,521
2015	9,621	25,628	67,441	32,831	135,521
2016	9,886	26,161	69,252	30,222	135,521
2017	10,157	26,705	71,112	27,547	135,521
THEREAFTER	141,722	419,918	506,676	131,669	1,199,985
TOTAL	<u>\$ 189,864</u>	<u>\$ 548,111</u>	<u>\$ 844,119</u>	<u>\$ 295,496</u>	<u>\$ 1,877,590</u>

D. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2012, was as follows:

	Balance at 10/01/11	Adjustment	Additions	Deletions	Balance at 09/30/12	Due Within One Year
Governmental activities:						
Revenue bonds:						
Columbia Bank-Series 2008B	3,072,503	-	-	364,471	2,708,032	381,565
Prosperity Bank-Series 2008A	4,358,309	-	-	173,311	4,184,998	181,526
	<u>7,430,812</u>	-	-	<u>537,782</u>	<u>6,893,030</u>	<u>563,091</u>
Loan agreements payable:						
Columbia Bank	203,481	-	-	203,481	-	-
	<u>203,481</u>	-	-	<u>203,481</u>	-	-
Capital leases payable:						
Caterpillar Financial	54,390	-	-	54,390	-	-
Caterpillar Financial	92,524	-	-	92,524	-	-
Caterpillar Financial	102,804	-	-	102,804	-	-
Caterpillar Financial	46,729	-	-	46,729	-	-
John Deere Credit	89,514	-	-	89,514	-	-
Caterpillar Financial	623,727	-	-	57,141	566,586	566,586
Key Government Financing	72,348	-	-	72,348	-	-
Ringpower Corporation	120,713	-	-	120,713	-	-
Caterpillar Financial	525,352	-	-	75,852	449,500	78,696
Kansas State Bank	21,545	-	-	10,384	11,161	11,161
Ring Investments M9C00251	-	-	199,446	17,046	182,400	11,574
Ring Investments M9C00252	-	-	199,446	17,046	182,400	11,574
Ring Investments M9C00254	-	-	199,446	17,046	182,400	11,574
	<u>1,749,646</u>	-	<u>598,338</u>	<u>773,537</u>	<u>1,574,447</u>	<u>691,165</u>
Other Liabilities:						
Compensated absences	2,161,860	-	-	50,489	2,111,371	316,706
	<u>\$ 11,545,799</u>	<u>\$ -</u>	<u>\$ 598,338</u>	<u>\$ 1,565,289</u>	<u>\$ 10,578,848</u>	<u>\$ 1,570,961</u>
Business activities:						
Loan agreements payable:						
Department of Environmental Protection	\$ 1,666,282	\$ -	\$ -	\$ 84,188	\$ 1,582,094	\$ 97,668
Note payable:						
Gulf Breeze loan	540,000	-	-	540,000	-	-
Other Liabilities:						
Compensated absences	31,541	-	35,522	38,978	28,085	2,249
Estimated liability for landfill closure	7,659,063	-	-	524,017	7,135,046	119,494
	<u>\$ 9,896,886</u>	<u>\$ -</u>	<u>\$ 35,522</u>	<u>\$ 1,187,183</u>	<u>\$ 8,745,225</u>	<u>\$ 219,411</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.

\$7,135,046 is reported as landfill closure and postclosure care liability at September 30, 2012, 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 2012. 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, 2012, restricted cash and investments of \$4,637,775 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</u> <u>September 30</u>	
2013	\$ 201,292
2014	188,523
2015	91,516
2016	23,168
2017	6,234
	<u>\$ 510,733</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, 2012, as follows (contribution rates are in agreement with the actuarially determined rates):

	July 1, 2011 - June 30, 2012	July 1, 2012 - June 30, 2013
<u>Regular Class</u> - Members not qualifying for other classes	4.91%	5.18%
<u>Senior Management Service Class</u> - Members of senior management who do not elect the optional annuity management system.	6.27%	6.30%
<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.	14.10%	14.90%
<u>Special Risk Administrative Support Class</u> Special risk members who are transferred or reassigned to non-special risk and meet the criteria.	6.04%	5.91%
<u>Elected County Officer's Class</u> - Certain elected county officials.	11.14%	11.93%
<u>Deferred Retirement Option Program</u> - Members who are eligible for normal retirement that have elected to participate in the deferred retirement option program.	4.42%	5.44%

Contributions to the FRS for the fiscal year ended September 30, 2012, were equal to 7.7% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2010, 2011, and 2012, were \$2,895,706, \$2,672,789, and \$1,515,464, respectively, which are equal to 100% of the required contribution for each year.

Funding Status – The FRS Annual Report July 1, 2012, available December 1, 2012 as previously mentioned, stated that the FRS pension plan was 86.9% funded at July 1, 2012, since the actuarial value of assets was \$127.892 billion compared to the actuarial accrued liability of \$147.193 billion.

NOTE 14. FUND BALANCES GOVERNMENTAL FUNDS

As of September 30, 2012, 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:

	Restricted	Committed	Assigned	Nonspendable
Committed and assigned reserves in the General Fund:				
Judges fund reserve	\$ -	\$ 102,558	\$ -	\$ -
SRWMD mitigation reserve	-	2,334,628	-	-
Special projects accounts reserve	-	-	4,711	-
Virginia Bishop reserve	-	4,801	-	-
Bernhardt Trust reserve	-	1,768	-	-
	<u>-</u>	<u>2,443,755</u>	<u>4,711</u>	<u>-</u>
Debt Service and Capital Projects Funds:				
Connector Road Project	-	-	3,911,581	-
Road Improvement	-	-	1,201,334	-
Road Improvement debt service	-	-	2,527,739	-
Paving Assessments	-	-	32,346	-
	<u>-</u>	<u>-</u>	<u>7,673,000</u>	<u>-</u>
Special Revenue Funds:				
County Transportation Trust	5,690,727	-	-	11,354
Court Service	-	-	890,315	-
Court Reporters	-	46,294	-	-
Economic Development	-	-	1,729,011	88,000
Municipal Services	10,285,577	-	-	-
Impact Fees	293,297	-	-	-
Law Enforcement Special	65,323	-	-	-
Law Library	3,021	-	-	-
Library Enhancement Grant	1,090,773	-	-	-
Local Housing Assistance	49,685	-	-	-
Tourist Development Tax	990,216	-	-	-
Public Records Modernization Trust	188,701	-	-	-
Reserved 10%	164,330	-	-	-
Minimum Standards School	44,607	-	-	-
Forfeiture Fund	35,524	-	-	-
Inmate Welfare	21,860	-	-	-
Forfeiture Nongrant	254,245	-	-	-
DrugStrike Force	77	-	-	-
Work Program	6,787	-	-	-
	<u>19,184,750</u>	<u>46,294</u>	<u>2,619,326</u>	<u>99,354</u>
	<u>\$ 19,184,750</u>	<u>\$ 2,490,049</u>	<u>\$ 10,297,037</u>	<u>\$ 99,354</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, 2012:

Teen Court	\$ (3,148)
Total	<u>\$ (3,148)</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, in conjunction with the insurance provider, 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.

NOTE 20. NOTE RECEIVABLE

In August 2012, the Board of County Commissioners entered into an economic development incentive agreement with CMS Professional Staffing, Inc. that included a loan to the company to fund expansion. The loan in the amount of \$86,000 is repayable over five years a \$717 per month with no interest. There is a balloon balance due after five years. If the company fails to meet its obligations under the agreement, the interest rate may be increased and the loan may be payable in full. The loan is secured by a personal guarantee of its owner.

NOTE 21. SUBSEQUENT EVENT – TROPICAL STORM DEBBY

During the year, the County expended significant amounts to repair damages to public roads and properties as a result of Tropical Storm Debby. Subsequently, the County filed for FEMA reimbursement funds in the amount of approximately \$4,700,000. As of the date of the audit report approximately \$300,000 has been received from the claims. The County anticipates recovering the balance during the ensuing fiscal year.

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 21,140,555	\$ 21,140,555	\$ 21,400,577	\$ 260,022
Licenses, permits , special assessments	-	-	13,859	13,859
Intergovernmental	2,600,476	2,817,993	3,212,139	394,146
Charges for services	1,572,168	1,578,968	1,544,489	(34,479)
Fines and forfeitures	108,000	108,000	97,209	(10,791)
Interest	75,000	75,000	59,525	(15,475)
Miscellaneous	145,000	195,229	168,710	(26,519)
Total revenues	25,641,199	25,915,745	26,496,508	580,763
EXPENDITURES				
Current operating:				
General government	4,086,660	5,082,947	4,536,233	546,714
Public safety	2,699,150	5,254,927	2,660,322	2,594,605
Physical environment	761,858	924,579	5,812,216	(4,887,637)
Transportation	-	35,000	35,294	(294)
Economic environment	183,534	187,434	166,497	20,937
Human services	1,832,143	2,075,660	2,089,016	(13,356)
Culture/recreation	9,533,769	5,688,594	1,196,669	4,491,925
Court related	-	-	12,025	(12,025)
Capital outlay:				
General government	-	242,273	61,165	181,108
Public safety	33,479	90,645	46,618	44,027
Physical environment	5,625	85,225	58,189	27,036
Culture/recreation	2,571,445	3,293,298	642,023	2,651,275
Total expenditures	21,707,663	22,960,582	17,316,267	5,644,315
Excess of revenues over expenditures	3,933,536	2,955,163	9,180,241	6,225,078
Other Financing Sources (Uses)				
Transfers out	(13,651,477)	(14,904,910)	(14,600,391)	304,519
Total other financing sources (uses)	(13,651,477)	(14,904,910)	(14,600,391)	304,519
Net change in fund balance	(9,717,941)	(11,949,747)	(5,420,150)	6,529,597
Fund balance, beginning of year	18,605,615	18,605,615	18,605,615	-
Fund balance, end of year	\$ 8,887,674	\$ 6,655,868	\$ 13,185,465	\$ 6,529,597

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,310,000	\$ 4,310,000	\$ 4,191,529	\$ (118,471)
Intergovernmental	3,529,000	3,534,162	3,510,122	(24,040)
Interest	7,000	7,000	2,967	(4,033)
Miscellaneous	238,523	238,523	478,957	240,434
Total revenues	8,084,523	8,089,685	8,183,575	93,890
EXPENDITURES				
Current operating:				
Physical environment	-	-	5,592	(5,592)
Transportation	5,932,381	6,098,521	6,006,243	92,278
Capital outlay:				
Transportation	-	364,538	960,469	(595,931)
Debt service				
Principal	405,439	405,439	763,153	(357,714)
Interest	65,278	65,278	72,152	(6,874)
Total expenditures	6,403,098	6,933,776	7,807,609	(873,833)
Excess of revenues over expenditures	1,681,425	1,155,909	375,966	(779,943)
Other Financing Sources (Uses)				
Debt proceeds	-	-	598,338	598,338
Total other financing sources (uses)	-	-	598,338	598,338
Net change in fund balance	1,681,425	1,155,909	974,304	(181,605)
Fund balance, beginning of year	4,727,777	4,727,777	4,727,777	-
Fund balance, end of year	\$ 6,409,202	\$ 5,883,686	\$ 5,702,081	\$ (181,605)

See notes to financial statements.

COLUMBIA COUNTY FLORIDA

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

For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 398,000	\$ 398,000	\$ 368,334	\$ (29,666)
Licenses, permits and assessments	6,886,000	6,886,000	6,998,545	112,545
Intergovernmental	2,195,250	2,262,105	2,281,769	19,664
Charges for services	-	-	13,835	13,835
Interest	8,000	8,000	6,789	(1,211)
Miscellaneous	469,613	469,073	4,673	(464,400)
Total revenues	9,956,863	10,023,178	9,673,945	(349,233)
EXPENDITURES				
Current operating:				
General government	421,500	420,520	497,603	(77,083)
Public safety	3,142,181	3,436,329	3,396,256	40,073
Physical environment	3,625,000	3,625,000	3,240,165	384,835
Economic environment	1,200	1,200	1,221	(21)
Culture/recreation	52,000	54,000	52,017	1,983
Capital outlay:				
Public safety	-	197,387	60,133	137,254
Debt service				
Principal	175,546	175,546	173,311	2,235
Interest	185,080	185,080	198,640	(13,560)
Total expenditures	7,602,507	8,095,062	7,619,346	475,716
Net change in fund balances	2,354,356	1,928,116	2,054,599	126,483
Fund balance, beginning of year	8,230,978	8,230,978	8,230,978	-
Fund balance, end of year	\$ 10,585,334	\$ 10,159,094	\$ 10,285,577	\$ 126,483

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,382,969	\$ 1,350,607	\$ 1,350,607	\$ -
Charges for services	202,195	220,497	220,497	-
Total revenues	<u>1,585,164</u>	<u>1,571,104</u>	<u>1,571,104</u>	<u>-</u>
EXPENDITURES				
Current operating:				
General government	697,608	649,176	649,176	-
Court-related	1,307,607	1,278,601	1,278,601	-
Total expenditures	<u>2,005,215</u>	<u>1,927,777</u>	<u>1,927,777</u>	<u>-</u>
Excess of revenues over expenditures	<u>(420,051)</u>	<u>(356,673)</u>	<u>(356,673)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	420,051	356,673	356,673	-
Total other financing sources (uses)	<u>420,051</u>	<u>356,673</u>	<u>356,673</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY FLORIDA

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

For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 61,109	\$ 170,562	\$ 109,453
Charges for services	-	-	70,354	70,354
Miscellaneous	-	-	32,065	32,065
Total revenues	-	61,109	272,981	211,872
EXPENDITURES				
Current operating:				
Public safety	11,299,284	11,412,295	11,664,735	(252,440)
Capital outlay:				
Public safety	155,000	438,623	803,055	(364,432)
Total expenditures	11,454,284	11,850,918	12,467,790	(616,872)
Excess of revenues over expenditures	(11,454,284)	(11,789,809)	(12,194,809)	(405,000)
Other Financing Sources (Uses)				
Transfers in	11,454,284	11,789,809	12,194,809	405,000
Total other financing sources (uses)	11,454,284	11,789,809	12,194,809	405,000
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,640,000	\$ 2,640,000	\$ 1,766,895	\$ (873,105)
Interest	100	100	831	731
Miscellaneous	36,430	36,430	15,932	(20,498)
Total revenues	2,676,530	2,676,530	1,783,658	(892,872)
EXPENDITURES				
Current operating:				
Economic environment	835,442	874,232	738,821	135,411
Debt service				
Principal	517,241	517,241	567,952	(50,711)
Interest	143,957	143,957	134,812	9,145
Total expenditures	1,496,640	1,535,430	1,441,585	93,845
Excess of revenues over expenditures	1,179,890	1,141,100	342,073	(799,027)
Other Financing Sources (Uses)				
Transfers in	267,178	267,178	868,651	601,473
Transfers out	(300,000)	(300,000)	(300,000)	-
Total other financing sources (uses)	(32,822)	(32,822)	568,651	601,473
Net change in fund balance	1,147,068	1,108,278	910,724	(197,554)
Fund balance, beginning of year	906,287	906,287	906,287	-
Fund balance, end of year	\$ 2,053,355	\$ 2,014,565	\$ 1,817,011	\$ (197,554)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 949,600	\$ 949,600	\$ 1,301,058	\$ 351,458
Interest	8,000	8,000	2,976	(5,024)
Total revenues	<u>957,600</u>	<u>957,600</u>	<u>1,304,034</u>	<u>346,434</u>
EXPENDITURES				
Transportation				
Current expenditures	1,020,000	1,020,000	20,000	1,000,000
Capital outlay	9,700,000	10,900,000	1,085,085	9,814,915
Total expenditures	<u>10,720,000</u>	<u>11,920,000</u>	<u>1,105,085</u>	<u>10,814,915</u>
Excess of revenues over expenditures	(9,762,400)	(10,962,400)	198,949	11,161,349
Other financing sources				
Debt proceeds	3,770,000	4,970,000	-	(4,970,000)
Net change in fund balance	(5,992,400)	(5,992,400)	198,949	6,191,349
Fund balance, beginning of year	3,712,632	3,712,632	3,712,632	-
Fund balance, end of year	<u>\$ (2,279,768)</u>	<u>\$ (2,279,768)</u>	<u>\$ 3,911,581</u>	<u>\$ 6,191,349</u>

See notes to financial statements.

COLUMBIA COUNTY FLORIDA

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

For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, permits and assessments	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Intergovernmental	3,250,903	3,250,903	359,583	(2,891,320)
Interest	1,000	1,000	1,544	544
Miscellaneous	-	44,677	44,677	-
Total revenues	3,286,903	3,331,580	405,804	(2,925,776)
EXPENDITURES				
Current operating:				
Transportation	-	-	1,013,469	(1,013,469)
Capital outlay:				
Transportation	46,840	46,840	1,648,918	(1,602,078)
Total expenditures	46,840	46,840	2,662,387	(2,615,547)
Excess of revenues over expenditures	3,240,063	3,284,740	(2,256,583)	(5,541,323)
Other Financing Sources (Uses)				
Debt proceeds	-	4,035,000	-	(4,035,000)
Transfers in	-	-	-	-
Total other financing sources (uses)	-	4,035,000	-	(4,035,000)
Net change in fund balance	3,240,063	7,319,740	(2,256,583)	(9,576,323)
Fund balance, beginning of year	3,457,917	3,457,917	3,457,917	-
Fund balance, end of year	\$ 6,697,980	\$ 10,777,657	\$ 1,201,334	\$ (9,576,323)

See notes to financial statements.

FUND COMBINING STATEMENTS

COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

September 30, 2012

	Special Revenue Funds														
	Clerk of Courts			Property Appraiser	Sheriff						Supervisor of Elections	Tax Collector	Community Development		Court Reporters
	Public Records Modernization	Reserved	Teen Court	Operating	Minimum Standards	School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Drug Strike Force	Work Program	Operating	Operating	Block Grant	Reporters
	Trust	10%													
ASSETS															
Current assets															
Cash	\$ 181,625	\$ 156,230	\$ -	\$ 61,962	\$ 45,389	\$ 35,524	\$ 22,020	\$ 271,901	\$ 98,526	\$ 6,787	\$ 1,372	\$ 358,570	\$ -	\$ 46,294	
Accounts receivable	340	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due from other funds	6,736	8,100	1,485	-	-	-	-	-	-	-	-	30,896	-	-	
Due from other governmental units	-	-	-	-	-	-	-	6,270	-	-	-	-	91,632	-	
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets	\$ 188,701	\$ 164,330	\$ 1,485	\$ 61,962	\$ 45,389	\$ 35,524	\$ 22,020	\$ 278,171	\$ 98,526	\$ 6,787	\$ 1,372	\$ 389,466	\$ 91,632	\$ 46,294	
LIABILITIES AND FUND BALANCES															
LIABILITIES															
Current liabilities															
Accounts payable	\$ -	\$ -	\$ 2,553	\$ -	\$ 782	\$ -	\$ -	\$ 23,926	\$ -	\$ -	\$ -	\$ 27,275	\$ 14,643	\$ -	
Accrued payroll liabilities	-	-	-	-	-	-	160	-	-	-	-	833	-	-	
Due to other funds	-	-	2,080	57,123	-	-	-	-	-	-	1,372	342,437	76,988	-	
Due to other governmental units	-	-	-	4,500	-	-	-	-	-	-	-	18,921	-	-	
Revenues collected in advance	-	-	-	-	-	-	-	-	98,449	-	-	-	-	-	
Other current liabilities	-	-	-	339	-	-	-	-	-	-	-	-	-	-	
Total liabilities	-	-	4,633	61,962	782	-	160	23,926	98,449	-	1,372	389,466	91,631	-	
FUND BALANCES															
Restricted	188,701	164,330	-	-	44,607	35,524	21,860	254,245	77	6,787	-	-	-	-	
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	46,294	
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	(3,148)	-	-	-	-	-	-	-	-	-	1	-	
Total fund balances	188,701	164,330	(3,148)	-	44,607	35,524	21,860	254,245	77	6,787	-	-	1	46,294	
Total liabilities and fund balances	\$ 188,701	\$ 164,330	\$ 1,485	\$ 61,962	\$ 45,389	\$ 35,524	\$ 22,020	\$ 278,171	\$ 98,526	\$ 6,787	\$ 1,372	\$ 389,466	\$ 91,632	\$ 46,294	

(Continued)

COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

September 30, 2012

	Special Revenue Funds								Debt Service Funds		Capital	Total Nonmajor Governmental Funds	
	Board of				County Commissioners				Road Improvement	Tourist Development	Paving Assess- ments		
	Court Service	Impact Fees	Industrial Development Authority	Law Enforcement Special	Law Library	Library Enhancement Grant	Local Housing Assistance	Neighborhood Stabilization					Tourist Development Tax
ASSETS													
Cash	\$ 812,463	\$ 293,297	\$ -	\$ 63,869	\$ 3,021	\$ 451,834	\$ 52,158	\$ -	\$ 905,079	\$ 2,476,209	\$ -	\$ 32,344	\$ 6,376,474
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	340
Due from other funds	88,142	-	-	-	-	-	-	-	-	-	-	-	135,359
Due from other governmental units	-	-	-	-	-	-	-	10,728	42,123	51,530	-	2	202,285
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	1,454	-	875,627	-	-	49,404	-	-	-	926,485
Total assets	\$ 900,605	\$ 293,297	\$ -	\$ 65,323	\$ 3,021	\$ 1,327,461	\$ 52,158	\$ 10,728	\$ 996,606	\$ 2,527,739	\$ -	\$ 32,346	\$ 7,640,943
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Current liabilities													
Accounts payable	\$ 10,290	\$ -	\$ -	\$ -	\$ -	\$ 1,191	\$ 2,473	\$ 10,728	\$ 6,390	\$ -	\$ -	\$ -	\$ 100,251
Accrued payroll liabilities	-	-	-	-	-	-	-	-	-	-	-	-	993
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	480,000
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	23,421
Revenues collected in advance	-	-	-	-	-	235,497	-	-	-	-	-	-	333,946
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	339
Total liabilities	10,290	-	-	-	-	236,688	2,473	10,728	6,390	-	-	-	938,950
FUND BALANCES													
Restricted	-	293,297	-	65,323	3,021	1,090,773	49,685	-	990,216	-	-	-	3,208,446
Committed	-	-	-	-	-	-	-	-	-	-	-	-	46,294
Assigned	890,315	-	-	-	-	-	-	-	-	2,527,739	-	32,346	3,450,400
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	(3,147)
Total fund balances	890,315	293,297	-	65,323	3,021	1,090,773	49,685	-	990,216	2,527,739	-	32,346	6,701,993
Total liabilities and fund balances	\$ 900,605	\$ 293,297	\$ -	\$ 65,323	\$ 3,021	\$ 1,327,461	\$ 52,158	\$ 10,728	\$ 996,606	\$ 2,527,739	\$ -	\$ 32,346	\$ 7,640,943

See notes to financial statements.

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

For the Fiscal Year Ended September 30, 2012

Special Revenue Funds

	Clerk of Courts		Property	Sheriff						Supervisor	Tax		
	Public Records	Reserved	Appraiser	Minimum	Forfeiture	Inmate	Forfeiture	Drug	Work	Operating	Operating	Community	Court
	Modernization	10%	Teen Court	Standards		Welfare	Nongrant	Strike Force	Program			Development	Reporters
	Trust		Operating	School							Block Grant		
REVENUES													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, assessments	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	5,750	-	11,385	8,652	-	7,128	283,349	114,953
Charges for services	80,004	-	23,521	88,524	-	200,000	-	-	-	5,685	1,448,022	-	-
Fines and forfeitures	-	95,263	-	-	16,071	-	-	57,865	-	-	-	-	-
Interest income	-	-	-	380	72	32	146	495	150	12	2,133	504	-
Miscellaneous	-	-	-	2,591	-	-	95,651	-	-	-	-	10,031	-
Total revenues	80,004	95,263	23,521	91,495	16,143	18,945	295,797	69,745	8,802	5,697	9,261	1,458,557	283,349
EXPENDITURES													
Current Expenditures													
General government	27,378	-	-	1,210,141	-	-	-	-	-	-	655,272	1,452,500	-
Public safety	-	-	-	-	33,577	-	229,285	23,650	8,780	5,623	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-	283,349
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Court - related	508	45,546	25,032	-	-	-	-	-	-	-	-	-	107,312
Capital outlay													
General government	-	-	-	5,074	-	-	-	-	-	-	-	6,057	-
Public safety	-	-	-	-	-	-	153,256	190,649	-	-	-	-	-
Court - related	600	6,544	-	-	-	-	-	-	-	-	-	-	-
Debt service													
Principal	-	-	-	-	-	-	-	-	-	-	10,384	-	-
Interest	-	-	-	-	-	-	-	-	-	-	1,616	-	-
Total expenditures	28,486	52,090	25,032	1,215,215	33,577	-	382,541	214,299	8,780	5,623	667,272	1,458,557	283,349
Excess of revenues over (under) expenditures	51,518	43,173	(1,511)	(1,123,720)	(17,434)	18,945	(86,744)	(144,554)	22	74	(658,011)	-	-
OTHER FINANCING SOURCES (USES)													
Interfund transfers in	-	-	-	1,123,720	-	-	-	-	-	-	658,011	-	-
Interfund transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,123,720	-	-	-	-	-	-	658,011	-	-
Net change in fund balances	51,518	43,173	(1,511)	-	(17,434)	18,945	(86,744)	(144,554)	22	74	-	-	7,641
Fund balances beginning of year	137,183	121,157	(1,637)	-	62,041	16,579	108,604	398,799	55	6,713	-	-	1
Fund balances end of year	\$ 188,701	\$ 164,330	\$ (3,148)	\$ -	\$ 44,607	\$ 35,524	\$ 21,860	\$ 254,245	\$ 77	\$ 6,787	\$ -	\$ -	\$ 1

(Continued)

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

For the Fiscal Year Ended September 30, 2012

	Special Revenue Funds								Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds	
	Board of County Commissioners								Road Improvement	Tourist Development	Paving Assessments		
	Court Service	Impact Fees	Industrial Development Authority	Law Enforcement Special	Law Library	Library Enhancement Grant	Local Housing Assistance	Neighborhood Stabilization					Tourist Development Tax
REVENUES													
Taxes	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,423	\$ 800,000	\$ -	\$ -	\$ 1,523,423
Licenses, permits, assessments	-	-	-	-	-	-	-	-	-	-	-	30,419	30,419
Intergovernmental revenue	-	-	-	-	-	-	-	10,728	23,272	-	-	-	465,217
Charges for services	140,595	-	-	-	-	-	-	-	-	-	-	-	1,986,351
Fines and forfeitures	-	-	-	37,548	-	-	-	-	-	-	-	-	219,910
Interest income	618	-	-	28	-	545	538	-	612	1,553	-	2	7,820
Miscellaneous	-	-	-	-	-	5,688	5,000	-	26,499	-	-	-	145,460
Total revenues	331,213	-	-	37,576	-	6,233	5,538	10,728	583,806	801,553	-	30,421	4,378,600
EXPENDITURES													
Current Expenditures													
General government	17,000	-	1,156	-	175	-	-	-	-	-	-	993	3,364,615
Public safety	-	-	-	10,000	-	-	-	-	-	-	-	-	310,915
Economic environment	-	-	-	-	-	-	305,720	10,728	428,175	-	-	-	1,027,972
Culture/recreation	-	-	-	-	-	677,387	-	-	-	-	-	-	677,387
Court -related	246,302	-	-	-	-	-	-	-	-	-	-	-	424,700
Capital outlay													
General government	-	-	-	-	-	-	-	-	-	-	-	-	11,131
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	343,905
Court -related	-	-	-	-	-	-	-	-	-	-	-	-	7,144
Debt service													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	10,384
Interest	-	-	-	-	-	-	-	-	-	-	-	-	1,616
Total expenditures	263,302	-	1,156	10,000	175	677,387	305,720	10,728	428,175	-	-	993	6,179,769
Excess of revenues over (under) expenditures	67,911	-	(1,156)	27,576	(175)	(671,154)	(300,182)	-	155,631	801,553	-	29,428	(1,801,169)
OTHER FINANCING SOURCES (USES)													
Interfund transfers in	-	-	-	-	-	-	-	-	49,386	-	-	-	1,831,117
Interfund transfers out	-	-	#####	-	-	-	-	-	-	-	(49,386)	-	(650,859)
Total other financing sources (uses)	-	-	#####	-	-	-	-	-	49,386	-	(49,386)	-	1,180,258
Net change in fund balances	67,911	-	#####	27,576	(175)	(671,154)	(300,182)	-	205,017	801,553	(49,386)	29,428	(620,911)
Fund balances beginning of year	822,404	293,297	602,629	37,747	3,196	1,761,927	349,867	-	785,199	1,726,186	49,386	2,918	7,322,904
Fund balances end of year	\$ 890,315	\$ 293,297	\$ -	\$ 65,323	\$ 3,021	\$ 1,090,773	\$ 49,685	\$ -	\$ 990,216	\$ 2,527,739	\$ -	\$ 32,346	\$ 6,701,993

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS
September 30, 2012

	Clerk of Circuit Court				Sheriff					Tax Collector		Totals
	Clerk's Trust	Employee Sunshine	Domestic Relations	Jury Witness	Public Defender	Individual Depositors	Inmate Welfare	Donation Trust	Evidence Trust	Ad	Valorem Tax Agency	
					Occupancy Trust					Tag Agency		
ASSETS												
Cash	\$ 1,100,168	\$ 655	\$ 1,500	\$ 4,419	\$ 12,662	\$ 11,741	\$ 591,710	\$ 12,814	\$ 40,838	\$ 139,381	\$ 2,098,587	\$ 4,014,475
Accounts receivable	13,137	-	-	-	-	-	14,371	-	-	1,131	-	28,639
Due from other funds	1,377	31	-	-	-	-	-	-	-	-	-	1,408
Total assets	\$ 1,114,682	\$ 686	\$ 1,500	\$ 4,419	\$ 12,662	\$ 11,741	\$ 606,081	\$ 12,814	\$ 40,838	\$ 140,512	\$ 2,098,587	\$ 4,044,522
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130	\$ 348	\$ 478
Cash bond liability	69,938	-	-	-	-	-	-	-	-	-	-	69,938
Due to individuals	-	-	-	-	-	-	14,464	-	-	-	-	14,464
Court fees payable	242,935	-	-	-	-	-	-	-	-	-	-	242,935
Deposits held in escrow	151,458	-	-	-	-	-	-	-	-	-	127,879	279,337
Due to other funds	74,471	-	-	-	-	-	-	-	-	-	120,346	194,817
Due to other												
governmental units	440,406	-	1,500	4,419	12,662	7,869	-	-	-	135,036	1,616,239	2,218,131
Interest payable	-	-	-	-	-	-	-	-	-	242	-	242
Tax deeds payable	114,668	-	-	-	-	-	-	-	-	-	168,700	283,368
Other current liabilities	20,806	686	-	-	-	3,872	591,617	12,814	40,838	5,104	65,075	740,812
Total liabilities	1,114,682	686	1,500	4,419	12,662	11,741	606,081	12,814	40,838	140,512	2,098,587	4,044,522
NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

SINGLE AUDIT AND COMPLIANCE SECTION

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

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

We have audited the basic financial statements of Columbia County, Florida (the County), as of and for the year ended September 30, 2012, and have issued our report thereon dated May 28, 2013. 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 - The management of Columbia County, Florida, is responsible for establishing and maintaining effective 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.

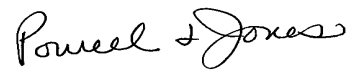
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination 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 May 28, 2013, on pages 84 - 86.

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
May 28, 2013

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, 2012. 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, 2012.

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*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Columbia County, Florida's internal control over compliance.

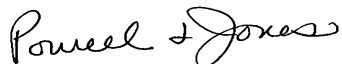
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. A material weakness in internal control over compliance is a deficiency or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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, 2012, and have issued our report thereon dated May 28, 2012. 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
May 28, 2013

COLUMBIA COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2012

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 9/30/2012
FEDERAL AWARDS								
<i>MAJOR PROGRAMS</i>								
<i>Department of Housing and Urban Development passed through Florida Department of Community Affairs</i>								
Neighborhood Stabilization Program	14.228	12DB-Q5-03-22-01-F-04	\$ 1,029,844	\$ -	\$ -	\$ 10,728	\$ 10,728	\$ -
Small Cities Community Development Block Grant	14.228	11DB-L4-03-22-01-H-20	750,000	19,687	-	283,349	283,349	-
<i>Total major programs</i>			<u>1,779,844</u>	<u>19,687</u>	<u>-</u>	<u>294,077</u>	<u>294,077</u>	<u>-</u>
<i>NONMAJOR PROGRAMS</i>								
<i>US Department of Justice</i>								
E. Byrne Memorial Justice Assistance Grant/Recovery Act Funds	16.738	2009-SB-B9-0414	103,855	72,585	31,270	31,270	31,270	-
<i>passed through Florida Department of Law Enforcement</i>								
E. Byrne Memorial Justice Assistance Grant/MJTF JAG	16.738	2012-JAGC-COLU-2-C4-237	44,756	-	-	44,756	44,756	-
E. Byrne Memorial Justice Assistance Grant/MJTF PILL MILL	16.738	2011-ARRC-COLU-1-W7-353	47,746	-	-	12,891	12,891	-
			<u>196,357</u>	<u>72,585</u>	<u>31,270</u>	<u>88,917</u>	<u>88,917</u>	<u>-</u>
<i>US Drug Enforcement Administration passed through the Office of Agricultural Law Enforcement</i>								
Domestic Marijuana Eradication Program	16.004	N/A	5,750	-	-	5,750	5,750	-
<i>Violence Against Women Office passed through Florida Department of Children and Families</i>								
Violence Against Women Formula Grant	16.588	LN917	84,262	21,065	-	63,197	63,197	-
Violence Against Women Formula Grant	16.588	LN917	84,262	-	-	16,533	16,533	-
			<u>168,524</u>	<u>21,065</u>	<u>-</u>	<u>79,730</u>	<u>79,730</u>	<u>-</u>
<i>Bureau of Justice Assistance/Office of Criminal Justice Grants</i>								
Bulletproof Vest Grant	16.607	FY2010	4,904	-	-	4,904	4,904	-
<i>Total U.S. Department of Justice</i>			<u>375,535</u>	<u>93,650</u>	<u>31,270</u>	<u>179,301</u>	<u>179,301</u>	<u>-</u>
<i>US Department of Homeland Security 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	-
Emergency Management Performance Grant	97.042	12-FG-R3-03-22-01-079	46,005	-	-	46,005	46,005	-
Training Exercise Grant	97.067	11-DS-9Z-03-22-01-420	49,798	25,298	-	24,500	24,500	-
State Homeland Security Grant Program	97.067	11-CI-35-03-22-01-245	10,000	-	-	10,000	10,000	-
Federal Emergency Management Agency Tropical Storm Fay	97.067	09-PA-C2-03-22-00-510	523	-	-	523	523	-
<i>Total U.S. Department of Homeland Security</i>			<u>152,249</u>	<u>36,382</u>	<u>-</u>	<u>81,028</u>	<u>92,112</u>	<u>-</u>
<i>U.S. Election Assistance Commission passed through State of Florida Department of State Division of Elections Help America Vote Act</i>								
Federal Elections Activities Grant	90.401	MOA#2011-2012-001	7,128	-	-	7,128	7,128	-
<i>Total U.S. Election Assistance Commission</i>			<u>7,128</u>	<u>-</u>	<u>-</u>	<u>7,128</u>	<u>7,128</u>	<u>-</u>
<i>US Department of Health and Human Services passed through the Florida Department of Revenue</i>								
Title IV-D Grant	93.563	FY2011-2012	76,344	-	-	76,344	76,344	-
Title IV-D Grant Incentive Funds	93.563	FY2010	3,358	-	-	3,358	3,358	-
<i>Total US Department of Health and Human Services</i>			<u>79,702</u>	<u>-</u>	<u>-</u>	<u>79,702</u>	<u>79,702</u>	<u>-</u>
Total nonmajor programs			614,614	130,032	31,270	347,159	358,243	-
Total federal awards			<u>\$ 2,394,458</u>	<u>\$ 149,719</u>	<u>\$ 31,270</u>	<u>\$ 641,236</u>	<u>\$ 652,320</u>	<u>\$ -</u>

(Continued)

COLUMBIA COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2012

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 9/30/2012
STATE FINANCIAL ASSISTANCE								
<i>MAJOR PROGRAMS</i>								
<i>Florida Department of Transportation</i>								
County Incentive Grant/Bascom Norris Road	55.008	4068139-54-01/AO900	\$ 2,826,000	\$ 1,524,942	\$ -	\$ 1,301,058	\$ 1,301,058	\$ -
Academic - Small County Outreach Program	55.009	426040-1-58-01	936,608	-	-	29,056	29,056	-
Falling Creek - Small County Outreach Program	55.009	424328-1-58-01	-	-	-	50,564	50,564	-
247 Turning Lane - State Highway Project Reimbursement	55.023	208411-8-58-01	500,000	-	-	279,963	279,963	-
<i>Total major programs</i>			<u>4,262,608</u>	<u>1,524,942</u>	<u>-</u>	<u>1,660,641</u>	<u>1,660,641</u>	<u>-</u>
<i>NONMAJOR PROGRAMS:</i>								
<i>Office of the Governor</i>								
Rural Infrastructure Grant	31.030	OT-09-144	300,000	33,106	-	266,894	266,894	-
<i>Total Office of the Governor</i>			<u>300,000</u>	<u>33,106</u>	<u>-</u>	<u>266,894</u>	<u>266,894</u>	<u>-</u>
<i>Department of State</i>								
<i>Division of Library Information Services</i>								
State Aid to Libraries Operating/Equalization Grant	45.030	08-ST-13	616,483	485,871	130,612	130,612	130,612	-
State Aid to Libraries Operating/Equalization Grant	45.030	09-ST-13	534,785	-	534,785	534,785	534,785	-
State Aid to Libraries Operating/Equalization Grant	45.030	10-ST-13	502,468	502,468	502,468	11,990	11,990	490,478
State Aid to Libraries Operating/Equalization Grant	45.030	11-ST-13	594,062	169,349	424,713	-	-	594,062
State Aid to Libraries Operating/Equalization Grant	45.030	12-ST-13	235,497	-	-	-	-	235,497
<i>Total Department of State</i>			<u>2,483,295</u>	<u>1,157,688</u>	<u>1,592,578</u>	<u>677,387</u>	<u>677,387</u>	<u>1,320,037</u>
<i>Department of Environmental Protection</i>								
Small County Solid Waste Grant Agreement	37.012	204SC	70,588	-	-	70,588	70,588	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP6025	1,200,000	717,334	-	-	-	-
<i>Total Department of Environmental Protection</i>			<u>1,270,588</u>	<u>717,334</u>	<u>-</u>	<u>70,588</u>	<u>70,588</u>	<u>-</u>
<i>Department of Agriculture and Consumer Services</i>								
Arthropod Mosquito Control State Aid	42.003	FDACS Contract #17214	18,334	-	-	18,334	18,334	-
<i>Department of Community Affairs</i>								
Emergency Management Performance Grant/MATCH	52.008	11-BG-05-03-22-01-131	75,887	49,828	-	26,059	-	-
Emergency Management Performance Grant/MATCH	52.008	12-BG-05-03-22-01-012	105,806	-	-	35,987	35,987	-
<i>Total Department of Community Affairs</i>			<u>181,693</u>	<u>49,828</u>	<u>-</u>	<u>62,046</u>	<u>35,987</u>	<u>-</u>
<i>Florida Housing Finance Corporation</i>								
State Housing Initiatives Partnership Program								
SHIP Funds 2011	52.901	FY 2010/11	350,000	49,852	300,175	300,175	300,175	-
<i>Total Florida Housing Finance Corporation</i>			<u>350,000</u>	<u>49,852</u>	<u>300,175</u>	<u>300,175</u>	<u>300,175</u>	<u>-</u>
<i>Department of Health</i>								
Emergency Medical Services County Grant Program	64.003	C0012	66,855	-	-	52,511	52,511	14,344
Emergency Medical Services County Grant Program	64.003	C7012	75,306	22,474	52,832	52,832	52,832	-
<i>Total Department of Health</i>			<u>142,161</u>	<u>22,474</u>	<u>52,832</u>	<u>105,343</u>	<u>105,343</u>	<u>14,344</u>
<i>Florida Department of Law Enforcement</i>								
Statewide Drug Enforcement Strike Force Initiative	71.008	MOU	107,101	-	-	8,652	8,652	98,449
<i>Florida E911 Board</i>								
911 Equipment Maintenance	N/A	11-10-03	51,790	-	-	51,790	51,790	-
911 Voice Recorder	N/A	11-10-34	34,265	-	-	34,265	34,208	57
<i>Total Florida E911 Board</i>			<u>86,055</u>	<u>-</u>	<u>-</u>	<u>86,055</u>	<u>85,998</u>	<u>57</u>
<i>Total nonmajor programs</i>			<u>4,939,227</u>	<u>2,030,282</u>	<u>1,945,585</u>	<u>1,595,474</u>	<u>1,569,358</u>	<u>1,432,887</u>
Total state financial assistance			\$ 9,201,835	\$ 3,555,224	\$ 1,945,585	\$ 3,256,115	\$ 3,229,999	\$ 1,432,887

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

COLUMBIA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2012

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, 2012

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

Name of Federal Programs

14.228

U.S. Department of Housing and Urban Development
 Small Cities Development Block Grant

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

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

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

COLUMBIA COUNTY, FLORIDA
 SCHEDULE OF FINDINGS
 For the Fiscal Year Ended September 30, 2012

State Financial Assistance

Internal control over major projects:

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

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

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

CSEA Number

Name of State Programs

55.008
 55.009
 55.023

Florida Department of Transportation
 County Incentive Grant
 Small County Outreach Program
 State Highway Project Reimbursement

Dollar threshold used to distinguish between Type A and Type B programs: \$969,000

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, 2012, and have issued our report thereon dated May 28, 2013.

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 May 28, 2013, 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

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

CURRENT YEAR FINDINGS

2012-1

Grant Administration – From our audit of the various grant programs administered by Board departments, we found that generally it was difficult to document grant compliance and identify specific grant expenditures due to grant information being maintained in more than one location. This generally arises when grant administration and reporting is performed by the recipient department, but financial accounting is maintained in the Board's Finance Office. To improve overall grant administration and accountability, we recommend that the Board evaluate the feasibility of designating an appropriate employee for centralized management of the Board's grants. Such an employee would be responsible for monitoring grant applications, interim reporting and coordination between the Finance Office and the various recipient Board departments.

2012-2

County Incentive Program Grant – In December 2005, the County was awarded a grant under the County Incentive Program Grant (CIPG) in conjunction with the construction of the Bascom Norris Bypass, in the amount of \$2,826,000.

In the current year the County received \$1,301,058 which constituted the balance of the grant. From our review of documentation relating to this final draw request, we found that substantially all of the expenditures were incurred in the prior year.

This situation created a substantial lost interest opportunity for the County, due to the fact that the expenditures were paid from other County funds. To avoid such occurrences in the future, we recommend that the Board establish a centralized system to monitor grant financial activities, including reimbursement processes.

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

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SUPERVISOR OF ELECTIONS

PRIOR YEAR FINDINGS

There were no reportable findings in the prior 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(l)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Columbia County, Florida, for the year ended September 30, 2012.

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.

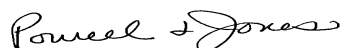
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based 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, 2012, 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
May 28, 2013

CLERK OF THE CIRCUIT COURT

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2012

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Powell & Jones
Certified Public Accountants

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Honorable Clerk of the Circuit Court
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2012, as listed in the table of contents. These special purpose financial statements are the responsibility of the Clerk of the Circuit Court. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Clerk of the Circuit Court, as of September 30, 2012, 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 April 12, 2013, 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

POWELL & JONES
April 12, 2013

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2012

	Governmental Fund Types		Fiduciary	Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Agency Funds	
ASSETS				
Current assets				
Cash	\$ 49,824	\$ 337,855	\$ 1,119,404	\$ 1,507,083
Accounts receivable	856	340	13,257	14,453
Due from other funds	21,096	14,241	1,407	36,744
Due from other governmental units	10,992	-	-	10,992
Total assets	<u>\$ 82,768</u>	<u>\$ 352,436</u>	<u>\$ 1,134,068</u>	<u>\$ 1,569,272</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 5,225	\$ 2,553	\$ -	\$ 7,778
Due to individuals	-	-	487,855	487,855
Due to other funds	1,407	-	35,337	36,744
Due to Board of County Commissioners	33,978	-	39,433	73,411
Due to other governmental units	42,158	-	441,341	483,499
Deposits	-	-	99,199	99,199
Other current liabilities	-	-	30,903	30,903
Total liabilities	<u>\$ 82,768</u>	<u>\$ 2,553</u>	<u>\$ 1,134,068</u>	<u>\$ 1,219,389</u>
FUND BALANCES				
Restricted	-	353,031	-	353,031
Committed	-	(3,148)	-	(3,148)
Total fund balance	<u>-</u>	<u>349,883</u>	<u>-</u>	<u>349,883</u>
Total liabilities and fund balance	<u>\$ 82,768</u>	<u>\$ 352,436</u>	<u>\$ 1,134,068</u>	<u>\$ 1,569,272</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT

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

For the Fiscal Year Ended September 30, 2012

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Intergovernmental	\$ 1,350,607	\$ -	\$ 1,350,607
Charges for services	220,496	198,788	419,284
Total revenues	<u>1,571,103</u>	<u>198,788</u>	<u>1,769,891</u>
EXPENDITURES			
Current expenditures			
General government	649,176	28,486	677,662
Court related	1,278,599	70,578	1,349,177
Capital outlay			
Court related	-	6,544	6,544
Total expenditures	<u>1,927,775</u>	<u>105,608</u>	<u>2,033,383</u>
Excess of revenues over (under) expenditures	<u>(356,672)</u>	<u>93,180</u>	<u>(263,492)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	356,672	-	356,672
Total other financing sources (uses)	<u>356,672</u>	<u>-</u>	<u>356,672</u>
Net change in fund balance	-	93,180	93,180
Fund balance at beginning of year	-	256,703	256,703
Fund balance at end of year	<u>\$ -</u>	<u>\$ 349,883</u>	<u>\$ 349,883</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF 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, 2012

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental	\$ 1,382,969	\$ 1,350,607	\$ (32,362)	\$ -	\$ -	\$ -
Charges for services	202,195	220,496	18,301	200,000	198,788	(1,212)
Total revenues	<u>1,585,164</u>	<u>1,571,103</u>	<u>(14,061)</u>	<u>200,000</u>	<u>198,788</u>	<u>(1,212)</u>
EXPENDITURES						
Current expenditures						
General government	697,608	649,176	48,432	10,000	28,486	(18,486)
Court related	1,307,607	1,278,599	29,008	95,000	70,578	24,422
Capital outlay						
Court related	-	-	-	17,000	6,544	10,456
Total expenditures	<u>2,005,215</u>	<u>1,927,775</u>	<u>77,440</u>	<u>122,000</u>	<u>105,608</u>	<u>16,392</u>
Excess of revenues over (under) expenditures	<u>(420,051)</u>	<u>(356,672)</u>	<u>63,379</u>	<u>78,000</u>	<u>93,180</u>	<u>15,180</u>
OTHER FINANCING SOURCES						
Transfers from the Board of County Commissioners	420,051	356,672	(63,379)	-	-	-
Total other financing sources (uses)	<u>420,051</u>	<u>356,672</u>	<u>(63,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances				78,000	93,180	15,180
Fund balances at beginning of year	-	-	-	256,703	256,703	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,703</u>	<u>\$ 349,883</u>	<u>\$ 15,180</u>

See notes to financial statements.

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

September 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," as amended by GASB 39 "Determining Whether Certain Organizations Are Component Units an Amendment of GASB Statement 14," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

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

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

B. Fund Accounting - Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund entity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds and account group utilized by the Clerk are as follows:

- (i) Governmental Fund
General Fund - The General Fund of the Clerk of the Circuit Court is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. As of September 30, 2012, 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, 2012, the book balance of the Clerk's deposits was \$1,507,083. The bank balance was \$1,506,783. 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, \$98,066, 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 5.18%; Senior Management 6.30%; Elected Officials 10.23%, and employees electing the DROP Program 5.44%. The contribution requirements of plan members and the Clerk are established and may be amended by the Florida Legislature. The Clerk's contributions to the System for the years ending September 30, 2012, 2011 and 2010 were \$78,287, \$151,985, and \$163,101, respectively, equal to the required contributions for each year.

NOTE 4. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2012, were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 21,096	\$ 1,407
Reserved 10% Fines	6,020	-
Public Records Modernization Trust	6,736	-
Teen Court	1,485	-
Trust	1,376	35,337
Sunshine	31	-
	<u>\$ 36,744</u>	<u>\$ 36,744</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 \$68,454 for the year ended September 30, 2012 from a total of \$171,137 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 \$9,996. Future minimum lease payments for these leases are as follows:

<u>Year Ending September 30,</u>	<u>Minimum Lease Payments</u>
2013	\$ 9,936
2014	8,141
2015	5,628
2016	2,504
2017	835
	<u>\$ 27,044</u>

NOTE 7. FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2012, 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, 2012:

	Classification					Total
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	
Public Records						
Modernization Trust	\$ -	\$ 188,701	\$ -	\$ -	\$ -	\$ 188,701
Teen Court	-	-	(3,148)	-	-	(3,148)
Reserved 10% Fines	-	164,330	-	-	-	164,330
	<u>\$ -</u>	<u>\$ 353,031</u>	<u>\$ (3,148)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,883</u>

NOTE 8. FUND EQUITY DEFICITS

The following governmental fund had a deficit in fund balances at September 30, 2012:

Teen Court	<u>\$ (3,148)</u>
Total	<u>\$ (3,148)</u>

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT
GENERAL FUND
BALANCE SHEET

September 30, 2012

ASSETS

Current Assets	
Cash	\$ 49,824
Accounts receivable	856
Due from other funds	21,096
Due from other governmental units	10,992
Total assets	<u>\$ 82,768</u>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Current liabilities	
Accounts payable	\$ 5,225
Due to other funds	1,407
Due to Board of County Commissioners	33,978
Due to other governmental units	42,158
Total liabilities	<u>82,768</u>
FUND BALANCE	
Unreserved	-
Total liabilities and fund balance	<u>\$ 82,768</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue				
Federal grants				
IV - D grant	\$ 75,362	\$ 75,362	\$ 69,064	\$ (6,298)
State grants				
State Court reimbursement	1,307,607	1,307,607	1,281,543	(26,064)
Total intergovernmental revenue	<u>1,382,969</u>	<u>1,382,969</u>	<u>1,350,607</u>	<u>(32,362)</u>
Charges for services				
General government				
Noncourt related charges				
Recording	122,055	122,055	138,644	16,589
Documentary stamp commissions	8,500	8,500	7,314	(1,186)
Marriage licenses fees and charges	21,000	21,000	21,111	111
Passports	22,000	22,000	22,150	150
Copies	20,000	20,000	19,898	(102)
Other charges	8,640	8,640	11,379	2,739
Total charges for services	<u>202,195</u>	<u>202,195</u>	<u>220,496</u>	<u>18,301</u>
Total revenues	<u>1,585,164</u>	<u>1,585,164</u>	<u>1,571,103</u>	<u>(14,061)</u>
EXPENDITURES				
Board of County Commissioners				
Personal services	318,133	318,133	313,854	4,279
Operating expenses	1,800	1,800	1,591	209
Total Board of County Commissioners	<u>319,933</u>	<u>319,933</u>	<u>315,445</u>	<u>4,488</u>
Other general government				
Personal services	307,903	307,903	286,691	21,212
Operating expenses	19,000	19,000	30,478	(11,478)
Total other general government	<u>326,903</u>	<u>326,903</u>	<u>317,169</u>	<u>9,734</u>
Clerk administration				
Personal services	234,829	234,829	267,239	(32,410)
Operating expenses	5,542	5,542	10,326	(4,784)
Total Clerk administration	<u>240,371</u>	<u>240,371</u>	<u>277,565</u>	<u>(37,194)</u>

(Continued)

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Jury Management				
Personal services	\$ 30,719	\$ 30,719	\$ 30,858	\$ (139)
Operating expenses	20,304	20,304	13,719	6,585
Total jury management	<u>51,023</u>	<u>51,023</u>	<u>44,577</u>	<u>6,446</u>
Circuit Criminal				
Personal services	201,536	201,536	168,150	33,386
Operating expenses	8,781	8,781	10,675	(1,894)
Total circuit criminal	<u>210,317</u>	<u>210,317</u>	<u>178,825</u>	<u>31,492</u>
Circuit Civil				
Personal services	106,842	106,842	97,084	9,758
Operating expenses	4,399	4,399	4,511	(112)
Total circuit civil	<u>111,241</u>	<u>111,241</u>	<u>101,595</u>	<u>9,646</u>
Circuit Family				
Personal services	92,859	92,859	94,940	(2,081)
Operating expenses	4,750	4,750	10,223	(5,473)
Total circuit family	<u>97,609</u>	<u>97,609</u>	<u>105,163</u>	<u>(7,554)</u>
Circuit Juvenile				
Personal services	57,039	57,039	54,107	2,932
Operating expenses	2,509	2,509	2,714	(205)
Total circuit juvenile	<u>59,548</u>	<u>59,548</u>	<u>56,821</u>	<u>2,727</u>
Circuit Probate				
Personal services	34,297	34,297	35,072	(775)
Operating expenses	1,672	1,672	1,003	669
Total circuit probate	<u>35,969</u>	<u>35,969</u>	<u>36,075</u>	<u>(106)</u>

(Continued)

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Information Technology				
Personal services	49,772	49,772	14,648	35,124
Operating expenses	1,000	1,000	1,914	(914)
Total information technology	<u>50,772</u>	<u>50,772</u>	<u>16,562</u>	<u>34,210</u>
County Criminal				
Personal services	\$ 178,292	\$ 178,292	\$ 181,098	\$ (2,806)
Operating expenses	8,363	8,363	13,377	(5,014)
Total county criminal	<u>186,655</u>	<u>186,655</u>	<u>194,475</u>	<u>(7,820)</u>
County Civil				
Personal services	85,700	85,700	81,115	4,585
Operating expenses	3,546	3,546	7,210	(3,664)
Total county civil	<u>89,246</u>	<u>89,246</u>	<u>88,325</u>	<u>921</u>
County Traffic				
Personal services	216,429	216,429	188,568	27,861
Operating services	9,199	9,199	6,610	2,589
Total county traffic	<u>225,628</u>	<u>225,628</u>	<u>195,178</u>	<u>30,450</u>
Total expenditures	<u>2,005,215</u>	<u>2,005,215</u>	<u>1,927,775</u>	<u>77,440</u>
Excess of revenues over (under) expenditures	<u>(420,051)</u>	<u>(420,051)</u>	<u>(356,672)</u>	<u>63,379</u>
Other financing sources				
Transfers from				
Board of County Commissioners	393,593	393,593	356,672	(36,921)
Public Rords Trust Fund	26,458	26,458	-	(26,458)
Total other financing sources	<u>420,051</u>	<u>420,051</u>	<u>356,672</u>	<u>(63,379)</u>
Net change in fund balance	-	-	-	-
Fund balance beginning of year	-	-	-	-
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

September 30, 2012

	Public Records Modernization Trust	Teen Court	Reserved 10% Fines	Totals
ASSETS				
Cash	\$ 181,625	\$ (2,080)	\$ 158,310	\$ 337,855
Accounts receivable	340	-	-	340
Due from other funds	6,736	1,485	6,020	14,241
Total assets	<u>\$ 188,701</u>	<u>\$ (595)</u>	<u>\$ 164,330</u>	<u>\$ 352,436</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ -	\$ 2,553	\$ -	\$ 2,553
Total liabilities	<u>-</u>	<u>2,553</u>	<u>-</u>	<u>2,553</u>
FUND BALANCES				
Restricted	188,701		164,330	353,031
Committed	-	(3,148)	-	(3,148)
Total fund balances	<u>188,701</u>	<u>(3,148)</u>	<u>164,330</u>	<u>349,883</u>
Total liabilities and fund balances	<u>\$ 188,701</u>	<u>\$ (595)</u>	<u>\$ 164,330</u>	<u>\$ 352,436</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 2012

	Public Records Modernization Trust	Teen Court	Reserved 10% Fines	Totals
ASSETS				
Cash	\$ 181,625	\$ (2,080)	\$ 158,310	\$ 337,855
Accounts receivable	340	-	-	340
Due from other funds	6,736	1,485	6,020	14,241
Total assets	<u>\$ 188,701</u>	<u>\$ (595)</u>	<u>\$ 164,330</u>	<u>\$ 352,436</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ -	\$ 2,553	\$ -	\$ 2,553
Total liabilities	<u>-</u>	<u>2,553</u>	<u>-</u>	<u>2,553</u>
FUND BALANCES				
Restricted	188,701		164,330	353,031
Committed	-	(3,148)	-	(3,148)
Total fund balances	<u>188,701</u>	<u>(3,148)</u>	<u>164,330</u>	<u>349,883</u>
Total liabilities and fund balances	<u>\$ 188,701</u>	<u>\$ (595)</u>	<u>\$ 164,330</u>	<u>\$ 352,436</u>

See notes to financial statements.

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

CLERK OF CIRCUIT COURT
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 September 30, 2012

	Clerk Trust	Employee Sunshine	Domestic Relations	Jury and Witness	Public Defender Occupancy Trust	Totals
ASSETS						
Cash	\$ 1,100,169	\$ 655	\$ 1,499	\$ 4,419	\$ 12,662	\$ 1,119,404
Accounts receivable	13,137	-	-	120	-	13,257
Due from other funds	1,376	31	-	-	-	1,407
Total assets	\$ 1,114,682	\$ 686	\$ 1,499	\$ 4,539	\$ 12,662	\$ 1,134,068
LIABILITIES						
Due to individuals	\$ 483,316	\$ -	\$ -	\$ 4,539	\$ -	\$ 487,855
Due to other funds	35,337	-	-	-	-	35,337
Due to Board of County Commissioners	39,433	-	-	-	-	39,433
Due to other governmental units	439,842	-	1,499	-	-	441,341
Deposits	99,199	-	-	-	-	99,199
Other current liabilities	17,555	686	-	-	12,662	30,903
Total liabilities	\$ 1,114,682	\$ 686	\$ 1,499	\$ 4,539	\$ 12,662	\$ 1,134,068

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA (Cyndi)

CLERK OF THE CIRCUIT COURT

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
TRUST FUND				
Assets				
Cash	\$ 893,506	\$ 7,843,074	\$ 7,636,411	\$ 1,100,169
Accounts receivable	13,316	3,153	3,332	13,137
Due from other funds	-	1,376	-	1,376
Total assets	<u>\$ 906,822</u>	<u>\$ 7,847,603</u>	<u>\$ 7,639,743</u>	<u>\$ 1,114,682</u>
Liabilities				
Due to individuals	\$ 403,118	\$ 1,884,231	\$ 1,804,033	\$ 483,316
Due to other funds	36,873	426,049	427,585	35,337
Due to Board of County Commissioners	39,172	39,433	39,172	39,433
Due to other governmental units	286,546	5,240,061	5,086,765	439,842
Deposits	122,684	240,121	263,606	99,199
Other current liabilities	18,429	19,224	20,098	17,555
Total liabilities	<u>\$ 906,822</u>	<u>\$ 7,849,119</u>	<u>\$ 7,641,259</u>	<u>\$ 1,114,682</u>
EMPLOYEE SUNSHINE FUND				
Assets				
Cash	\$ 1,191	\$ 1,893	\$ 2,429	\$ 655
Due from other funds	-	31	-	31
Total assets	<u>\$ 1,191</u>	<u>\$ 1,924</u>	<u>\$ 2,429</u>	<u>\$ 686</u>
Liabilities				
Other current liabilities	\$ 1,191	\$ 1,924	\$ 2,429	\$ 686
Total liabilities	<u>\$ 1,191</u>	<u>\$ 1,924</u>	<u>\$ 2,429</u>	<u>\$ 686</u>
DOMESTIC RELATIONS FUND				
Assets				
Cash	\$ 1,626	\$ 21,062	\$ 21,189	\$ 1,499
Total assets	<u>\$ 1,626</u>	<u>\$ 21,062</u>	<u>\$ 21,189</u>	<u>\$ 1,499</u>
Liabilities				
Due to other governmental units	\$ 1,626	\$ 29,558	\$ 29,685	\$ 1,499
Total liabilities	<u>\$ 1,626</u>	<u>\$ 29,558</u>	<u>\$ 29,685</u>	<u>\$ 1,499</u>
JURY AND WITNESS FUND				
Assets				
Cash	\$ 6,395	\$ 15,452	\$ 17,428	\$ 4,419
Accounts receivable	-	120	-	120
Total cash	<u>\$ 6,395</u>	<u>\$ 15,572</u>	<u>\$ 17,428</u>	<u>\$ 4,539</u>
Liabilities				
Due to individuals	\$ 6,395	\$ 15,572	\$ 17,428	\$ 4,539
Total liabilities	<u>\$ 6,395</u>	<u>\$ 15,572</u>	<u>\$ 17,428</u>	<u>\$ 4,539</u>

(Continued)

COLUMBIA COUNTY, FLORIDA (Cyndi)

CLERK OF THE CIRCUIT COURT

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
PUBLIC DEFENDER OCCUPANCY TRUST FUND				
Assets				
Cash	\$ 20,038	\$ 61,483	\$ 68,859	\$ 12,662
Total assets	<u>\$ 20,038</u>	<u>\$ 61,483</u>	<u>\$ 68,859</u>	<u>\$ 12,662</u>
Liabilities				
Other current liabilities	\$ 20,038	\$ 61,483	\$ 68,859	\$ 12,662
Total liabilities	<u>\$ 20,038</u>	<u>\$ 61,483</u>	<u>\$ 68,859</u>	<u>\$ 12,662</u>
TOTALS - ALL FUNDS				
Assets				
Cash	\$ 922,756	\$ 7,942,964	\$ 7,746,316	\$ 1,119,404
Accounts receivable	13,316	3,273	3,332	13,257
Due from other funds	-	1,407	-	1,407
Total assets	<u>\$ 936,072</u>	<u>\$ 7,947,644</u>	<u>\$ 7,749,648</u>	<u>\$ 1,134,068</u>
Liabilities				
Due to individuals	\$ 409,513	\$ 1,899,803	\$ 1,821,461	\$ 487,855
Due to other funds	36,873	426,049	427,585	35,337
Due to Board of County Commissioners	39,172	39,433	39,172	39,433
Due to other governmental units	288,172	5,269,619	5,116,450	441,341
Deposits	122,684	240,121	263,606	99,199
Other current liabilities	39,658	82,631	91,386	30,903
Total liabilities	<u>\$ 936,072</u>	<u>\$ 7,957,656</u>	<u>\$ 7,759,660</u>	<u>\$ 1,134,068</u>

See notes to financial statements.

COMPLIANCE SECTION

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

To the Clerk of Courts
Columbia County, Florida

We have audited the special purpose fund financial statements of the Columbia County Clerk of Courts, as of and for the year ended September 30, 2012, and have issued our report thereon dated April 12, 2013. Our report included a paragraph stating that the Clerk of Courts 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

Management of the Columbia County Clerk of Courts is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Columbia County Clerk of Courts' 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 of Courts' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Columbia County Clerk of Courts' 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.

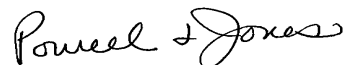
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the Columbia County Clerk of Courts' 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 Clerk of Courts of Columbia County , the Board of County Commissioners, 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.

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

POWELL & JONES
April 12, 2013

MANAGEMENT LETTER

Honorable Clerk of the Circuit Court
Columbia County, Florida

We have audited the financial statements of the Columbia County Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2012, and have issued our report thereon dated April 12, 2013. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Columbia County, Florida, for the year ended September 30, 2012. The financial statements of the Clerk of the Circuit Court are combined with other County agencies in that report.

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

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

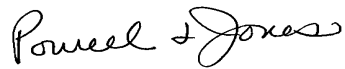
Financial Condition Assessment - As required by the *Rules of the Auditor General* [Sections 10.544(7)(c) and 10.556(7)], we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based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

Requirements of Section 28.35, Florida Statutes - For the fiscal year ended September 30, 2012, the Clerk complied with the following:

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

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

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



POWELL & JONES
Certified Public Accountants
April 12, 2013

PROPERTY APPRAISER

COLUMBIA COUNTY, FLORIDA
PROPERTY APPRAISER
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2012
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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, 2012, 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, 2012, 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 May 14, 2013, 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
May 14, 2013

FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER
GENERAL FUND
BALANCE SHEET

September 30, 2012

ASSETS

Cash	\$ 61,962
Total assets	<u>\$ 61,962</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Current liabilities

Due to Board of County Commissioners	\$ 57,123
Due to other governmental units	4,500
Accrued payroll liability	<u>339</u>
Total liabilities and fund balance	<u>\$ 61,962</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, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services				
General government				
County officer fees				
Lake Shore Hospital Authority	\$ 63,834	\$ 63,834	\$ 63,834	\$ -
Suwannee River Water				
Management District	29,190	29,190	29,190	-
Total charges for services	<u>93,024</u>	<u>93,024</u>	<u>93,024</u>	<u>-</u>
Miscellaneous				
Interest earnings	-	-	380	380
Other miscellaneous	-	-	2,591	2,591
Total miscellaneous	<u>-</u>	<u>-</u>	<u>2,971</u>	<u>2,971</u>
Total revenues	<u>93,024</u>	<u>93,024</u>	<u>95,995</u>	<u>2,971</u>
EXPENDITURES				
General government				
Financial and administrative				
Personal services	1,057,820	1,096,971	1,066,942	30,029
Operating expenses	171,396	171,896	148,273	23,623
Total expenditures	<u>1,229,216</u>	<u>1,268,867</u>	<u>1,215,215</u>	<u>53,652</u>
Excess of revenues over (under) expenditures	(1,136,192)	(1,175,843)	(1,119,220)	56,623
OTHER FINANCING SOURCES				
Transfers from Board of County Commissioners	<u>1,136,192</u>	<u>1,175,843</u>	<u>1,119,220</u>	<u>(56,623)</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>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

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, 2012, the book balance of the Property Appraiser's deposits was \$61,962. 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 \$130,030, 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, 2012 were as follows: Regular Employees 5.18%; Senior Management 6.30%; Elected Officials 10.23% and Deferred Retirement Option Program (DROP) 5.44%. 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, 2012, 2011 and 2010 were \$47,015, \$90,489, and \$99,709, respectively equal to the required contributions for each year.

NOTE 4. OPERATING LEASE

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

Year Ending September 30	
2013	\$ 1,512
2014	1,512
	<u>\$ 3,024</u>

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

Year Ending September 30	
2013	\$ 2,241
2014	2,241
2015	187
	<u>\$ 4,669</u>

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND 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 financial statements of the Columbia County Property Appraiser, as of and for the year ended September 30, 2012, and have issued our report thereon dated May 14, 2013. 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.

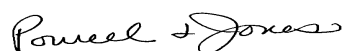
Internal Control Over Financial Reporting – Management of the Columbia County Property Appraiser is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Columbia County Property Appraiser's internal control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

A 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 Columbia County Property Appraiser'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 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 Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

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



POWELL & JONES
Certified Public Accountants
May 14, 2013

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, 2012, and have issued our report thereon dated May 14, 2013. 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 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.

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, 2012. The financial statements of the Property Appraiser are combined with other County agencies in that report.

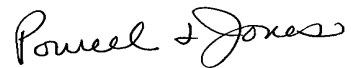
Investment of Public Funds - The Property Appraiser complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year.

Financial Emergency Status - Nothing came to our attention that caused us to believe that the Property Appraiser 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 Property Appraiser and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Office. We appreciate the overall high quality of the financial records and personnel in the Property Appraiser'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
May 14, 2013

SHERIFF

COLUMBIA COUNTY, FLORIDA

SHERIFF

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2012

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COLUMBIA COUNTY, FLORIDA

SHERIFF

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2012

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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, 2012, 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 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(5) of chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Sheriff is a 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 Sheriff, as of September 30, 2012, 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 28, 2013, 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 fund 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 fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.

POWELL & JONES
May 28, 2013

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SHERIFF

COMBINED BALANCE SHEET
ALL FUND TYPES

September 30, 2012

	Governmental Funds		Fiduciary	Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Fund Types Agency Funds	
ASSETS				
Current assets				
Cash	\$ 1,091,281	\$ 480,147	\$ 657,103	\$ 2,228,531
Accounts receivable	5,842	-	14,371	20,213
Due from Board of County Commissioners	5,496	-	-	5,496
Due from other governmental units	39,814	6,270	-	46,084
Total assets	<u>\$ 1,142,433</u>	<u>\$ 486,417</u>	<u>\$ 671,474</u>	<u>\$ 2,300,324</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 252,314	\$ 24,868	\$ -	\$ 277,182
Accrued liabilities	528,060	-	-	528,060
Due to individuals	-	-	14,464	14,464
Due to Board of County Commissioners	362,059	-	7,869	369,928
Deferred revenue	-	98,449	-	98,449
Other current liabilities	-	-	649,141	649,141
Total current liabilities	<u>1,142,433</u>	<u>123,317</u>	<u>671,474</u>	<u>1,937,224</u>
FUND BALANCES				
Fund balances restricted	-	363,100	-	363,100
Total liabilities and fund balances	<u>\$ 1,142,433</u>	<u>\$ 486,417</u>	<u>\$ 671,474</u>	<u>\$ 2,300,324</u>

See notes to 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, 2012

	General Fund	Special Revenue Funds	Totals
REVENUES			
Intergovernmental	\$ 170,562	\$ 14,402	\$ 184,964
Charges for services	88,731	200,000	288,731
Fines and forfeitures	-	87,099	87,099
Miscellaneous	32,065	113,629	145,694
Total revenues	<u>291,358</u>	<u>415,130</u>	<u>706,488</u>
EXPENDITURES			
Current expenditures			
Public safety	11,683,112	300,917	11,984,029
Capital outlay			
Public safety	803,055	343,905	1,146,960
Total expenditures	<u>12,486,167</u>	<u>644,822</u>	<u>13,130,989</u>
Excess of revenues over (under) expenditures	<u>(12,194,809)</u>	<u>(229,692)</u>	<u>(12,424,501)</u>
Other Financing Sources			
Transfers from Board of County Commissioners	12,194,809	-	12,194,809
Total other financing sources	<u>12,194,809</u>	<u>-</u>	<u>12,194,809</u>
Net change in fund balances	-	(229,692)	(229,692)
Fund balances at beginning of year	<u>-</u>	<u>592,792</u>	<u>592,792</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 363,100</u>	<u>\$ 363,100</u>

See notes to financial statements.

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, 2012

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental	\$ -	\$ 170,562	\$ 170,562	\$ 14,402	\$ 14,402	\$ -
Charges for services	-	88,731	88,731	200,000	200,000	-
Fines and forfeitures	-	-	-	87,099	87,099	-
Miscellaneous	-	32,065	32,065	113,629	113,629	-
Total revenue	-	291,358	291,358	415,130	415,130	-
EXPENDITURES						
Current expenditures						
Public safety	11,724,622	11,683,112	41,510	300,917	300,917	-
Capital outlay						
Public safety	787,040	803,055	(16,015)	343,905	343,905	-
Total expenditures	12,511,662	12,486,167	25,495	644,822	644,822	-
Excess of revenues over (under) expenditures	(12,511,662)	(12,194,809)	316,853	(229,692)	(229,692)	-
Other Financing Sources						
Transfers from Board of County Commissioners	12,511,662	12,194,809	(316,853)	-	-	-
Total other financing sources	12,511,662	12,194,809	(316,853)	-	-	-
Net change in fund balances	-	-	-	(229,692)	(229,692)	-
Fund balances at beginning of year	-	-	-	592,792	592,792	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 363,100	\$ 363,100	\$ -

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

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, 2012, the Sheriff maintained the following Special Revenue Funds:

Minimum Standards School
Forfeiture
Inmate Welfare
Forfeiture - Non Grant
Work Program
Region 2 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:

- Inmate Trust
- Individual Depositors Trust
- Evidence Trust
- Donations 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, 2012, the book balance of the Sheriff's deposits were \$2,228,006. The bank balances were \$2,453,821. 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	\$ -	\$ 1,465,192	\$ -	\$ 1,465,192
FDIC Insurance	762,814	-	-	762,814
Total deposits	<u>\$ 762,814</u>	<u>\$ 1,465,192</u>	<u>\$ -</u>	<u>\$ 2,228,006</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 \$1,018,993, 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 10/01/11	Donations & Other	Additions	Deletions	Balance 09/30/12
Equipment	\$ 6,094,831	\$ 22,441	\$ 1,146,960	\$ 539,824	\$ 6,724,408

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, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%, and employees electing the DROP program 5.44%. 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, 2012, 2011 and 2010 were \$798,316, \$1,132,136, and \$1,252,809, 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 \$53,908. The future minimum payments under these leases at September 30, 2012, are as follows:

<u>Year Ending September 30</u>	<u>Minimum Lease Payment</u>
2013	\$ 51,460
2014	50,811
2015	27,596
2016	16,570
2017	5,399
	<u>\$ 151,836</u>

NOTE 8. FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2012, 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, 2012:

	Classification					Total
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	
Special Revenue Funds						
Minimum Standards School	\$ -	\$ 44,606	\$ -	\$ -	\$ -	\$ 44,606
Forfeiture	-	35,525	-	-	-	35,525
Inmate Welfare	-	21,860	-	-	-	21,860
Forfeiture Nongrant	-	254,245	-	-	-	254,245
Work Program	-	6,787	-	-	-	6,787
Region 2 Strike Force	-	77	-	-	-	77
	<u>\$ -</u>	<u>\$ 363,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,100</u>

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

SHERIFF

GENERAL FUND
BALANCE SHEET

September 30, 2012

ASSETS

Current assets

Cash	\$	1,091,281
Accounts receivable		5,842
Due from Board of County Commissioners		5,496
Due from other governmental units		39,814

Total assets \$ 1,142,433

LIABILITIES

Liabilities

Accounts payable	\$	252,314
Accrued liabilities		528,060
Due to Board of County Commissioners		362,059

Total liabilities \$ 1,142,433

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
SHERIFF
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue				
Federal grants				
E. Byrne Memorial	\$ -	\$ -	\$ 170,562	\$ 170,562
Charges for Services				
Public safety				
Police services	-	-	88,731	88,731
Miscellaneous				
Other	-	-	32,065	32,065
Total revenue	-	-	291,358	291,358
EXPENDITURES				
Administration				
Personnel services	820,459	904,169	865,690	38,479
Operating expenses	156,876	176,310	199,184	(22,874)
Capital outlay	18,097	15,460	8,820	6,640
Total administration	995,432	1,095,939	1,073,694	22,245
Road Patrol				
Personnel services	2,317,878	2,602,551	2,558,987	43,564
Operating expenses	644,554	685,009	670,241	14,768
Capital outlay	186,942	487,564	488,053	(489)
Total road patrol	3,149,374	3,775,124	3,717,281	57,843
Detective				
Personnel services	811,192	874,910	803,942	70,968
Operating expenses	146,762	146,762	129,298	17,464
Capital outlay	21,711	27,346	33,236	(5,890)
Total detective	979,665	1,049,018	966,476	82,542
Civil				
Personnel services	301,097	327,165	340,078	(12,913)
Operating expenses	59,259	59,259	75,559	(16,300)
Capital outlay	8,084	-	-	-
Total civil	368,440	386,424	415,637	(29,213)
Records Evidence				
Personnel services	190,363	203,773	204,343	(570)
Operating expenses	17,292	19,892	23,375	(3,483)
Capital outlay	5,613	-	-	-
Total records evidence	\$ 213,268	\$ 223,665	\$ 227,718	\$ (4,053)

(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, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Communications				
Operating expenses	\$ -	\$ -	\$ 17,195	\$ (17,195)
Corrections				
Personnel services	2,695,981	2,866,618	2,818,069	48,549
Operating expenses	1,076,932	1,066,466	1,066,116	350
Capital outlay	101,127	256,670	254,058	2,612
Total corrections	<u>3,874,040</u>	<u>4,189,754</u>	<u>4,138,243</u>	<u>51,511</u>
Sheriff Task Force				
Personnel services	246,375	269,604	298,792	(29,188)
Operating expenses	87,075	85,590	74,939	10,651
Capital outlay	7,170	-	-	-
Total Sheriff Task Force	<u>340,620</u>	<u>355,194</u>	<u>373,731</u>	<u>(18,537)</u>
Community Affairs				
Personnel services	524,095	549,564	539,411	10,153
Operating expenses	107,667	107,667	85,402	22,265
Capital outlay	13,664	-	-	-
Total community affairs	<u>645,426</u>	<u>657,231</u>	<u>624,813</u>	<u>32,418</u>
Bullet Proof Vest				
Operating expenses	-	-	4,904	(4,904)
JAG Grant				
Personnel services	-	-	24,581	(24,581)
Operating expenses	-	-	9,787	(9,787)
Capital outlay	-	-	18,888	(18,888)
Total JAG grant	<u>-</u>	<u>-</u>	<u>53,256</u>	<u>(53,256)</u>
Courts Judicial				
Personnel services	674,799	715,060	675,040	40,020
Operating expenses	130,779	64,253	62,373	1,880
Capital outlay	18,029	-	-	-
Total court judicial	<u>823,607</u>	<u>779,313</u>	<u>737,413</u>	<u>41,900</u>
STOP				
Personnel services	-	-	92,618	(92,618)
Operating expenses	-	-	11,917	(11,917)
Total Stop	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,535</u>	<u>\$ (104,535)</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, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Recovery Act Grant				
Operating expenses	\$ -	\$ -	\$ 31,271	\$ (31,271)
Total expenditures	<u>11,389,872</u>	<u>12,511,662</u>	<u>12,486,167</u>	<u>25,495</u>
Excess of revenues over (under) expenditures	(11,389,872)	(12,511,662)	(12,194,809)	316,853
Other financing sources				
Transfers from the Board of County Commissioners	<u>11,389,872</u>	<u>12,511,662</u>	<u>12,194,809</u>	<u>(316,853)</u>
Total other financing sources	<u>11,389,872</u>	<u>12,511,662</u>	<u>12,194,809</u>	<u>(316,853)</u>
Net change in fund balance	-	-	-	-
Fund balance beginning of year	-	-	-	-
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

SPECIAL REVENUE FUND

COLUMBIA COUNTY, FLORIDA

SHERIFF

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2012

	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Region 2 Strike Force	Totals
ASSETS							
Current Assets							
Cash	\$ 45,388	\$ 35,525	\$ 22,020	\$ 271,901	\$ 6,787	\$ 98,526	\$ 480,147
Due from other governments	-	-	-	6,270	-	-	6,270
Total current assets	<u>\$ 45,388</u>	<u>\$ 35,525</u>	<u>\$ 22,020</u>	<u>\$ 278,171</u>	<u>\$ 6,787</u>	<u>\$ 98,526</u>	<u>\$ 486,417</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 782	\$ -	\$ 160	\$ 23,926	\$ -	\$ -	\$ 24,868
Deferred revenue	-	-	-	-	-	98,449	98,449
Total liabilities	<u>782</u>	<u>-</u>	<u>160</u>	<u>23,926</u>	<u>-</u>	<u>98,449</u>	<u>123,317</u>
FUND BALANCES - Restricted	44,606	35,525	21,860	254,245	6,787	77	363,100
Total liabilities and fund balances	<u>\$ 45,388</u>	<u>\$ 35,525</u>	<u>\$ 22,020</u>	<u>\$ 278,171</u>	<u>\$ 6,787</u>	<u>\$ 98,526</u>	<u>\$ 486,417</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
SHERIFF
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2012

	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Region 2 Strike Force
REVENUES						
Intergovernmental revenue						
Federal grant						
Drug eradication revenue	\$ -	\$ 5,750	\$ -	\$ -	\$ -	\$ -
State grant						
Legislative appropriation	-	-	-	-	-	8,652
Total intergovernmental revenue	<u>-</u>	<u>5,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,652</u>
Charges for services						
Public Safety						
Other public safety charges	-	-	200,000	-	-	-
Fines and forfeitures						
Court cases						
Confiscated property and restitution	-	13,163	-	57,865	-	-
Law enforcement education	16,071	-	-	-	-	-
Total fines and forfeitures	<u>16,071</u>	<u>13,163</u>	<u>-</u>	<u>57,865</u>	<u>-</u>	<u>-</u>
Miscellaneous						
Interest	72	33	145	495	12	151
Other miscellaneous						
Commissions	-	-	95,643	-	-	-
Other	-	-	8	11,385	5,685	-
Total miscellaneous	<u>72</u>	<u>33</u>	<u>95,796</u>	<u>11,880</u>	<u>5,697</u>	<u>151</u>
Total revenues	<u>16,143</u>	<u>18,946</u>	<u>295,796</u>	<u>69,745</u>	<u>5,697</u>	<u>8,803</u>
EXPENDITURES						
Public Safety						
Law enforcement						
Operating expenses	33,578	-	-	23,650	5,623	8,781
Capital outlay	-	-	-	190,649	-	-
Total law enforcement	<u>\$ 33,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,299</u>	<u>\$ 5,623</u>	<u>\$ 8,781</u>

(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, 2012

	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Region 2 Strike Force	Totals
Detention and correction							
Personnel services	\$ -	\$ -	\$ 13,301	\$ -	\$ -	\$ -	\$ 13,301
Operating expenses	-	-	215,984	-	-	-	215,984
Capital outlay	-	-	153,256	-	-	-	153,256
Total detention and correction	-	-	382,541	-	-	-	382,541
Total expenditures	<u>33,578</u>	<u>-</u>	<u>382,541</u>	<u>214,299</u>	<u>5,623</u>	<u>8,781</u>	<u>644,822</u>
Excess of revenues over (under) expenditures	<u>(17,435)</u>	<u>18,946</u>	<u>(86,745)</u>	<u>(144,554)</u>	<u>74</u>	<u>22</u>	<u>(229,692)</u>
Net change in fund balances	(17,435)	18,946	(86,745)	(144,554)	74	22	(229,692)
Fund balances beginning 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>
Fund balances end of year	<u>\$ 44,606</u>	<u>\$ 35,525</u>	<u>\$ 21,860</u>	<u>\$ 254,245</u>	<u>\$ 6,787</u>	<u>\$ 77</u>	<u>\$ 363,100</u>

See notes to financial statements.

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2012

	<u>Inmate Trust</u>	<u>Individual Depositors</u>	<u>Evidence Trust</u>	<u>Donations Trust</u>	<u>Totals</u>
ASSETS					
Current assets					
Cash	\$ 591,710	\$ 11,741	\$ 40,838	\$ 12,814	\$ 657,103
Accounts receivable	14,371	-	-	-	14,371
Total current assets	<u>\$ 606,081</u>	<u>\$ 11,741</u>	<u>\$ 40,838</u>	<u>\$ 12,814</u>	<u>\$ 671,474</u>
LIABILITIES					
Current liabilities					
Due to individuals	\$ (14,464)	\$ -	\$ -	\$ -	\$ (14,464)
Due to Board of County Commissioners	-	7,869	-	-	7,869
Other current liabilities	(591,617)	3,872	40,838	12,814	(534,093)
Total current liabilities	<u>\$ (606,081)</u>	<u>\$ 11,741</u>	<u>\$ 40,838</u>	<u>\$ 12,814</u>	<u>\$ (540,688)</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
SHERIFF
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2012

	Balance Oct. 1, 2011	Additions	Deletions	Balance Sept. 30, 2012
INMATE TRUST				
ASSETS				
Cash	\$ 532,061	\$ 430,583	\$ 370,934	\$ 591,710
Due from individuals	12,854	1,517	-	14,371
Total assets	<u>\$ 544,915</u>	<u>\$ 432,100</u>	<u>\$ 370,934</u>	<u>\$ 606,081</u>
LIABILITIES				
Due to individuals	\$ 12,957	\$ 372,441	\$ 370,934	\$ 14,464
Other current liabilities	531,958	59,659	-	591,617
Total liabilities	<u>\$ 544,915</u>	<u>\$ 432,100</u>	<u>\$ 370,934</u>	<u>\$ 606,081</u>
INDIVIDUAL DEPOSITORS				
ASSETS				
Cash	\$ 6,522	\$ 107,463	\$ 102,244	\$ 11,741
Total assets	<u>\$ 6,522</u>	<u>\$ 107,463</u>	<u>\$ 102,244</u>	<u>\$ 11,741</u>
LIABILITIES				
Individual depositors liability	\$ -	\$ 11,152	\$ 7,280	\$ 3,872
Due to Board of County Commissioners	6,522	96,311	94,964	7,869
Total liabilities	<u>\$ 6,522</u>	<u>\$ 107,463</u>	<u>\$ 102,244</u>	<u>\$ 11,741</u>
EVIDENCE TRUST				
ASSETS				
Cash	\$ 63,841	\$ 30,351	\$ 53,354	\$ 40,838
Total assets	<u>\$ 63,841</u>	<u>\$ 30,351</u>	<u>\$ 53,354</u>	<u>\$ 40,838</u>
LIABILITIES				
Other current liabilities	\$ 63,841	\$ 30,351	\$ 53,354	\$ 40,838
Total liabilities	<u>\$ 63,841</u>	<u>\$ 30,351</u>	<u>\$ 53,354</u>	<u>\$ 40,838</u>
DONATIONS TRUST				
ASSETS				
Cash	\$ 18,041	\$ 10,501	\$ 15,728	\$ 12,814
Total assets	<u>\$ 18,041</u>	<u>\$ 10,501</u>	<u>\$ 15,728</u>	<u>\$ 12,814</u>
LIABILITIES				
Other current liabilities	\$ 18,041	\$ 10,501	\$ 15,728	\$ 12,814
Total liabilities	<u>\$ 18,041</u>	<u>\$ 10,501</u>	<u>\$ 15,728</u>	<u>\$ 12,814</u>
TOTALS-ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 620,465	\$ 578,898	\$ 542,260	\$ 657,103
Due from individuals	12,854	1,517	-	14,371
Total assets	<u>\$ 633,319</u>	<u>\$ 580,415</u>	<u>\$ 542,260</u>	<u>\$ 671,474</u>
LIABILITIES				
Individual depositors liability	\$ -	\$ 11,152	\$ 7,280	\$ 3,872
Due to individuals	12,957	372,441	370,934	14,464
Due to Board of County Commissioners	6,522	96,311	94,964	7,869
Other current liabilities	613,840	100,511	69,082	645,269
Total liabilities	<u>\$ 633,319</u>	<u>\$ 580,415</u>	<u>\$ 542,260</u>	<u>\$ 671,474</u>

See notes to financial statements

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, 2012, and have issued our report thereon dated May 28, 2013. 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.

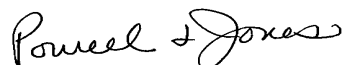
Internal Control Over Financial Reporting – Management of the Columbia County Sheriff is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Columbia County Sheriff's internal control over financial 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 28, 2013

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, 2012, and have issued our report thereon dated May 28, 2013. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Columbia County, Florida, for the year ended September 30, 2012. The financial statements of the Sheriff are combined with other County agencies in that report.

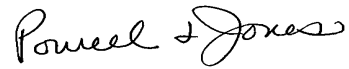
Investment of Public Funds - The Sheriff complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

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 overall high quality of the financial records and personnel in the Sheriff's Office. We also appreciate the helpful assistance, professionalism and courtesy afforded us by these employees.

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

POWELL & JONES
Certified Public Accountants
May 28, 2013

SUPERVISOR OF ELECTIONS

COLUMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2012

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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, 2012, 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, 2012, 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 February 4, 2013, 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
February 4, 2013

FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

GENERAL FUND
BALANCE SHEET
September 30, 2012

ASSETS

Current Assets

Cash	\$	1,372
Total assets	\$	<u>1,372</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Current Liabilities

Accounts payable	\$	-
Due to Board of County Commissioners		<u>1,372</u>
Total liabilities		1,372

FUND BALANCE

Total liabilities and fund balance	\$	<u>1,372</u>
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See notes to financial statements.

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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental			
Federal grants			
Voter education	\$ -	\$ 7,128	\$ 7,128
Total intergovernmental	<u>-</u>	<u>7,128</u>	<u>7,128</u>
Miscellaneous			
Other	-	2,272	2,272
Total miscellaneous	<u>-</u>	<u>2,272</u>	<u>2,272</u>
Total revenues	<u>-</u>	<u>9,400</u>	<u>9,400</u>
EXPENDITURES			
General government			
Other general government			
Supervisor of Elections			
Personal services	360,194	472,063	(111,869)
Operating expenses	1,936	9,397	(7,461)
Total Supervisor of Elections	<u>362,130</u>	<u>481,460</u>	<u>(119,330)</u>
Elections			
Personal services	172,256	156,761	15,495
Operating expenses	120,896	135,742	(14,846)
Debt service	12,000	12,000	-
Total elections	<u>305,152</u>	<u>304,503</u>	<u>649</u>
Total general government	<u>667,282</u>	<u>785,963</u>	<u>(118,681)</u>
Excess of revenues over (under) expenditures	<u>(667,282)</u>	<u>(776,563)</u>	<u>(109,281)</u>
OTHER FINANCING SOURCES			
Transfers in from Board of County Commissioners	667,282	776,563	109,281
Total other financing sources	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS

September 30, 2012

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, 2012, the book balance of the Supervisor of Elections' deposits was \$1,372. 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 \$5,824, 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, 2012, 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, 2012, 2011 and 2010 were \$21,364, \$37,876, and \$39,368, 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, <u>2013</u>	\$ 12,000
	<u>\$ 12,000</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, <u>2013</u>	\$ 4,561
2014	4,561
2015	4,561
2016	1,899
	<u>\$ 15,582</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, 2012, and have issued our report thereon dated February 4, 2013. 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 - Management of Columbia County Supervisor of Elections is responsible for establishing and maintaining effective 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
February 4, 2013

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, 2012, and have issued our report thereon dated February 4, 2013. 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, 2012. 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.

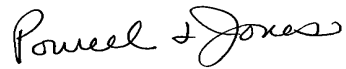
Financial Emergency Status - Nothing came to our attention that caused us to believe that the Supervisor of Elections had met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

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
February 4, 2013

TAX COLLECTOR

COLUMBIA COUNTY, FLORIDA
TAX COLLECTOR
SPECIAL PURPOSE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 2012

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

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Powell & Jones
Certified Public Accountants

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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, 2012, 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, 2012, and the results of its operations and budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 13, 2013, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

POWELL & JONES
May 13, 2013

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

COMBINED BALANCE SHEET – ALL FUND TYPES

September 30, 2012

	Governmental Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	General Fund	Agency Funds	
ASSETS			
Current assets			
Cash	\$ 358,570	\$ 2,237,966	\$ 2,596,536
Accounts receivable	-	1,131	1,131
Due from other funds	30,896	-	30,896
Total assets	<u>\$ 389,466</u>	<u>\$ 2,239,097</u>	<u>\$ 2,628,563</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 27,288	\$ 479	\$ 27,767
Due to individuals		168,699	168,699
Due to other funds		30,896	30,896
Due to Board of County Commissioners	342,437	-	342,437
Due to other governmental units	18,921	1,771,364	1,790,285
Accrued payroll deductions and matching	820	-	820
Other current liabilities	-	267,659	267,659
Total liabilities	<u>\$ 389,466</u>	<u>\$ 2,239,097</u>	<u>\$ 2,628,562</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services				
County Officer commissions and fees				
Professional and occupational licenses	\$ -	\$ -	\$ 15,308	\$ 15,308
Motor vehicle fees	392,630		340,178	340,178
Drivers license fees	147,079	147,079	147,079	(0)
Other licenses and permits	-	-	3,916	3,916
State commissions	-	-	1,560	1,560
County commissions	759,004	759,004	446,143	(312,861)
Tax commissions				
Columbia County Industrial Development Authority				
	23	23	23	(0)
Suwannee Water Management District				
	19,290	19,290	15,727	(3,563)
Lake Shore Hospital Authority	45,320	45,320	36,949	(8,371)
Delinquent tax commissions	-	-	210,728	210,728
Special assessment commissions	164,585	164,585	158,920	(5,666)
Special assessment administrative fees	-	-	71,493	71,493
Total charges for services	<u>1,527,932</u>	<u>1,135,301</u>	<u>1,448,022</u>	<u>312,720</u>
Miscellaneous				
Interest earnings	-	-	504	504
Other miscellaneous	-	-	10,031	10,031
Total miscellaneous	<u>-</u>	<u>-</u>	<u>10,535</u>	<u>10,535</u>
Total revenues	<u>1,527,932</u>	<u>1,135,301</u>	<u>1,458,557</u>	<u>323,255</u>
EXPENDITURES				
General government				
Personnel services	1,271,096	1,271,096	1,237,753	33,343
Operating expenses	250,778	250,778	214,746	36,032
Capital outlay	6,058	6,058	6,057	1
Total expenditures	<u>1,527,932</u>	<u>1,527,932</u>	<u>1,458,557</u>	<u>69,375</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, 2012

	<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>

See notes to financial Statements.

COLUMBIA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS

September 30, 2012

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, 2012, the book balance of the Tax Collector's deposits was \$2,592,236. Of this balance, \$250,000 was covered by federal depository insurance, and \$2,342,236 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 \$152,915 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, 2012 were as follows: Regular Employees 5.18%; Senior Management 6.30%; Elected Officials 10.23%; Deferred Retirement Option Program (DROP) 5.44%. 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, 2012, 2011 and 2010 were \$56,116, \$107,067, and \$103,389, respectively, equal to the required contributions for each year.

NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2012, were:

	Interfund Receivable	Interfund Payable
General Fund	\$ 30,896	\$ -
Ad Valorem Tax Fund	-	30,896
	<u>\$ 30,896</u>	<u>\$ 30,896</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>	
2013	\$ 4,388
2014	4,388
2015	4,388
2016	2,194
	<u>\$ 15,358</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>	
2013	\$ 1,869
2014	1,869
	<u>\$ 3,738</u>

COMBINING FUND STATEMENTS

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

AGENCY FUNDS
COMBINING BALANCE SHEET

September 30, 2012

	Ad Valorem Tax Fund	Tag Agency Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 2,098,586	\$ 139,380	\$ 2,237,966
Accounts receivable	-	1,131	1,131
Total assets	<u>\$ 2,098,586</u>	<u>\$ 140,511</u>	<u>\$ 2,239,097</u>
LIABILITIES			
Accounts payable	\$ 349	\$ 130	\$ 479
Due to individuals	168,699	-	168,699
Due to other funds	30,896	-	30,896
Due to other governmental units	1,636,329	135,035	1,771,364
Interest payable	-	242	242
Occupational licenses payable	69,777	-	69,777
Escrow funds payable	152,605	-	152,605
Other current liabilities	39,931	5,104	45,035
Total liabilities	<u>\$ 2,098,586</u>	<u>\$ 140,511</u>	<u>\$ 2,239,097</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ending September 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
TAG AGENCY FUND				
Assets				
Cash	\$ 169,489	\$ 8,426,658	\$ 8,456,767	\$ 139,380
Dishonored checks receivable	2,764	26,274	27,907	1,131
Total assets	\$ 172,253	\$ 8,452,932	\$ 8,484,674	\$ 140,511
Liabilities				
Accounts payable	\$ 240	\$ 21,593	\$ 21,703	\$ 130
Due to other funds	-	114	114	-
Due to other governmental units	162,120	8,378,201	8,405,286	135,035
Interest payable	665	1,897	2,320	242
Other current liabilities	9,228	52,269	56,393	5,104
Total liabilities	\$ 172,253	\$ 8,454,074	\$ 8,485,816	\$ 140,511
AD VALOREM TAX FUND				
Assets				
Cash	\$ 1,890,969	\$ 58,192,176	\$ 57,984,559	\$ 2,098,586
Dishonored checks receivable	-	97,754	97,754	-
Total assets	\$ 1,890,969	\$ 58,289,930	\$ 58,082,313	\$ 2,098,586
Liabilities				
Accounts payable	\$ 6,858	\$ 73,396	\$ 79,905	\$ 349
Due to individuals	142,947	5,557,476	5,531,724	168,699
Due to other funds	4,785	931,561	905,450	30,896
Due to other governmental units	1,625,886	53,493,796	53,483,353	1,636,329
Interest payable	-	3,484	3,484	-
Occupational licenses payable	70,310	84,888	85,421	69,777
Escrow funds payable	38,316	227,057	112,768	152,605
Other current liabilities	1,867	1,421,949	1,383,885	39,931
Total liabilities	\$ 1,890,969	\$ 61,585,987	\$ 61,793,600	\$ 2,098,586

See notes to financial statements.

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, 2012, and have issued our report thereon dated May 13, 2013. 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.

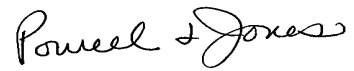
Internal Control Over Financial Reporting - Management of the Columbia County Tax Collector is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Columbia County Tax Collector's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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 Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the 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.

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

POWELL & JONES
Certified Public Accountants
May 13, 2013

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL

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, 2012, and have issued our report thereon dated May 13, 2013.

We have issued our 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* dated May 13, 2013. Disclosures in 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 *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 following 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 during the current year.

FINANCIAL 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, 2012. 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 ended September 30, 2012.

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 Procedures - As required by the Rules of the Auditor General (Sections 10.554(1)(i)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.

We noted no deteriorating financial conditions as deficient by Rule 10.554(2)(f).

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.

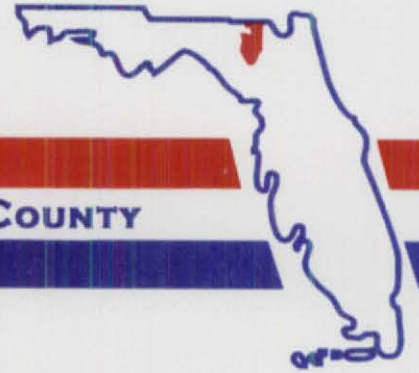
CONCLUSION

We have reviewed information regarding our audit with the Tax Collector and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences with our audit of the Tax Collector. We appreciate the helpful assistance of the Tax Collector Staff in completing our audit and also the generally high quality of the Tax Collector's financial records and internal controls. 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
May 13, 2013

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



BOARD OF COUNTY COMMISSIONERS • COLUMBIA COUNTY

June 19, 2013

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, 2012
Columbia County

Dear Auditor General:

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

Current Year Findings
2012-1 and 2012-2

Grant Administration and County Incentive Program Grant- In order to strengthen grant compliance and ensure grant reimbursement requests are submitted in a timely manner, the County Manager in coordination with the Finance Director will develop a policy that establishes the Finance Office as the central grants administrator.

Sincerely,

Dale Williams
County Manager

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 13, 2013

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, 2012.

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.

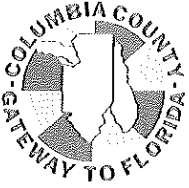
Sincerely,

A handwritten signature in black ink that reads "P. DeWitt Cason".

P. DeWitt Cason
Columbia County Clerk of Courts

J. DOYLE CREWS

PROPERTY APPRAISER - COLUMBIA COUNTY, FLORIDA



June 19, 2013

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

RE: Management Letter-Audit for Year Ended September 30, 2012

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, 2012.

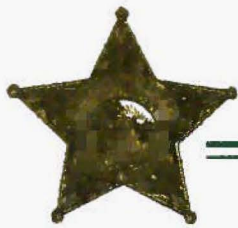
I have noted that there were no reportable findings in the prior or current year. Thanks again and we look forward to working with your office in the future.

Sincerely,

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

J. Doyle Crews, CFA
Property Appraiser

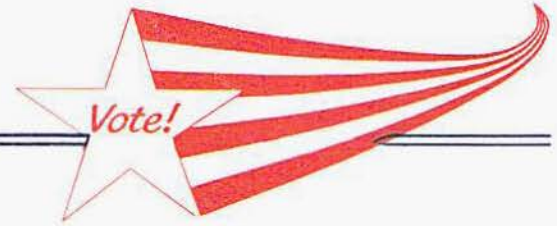
JDC/kdm
Cc: Dale Williams, County Manager



M H

Liz P. Horne

SUPERVISOR OF ELECTIONS, COLUMBIA COUNTY



June 18, 2013

Powell and Jones, CPAs
1359 SW Main Blvd
Lake City, Florida 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

June 13, 2013

Honorable Stephen Bailey, Chairman
Columbia County Board of Commissioners
P.O. Box 1529
Lake City, FL 32056

Dear Mr. Bailey:

We have received our Management Letter from Powell and Jones, Certified Public Accountants, for our financial audit of the period ending September 30, 2012.

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