

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2003



Powell & Jones
Certified Public Accountants

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2003

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INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2003

<u>Title</u>	<u>Name</u>
Board of County Commissioners	
District I	Ronald Williams
District II	Dewey Weaver
District III	George Skinner
District IV	Jennifer Flinn
District V	James Montgomery
County Attorney	Marlin M. Feagle
Clerk of Circuit Court	P. DeWitt Cason
Property Appraiser	J. Doyle Crews
Sheriff	Frank Owens
Supervisor of Elections	Carolyn D. Kirby
Tax Collector	H. Ray Walker

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbia County, Florida, as of and for the year ended September 30, 2003, 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.

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

A detail report of general fixed asset deletions could not be produced for the year ended September 30, 2003. In the absence of such records, it was not practicable to determine the fairness of amounts reported. Accordingly, we do not express an opinion on the General Fixed Assets Account Group as of September 30, 2003.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had detail general fixed asset deletion records been available for audit, 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, 2003, 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.

As described in Note 1, the County adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as of October 1, 2002.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 4, 2004, on our consideration of the Columbia County, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

COLUMBIA COUNTY, FLORIDA
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2003. 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, 2003. This is the initial year for reporting in accordance with GASB Statement 34. Prior year data is not included for comparative analysis of government-wide data but will be presented in future years.

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 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 *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 \$111,163,117 (net assets). Unrestricted net assets for governmental activities were \$14,752,953, and for business-type activities were \$10,682,107. Governmental Activities restricted net assets were \$15,076,980, and were \$223,538 for Business-type Activities.

Total net assets increased by \$9,304,802. Of that amount, \$7,695,315 is attributable to Governmental Activities and \$1,609,487; is attributable to Business-type Activities.

Governmental Funds revenues increased \$1,783,234 to \$47,515,451. This 3.9% increase in revenue was due primarily to an increase in the tax roll value during the year. Governmental Fund expenditures increased by \$13,675,621 to \$61,191,072. This increase in expenditures of 28.8% was primarily due to debt refinancing, and increased capital related expenditures together with general inflationary increases.

Business-type activities revenues increased 2.8% to \$3,924,499, while business-type expenses decreased 17.8% to \$2,305,012. This decrease was attributable to landfill closure related costs.

In future years, a more detailed comparison of government-wide financial information will be presented.

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, 2003, the assets of the County exceed liabilities by \$111,163,117.

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

Changes in Net Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues:			
Program Revenues			
Charges for services	\$ 11,011,848	\$ 3,594,179	\$14,606,027
Operating grants/ contributions	1,380,636	154,665	1,535,301
Capital grants/ contributions	2,042,619	-	2,042,619
General Revenues			
Property taxes	12,573,667	-	12,573,667
Sales and use taxes	10,624,213	-	10,624,213
Federal and State shared revenues	7,481,160	-	7,481,160
Interest	379,527	165,653	545,180
Other	<u>1,857,096</u>	<u>-</u>	<u>1,857,096</u>
Total Revenues	<u>47,350,766</u>	<u>3,914,497</u>	<u>51,265,263</u>
Expenses:			
General government	10,186,297	-	10,186,297
Public safety	15,523,296	-	15,523,296
Physical environment	3,073,350	2,305,010	5,378,360
Transportation	4,372,570	-	4,372,570
Economic environment	1,482,398	-	1,482,398
Human services	2,206,285	-	2,206,285
Culture/recreation	1,670,505	-	1,670,505
Interest on long-term debt	<u>1,140,750</u>	<u>-</u>	<u>1,140,750</u>
Total Expenses	<u>39,655,451</u>	<u>2,305,010</u>	<u>41,960,461</u>
Increase in net assets	<u>\$ 7,695,315</u>	<u>\$ 1,609,487</u>	<u>\$ 9,304,802</u>

Property taxes provide 27% of the revenues for Governmental Activities, while sales taxes provide 22%. Most of the Governmental Activities resources are spent for Public Safety (39%), General Government (26%), Transportation (11%), and Human Services (6%).

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, 2003, total assets were \$11,351,242 and total liabilities were \$437,347. The ending fund balance was \$10,913,895, all of which is undesignated and unreserved.

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 \$1,005,286. Transfers in of \$2,548,868 offset this deficit, leaving an ending fund balance of \$563,293.

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, 2003, were \$19,282,414, total liabilities were \$7,864,125, and net assets were \$11,418,289. Total income was \$3,914,499, and total expenses were \$2,305,012, leaving net income of \$1,609,487.

CAPITAL ASSETS ACTIVITY

The County’s capital assets for its governmental and business-type activities as of September 30, 2003, is \$91,277,160 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress, net of depreciation. In previous years, 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 completion of various road and other capital projects.

The following schedule provides a summary of the County’s capital assets activity for the year ended September 30, 2003:

	Capital Assets		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land and improvements	\$ 3,135,406	\$ 887,973	\$ 4,023,379
Construction in progress	8,908,477	808,896	9,717,373
Buildings and improvements	76,978,906	7,359,201	84,338,107
Equipment	<u>12,141,961</u>	<u>2,512,439</u>	<u>14,654,400</u>
	101,164,750	11,568,509	112,733,259
Less accumulated depreciation	<u>(14,385,234)</u>	<u>(7,070,865)</u>	<u>(21,456,099)</u>
Total	<u>\$ 86,779,516</u>	<u>\$ 4,497,644</u>	<u>\$ 91,277,160</u>

DEBT MANAGEMENT

Governmental Activities Debt

On February 1, 2003, the County issued \$4.6 million of revenue backed bonds to refinance previous bonds and provide additional funds for road improvements. During the year, the County also refinanced two bond issues totaling \$6.37 million to achieve a lower interest rate. During the year, total long-term debt decreased by \$1,085,367 leaving the following balances:

FINANCIAL SECTION

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2003

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Liabilities Payable from Restricted Assets:			
Notes payable short-term	\$ -	\$ 360,000	\$ 360,000
Estimated liability for closure	-	<u>3,622,233</u>	<u>3,622,233</u>
Total current liabilities payable from restricted assets	<u>-</u>	<u>3,982,233</u>	<u>3,982,233</u>
 Noncurrent Liabilities			
Due within one year			
Notes payable	90,730	-	90,730
Capital leases payable	273,652	-	273,652
Bonds payable	3,970,930	-	3,970,930
Due in more than one year			
Notes payable	892,935	3,625,000	4,517,935
Capital leases payable	1,404,522	-	1,404,522
Bonds payable	10,231,852	-	10,231,852
Accrued compensated absences	<u>1,437,371</u>	-	<u>1,437,371</u>
Total noncurrent liabilities	<u>18,301,992</u>	<u>3,625,000</u>	<u>21,926,992</u>
Total liabilities	<u>\$ 20,251,874</u>	<u>\$ 7,864,125</u>	<u>\$ 28,115,999</u>
 NET ASSETS			
Invested in capital assets, net of related debt	\$ 69,914,895	\$ 512,644	\$ 70,427,539
 Restricted for:			
Library	1,601,521	-	1,601,521
Debt service	874,096	-	874,096
Road projects	11,704,055	-	11,704,055
Other purposes	897,308	223,538	1,120,846
 Unrestricted	<u>14,752,953</u>	<u>10,682,107</u>	<u>25,435,060</u>
Total net assets	<u>\$ 99,744,828</u>	<u>\$ 11,418,289</u>	<u>\$111,163,117</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2003

	Special Revenue Funds					Debt	Capital Projects Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	County Trans- portion	Municipal Services Benefit Unit	Municipal Services Special District	Sheriff Operating	2003 Road Improvement	Connector Road Project	County Facilities Renovation	Road Improvement			
ASSETS												
Current Assets												
Cash	\$ 3,272,437	\$2,260,442	\$1,212,068	\$ 982,769	\$ 411,353	\$ 233,343	\$ 6,132,205	\$ 418,172	\$ (191,272)	\$ 2,229,855	\$16,961,372	
Accounts receivable	11,069	31	41,564	131,285	5,246	-	-	-	-	15,594	204,789	
Due from other funds	860,701	-	276,765	126,826	-	-	-	4,147	429,695	248,523	1,946,657	
Due from other governmental units	568,986	286,283	19,357	20,349	-	-	365,492	559,293	343,154	480,621	2,643,535	
Inventories	-	11,027	-	-	-	-	-	-	-	-	11,027	
Investments	6,600,720	1,357,178	17,621	2,343,278	-	399,965	-	369,831	712	1,485,575	12,574,880	
Prepaid expenses	37,329	-	-	-	-	-	-	-	-	-	37,329	
Total assets	<u>\$11,351,242</u>	<u>\$3,914,961</u>	<u>\$1,567,375</u>	<u>\$3,604,507</u>	<u>\$ 416,599</u>	<u>\$ 633,308</u>	<u>\$ 6,497,697</u>	<u>\$1,351,443</u>	<u>\$ 582,289</u>	<u>\$ 4,460,168</u>	<u>\$34,379,589</u>	
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Current Liabilities												
Accounts payable	\$ 249,314	\$ 3,887	\$ 3,124	\$ 14,932	\$ 205,379	\$ -	\$ 4,637	\$ 693,448	\$ 18,996	\$ 32,668	\$ 1,226,385	
Due to other funds	188,033	-	162,046	78,936	130,830	-	429,695	36,038	-	298,947	1,324,525	
Due to other governmental units	-	-	1,256	130,175	-	-	-	-	-	10,460	141,891	
Sales tax payable	-	-	-	-	-	-	-	-	-	505	505	
Accrued payroll and matching	-	-	-	-	-	-	-	-	-	444	444	
Deposits	-	-	-	-	-	-	-	-	-	10,000	10,000	
Other current liabilities	-	-	161	3,752	-	-	-	-	-	244	4,157	
Deferred Revenue												
Revenues collected in advance	-	-	-	41,291	80,390	-	-	-	-	99,464	221,145	
Total liabilities	<u>437,347</u>	<u>3,887</u>	<u>166,587</u>	<u>269,086</u>	<u>416,599</u>	<u>-</u>	<u>434,332</u>	<u>729,486</u>	<u>18,996</u>	<u>452,732</u>	<u>2,929,052</u>	
FUND BALANCES												
Undesignated fund balance	10,913,895	3,911,074	1,400,788	3,335,421	-	633,308	6,063,365	621,957	563,293	3,651,904	31,095,005	
Designated fund balance	-	-	-	-	-	-	-	-	-	355,532	355,532	
Total fund balances	<u>10,913,895</u>	<u>3,911,074</u>	<u>1,400,788</u>	<u>3,335,421</u>	<u>-</u>	<u>633,308</u>	<u>6,063,365</u>	<u>621,957</u>	<u>563,293</u>	<u>4,007,436</u>	<u>31,450,537</u>	
Total liabilities and fund balances	<u>\$11,351,242</u>	<u>\$3,914,961</u>	<u>\$1,567,375</u>	<u>\$3,604,507</u>	<u>\$ 416,599</u>	<u>\$ 633,308</u>	<u>\$ 6,497,697</u>	<u>\$1,351,443</u>	<u>\$ 582,289</u>	<u>\$ 4,460,168</u>		

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, therefore, are not reported in the funds. 86,779,516

Accrued interest is not due and payable in the current period and therefore is not reported in the funds. (183,233)

Long-term liabilities, including bonds payable (\$14,202,782), notes and capital leases payable (\$2,661,839), and compensated absences (\$1,437,371), are not due and payable in the current period and therefore are not reported in the funds. (18,301,992)

Net assets of governmental activities \$99,744,828

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, 2003

Net change in fund balances - total governmental funds		\$ (1,788,867)
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.		
Expenditure for capital assets	\$10,901,906	
Less current year depreciation	<u>(1,967,625)</u>	8,934,281
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		
Bond proceeds	10,970,000	
Capital lease proceeds	<u>1,081,439</u>	(12,051,439)
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.		
Bond principal payments	12,257,218	
Capital lease principal payments	829,946	
Note principal payments	<u>49,642</u>	13,136,806
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	(352,233)	
Accrued interest expense	<u>(183,233)</u>	<u>(535,466)</u>
Change in net assets of governmental activities		<u>\$ 7,695,315</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
State shared revenues				
General government				
State revenue sharing	\$ 110,935	\$ 110,935	\$ 138,057	\$ 27,122
Insurance agents county licenses	18,000	18,000	30,363	12,363
Alcoholic beverage licenses	14,500	14,500	12,588	(1,912)
Racing tax	40,000	40,000	40,000	-
State payments in lieu of taxes	20,000	20,000	26,191	6,191
Total intergovernmental revenue	458,579	842,031	1,029,490	187,459
Charges for services				
General government				
Public Defender liens	100,000	100,000	95,538	(4,462)
County mediation fees	4,000	4,000	4,880	880
County Court facility filing fees	100,000	100,000	57,544	(42,456)
Circuit Court facility filing fees	100,000	100,000	153,656	53,656
County Court civil filing	-	-	2,841	2,841
Circuit Court service charge	78,000	78,000	6,733	(71,267)
County Court service charge	47,000	47,000	28,076	(18,924)
Recording of legal instruments	-	-	20	20
Certification, copying, record research	-	-	262	262
County officers fees				
Sheriff	-	-	73,496	73,496
Clerk of Circuit Court	-	-	48,548	48,548
Clerk of County Court	-	-	15,212	15,212
Clerk's excess fees	-	-	23,665	23,665
Property Appraiser	-	-	2,005	2,005
Tax Collector	-	-	13,280	13,280
Administrative charges	20,000	20,000	31,463	11,463
Other general government charges	-	396,000	396,000	-
Public safety				
Police services				
School resource officer	105,000	105,000	104,066	(934)
Human services				
Animal control and shelter fee	500	500	163	(337)
Culture and recreation				
Libraries				
Library fees Lake City	2,100	2,100	2,019	(81)
Library fees Fort White	100	100	142	42
Printing Lake City	-	-	3,947	3,947
Printing Fort White	-	-	294	294

(continued)

COLUMBIA COUNTY, FLORIDA

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Tax Collector				
Operating expenses	<u>\$ 425,000</u>	<u>\$ 506,500</u>	<u>\$ 382,646</u>	<u>\$ 123,854</u>
Auditing/accounting				
Operating expenses	<u>80,000</u>	<u>81,125</u>	<u>81,125</u>	<u>-</u>
Data processing				
Operating expenses	37,500	17,600	17,087	513
Capital outlay	-	247,500	247,120	380
Total data processing	<u>37,500</u>	<u>265,100</u>	<u>264,207</u>	<u>893</u>
Legal counsel				
Personal services	65,498	68,563	68,300	263
Operating expenses	<u>20,000</u>	<u>16,935</u>	<u>8,480</u>	<u>8,455</u>
Total legal counsel	<u>85,498</u>	<u>85,498</u>	<u>76,780</u>	<u>8,718</u>
Clerk of Circuit Court				
Operating expenses	<u>566,500</u>	<u>759,250</u>	<u>768,610</u>	<u>(9,360)</u>
Clerk of County Court				
Personal services	<u>1,323</u>	<u>1,323</u>	<u>1,323</u>	<u>-</u>
Circuit Court				
Personal services	39,331	37,846	37,772	74
Operating expenses	76,700	80,270	80,210	60
Capital outlay	<u>100,000</u>	<u>25,100</u>	<u>25,069</u>	<u>31</u>
Total Circuit Court	<u>216,031</u>	<u>143,216</u>	<u>143,051</u>	<u>165</u>
County Court				
Personal services	25,185	20,185	19,930	255
Operating expenses	<u>10,300</u>	<u>11,150</u>	<u>11,079</u>	<u>71</u>
Total County Court	<u>35,485</u>	<u>31,335</u>	<u>31,009</u>	<u>326</u>
Court support services				
Operating expenses	<u>22,013</u>	<u>22,013</u>	<u>22,013</u>	<u>-</u>
Court reporting				
Operating expenses	<u>110,262</u>	<u>109,662</u>	<u>109,563</u>	<u>99</u>
Charter expenses				
Operating expenses	<u>3,000</u>	<u>11,700</u>	<u>11,633</u>	<u>67</u>
Other general government				
Operating expenses	<u>8,000</u>	<u>8,000</u>	<u>7,924</u>	<u>76</u>
Supervisor of Elections				
Personal services	<u>1,090</u>	<u>1,090</u>	<u>1,090</u>	<u>-</u>

(continued)

COLUMBIA COUNTY, FLORIDA

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Defender County				
Operating expenses	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ 17,672</u>	<u>\$ 328</u>
County expert witness fees				
Operating expenses	<u>-</u>	<u>7,800</u>	<u>7,750</u>	<u>50</u>
Clinical Evaluations				
Operating expenses	<u>-</u>	<u>450</u>	<u>420</u>	<u>30</u>
Public Defender traffic				
Operating expenses	<u>-</u>	<u>1,000</u>	<u>727</u>	<u>273</u>
Total general government	<u>3,722,666</u>	<u>4,699,575</u>	<u>4,523,987</u>	<u>175,588</u>
Public safety				
Law enforcement				
Personal services	<u>217,415</u>	<u>217,415</u>	<u>217,415</u>	<u>-</u>
Sheriff service of process				
Personal services	<u>31,350</u>	<u>31,350</u>	<u>31,350</u>	<u>-</u>
Detention Center operations				
Personal services	<u>107,140</u>	<u>107,140</u>	<u>107,140</u>	<u>-</u>
Detention Center facilities				
Personal services	35,022	36,072	35,690	382
Operating expenses	241,000	238,950	199,584	39,366
Capital outlay	<u>150,000</u>	<u>150,000</u>	<u>46,410</u>	<u>103,590</u>
Total Detention Center facilities	<u>426,022</u>	<u>425,022</u>	<u>281,684</u>	<u>143,338</u>
Safety program				
Personal services	52,069	55,284	54,740	544
Operating expenses	<u>21,200</u>	<u>21,100</u>	<u>20,613</u>	<u>487</u>
Total safety program	<u>73,269</u>	<u>76,384</u>	<u>75,353</u>	<u>1,031</u>
Emergency management specialist				
Personal services	74,876	74,876	63,814	11,062
Operating expenses	26,040	19,362	18,060	1,302
Capital outlay	<u>3,200</u>	<u>8,322</u>	<u>8,275</u>	<u>47</u>
Total emergency management specialist	<u>104,116</u>	<u>102,560</u>	<u>90,149</u>	<u>12,411</u>
Hazardous materials				
Operating expenses	<u>-</u>	<u>19,500</u>	<u>19,462</u>	<u>38</u>
VA Shutters				
Operating expenses	<u>-</u>	<u>-</u>	<u>98,207</u>	<u>(98,207)</u>

(continued)

COLUMBIA COUNTY, FLORIDA

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic environment				
Commissioners special projects				
Operating expenses	\$ 25,000	\$ 137,358	\$ 31,972	\$ 105,386
Grants and aids	<u>100,000</u>	<u>294,711</u>	<u>120,389</u>	<u>174,322</u>
Total special projects	<u>125,000</u>	<u>432,069</u>	<u>152,361</u>	<u>279,708</u>
Veterans services				
Personal services	84,500	79,600	77,400	2,200
Operating expenses	<u>6,700</u>	<u>11,600</u>	<u>11,197</u>	<u>403</u>
Total veterans services	<u>91,200</u>	<u>91,200</u>	<u>88,597</u>	<u>2,603</u>
Other economic environment				
Grants and aids	<u>88,832</u>	<u>88,832</u>	<u>-</u>	<u>88,832</u>
Save VA				
Operating expenses	<u>-</u>	<u>6,000</u>	<u>5,900</u>	<u>100</u>
Downtown Action Committee				
Grants and aids	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total economic environment	<u>310,032</u>	<u>623,101</u>	<u>251,858</u>	<u>371,243</u>
Human services				
Health				
Operating expenses	<u>1,417,284</u>	<u>1,533,784</u>	<u>1,533,660</u>	<u>124</u>
Mosquito control				
Personal services	18,744	16,194	16,044	150
Operating expenses	30,292	37,942	37,471	471
Capital outlay	<u>33,518</u>	<u>51,243</u>	<u>50,862</u>	<u>381</u>
Total mosquito control	<u>82,554</u>	<u>105,379</u>	<u>104,377</u>	<u>1,002</u>
Health				
Grants and aids	<u>184,000</u>	<u>184,000</u>	<u>184,000</u>	<u>-</u>
Mental health				
Grants and aids	<u>107,100</u>	<u>107,100</u>	<u>107,100</u>	<u>-</u>
Welfare				
Operating expenses	12,335	12,335	12,335	-
Grants and aids	<u>98,600</u>	<u>103,600</u>	<u>103,600</u>	<u>-</u>
Total welfare	<u>110,935</u>	<u>115,935</u>	<u>115,935</u>	<u>-</u>
Retardation				
Grants and aids	<u>63,250</u>	<u>63,250</u>	<u>63,250</u>	<u>-</u>
Other human services				
Operating expenses	108,000	108,000	108,000	-
Grants and aids	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other human services	<u>118,000</u>	<u>118,000</u>	<u>118,000</u>	<u>-</u>
Total human services	<u>2,083,123</u>	<u>2,227,448</u>	<u>2,226,322</u>	<u>1,126</u>

(continued)

COLUMBIA COUNTY, FLORIDA

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Interfund transfers out				
Transfers to Clerk of Circuit Court	\$ (579,165)	\$ (612,021)	\$ (620,786)	\$ (8,765)
Transfers to Property Appraiser	(832,966)	(832,966)	(808,205)	24,761
Transfers to Sheriff	(7,677,146)	(8,059,973)	(7,953,104)	106,869
Transfers to Supervisor of Elections	(404,675)	(416,987)	(402,557)	14,430
Transfers to Transportation Trust	-	(175,589)	(175,589)	-
Transfers to MSBU	-	-	(40,741)	(40,741)
Transfers to MSSD	-	-	(50,482)	(50,482)
Transfers to Renovation Construction	-	(75,000)	(75,000)	-
Transfers to Library Enhancement	-	-	(1,408)	(1,408)
Total interfund transfers out	<u>(9,493,952)</u>	<u>(10,172,536)</u>	<u>(10,127,872)</u>	<u>44,664</u>
Total other financing sources (uses)	<u>(9,493,952)</u>	<u>(10,172,536)</u>	<u>(9,432,378)</u>	<u>740,158</u>
 Net changes in fund balance	 1,025,321	 (846,800)	 841,408	 1,688,208
Fund balance at beginning of year	10,118,786	10,118,786	10,118,786	-
Prior period adjustment			(46,299)	(46,299)
Fund balance at end of year	<u>\$11,144,107</u>	<u>\$ 9,271,986</u>	<u>\$10,913,895</u>	<u>\$ 1,641,909</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
COUNTY TRANSPORTATION TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Transportation				
Contracted mowing				
Operating expenses	\$ 150,000	\$ 209,500	\$ 209,409	\$ 91
Graded roads				
Personal services	837,325	728,925	728,175	750
Operating expenses	43,500	6,500	6,370	130
Capital outlay	-	7,700	1,089,064	(1,081,364)
Debt service	72,505	231,005	950,448	(719,443)
Total graded roads	<u>953,330</u>	<u>974,130</u>	<u>2,774,057</u>	<u>(1,799,927)</u>
Drainage, heavy equipment				
Personal services	207,827	243,877	243,050	827
Operating expenses	66,000	71,750	71,635	115
Capital outlay	-	393,000	392,983	17
Total drainage, heavy equipment	<u>273,827</u>	<u>708,627</u>	<u>707,668</u>	<u>959</u>
Sign shop				
Personal services	137,407	105,707	105,575	132
Operating expenses	175,000	97,550	97,464	86
Total sign shop	<u>312,407</u>	<u>203,257</u>	<u>203,039</u>	<u>218</u>
Repair shop				
Personal services	342,310	332,660	332,541	119
Operating expenses	130,000	220,150	242,215	(22,065)
Capital outlay	-	78,000	77,581	419
Total repair shop	<u>472,310</u>	<u>630,810</u>	<u>652,337</u>	<u>(21,527)</u>
Stock room				
Personal services	26,297	27,597	27,491	106
Operating expenses	250,000	259,100	253,427	5,673
Total stock room	<u>276,297</u>	<u>286,697</u>	<u>280,918</u>	<u>5,779</u>
Administration				
Personal services	377,766	379,716	379,535	181
Operating expenses	391,300	384,750	384,064	686
Capital outlay	-	14,100	14,060	40
Total administration	<u>769,066</u>	<u>778,566</u>	<u>777,659</u>	<u>907</u>

(continued)

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

For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Franchise fees				
Solid waste	\$ 40,000	\$ 40,000	\$ 65,247	\$ 25,247
Licenses and permits				
Professional and occupational	50,000	50,000	41,068	(8,932)
Competency cards	15,000	15,000	16,250	1,250
Building permits	213,000	213,000	168,861	(44,139)
Other licenses and permits				
Permits (land use)	50,000	50,000	41,625	(8,375)
Building inspection	-	-	2,581	2,581
Total licenses and permits	328,000	328,000	270,385	(57,615)
Intergovernmental revenue				
State shared revenues				
General government				
Mobile home licenses	-	-	26,910	26,910
Communications service taxes	240,000	240,000	195,981	(44,019)
Total intergovernmental revenue	240,000	240,000	222,891	(17,109)
Fines and forfeitures				
Violations of local ordinances	-	-	550	550
Miscellaneous				
Interest earnings				
Interest on investments	39,000	39,000	21,062	(17,938)
Interest SBA	1,000	1,000	244	(756)
Interest County Officers				
Tax Collector	-	-	915	915
Special assessments/impact fee				
Special assessments				
Partial year solid waste	50,000	50,000	44,942	(5,058)
Physical environment	2,750,000	2,750,000	2,802,836	52,836
Delinquent fees	2,000	2,000	5,053	3,053
Other miscellaneous				
Special lighting	1,500	1,500	1,414	(86)
Other miscellaneous	500	500	45	(455)
Total miscellaneous	2,844,000	2,844,000	2,876,511	32,511
Total revenues	3,452,000	3,452,000	3,435,584	(16,416)

(continued)

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

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Springhollow subdivision				
Operating expenses	\$ 1,400	\$ 1,100	\$ 1,097	\$ 3
Total culture/recreation	<u>173,175</u>	<u>215,393</u>	<u>120,989</u>	<u>94,404</u>
Total expenditures	<u>3,448,454</u>	<u>3,620,672</u>	<u>3,435,191</u>	<u>185,481</u>
Excess of revenues over (under) expenditures	<u>3,546</u>	<u>(168,672)</u>	<u>393</u>	<u>169,065</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	-	40,741	40,741
Interfund transfers out	<u>(600,000)</u>	<u>(601,000)</u>	<u>(600,000)</u>	<u>1,000</u>
Total other financing sources (uses)	<u>(600,000)</u>	<u>(601,000)</u>	<u>(559,259)</u>	<u>41,741</u>
Net change in fund balance	(596,454)	(769,672)	(558,866)	210,806
Fund balance at beginning of year	<u>1,959,654</u>	<u>1,959,654</u>	<u>1,959,654</u>	-
Fund balance at end of year	<u>\$ 1,363,200</u>	<u>\$ 1,189,982</u>	<u>\$ 1,400,788</u>	<u>\$ 210,806</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
MUNICIPAL SERVICES SPECIAL DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
General government				
Legislative				
Operating expenses	\$ 102,000	\$ 102,000	\$ 94,318	\$ 7,682
Financial and administrative				
Operating expenses	-	12,500	12,493	7
Tax Collector				
Operating expenses	<u>50,000</u>	<u>51,000</u>	<u>52,371</u>	<u>(1,371)</u>
Total general government	<u>152,000</u>	<u>165,500</u>	<u>159,182</u>	<u>6,318</u>
Public safety				
Fire control				
Personal services	13,200	9,700	9,688	12
Operating expenses	205,500	238,944	231,389	7,555
Capital outlay	65,000	80,382	60,627	19,755
Grants and aids	<u>1,032,928</u>	<u>1,032,928</u>	<u>1,076,360</u>	<u>(43,432)</u>
Total fire control	<u>1,316,628</u>	<u>1,361,954</u>	<u>1,378,064</u>	<u>(16,110)</u>
Emergency and disaster relief				
Personal services	293,981	293,981	280,982	12,999
Operating expenses	155,250	155,250	149,497	5,753
Capital outlay	26,686	26,686	25,563	1,123
Grants and aids	<u>-</u>	<u>52,500</u>	<u>52,327</u>	<u>173</u>
Total emergency and disaster Relief	<u>475,917</u>	<u>528,417</u>	<u>508,369</u>	<u>20,048</u>
EMS billings				
Personal services	81,320	98,020	97,663	357
Operating expenses	<u>14,550</u>	<u>57,825</u>	<u>57,600</u>	<u>225</u>
Total EMS billings	<u>95,870</u>	<u>155,845</u>	<u>155,263</u>	<u>582</u>
EMS Medical services				
Personal services	1,043,845	1,021,665	955,962	65,703
Operating expenses	171,050	190,050	173,600	16,450
Capital outlay	<u>-</u>	<u>73,700</u>	<u>72,164</u>	<u>1,536</u>
Total EMS medical services	<u>1,214,895</u>	<u>1,285,415</u>	<u>1,201,726</u>	<u>83,689</u>
EMS Medical director				
Personal services	<u>12,927</u>	<u>12,927</u>	<u>10,981</u>	<u>1,949</u>

(continued)

COLUMBIA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Intergovernmental revenue			
Federal grants			
Public safety			
Local Law Enforcement Block	\$ -	\$ 37,329	\$ 37,329
Charges for services			
Public safety			
Police services	-	64,974	64,974
Total revenue	<u>-</u>	<u>102,303</u>	<u>102,303</u>
EXPENDITURES			
Public safety			
Records and evidence			
Personal services	140,590	117,769	22,821
Operating expenses	31,546	24,448	7,098
Capital outlay	<u>2,876</u>	<u>2,876</u>	<u>-</u>
Total records and evidence	<u>175,012</u>	<u>145,093</u>	<u>29,919</u>
Public safety			
Personal services	475,409	422,235	53,174
Operating expenses	<u>80,870</u>	<u>90,694</u>	<u>(9,824)</u>
Total public safety	<u>556,279</u>	<u>512,929</u>	<u>43,350</u>
COPS grant			
Personal services	<u>-</u>	<u>281</u>	<u>(281)</u>
VOCA Grant			
Personal services	54,367	54,267	100
Operating expenses	<u>5,706</u>	<u>5,706</u>	<u>-</u>
Total VOCA grant	<u>60,073</u>	<u>59,973</u>	<u>100</u>
Local Law Enforcement Block Grant			
Operating expenses	-	4,583	(4,583)
Capital outlay	<u>-</u>	<u>42,455</u>	<u>(42,455)</u>
Total Local Law Enforcement Block	<u>-</u>	<u>47,038</u>	<u>(47,038)</u>

(continued)

COLUMBIA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Sheriff communications			
Personal services	\$ 365,146	\$ 339,117	\$ 26,029
Operating expenses	55,108	53,920	1,188
Capital outlay	<u>2,443</u>	<u>2,443</u>	<u>-</u>
Total Sheriff communications	<u>422,697</u>	<u>395,480</u>	<u>27,217</u>
Bullet Proof Vest grant			
Operating expenses	<u>9,350</u>	<u>21,238</u>	<u>(11,888)</u>
Detention and correction			
Personal services	2,256,500	2,199,122	57,378
Operating expenses	865,347	935,654	(70,307)
Capital outlay	<u>49,666</u>	<u>48,529</u>	<u>1,137</u>
Total detention and correction	<u>3,171,513</u>	<u>3,183,305</u>	<u>(11,792)</u>
Total expenditures	<u>9,370,466</u>	<u>9,365,907</u>	<u>4,559</u>
Excess of revenues over (under) expenditures	<u>(9,370,466)</u>	<u>(9,263,604)</u>	<u>106,862</u>
OTHER FINANCING SOURCES			
Interfund transfers in			
Transfers from Board of County Commissioners	<u>9,370,466</u>	<u>9,263,604</u>	<u>(106,862)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
CONNECTOR ROAD PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales and use taxes				
County 5 cent voted gas tax	\$ 1,514,721	\$ 1,514,721	\$ 1,465,326	\$ (49,395)
City 5 cent voted gas tax	583,695	583,695	615,455	31,760
Total taxes	2,098,416	2,098,416	2,080,781	(17,635)
Miscellaneous				
Interest earnings				
Interest on investments	115,000	115,000	74,792	(40,208)
Total revenues	2,213,416	2,213,416	2,155,573	(57,843)
EXPENDITURES				
Transportation				
Roads and streets				
Operating expenses	150,000	150,000	152,036	(2,036)
Capital outlay	4,800,000	4,800,000	1,252,403	3,547,597
Debt service	1,300,250	1,300,250	1,300,250	-
Total expenditures	6,250,250	6,250,250	2,704,689	3,545,561
Excess of revenues over (under) expenditures	(4,036,834)	(4,036,834)	(549,116)	3,487,718
Fund balance at beginning of year	6,612,481	6,612,481	6,612,481	-
Fund balance at end of year	\$ 2,575,647	\$ 2,575,647	\$ 6,063,365	\$3,487,718

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
COURTHOUSE FACILITIES RENOVATION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Financial and administrative Operating expenses	\$ 118,000	\$ 102,700	\$ 102,458	\$ 242
Total expenditures	<u>3,748,996</u>	<u>5,577,760</u>	<u>5,369,010</u>	<u>208,750</u>
Excess of revenues over (under) expenditures	<u>(640,706)</u>	<u>(2,469,470)</u>	<u>(1,901,099)</u>	<u>568,371</u>
OTHER FINANCING SOURCES				
Interfund transfers in	<u>-</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balance	(640,706)	(2,394,470)	(1,826,099)	568,371
Fund balance at beginning of year	<u>2,451,354</u>	<u>2,451,354</u>	<u>2,451,354</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,810,648</u>	<u>\$ 56,884</u>	<u>\$ 625,255</u>	<u>\$ 568,371</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, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES				
Interfund transfers in				
Transfer from 2003 Debt Service \$	-	-	\$ 1,795,000	\$ 1,795,000
Transfer from MSBU	600,000	600,000	600,000	-
Transfer from 5th and 6th	-	-	153,868	153,868
Total other financing sources	600,000	600,000	2,548,868	1,948,868
 Net change in fund balance	 1,045,000	 1,194,000	 1,543,582	 349,582
 Fund balance at beginning of year	 (980,289)	 (980,289)	 (980,289)	 -
Fund balance at end of year	\$ 64,711	\$ 213,711	\$ 563,293	\$ 349,582

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2003

NET ASSETS	
Contributions from other funds	\$ 506,174
Retained earnings	<u>10,912,115</u>
Total net assets	<u>\$11,418,289</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2003

OPERATING EXPENSES (continued)

Central Landfill Closure	
Operating expenses	
Professional services	\$ 63,726
Other contractual services	4,440
Rental and leases	497
Total central landfill closure	<u>68,663</u>
Cell III	
Operating expenses	
Professional services	<u>1,862</u>
Recycling	
Personal services	
Regular salaries	28,835
FICA	2,194
Retirement	1,858
Life and health insurance	3,117
Worker's compensation	5,516
Total personal services	<u>41,520</u>
Operating expenses	
Insurance	75
Repair and maintenance	5,589
Operating supplies	374
Gas and oil	4,315
Total operating expenses	<u>10,353</u>
Total landfill recycling	<u>51,873</u>
Winfield Landfill Closure	
Operating expenses	
Utility services	<u>1,157</u>
Solid Waste Grants	
Operating expenses	
Other contractual services	<u>1,160</u>
Grants and aids	
City of Lake City	<u>51,412</u>
Total solid waste grant	<u>52,572</u>
Cell II	
Operating expenses	
Professional services	20,432
Other current charges and obligations	2,073
Total Cell II	<u>22,505</u>
Total operating expenses	<u>2,041,615</u>
Operating income	<u>1,552,564</u>

(continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2003

Cash Flows From Operating Activities	
Cash flows from customers	\$ 3,707,060
Cash paid to employees	(445,863)
Cash paid for employee benefits	(158,164)
Cash paid to vendors	<u>(560,230)</u>
Net cash provided by operating activities	<u>2,542,803</u>
Cash Flows From Noncapital Financing Activities	
State grants	<u>192,711</u>
Net cash provided by noncapital financing activities	<u>192,711</u>
Cash Flows From Capital and Related Financing Activities	
Payments to acquire or construct capital assets	(1,058,887)
Principal paid on bonds	(345,000)
Interest paid on capital debt	(226,643)
Other debt service costs	<u>(15,369)</u>
Net cash used for capital and related financing activities	<u>(1,645,899)</u>
Cash Flows From Investing Activities	
Interest received	165,655
Increase in investments	<u>(815,413)</u>
Net cash provided by investing activities	<u>(649,758)</u>
Net increase in cash	439,857
Cash at beginning of year	<u>10,199,477</u>
Cash at end of year	<u><u>\$10,639,334</u></u>

(continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

September 30, 2003

	Clerk of Courts					Sheriff		Tax Collector		Totals		
	Clerk's Trust	Court Reporting Payroll Trust	Domestic Relations	Employee Retirement Compensation Trust	Jury Witness	Public Defender Occupancy Trust	Registry of Courts	Bond and Fine	Inmate Welfare		Ad Valorem Tax	Tag Agency
ASSETS												
Cash	\$1,049,631	\$ 27,826	\$ 3,215	\$ 1,236	\$ 880	\$ 33,446	\$155,537	\$ 95,139	\$100,573	\$969,241	\$100,876	\$2,537,600
Accounts receivable	3,687	-	-	-	-	-	-	-	-	-	459	4,146
Due from other funds	-	-	-	-	-	-	-	-	-	-	76	76
Total assets	<u>\$1,053,318</u>	<u>\$ 27,826</u>	<u>\$ 3,215</u>	<u>\$ 1,236</u>	<u>\$ 880</u>	<u>\$ 33,446</u>	<u>\$155,537</u>	<u>\$ 95,139</u>	<u>\$100,573</u>	<u>\$969,241</u>	<u>\$101,411</u>	<u>\$2,541,822</u>
LIABILITIES												
Cash bond liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,193	\$ -	\$ -	\$ -	\$ 85,193
Due to individuals	-	-	-	-	-	-	-	-	8,248	110,856	-	119,104
Court fees payable	340,485	-	-	-	-	-	-	-	-	-	-	340,485
Deposits held in escrow	-	-	2,302	-	-	-	138,380	-	-	996	-	141,678
Due to other funds	203,779	-	913	-	-	324	61	-	-	430,594	12,159	647,830
Due to other governmental units	372,806	27,876	-	-	880	33,122	-	9,946	-	372,199	88,928	905,707
Interest payable	-	-	-	-	-	-	17,096	-	-	1,994	-	19,090
Installments payable	12,682	-	-	-	-	-	-	-	-	-	-	12,682
Suspense liability	46,550	-	-	-	-	-	-	-	-	-	-	46,550
Tax deed sales	62,629	-	-	-	-	-	-	-	-	-	-	62,629
Retirement funds payable	-	-	-	1,236	-	-	-	-	-	-	-	1,236
Occupational licenses payable	-	-	-	-	-	-	-	-	-	51,030	-	51,030
Other current liabilities	14,387	-	-	-	-	-	-	-	92,325	1,572	324	108,608
Total liabilities	<u>1,053,318</u>	<u>27,826</u>	<u>3,215</u>	<u>1,236</u>	<u>880</u>	<u>33,446</u>	<u>155,537</u>	<u>95,139</u>	<u>100,573</u>	<u>969,241</u>	<u>101,411</u>	<u>2,541,822</u>
NET ASSETS												
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
Notes to Financial Statements
For the Fiscal Year Ended September 30, 2003

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COLUMBIA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement 34-Basic Financial Statement and Management's Discussion and Analysis - for State and Local Governments. This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation (based on the size of government) starting with the fiscal year ending 2002. As part of this statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.). This requirement permits an optional four-year further delay for implementation of the infrastructure related portion to the fiscal year ending in 2006. The County has fully implemented the basic model in the FY 2002-2003, and will implement the infrastructure related portion by 2006.

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,

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

Non-current 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 exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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

Proprietary Funds

The County's Landfill Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The County applies all GASB pronouncements as well as all FASB Statements and Interpretations,

2. Proprietary Funds:

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

3. Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires non-current 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, are stated at cost which approximated 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, 2003, this allowance was \$14,758. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2003.

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.

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, 2003.

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 Solid Waste Disposal Fund.

14. Capital Contributions

The capital contributions accounted for in the proprietary fund type represents contributions from other funds. The 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 (\$31,450,437) differs from "net assets" of governmental activities (\$99,744,828) 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	\$101,164,750
Accumulated depreciation	<u>(14,385,234)</u>
Total	<u>\$ 86,779,516</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, 2003, were:

Revenue Notes/Bonds Payable	\$(14,202,782)
Notes payable	(983,665)
Capital leases payable	(1,678,174)
Compensated absences	<u>(1,437,371)</u>
Total	<u>\$ (18,301,992)</u>

Note 2. Reconciliation of Government-wide and Fund Financial Statements - continued

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

COLUMBIA COUNTY, FLORIDA

STATEMENTS - continued

Government-wide Statement of Net Assets - continued

<u>Long-Term Debt Transactions</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Net Assets</u>
\$ -	\$ -	\$ 16,961,372
-	-	204,789
-	(1,162,403)	784,254
-	-	2,643,535
-	-	11,027
-	-	12,574,880
-	-	37,329
-	-	<u>86,779,516</u>
<u>\$ -</u>	<u>\$ (1,162,403)</u>	<u>\$119,996,702</u>
\$ -	\$ -	\$ 1,226,385
-	-	949
183,233	-	183,233
-	(1,162,403)	162,122
-	-	141,891
-	-	10,000
-	-	4,157
-	-	221,145
1,437,371	-	1,437,371
983,665	-	983,665
14,202,782	-	14,202,782
<u>1,678,174</u>	<u>-</u>	<u>1,678,174</u>
18,485,225	(1,162,403)	20,251,874
<u>(18,485,225)</u>	<u>-</u>	<u>99,744,828</u>
<u>\$ -</u>	<u>\$ (1,162,403)</u>	<u>\$119,996,702</u>

Note 2. Reconciliation of Government-wide and Fund Financial Statements - continued

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

1. Deposits

At September 30, 2003, the carrying amount of the County's deposits was \$30,138,306. 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, obligations 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.

The Local Government Surplus Funds Trust Fund Investment Pool (Pool) is a "2a-7" like pool, and therefore, the County's account balance is used for fair value reporting. All units of local government in Florida are eligible, but not required, to participate in the Pool. In addition to a variety of fixed coupon investments, the Pool also purchases floating rate and adjustable rate securities. These floating rate and adjustable rate securities are used to hedge against interest rate risk and provide diversification to the portfolio. The floating rate and adjustable rate securities all float relative to prevailing short-term interest rates such as LIBOR, Prime, or Fed Funds rates. On September 30, 2003, the Pool held floating rate securities, either directly or as invested securities lending collateral, at a fair value of \$2.24 billion. The Pool also participates in securities lending programs. As of September 30, 2003, the collateral held by the Pool, \$5,207,037,936 in cash and \$4,095,228 in U.S. Government securities, exceeded the fair value of the securities underlying the agreements. As of September 30, 2003, the Pool had approximately 800 local government participants with total investments of approximately \$21.34 billion.

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, 2003, the Trust had investments, at fair value, of approximately \$576 million. Of the total investments in the Trust, 9.30% was invested in asset backed securities 6.91% was invested in adjustable rate mortgages.

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

	<u>General Fixed Assets</u>	<u>Proprietary Fixed Assets</u>
Land	\$ -	\$ -
Building and improvements	3,504,253	280,130
Construction in progress	-	-
Equipment	(12,365,222)	(768,835)
Other improvements	-	-
	<u>(8,860,969)</u>	<u>(488,705)</u>
Accumulated depreciation	-	678,740
	<u><u>\$(8,860,969)</u></u>	<u><u>\$190,035</u></u>

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

Governmental activities:

General Government	\$ 582,554
Public Safety	891,471
Physical Environment	16,679
Transportation	412,196
Human Services	30,825
Culture/Recreation	33,900

Total depreciation expense - governmental activities	<u><u>\$1,967,625</u></u>
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Business-type activities:

Landfill Enterprise	\$ 356,304
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Total depreciation expense - business-type activities	<u><u>\$ 356,304</u></u>
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NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2003, were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 860,701	\$ 188,033
Special Revenue Funds:		
Municipal Services Benefit Unit	276,765	162,046
Municipal Services Special District	126,826	78,936
Sheriff:		
Operating	-	130,830
Minimum Standard School	1,954	-
Clerk of courts:		
Operating	108,025	109,142
Public Records Modernization	14,842	-
Teen court	3,163	-
Property Appraiser Operating	-	30,416
Supervisor of Elections Operating	-	26,287
Tax Collector Operating	20,198	133,102
Court Reporters	1,199	-
Fine and Forfeiture	98,537	-
Law Library	605	-
Capital Projects Funds:		
Connector Road Project	-	429,695
County Facilities Renovation	4,147	36,038
Road Improvement	429,695	-
Proprietary Fund:		
Landfill Enterprise	162,046	136,424
Agency Funds		
Clerk of Circuit Court		
Trust	-	203,779
Domestic Relations	-	913
Public Defender Occupancy Trust	-	324
Registry of Courts	-	61

Business-type activities:			
Landfill Enterprise	\$ 359,185	\$ 18,728	\$ 377,913
Total business-type activities	<u>\$ 359,185</u>	<u>\$ 18,728</u>	<u>\$ 377,913</u>

Payables

Payables at September 30, 2003, were as follows:

	<u>Vendors</u>	<u>Other Governmental Units</u>	<u>Total Payables</u>
Governmental Activities:			
General	\$ 249,314	\$ -	\$ 249,314
County Transportation Trust	3,887	-	3,887
Municipal Services Benefit Unit	3,124	1,256	4,380
Municipal Services Special District	14,932	130,175	145,107
Sheriff Operating	205,379	-	205,379
Connector Road Project	4,637	-	4,637
County Facilities Renovation	693,448	-	693,448
Road Improvement	18,996	-	18,996
Other governmental	32,668	10,460	43,128
Total governmental activities	<u>\$1,226,385</u>	<u>\$ 141,891</u>	<u>\$1,368,276</u>
Business-type activities:			
Landfill Enterprise	\$ 5,350	\$ -	\$ 5,350
Total business-type activities	<u>\$ 5,350</u>	<u>\$ -</u>	<u>\$ 5,350</u>

NOTE 10. LONG-TERM LIABILITIES

A. Governmental Activities

Notes Payable

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

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 44,514	\$ 46,216	\$ 90,730
2005	46,697	44,033	90,730
2006	48,987	41,743	90,730
2007	51,389	39,341	90,730
2008	53,909	36,821	90,730
2009-2013	311,889	141,760	453,649
2014-2018	396,239	57,410	453,649
2019	30,041	202	30,243
Total	<u>\$ 983,665</u>	<u>\$ 407,526</u>	<u>\$ 1,391,191</u>

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,454,000	\$ 147,149	\$ 1,601,149
2005	2,200,000	82,250	2,282,250
2006	1,250,000	21,875	1,271,875
Total	<u>\$ 4,904,000</u>	<u>\$ 251,274</u>	<u>\$ 5,155,274</u>

Capital Leases

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

- A. Purchase of a motor grader costing \$129,155. The terms of the agreement call for five annual payments of \$10,507 payable to John Deere Credit. The payments include interest at 5.983%, with a terminating payment of \$111,000 on October 1, 2005.
- B. Purchase of a motor grader costing \$135,117. The terms of the agreement call for five annual payments of \$11,247 payable to John Deere Credit. The payments include interest at 5.25% with a terminating payment of \$109,588 on June 1, 2006.
- C. Purchase of a copier costing \$5,165. The terms of the agreement call for sixty monthly payments of \$113, including interest at 11.13%.
- D. Purchase of seven motor graders costing \$1,081,439. The terms of the agreement call for five annual payments of \$150,272. The payments include interest at 3.75%, beginning in July, 2003, and a balloon payment of \$450,760 in July, 2008.
- E. Purchase of a motor grader costing \$145,949. The terms of the agreement call for five annual payments of \$31,814 and a concluding payment of one dollar in July, 2007. Interest at 4.3% beginning in July, 2003.
- F. Purchase of three motor graders costing \$387,465. The terms of the agreement require five annual payments of \$27,006, including interest of 4.643% and a balloon payment of \$333,000 at the end of sixty months.
- G. The Property Appraiser has an installment payment agreement with ACS Government for a scanner. The agreement is being paid in thirty-six monthly installments of \$3,337, including interest at 7.5%.
- H. The Supervisor of Elections has an installment payment agreement with Xerox Corporation for the purchase of a copy machine costing \$28,842. The agreement is being paid in sixty monthly installments of \$634, including interest all 11.5%.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at September 30, 2003:

<u>Year Ending September 30,</u>	
2004	\$ 278,844
2005	577,827
2006	402,675
2007	150,272
2008	459,760
	<u>1,869,378</u>
Less: amount representing interest	<u>(191,204)</u>
Present value of future minimum lease payments	<u>\$1,678,174</u>

B. Business-type Activities

Notes Payable

On September 1, 1995, the County refinanced the Series 1994 Solid Waste Disposal Revenue Bonds with a fixed rate loan from the City of Gulf Breeze, Florida Local Government Loan program. The

Business Activities:

Note payable:

Gulf Breeze loan	\$ 4,330,000	\$ -	\$ (345,000)	\$ 3,985,000	\$ 569,543
Other liabilities - Compensated absences payable	47,237	2,372	-	49,609	-
Estimated liability for landfill closure	<u>3,095,691</u>	<u>526,542</u>	<u>-</u>	<u>3,622,233</u>	<u>-</u>
	<u>\$ 7,472,928</u>	<u>\$ 528,914</u>	<u>\$ (345,000)</u>	<u>\$ 7,656,842</u>	<u>\$ 569,543</u>

NOTE 11. LANDFILL CLOSURE AND POSTCLOSURE COST

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

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

\$3,622,233 reported as landfill closure and postclosure care liability at September 30, 2003, 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 2003. The County expects to close this landfill cell in the year 2004. 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, 2003, restricted cash of \$3,845,771 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. DEFINED BENEFIT PENSION PLAN

A. Florida Retirement System

Plan Description - The County employees participate in the Florida Retirement System (FRS), a cost-sharing multiple-employer public employee retirement system, administered by the Florida Department of Administration. The FRS is noncontributory for all members; all contributions are made by the employer. The FRS provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a five percent reduction in benefits for each year prior to the normal retirement age. Retirement benefits are based on age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

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

Funding Policy - The FRS has the following classes of membership applicable to the County with descriptions and contribution rates in effect during the period ended September 30, 2003, as follows (contribution rates are in agreement with the actuarially determined rates):

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 15. 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 16. PRIOR PERIOD ADJUSTMENTS

In the financial statements for the year ended September 30, 2002, a over-accrual of grant revenue was made in the General Fund. This error has been corrected and has had the following effect on the beginning fund balance:

Beginning fund balance, as previously reported	\$10,118,786
Adjustment of over-accrual of revenue	<u>(46,299)</u>
Beginning fund balance, as corrected	<u>\$10,072,487</u>

As described in Note 6, additional prior period adjustments were made regarding the beginning balances of fixed assets for the government and proprietary funds.

NOTE 17. DEFICIT FUND BALANCE

The following fund of Columbia County reflected the following deficit fund balance at September 30, 2003:

<u>Fund</u>	<u>Amount</u>
Economic Development Fund	\$51,827

The Board of County Commissioners intends to fund this deficit through transfers of non-restricted assets from other related funds of the Board of County Commissioners.

COMBINING FUND STATEMENTS

COLUMBIA COUNTY, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

September 30, 2003

Revenue Funds						
Sheriff				Supervisor of Elections	Tax Collector	Community Development Block Grant
Forfeiture	Inmate Welfare	Forfeiture NonGrant	Work Program	Operating	Operating	
\$ 16,822	\$ 885	\$ 102,609	\$15,634	\$ 23,680	\$ 121,317	\$ 44
-	-	-	-	2,607	-	-
-	-	-	-	-	20,198	-
-	-	-	-	-	74	-
<u>\$ 16,822</u>	<u>\$ 885</u>	<u>\$ 102,609</u>	<u>\$15,634</u>	<u>\$ 26,287</u>	<u>\$ 141,589</u>	<u>\$ 44</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302	\$ -
-	-	-	-	26,287	133,102	-
-	-	-	-	-	7,504	-
-	-	-	-	-	444	-
-	-	-	-	-	237	-
-	-	-	-	-	-	-
-	-	-	-	<u>26,287</u>	<u>141,589</u>	<u>-</u>
16,822	885	102,609	15,634	-	-	44
<u>16,822</u>	<u>885</u>	<u>102,609</u>	<u>15,634</u>	<u>-</u>	<u>-</u>	<u>44</u>
<u>\$ 16,822</u>	<u>\$ 885</u>	<u>\$ 102,609</u>	<u>\$15,634</u>	<u>\$ 26,287</u>	<u>\$ 141,589</u>	<u>\$ 44</u>

(continued)

COLUMBIA COUNTY, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

September 30, 2003

Revenue Funds		Debt Service	Capital Projects Funds		Total Non-Governmental Funds
Commissioners					
Local Housing Assistance	Tourist Development Tax	Tourist Development	Fifth and Sixth Cent Fuel Tax	Economic Development	
\$ 349,895	\$ 171,947	\$ 195,068	\$ 397,522	\$ (615,452)	\$ 2,229,855
-	11,033	-	-	-	15,594
-	-	-	-	-	248,523
-	-	15,800	-	459,103	480,621
35,085	-	41,271	140,191	118,673	1,485,575
<u>\$ 384,980</u>	<u>\$ 182,980</u>	<u>\$ 252,139</u>	<u>\$ 537,713</u>	<u>\$ (37,676)</u>	<u>\$ 4,460,168</u>
\$ -	\$ -	\$ -	\$ 4,698	\$ 4,151	\$ 32,668
-	-	-	-	-	298,947
-	505	-	-	-	10,460
-	-	-	-	-	505
-	-	-	-	10,000	444
-	-	-	-	-	10,000
-	-	-	-	-	244
-	-	-	-	-	99,464
-	505	-	4,698	14,151	452,732
29,448	182,475	252,139	533,015	(51,827)	3,651,904
355,532	-	-	-	-	355,532
<u>384,980</u>	<u>182,475</u>	<u>252,139</u>	<u>533,015</u>	<u>(51,827)</u>	<u>4,007,436</u>
<u>\$ 384,980</u>	<u>\$ 182,980</u>	<u>\$ 252,139</u>	<u>\$ 537,713</u>	<u>\$ (37,676)</u>	<u>\$ 4,460,168</u>

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, 2003

Revenue Funds						
Sheriff				Supervisor of Elections	Tax Collector	Community Development Block Grant
Forfeiture	Inmate Welfare	Forfeiture NonGrant	Work Program	Operating	Operating	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	170,002	-	-	-	1,102,772	-
12,033	-	177,315	-	-	-	-
375	81,859	1,851	11,818	961	9,752	-
<u>12,408</u>	<u>251,861</u>	<u>179,166</u>	<u>11,818</u>	<u>961</u>	<u>1,112,524</u>	<u>-</u>
-	-	-	-	379,065	1,038,775	-
9,057	232,294	22,577	13,515	-	-	-
-	-	-	-	-	-	1,934
-	-	-	-	-	-	-
-	25,516	83,240	-	16,842	73,749	-
-	-	-	-	-	-	495
-	-	-	-	-	-	-
-	-	-	-	7,611	-	-
<u>9,057</u>	<u>257,810</u>	<u>105,817</u>	<u>13,515</u>	<u>403,518</u>	<u>1,112,524</u>	<u>2,429</u>
<u>3,351</u>	<u>(5,949)</u>	<u>73,349</u>	<u>(1,697)</u>	<u>(402,557)</u>	<u>-</u>	<u>(2,429)</u>
-	-	16,879	-	402,557	-	-
-	-	-	-	-	-	(5,264)
-	-	16,879	-	402,557	-	(5,264)
3,351	(5,949)	90,228	(1,697)	-	-	(7,693)
13,471	6,834	12,381	17,331	-	-	7,737
<u>\$ 16,822</u>	<u>\$ 885</u>	<u>\$ 102,609</u>	<u>\$ 15,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>

(continued)

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 2003

Revenue Funds		Debt Service		Capital Projects Funds		Total Non-Governmental Funds
Commissioners						
Local Housing Assistance	Tourist Development Tax	Tourist Development	Fifth and Sixth Cent Fuel Tax	Economic Development		
\$ -	\$ 200,000	\$ 108,486	\$ -	\$ -	\$ 504,724	
505,176	-	-	345,027	659,103	2,170,283	
-	-	-	-	-	2,743,957	
-	-	-	-	-	1,400,935	
1,252	162,684	2,852	7,921	209,304	529,022	
<u>506,428</u>	<u>362,684</u>	<u>111,338</u>	<u>352,948</u>	<u>868,407</u>	<u>7,348,921</u>	
-	-	-	-	-	4,220,046	
-	-	-	-	-	319,776	
-	-	-	60,726	-	60,726	
676,095	260,535	-	-	98,552	1,188,647	
-	-	-	-	-	333,782	
-	-	-	-	-	149,757	
-	-	-	-	-	108,756	
-	-	-	758,835	-	758,835	
-	75,262	-	-	559,399	639,945	
-	-	-	-	-	32,604	
-	-	-	-	190,371	243,030	
-	-	90,730	-	45,039	135,769	
<u>676,095</u>	<u>335,797</u>	<u>90,730</u>	<u>819,561</u>	<u>893,361</u>	<u>8,191,673</u>	
(169,667)	26,887	20,608	(466,613)	(24,954)	(842,752)	
-	-	-	300,000	-	2,149,835	
-	-	-	(153,868)	-	(2,211,741)	
-	-	-	146,132	-	(61,906)	
(169,667)	26,887	20,608	(320,481)	(24,954)	(904,658)	
554,647	155,588	231,531	853,496	(26,873)	4,912,094	
<u>\$ 384,980</u>	<u>\$ 182,475</u>	<u>\$ 252,139</u>	<u>\$ 533,015</u>	<u>\$ (51,827)</u>	<u>\$ 4,007,436</u>	

See notes to financial statements.

COMPLIANCE SECTION

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

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

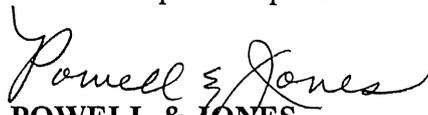
We have audited the basic financial statements of Columbia County, Florida, as of and for the year ended September 30, 2003, and have issued our report thereon dated August 4, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

However, we noted certain immaterial instances of noncompliance that we have reported to management of Columbia County, Florida in a separate management letter dated August 4, 2004, on pages 1 - 94 - 1 - 97.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered Columbia County, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Columbia County, Florida in a separate management letter dated August 4, 2004, on pages 1 - 94 - 1 - 97.

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


POWELL & JONES
Certified Public Accountants
August 4, 2004

**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, 2003. 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, 2003.

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*.

COLUMBIA COUNTY, FLORIDA
 BOARD OF COUNTY COMMISSIONERS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 For the Fiscal Year Ended September 30, 2003

Grantor/Program Title	CFDA#	Grant Number	Award Amount	Reported in Prior Years	Deferred Revenue October 1, 2002	2003		Deferred Revenue September 30, 2003
						Revenue Recognized	Expenditures	
FEDERAL AWARDS								
MAJOR PROGRAMS								
U.S. Department of Justice								
Passed through the Florida Department of Law Enforcement								
Support Byrne Grant/OBTS Enhancement Multi-Jurisdictional Task Force Program Byrne Grant	16.579	02-CJ-2H-03-22-01-232	\$ 414,003	\$ 306,835	\$ -	\$ 102,168	\$ 102,168	\$ -
	16.579	02-CJ-2H-03-22-01-057	107,187	71,606	-	35,581	35,581	-
		03-CJ-5A-03-22-01-134	131,655	-	-	131,655	131,655	-
Federal Emergency Management Agency								
Passed through the Florida Department of Community Affairs								
V.A. Shutter Grant	83.548	01HM-4L-03-22-15-002	109,208	-	-	106,316	106,316	-
Total major programs			<u>762,053</u>	<u>378,441</u>	<u>-</u>	<u>375,720</u>	<u>375,720</u>	<u>-</u>
NONMAJOR PROGRAMS								
U.S. Department of Justice								
Vest Grant								
Local Law Enforcement Block Grant	16.607	N/A	6,443	-	-	6,443	6,443	-
	16.592	01-LB-BX-1476	87,329	50,000	-	37,329	37,329	-
	16.592	02-LB-BX-1476	80,390	-	80,390	-	-	80,390
			<u>167,719</u>	<u>50,000</u>	<u>80,390</u>	<u>37,329</u>	<u>37,329</u>	<u>80,390</u>
Passed through State of Florida								
Office of Attorney General								
Victims of Crimes Act								
	16.575	V1088	31,799	21,958	-	9,841	9,841	-
	16.575	V2149	47,978	-	-	47,978	47,978	-
			<u>79,777</u>	<u>21,958</u>	<u>-</u>	<u>57,819</u>	<u>57,819</u>	<u>-</u>
U.S. Department of H.U.D. - passed through the Florida Department of Community Affairs								
Community Development Block Grant								
	14.219	00DB-6M-03-22-01-G05	500,000	359,240	-	7,693	7,693	-
U.S. Department of Education								
Passed-through Florida Department of State								
Division of Library and Information Services - Library Services and Technology Act								
	45.310	02-LSTA-D-10-B	5,000	-	-	5,000	5,000	-
Federal Emergency Management Agency								
Passed through the Florida Department of Community Affairs								
Emergency Management Performance Grant								
	83.552	03BG-04-03-22-01-012	15,754	-	-	-	-	-
	83.552	02PR-70-07-38-01-010	50,000	-	-	28,097	28,097	-
			<u>65,754</u>	<u>-</u>	<u>-</u>	<u>28,097</u>	<u>28,097</u>	<u>-</u>
National Oceanic and Atmospheric Administration								
Coastal Impact Assistance Grant								
	11.419	NA17022091	44,430	-	-	9,248	9,248	-
Federal Bureau of Land Management								
Passed through the Department of Agriculture and Consumer Services								
Title IV-A Rural Fire Grant								
	15.228	2002VFP	8,344	-	-	8,344	8,344	-
Department of Health & Human Services								
Passed-through Florida Department of Revenue								
Title IV-D Funds								
	93.563	CC312	202,564	174,172	-	28,392	28,392	-
U.S. Department of Transportation								
Passed through the Florida Department of Transportation								
Highway Safety Grant								
	20.605	AN270	60,000	-	-	59,944	59,944	-
Total nonmajor programs			<u>1,140,031</u>	<u>605,370</u>	<u>80,390</u>	<u>248,309</u>	<u>248,309</u>	<u>-</u>
Total federal awards			<u>\$1,902,084</u>	<u>\$ 983,811</u>	<u>\$ 80,390</u>	<u>\$ 624,029</u>	<u>\$ 624,029</u>	<u>\$ 80,390</u>

(continued)

COLUMBIA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2003

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 relates 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 40 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, 2003

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness identified?	No
● Reportable condition identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness identified?	No
● Reportable condition identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
16.579	U.S. Department of Justice
	Byrne Formula Grants
83.548	Federal Emergency Management Agency
	VA Shutter Grant

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

MANAGEMENT LETTER

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

We have audited the financial statements of Columbia County, Florida, as of and for the year ended September 30, 2003, and have issued our report thereon dated August 4, 2004.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Financial Assistance Project, and Schedule of Findings. Disclosures in those reports and schedule, which are dated August 4, 2004, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.55, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

BOARD OF COUNTY COMMISSIONERS

PRIOR YEAR FINDINGS

Governmental Accounting Standards No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34) - In the prior years, we advised the Board that recent pronouncements by the Governmental Accounting Standards Board (GASB), with which the Board must comply, require that governments must record depreciation on all fixed assets and record such depreciation in its applicable funds. This change became effective for the County beginning in 2002. Due to the fact that the County currently has in excess of \$80 million in fixed assets, we recommended that proper procedures be developed to implement this major forthcoming requirement. In addition to establishing depreciable lives and methods for the various classes of depreciable fixed assets, clear guidelines should also be established as to classifying items as depreciable fixed assets.

During the current year, the Board fully implemented the current requirements of GASB 34 and developed proper financial information for the preparation of required financial statements. The Board now has until 2006 to implement the retroactive reporting of infrastructure assets. We commend the Board departments in fulfilling this major accounting requirement.

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

CURRENT YEAR FINDINGS

Recording of Grant Revenues - During our audit, we found instances where grant revenues were posted to offset related grant expenditures in the financial records. For proper disclosure of total grant revenues and expenditures, all grant receipts should be recorded as revenues and grant disbursements should consistently be recorded and separately identified as expenditures.

Section 116.21, *Florida Statutes*, provides that the Sheriff is authorized to pay into the County Fine and Forfeiture Fund any and all unclaimed moneys deposited or collected by him in his official capacity under specific provisions that include annually publishing a list of unclaimed funds and allowing a specified time period for individuals to file claims for funds due to them.

There is no statutory authorization for the direct transfer and subsequent office expenditure of unclaimed inmate funds directly transferred from the Inmate Trust Fund to the Inmate Welfare Fund. We recommend that the Sheriff review these transactions and refund to the Inmate Welfare Fund any inappropriately transferred amounts.

To prevent such occurrences in the future, we recommend that commissary-related transactions be computed and transferred monthly to the Inmate Welfare Fund.

Compensatory Time - The Fair Labor Standards Act provides that "non-exempt" sworn law enforcement officers may accumulate compensatory time off in lieu of overtime pay if the law enforcement agency has a qualifying policy that applies only to sworn officers and provides for a maximum accumulation of 480 hours.

We were provided a copy of the Sheriff's policy regarding compensatory time which applies to all office employees and provides for a maximum accumulation of 120 hours. From our review of compensatory time records, we found the following:

1. Seventeen employees with accumulated time in excess of 120 hours and one employee with 824 hours of compensatory time at September 30, 2003.
2. Several non-exempt employees who were not sworn officers had small compensatory time balances.

We recommend that the Sheriff review the current policy and applicable provisions of the Fair Labor Standard Act and take appropriate corrective actions.

SUPERVISOR OF ELECTIONS

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

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

TAX COLLECTOR

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

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

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the accompanying general purpose financial statements of Columbia County, Florida, for the year ended September 30, 2003. The financial statements of the County are combined with other County agencies in that report.

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

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Columbia County Board of County Commissioners (the Board), as of and for the year ended September 30, 2003, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Board. Our responsibility is to express an opinion on these financial statements based on our audit.

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

A detail report of general fixed asset deletions could not be produced for the year ended September 30, 2003. In the absence of such records, it was not practicable to determine the fairness of amounts reported. Accordingly, we do not express an opinion on the General Fixed Assets Account Group as of September 30, 2003.

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

As described in Note 1, the Board has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of September 30, 2003. The Board has declined to present the management's discussion and analysis in these special purpose financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had detail general fixed asset deletion records been available for audit and, the omission of the management's discussion and analysis that results in an incomplete presentation as explained in the preceding paragraph, 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 Board of County Commissioners as of September 30, 2003, 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.

BASIC FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

STATEMENT OF NET ASSETS

September 30, 2003

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Liabilities Payable from Restricted Assets:			
Notes payable short-term	\$ -	\$ 360,000	\$ 360,000
Estimated liability for closure	-	<u>3,622,233</u>	<u>3,622,233</u>
Total current liabilities payable from restricted assets	<u>-</u>	<u>3,982,233</u>	<u>3,982,233</u>
Noncurrent Liabilities			
Due within one year			
Notes payable	90,730	-	90,730
Capital leases payable	231,185	-	231,185
Bonds payable	3,970,930	-	3,970,930
Due in more than one year			
Notes payable	892,935	3,625,000	4,517,935
Capital leases payable	1,364,284	-	1,364,284
Bonds payable	10,231,852	-	10,231,852
Accrued compensated absences	<u>1,437,371</u>	-	<u>1,437,371</u>
Total noncurrent liabilities	<u>18,219,287</u>	<u>3,625,000</u>	<u>21,844,287</u>
Total liabilities	<u>\$ 19,805,931</u>	<u>\$ 7,864,125</u>	<u>\$ 27,670,056</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 69,083,379	\$ 512,644	\$ 69,596,023
Restricted for:			
Library	1,601,521	-	1,601,521
Debt service	874,096	-	874,096
Road projects	11,704,055	-	11,704,055
Other purposes	897,308	223,538	1,120,846
Unrestricted	<u>14,527,886</u>	<u>10,682,107</u>	<u>25,209,993</u>
Total net assets	<u>\$ 98,688,245</u>	<u>\$ 11,418,289</u>	<u>\$110,106,534</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2003

	Special Revenue Funds				Debt	Capital Projects Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	County Trans-portion	Municipal Services Benefit Unit	Municipal Services Special District	Service Fund 2003 Road Improvement	Connector Road Project	County Facilities Renovation	Road Improvement			
ASSETS											
Current Assets											
Cash	\$ 3,272,437	\$ 2,260,442	\$ 1,212,068	\$ 982,769	\$ 233,343	\$ 6,132,205	\$ 418,172	\$ (191,272)	\$ 1,733,889	\$ 16,054,053	
Accounts receivable	11,069	31	41,564	131,285	-	-	-	-	12,477	196,426	
Due from other funds	148,576	-	168,901	69,450	-	-	4,147	429,695	-	820,769	
Due from other governmental units	1,281,111	286,283	127,221	77,725	-	365,492	559,293	343,154	578,463	3,618,742	
Inventories	-	11,027	-	-	-	-	-	-	-	11,027	
Investments	6,600,720	1,357,178	17,621	2,343,278	399,965	-	369,831	712	1,485,575	12,574,880	
Prepaid expenses	37,329	-	-	-	-	-	-	-	-	37,329	
Total assets	\$11,351,242	\$3,914,961	\$1,567,375	\$3,604,507	\$ 633,308	\$ 6,497,697	\$1,351,443	\$ 582,289	\$ 3,810,404	\$33,313,226	
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable	\$ 249,314	\$ 3,887	\$ 3,124	\$ 14,932	\$ -	\$ 4,637	\$ 693,448	\$ 18,996	\$ 17,523	\$ 1,005,861	
Due to other funds	139,676	-	162,046	78,936	-	429,695	36,038	-	-	846,391	
Due to other governmental units	48,357	-	1,256	130,175	-	-	-	-	-	179,788	
Sales tax payable	-	-	-	-	-	-	-	-	505	505	
Deposits	-	-	-	-	-	-	-	-	10,000	10,000	
Revenues collected in advance	-	-	-	41,291	-	-	-	-	-	41,291	
Other current liabilities	-	-	161	3,752	-	-	-	-	7	3,920	
Total liabilities	437,347	3,887	166,587	269,086	-	434,332	729,486	18,996	28,035	2,087,756	
FUND BALANCES											
Undesignated fund balance	10,913,895	3,911,074	1,400,788	3,335,421	633,308	6,063,365	621,957	563,293	3,426,837	30,869,938	
Designated fund balance	-	-	-	-	-	-	-	-	355,532	355,532	
Total fund balances	10,913,895	3,911,074	1,400,788	3,335,421	633,308	6,063,365	621,957	563,293	3,782,369	31,225,470	
Total liabilities and fund balances	\$11,351,242	\$3,914,961	\$1,567,375	\$3,604,507	\$ 633,308	\$ 6,497,697	\$1,351,443	\$ 582,289	\$ 3,810,404		

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, therefore, are not reported in the funds. 85,865,295
- Accrued interest is not due and payable in the current period and therefore is not reported in the funds (183,233)
- Long-term liabilities, including bonds payable (\$14,202,782), notes and capital leases payable (\$2,579,134), and compensated absences (\$1,437,371), are not due and payable in the current period and therefore are not reported in the funds. (18,219,287)

Net assets of governmental activities \$98,688,245

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

**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, 2003

Net change in fund balances - total governmental funds			\$(1,898,290)
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.			
Expenditure for capital assets	\$10,886,930		
Less current year depreciation	<u>(1,411,475)</u>	9,475,455	
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			
Bond proceeds	10,970,000		
Capital lease proceeds	<u>1,081,439</u>	(12,051,439)	
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.			
Bond principal payments	12,257,218		
Capital lease principal payments	785,458		
Note principal payments	<u>49,642</u>	13,092,318	
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	(352,233)		
Accrued interest expense	<u>(183,233)</u>	<u>(535,466)</u>	
Change in net assets of governmental activities			<u>\$ 8,082,578</u>

See notes to financial statements.

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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
State shared revenues				
General government				
State revenue sharing	\$ 110,935	\$ 110,935	\$ 138,057	\$ 27,122
Insurance agents county				
licenses	18,000	18,000	30,363	12,363
Alcoholic beverage licenses	14,500	14,500	12,588	(1,912)
Racing tax	40,000	40,000	40,000	-
State payments in lieu of taxes	20,000	20,000	26,191	6,191
Total intergovernmental revenue	<u>458,579</u>	<u>842,031</u>	<u>1,029,490</u>	<u>187,459</u>
Charges for services				
General government				
Public Defender liens	100,000	100,000	95,538	(4,462)
County mediation fees	4,000	4,000	4,880	880
County Court facility				
filing fees	100,000	100,000	57,544	(42,456)
Circuit Court facility				
filing fees	100,000	100,000	153,656	53,656
County Court civil filing	-	-	2,841	2,841
Circuit Court service charge	78,000	78,000	6,733	(71,267)
County Court service charge	47,000	47,000	28,076	(18,924)
Recording of legal instruments	-	-	20	20
Certification, copying,				
record research	-	-	262	262
County officers fees				
Sheriff	-	-	73,496	73,496
Clerk of Circuit Court	-	-	48,548	48,548
Clerk of County Court	-	-	15,212	15,212
Clerk's excess fees	-	-	23,665	23,665
Property Appraiser	-	-	2,005	2,005
Tax Collector	-	-	13,280	13,280
Administrative charges	20,000	20,000	31,463	11,463
Other general government				
charges	-	396,000	396,000	-
Public safety				
Police services				
School resource officer	105,000	105,000	104,066	(934)
Human services				
Animal control and shelter fee	500	500	163	(337)
Culture and recreation				
Libraries				
Library fees Lake City	2,100	2,100	2,019	(81)
Library fees Fort White	100	100	142	42
Printing Lake City	-	-	3,947	3,947
Printing Fort White	-	-	294	294
(continued)	2 - 9			

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, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Tax Collector				
Operating expenses	\$ 425,000	\$ 506,500	\$ 382,646	\$ 123,854
Auditing/accounting				
Operating expenses	80,000	81,125	81,125	-
Data processing				
Operating expenses	37,500	17,600	17,087	513
Capital outlay	-	247,500	247,120	380
Total data processing	<u>37,500</u>	<u>265,100</u>	<u>264,207</u>	<u>893</u>
Legal counsel				
Personal services	65,498	68,563	68,300	263
Operating expenses	20,000	16,935	8,480	8,455
Total legal counsel	<u>85,498</u>	<u>85,498</u>	<u>76,780</u>	<u>8,718</u>
Clerk of Circuit Court				
Operating expenses	566,500	759,250	768,610	(9,360)
Clerk of County Court				
Personal services	1,323	1,323	1,323	-
Circuit Court				
Personal services	39,331	37,846	37,772	74
Operating expenses	76,700	80,270	80,210	60
Capital outlay	100,000	25,100	25,069	31
Total Circuit Court	<u>216,031</u>	<u>143,216</u>	<u>143,051</u>	<u>165</u>
County Court				
Personal services	25,185	20,185	19,930	255
Operating expenses	10,300	11,150	11,079	71
Total County Court	<u>35,485</u>	<u>31,335</u>	<u>31,009</u>	<u>326</u>
Court support services				
Operating expenses	22,013	22,013	22,013	-
Court reporting				
Operating expenses	110,262	109,662	109,563	99
Charter expenses				
Operating expenses	3,000	11,700	11,633	67
Other general government				
Operating expenses	8,000	8,000	7,924	76
Supervisor of Elections				
Personal services	1,090	1,090	1,090	-

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Defender County				
Operating expenses	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ 17,672</u>	<u>\$ 328</u>
County expert witness fees				
Operating expenses	<u>-</u>	<u>7,800</u>	<u>7,750</u>	<u>50</u>
Clinical Evaluations				
Operating expenses	<u>-</u>	<u>450</u>	<u>420</u>	<u>30</u>
Public Defender traffic				
Operating expenses	<u>-</u>	<u>1,000</u>	<u>727</u>	<u>273</u>
Total general government	<u>3,722,666</u>	<u>4,699,575</u>	<u>4,523,987</u>	<u>175,588</u>
Public safety				
Law enforcement				
Personal services	<u>217,415</u>	<u>217,415</u>	<u>217,415</u>	<u>-</u>
Sheriff service of process				
Personal services	<u>31,350</u>	<u>31,350</u>	<u>31,350</u>	<u>-</u>
Detention Center operations				
Personal services	<u>107,140</u>	<u>107,140</u>	<u>107,140</u>	<u>-</u>
Detention Center facilities				
Personal services	35,022	36,072	35,690	382
Operating expenses	241,000	238,950	199,584	39,366
Capital outlay	<u>150,000</u>	<u>150,000</u>	<u>46,410</u>	<u>103,590</u>
Total Detention Center facilities	<u>426,022</u>	<u>425,022</u>	<u>281,684</u>	<u>143,338</u>
Safety program				
Personal services	52,069	55,284	54,740	544
Operating expenses	<u>21,200</u>	<u>21,100</u>	<u>20,613</u>	<u>487</u>
Total safety program	<u>73,269</u>	<u>76,384</u>	<u>75,353</u>	<u>1,031</u>
Emergency management specialist				
Personal services	74,876	74,876	63,814	11,062
Operating expenses	26,040	19,362	18,060	1,302
Capital outlay	<u>3,200</u>	<u>8,322</u>	<u>8,275</u>	<u>47</u>
Total emergency management specialist	<u>104,116</u>	<u>102,560</u>	<u>90,149</u>	<u>12,411</u>
Hazardous materials				
Operating expenses	<u>-</u>	<u>19,500</u>	<u>19,462</u>	<u>38</u>
VA Shutters				
Operating expenses	<u>-</u>	<u>-</u>	<u>98,207</u>	<u>(98,207)</u>

(continued)

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Economic environment				
Commissioners special projects				
Operating expenses	\$ 25,000	\$ 137,358	\$ 31,972	\$ 105,386
Grants and aids	<u>100,000</u>	<u>294,711</u>	<u>120,389</u>	<u>174,322</u>
Total special projects	<u>125,000</u>	<u>432,069</u>	<u>152,361</u>	<u>279,708</u>
Veterans services				
Personal services	84,500	79,600	77,400	2,200
Operating expenses	<u>6,700</u>	<u>11,600</u>	<u>11,197</u>	<u>403</u>
Total veterans services	<u>91,200</u>	<u>91,200</u>	<u>88,597</u>	<u>2,603</u>
Other economic environment				
Grants and aids	<u>88,832</u>	<u>88,832</u>	<u>-</u>	<u>88,832</u>
Save VA				
Operating expenses	<u>-</u>	<u>6,000</u>	<u>5,900</u>	<u>100</u>
Downtown Action Committee				
Grants and aids	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total economic environment	<u>310,032</u>	<u>623,101</u>	<u>251,858</u>	<u>371,243</u>
Human services				
Health				
Operating expenses	<u>1,417,284</u>	<u>1,533,784</u>	<u>1,533,660</u>	<u>124</u>
Mosquito control				
Personal services	18,744	16,194	16,044	150
Operating expenses	30,292	37,942	37,471	471
Capital outlay	<u>33,518</u>	<u>51,243</u>	<u>50,862</u>	<u>381</u>
Total mosquito control	<u>82,554</u>	<u>105,379</u>	<u>104,377</u>	<u>1,002</u>
Health				
Grants and aids	<u>184,000</u>	<u>184,000</u>	<u>184,000</u>	<u>-</u>
Mental health				
Grants and aids	<u>107,100</u>	<u>107,100</u>	<u>107,100</u>	<u>-</u>
Welfare				
Operating expenses	12,335	12,335	12,335	-
Grants and aids	<u>98,600</u>	<u>103,600</u>	<u>103,600</u>	<u>-</u>
Total welfare	<u>110,935</u>	<u>115,935</u>	<u>115,935</u>	<u>-</u>
Retardation				
Grants and aids	<u>63,250</u>	<u>63,250</u>	<u>63,250</u>	<u>-</u>
Other human services				
Operating expenses	108,000	108,000	108,000	-
Grants and aids	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other human services	<u>118,000</u>	<u>118,000</u>	<u>118,000</u>	<u>-</u>
Total human services	<u>2,083,123</u>	<u>2,227,448</u>	<u>2,226,322</u>	<u>1,126</u>

(continued)

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Interfund transfers out				
Transfers to Clerk of Circuit Court	\$ (579,165)	\$ (612,021)	\$ (620,786)	\$ (8,765)
Transfers to Property Appraiser	(832,966)	(832,966)	(808,205)	24,761
Transfers to Sheriff	(7,677,146)	(8,059,973)	(7,953,104)	106,869
Transfers to Supervisor of Elections	(404,675)	(416,987)	(402,557)	14,430
Transfers to Transportation Trust	-	(175,589)	(175,589)	-
Transfers to MSBU	-	-	(40,741)	(40,741)
Transfers to MSSD	-	-	(50,482)	(50,482)
Transfers to Renovation Construction	-	(75,000)	(75,000)	-
Transfers to Library Enhancement	-	-	(1,408)	(1,408)
Total interfund transfers out	<u>(9,493,952)</u>	<u>(10,172,536)</u>	<u>(10,127,872)</u>	<u>44,664</u>
Total other financing sources (uses)	<u>(9,493,952)</u>	<u>(10,172,536)</u>	<u>(9,432,378)</u>	<u>740,158</u>
 Net changes in fund balance	 1,025,321	 (846,800)	 841,408	 1,688,208
Fund balance at beginning of year	10,118,786	10,118,786	10,118,786	-
Prior period adjustment			(46,299)	(46,299)
Fund balance at end of year	<u>\$11,144,107</u>	<u>\$ 9,271,986</u>	<u>\$10,913,895</u>	<u>\$ 1,641,909</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
COUNTY TRANSPORTATION TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Transportation				
Contracted mowing				
Operating expenses	\$ 150,000	\$ 209,500	\$ 209,409	\$ 91
Graded roads				
Personal services	837,325	728,925	728,175	750
Operating expenses	43,500	6,500	6,370	130
Capital outlay	-	7,700	1,089,064	(1,081,364)
Debt service	<u>72,505</u>	<u>231,005</u>	<u>950,448</u>	<u>(719,443)</u>
Total graded roads	<u>953,330</u>	<u>974,130</u>	<u>2,774,057</u>	<u>(1,799,927)</u>
Drainage, heavy equipment				
Personal services	207,827	243,877	243,050	827
Operating expenses	66,000	71,750	71,635	115
Capital outlay	-	393,000	392,983	17
Total drainage, heavy equipment	<u>273,827</u>	<u>708,627</u>	<u>707,668</u>	<u>959</u>
Sign shop				
Personal services	137,407	105,707	105,575	132
Operating expenses	<u>175,000</u>	<u>97,550</u>	<u>97,464</u>	<u>86</u>
Total sign shop	<u>312,407</u>	<u>203,257</u>	<u>203,039</u>	<u>218</u>
Repair shop				
Personal services	342,310	332,660	332,541	119
Operating expenses	130,000	220,150	242,215	(22,065)
Capital outlay	-	78,000	77,581	419
Total repair shop	<u>472,310</u>	<u>630,810</u>	<u>652,337</u>	<u>(21,527)</u>
Stock room				
Personal services	26,297	27,597	27,491	106
Operating expenses	<u>250,000</u>	<u>259,100</u>	<u>253,427</u>	<u>5,673</u>
Total stock room	<u>276,297</u>	<u>286,697</u>	<u>280,918</u>	<u>5,779</u>
Administration				
Personal services	377,766	379,716	379,535	181
Operating expenses	391,300	384,750	384,064	686
Capital outlay	-	14,100	14,060	40
Total administration	<u>769,066</u>	<u>778,566</u>	<u>777,659</u>	<u>907</u>

(continued)

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
MUNICIPAL SERVICES BENEFIT UNIT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Franchise fees				
Solid waste	\$ 40,000	\$ 40,000	\$ 65,247	\$ 25,247
Licenses and permits				
Professional and occupational	50,000	50,000	41,068	(8,932)
Competency cards	15,000	15,000	16,250	1,250
Building permits	213,000	213,000	168,861	(44,139)
Other licenses and permits				
Permits (land use)	50,000	50,000	41,625	(8,375)
Building inspection	-	-	2,581	2,581
Total licenses and permits	<u>328,000</u>	<u>328,000</u>	<u>270,385</u>	<u>(57,615)</u>
Intergovernmental revenue				
State shared revenues				
General government				
Mobile home licenses	-	-	26,910	26,910
Communications service taxes	240,000	240,000	195,981	(44,019)
Total intergovernmental revenue	<u>240,000</u>	<u>240,000</u>	<u>222,891</u>	<u>(17,109)</u>
Fines and forfeitures				
Violations of local ordinances	-	-	550	550
Miscellaneous				
Interest earnings				
Interest on investments	39,000	39,000	21,062	(17,938)
Interest SBA	1,000	1,000	244	(756)
Interest County Officers				
Tax Collector	-	-	915	915
Special assessments/impact fee				
Special assessments				
Partial year solid waste	50,000	50,000	44,942	(5,058)
Physical environment	2,750,000	2,750,000	2,802,836	52,836
Delinquent fees	2,000	2,000	5,053	3,053
Other miscellaneous				
Special lighting	1,500	1,500	1,414	(86)
Other miscellaneous	500	500	45	(455)
Total miscellaneous	<u>2,844,000</u>	<u>2,844,000</u>	<u>2,876,511</u>	<u>32,511</u>
Total revenues	<u>3,452,000</u>	<u>3,452,000</u>	<u>3,435,584</u>	<u>(16,416)</u>

(continued)

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
MUNICIPAL SERVICES BENEFIT UNIT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Springhollow subdivision				
Operating expenses	\$ 1,400	\$ 1,100	\$ 1,097	\$ 3
Total culture/recreation	<u>173,175</u>	<u>215,393</u>	<u>120,989</u>	<u>94,404</u>
Total expenditures	<u>3,448,454</u>	<u>3,620,672</u>	<u>3,435,191</u>	<u>185,481</u>
Excess of revenues over (under) expenditures	<u>3,546</u>	<u>(168,672)</u>	<u>393</u>	<u>169,065</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	-	40,741	40,741
Interfund transfers out	<u>(600,000)</u>	<u>(601,000)</u>	<u>(600,000)</u>	<u>1,000</u>
Total other financing sources (uses)	<u>(600,000)</u>	<u>(601,000)</u>	<u>(559,259)</u>	<u>41,741</u>
Net change in fund balance	(596,454)	(769,672)	(558,866)	210,806
Fund balance at beginning of year	<u>1,959,654</u>	<u>1,959,654</u>	<u>1,959,654</u>	-
Fund balance at end of year	<u>\$ 1,363,200</u>	<u>\$ 1,189,982</u>	<u>\$ 1,400,788</u>	<u>\$ 210,806</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
MUNICIPAL SERVICES SPECIAL DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
General government				
Legislative				
Operating expenses	\$ 102,000	\$ 102,000	\$ 94,318	\$ 7,682
Financial and administrative				
Operating expenses	-	12,500	12,493	7
Tax Collector				
Operating expenses	<u>50,000</u>	<u>51,000</u>	<u>52,371</u>	<u>(1,371)</u>
Total general government	<u>152,000</u>	<u>165,500</u>	<u>159,182</u>	<u>6,318</u>
Public safety				
Fire control				
Personal services	13,200	9,700	9,688	12
Operating expenses	205,500	238,944	231,389	7,555
Capital outlay	65,000	80,382	60,627	19,755
Grants and aids	<u>1,032,928</u>	<u>1,032,928</u>	<u>1,076,360</u>	<u>(43,432)</u>
Total fire control	<u>1,316,628</u>	<u>1,361,954</u>	<u>1,378,064</u>	<u>(16,110)</u>
Emergency and disaster relief				
Personal services	293,981	293,981	280,982	12,999
Operating expenses	155,250	155,250	149,497	5,753
Capital outlay	26,686	26,686	25,563	1,123
Grants and aids	<u>-</u>	<u>52,500</u>	<u>52,327</u>	<u>173</u>
Total emergency and disaster Relief	<u>475,917</u>	<u>528,417</u>	<u>508,369</u>	<u>20,048</u>
EMS billings				
Personal services	81,320	98,020	97,663	357
Operating expenses	<u>14,550</u>	<u>57,825</u>	<u>57,600</u>	<u>225</u>
Total EMS billings	<u>95,870</u>	<u>155,845</u>	<u>155,263</u>	<u>582</u>
EMS Medical services				
Personal services	1,043,845	1,021,665	955,962	65,703
Operating expenses	171,050	190,050	173,600	16,450
Capital outlay	<u>-</u>	<u>73,700</u>	<u>72,164</u>	<u>1,536</u>
Total EMS medical services	<u>1,214,895</u>	<u>1,285,415</u>	<u>1,201,726</u>	<u>83,689</u>
EMS Medical director				
Personal services	<u>12,927</u>	<u>12,927</u>	<u>10,981</u>	<u>1,946</u>

(continued)

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
ROAD IMPROVEMENT DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales and use taxes				
Local option gas tax/ alternative fuel	\$ 399,154	\$ 399,154	\$ 381,351	\$ (17,803)
Miscellaneous				
Interest earnings				
Interest on investments	26,000	26,000	12,042	(13,958)
Total revenues	425,154	425,154	393,393	(31,761)
EXPENDITURES				
General Government				
Other general government				
Debt service	-	3,620,000	3,620,000	-
Transportation				
Roads and streets				
Debt service	317,800	658,500	3,597,007	(2,938,507)
Economic Environment				
Industry development				
Debt Service	-	2,750,000	2,750,000	-
Total expenditures	317,800	7,028,500	9,967,007	(2,938,507)
Excess of revenues over (under) expenditures	107,354	(6,603,346)	(9,573,614)	(2,970,268)
OTHER FINANCING SOURCES				
Debt proceeds	-	10,970,000	10,970,000	-
Interfund transfers				
Transfer to Road Improvement Fund	-	-	(1,795,000)	(1,795,000)
Transfer to 5 th and 6 th Cent Fuel Tax Fund	(300,000)	(300,000)	(300,000)	-
Total other financing sources	(300,000)	10,670,000	8,875,000	(1,795,000)
Net change in fund balance	(192,646)	4,066,654	(698,614)	(4,765,268)
Fund balance at beginning of year	1,331,922	1,331,922	1,331,922	-
Fund balance at end of year	\$ 1,139,276	\$ 5,398,576	\$ 633,308	\$ (4,765,268)

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
COURTHOUSE FACILITIES RENOVATION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue				
State grants				
General government				
Court facilities grant	\$ -	\$ -	\$ 150,000	\$ 150,000
State shared revenues				
General government				
Local government half-				
cent sales tax	<u>3,083,290</u>	<u>3,083,290</u>	<u>3,302,726</u>	<u>219,436</u>
Total intergovernmental revenue	<u>3,083,290</u>	<u>3,083,290</u>	<u>3,452,726</u>	<u>369,436</u>
Miscellaneous				
Interest earnings				
Interest on investments	20,000	20,000	3,452	(16,548)
Interest SBA	<u>5,000</u>	<u>5,000</u>	<u>11,733</u>	<u>6,733</u>
Total miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>15,185</u>	<u>(9,815)</u>
Total revenues	<u>3,108,290</u>	<u>3,108,290</u>	<u>3,467,911</u>	<u>359,621</u>
EXPENDITURES				
General government				
Courthouse contractors				
Operating expenses	<u>-</u>	<u>500</u>	<u>475</u>	<u>25</u>
Courthouse improvements				
Debt service	<u>1,361,900</u>	<u>1,680,650</u>	<u>1,680,552</u>	<u>98</u>
Courthouse project manager				
Personal services	469,096	487,876	487,660	216
Operating expenses	22,500	35,300	35,770	(470)
Capital outlay	<u>7,000</u>	<u>700</u>	<u>653</u>	<u>47</u>
Total courthouse project manager	<u>498,596</u>	<u>523,876</u>	<u>524,083</u>	<u>(207)</u>
Courthouse risk management				
Capital outlay	<u>1,720,500</u>	<u>3,217,684</u>	<u>3,009,128</u>	<u>208,556</u>
Courthouse construction				
Operating expenses	50,000	48,350	48,434	(84)
Capital outlay	<u>-</u>	<u>4,000</u>	<u>3,880</u>	<u>120</u>
Total courthouse construction	<u>50,000</u>	<u>52,350</u>	<u>52,314</u>	<u>36</u>

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

ROAD IMPROVEMENT FUND

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

For the Fiscal Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes				
Sales and use taxes	\$ 550,000	\$ 550,000	\$ 550,000	\$ -
Intergovernmental revenue				
State grants				
Transportation				
Small county road				
assistance program	1,750,000	1,750,000	583,000	(1,167,000)
Small county outreach				
program	2,404,000	2,404,000	543,375	(1,860,625)
Total intergovernmental revenue	<u>4,154,000</u>	<u>4,154,000</u>	<u>1,126,375</u>	<u>(3,027,625)</u>
Miscellaneous				
Interest earnings				
Interest on investments	10,000	10,000	70	(9,930)
Interest SBA	-	-	10	10
Other miscellaneous	-	-	1,561	1,561
Total miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>1,641</u>	<u>(8,359)</u>
Total revenues	<u>4,714,000</u>	<u>4,714,000</u>	<u>1,678,016</u>	<u>(3,035,984)</u>
EXPENDITURES				
General government				
Financial and administrative				
Operating expenses	-	4,700	4,680	20
Transportation				
Road projects				
Capital outlay	<u>4,269,000</u>	<u>4,028,600</u>	<u>2,599,446</u>	<u>1,429,154</u>
Roads and streets				
Operating expenses	-	23,400	-	23,400
Capital outlay	-	62,800	78,676	(15,876)
Debt service	-	500	500	-
Total road and streets	<u>-</u>	<u>86,700</u>	<u>79,176</u>	<u>7,524</u>
Total expenditures	<u>4,269,000</u>	<u>4,120,000</u>	<u>2,683,302</u>	<u>1,436,698</u>
Excess of revenues over (under) expenditures	<u>445,000</u>	<u>594,000</u>	<u>(1,005,286)</u>	<u>(1,599,286)</u>

(continued)

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

**STATEMENT OF NET ASSETS
PROPRIETARY FUND**

For the Fiscal Year Ended September 30, 2003

ASSETS

Current Assets:

Cash	\$10,543,827
Accounts receivable	359,185
Due from other funds	162,046
Due from other governmental units	18,728
Investments	329,958
Total current assets	<u>11,413,744</u>

Noncurrent Assets:

Restricted assets	
Cash	95,507
Investments	3,066,895
Total restricted assets	<u>3,162,402</u>

Fixed assets

Land	887,973
Buildings	493,668
Improvements other than buildings	6,865,533
Construction in progress	808,896
Equipment	2,512,439
Allowance for depreciation	(7,070,865)
Total fixed assets	<u>4,497,644</u>

Other assets

Unamortized bond issue costs	208,624
Total noncurrent assets	<u>7,868,670</u>
Total assets	<u>\$19,282,414</u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 5,350
Due to other funds	136,424
Interest payable	65,509
Accrued compensated absences	49,609
Total current liabilities	<u>256,892</u>

Current Liabilities Payable from Restricted Assets:

Note payable short-term	<u>360,000</u>
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Noncurrent Liabilities:

Note payable	3,625,000
Estimated liability for closure	3,622,233
Total noncurrent liabilities	<u>7,247,233</u>
Total liabilities	<u>\$ 7,864,125</u>

(continued)

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2003

OPERATING REVENUES

Physical environment	
Garbage/solid waste revenue	
Landfill fees commercial	\$1,033,773
Landfill fees Waste Control	<u>2,532,217</u>
Total physical environment	3,565,990
Sales of surplus	
Recycling	28,144
Other miscellaneous	45
Total operating revenues	<u>3,594,179</u>

OPERATING EXPENSES

Landfill	
Personal services	
Regular salaries	419,400
FICA	30,139
Retirement	23,618
Life and health insurance	47,556
Worker's compensation	<u>44,166</u>
Total personal services	564,879
Operating expenses	
Accounting and auditing	305
Depreciation	356,304
Professional services	115,358
Other contractual services	11,752
Travel and per diem	2,084
Communications services	602
Utility services	10,274
Rental and leases	2,475
Insurance	13,113
Repair and maintenance	59,816
Printing and binding	7
Other current charges and obligations	730
Administration fees	68,000
Office supplies	1,707
Operating supplies	5,616
Gas and oil	63,371
Leachate disposal	34,595
Hazardous waste disposal	5,453
Landfill closure costs	<u>526,542</u>
Total operating expenses	1,278,104
Total landfill	<u>1,842,983</u>

(continued)

**COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND**

For the Fiscal Year Ended September 30, 2003

NONOPERATING REVENUES (EXPENSES)

State grants	
Physical environment	
Small County grant	\$ 50,000
Recycling and education	53,253
Waste tire grant	<u>51,412</u>
Total state grants	<u>154,665</u>
Interest earnings	
Interest on investments	159,919
Interest SBA	<u>5,736</u>
Total interest earnings	<u>165,655</u>
Debt service	
Interest	(221,675)
Other debt service costs	(15,369)
Bond issuance costs	<u>(26,353)</u>
Total debt service	<u>(263,397)</u>
Total nonoperating revenues (expenses)	<u>56,923</u>
Net income	1,609,487
Retained earnings, beginning of year	9,112,593
Prior period adjustment	<u>190,035</u>
Retained earnings, end of year	<u><u>\$ 10,912,115</u></u>

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2003

Reconciliation of Operating Income to Net
Cash Provided by Operating Activities

Operating income	<u>\$1,552,564</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	356,304
(Increase) decrease in assets:	
Accounts receivable	112,881
Increase (decrease) in liabilities:	
Accounts payable	(7,860)
Accrued compensated absences	2,372
Increase in estimated closure liability	<u>526,542</u>
Total adjustments	<u>990,239</u>
Net cash provided by operating activities	<u>\$2,542,803</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

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

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement 34-Basic Financial Statement and Management's Discussion and Analysis - for State and Local Governments. This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation (based on the size of government) starting with the fiscal year ending 2002. As part of this statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.). This requirement permits an optional four-year further delay for implementation of the infrastructure related portion to the fiscal year ending in 2006. The Board has fully implemented the basic model in the FY 2002-2003, and will implement the infrastructure related portion by 2006.

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

2. Fund Financial Statements

The underlying accounting system of the Board 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 Board considers revenues to be available if they are collected within 40 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 Board.

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

Non-current 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 exclude 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 Board's Landfill Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The Board applies all GASB pronouncements as well as all FASB Statements and Interpretations,

2. Proprietary Funds:

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

3. Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires non-current 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 Board 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 Board'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, the Florida Counties Investment Trust Fund and U.S. Treasury money market funds, are stated at cost which approximated 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, 2003, this allowance was \$14,758. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectable as reported at September 30, 2003.

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 Board 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.

12. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the Board 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 Board uses the "revenue reduction" approach in accounting to rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The Board has no arbitrage liability outstanding as of September 30, 2003.

13. Landfill Closure Costs

Under the terms of current state and federal regulations, the Board 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 Board recognizes these costs of post-closure maintenance annually. Required obligations for closure and post-closure costs are recognized in the Solid Waste Disposal Fund.

14. Capital Contributions

The capital contributions accounted for in the proprietary fund type represents contributions from other funds. The 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 Board's governmental funds (\$31,225,470) differs from "net assets" of governmental activities (\$98,688,245) 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 Board as a whole.

Cost of capital assets	\$ 97,715,257
Accumulated depreciation	(11,849,962)
Total	<u>\$ 85,865,295</u>

Long-term debt transactions

Long-term liabilities applicable to the Board'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, 2003, were:

Revenue Notes/Bonds Payable	\$(14,202,782)
Notes payable	(983,665)
Capital leases payable	(1,595,469)
Compensated absences	(1,437,371)
Total	<u>\$ (18,219,287)</u>

Note 2. Reconciliation of Government-wide and Fund Financial Statements - continued

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

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

STATEMENTS - continued

Government-wide Statement of Net Assets - continued

<u>Long-Term Debt Transactions</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Net Assets</u>
\$ -	\$ -	\$ 16,054,053
-	-	196,426
-	(684,345)	136,424
-	-	3,618,742
-	-	11,027
-	-	12,574,880
-	-	37,329
-	-	<u>85,865,295</u>
<u>\$ -</u>	<u>\$ (684,345)</u>	<u>\$118,494,176</u>
\$ -	\$ -	\$ 1,005,861
-	-	505
183,233	-	183,233
-	(684,345)	162,046
-	-	179,788
-	-	41,291
-	-	10,000
-	-	3,920
1,437,371	-	1,437,371
983,665	-	983,665
14,202,782	-	14,202,782
<u>1,595,469</u>	<u>-</u>	<u>1,595,469</u>
18,402,520	(684,345)	19,805,931
<u>(18,402,520)</u>	<u>-</u>	<u>98,688,245</u>
<u>\$ -</u>	<u>\$ (684,345)</u>	<u>\$118,494,176</u>

Note 2. Reconciliation of Government-wide and Fund Financial Statements - continued

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

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

STATEMENTS - continued
Statement of Activities - continued

<u>Compensated Absences</u>	<u>Accrued Interest</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Activities</u>
\$ -	\$ -	\$ -	\$ 23,263,129
-	-	-	270,385
-	-	-	10,987,104
-	-	-	2,321,254
-	-	-	1,213,198
-	-	-	4,609,576
-	-	-	312,253
-	-	-	<u>1,343,003</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>44,319,902</u>
50,412	60,375	1,848,427	7,831,350
280,342	-	9,263,604	14,468,287
2,525	-	-	3,073,350
15,547	79,117	-	4,372,570
(1,848)	43,741	-	1,482,398
-	-	-	2,206,285
5,255	-	-	1,670,505
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,132,579</u>
<u>352,233</u>	<u>183,233</u>	<u>11,112,031</u>	<u>36,237,324</u>
<u>(352,233)</u>	<u>(183,233)</u>	<u>(11,112,031)</u>	<u>8,082,578</u>
-	-	(3,922,582)	-
-	-	3,922,582	-
-	-	11,112,031	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>11,112,031</u>	<u>-</u>
(352,233)	(183,233)	-	8,082,578
(1,085,138)	-	-	99,512,935
-	-	-	<u>(8,907,268)</u>
<u>\$(1,437,371)</u>	<u>\$ (183,233)</u>	<u>\$ -</u>	<u>\$ 98,688,245</u>

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, obligations 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 Board invested in only these types of instruments during the fiscal year.

In accordance with generally accepted accounting principles, the Board’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 Board or its agent in the Board’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.

The Local Government Surplus Funds Trust Fund Investment Pool (Pool) is a “2a-7” like pool, and therefore, the Board’s account balance is used for fair value reporting. All units of local government in Florida are eligible, but not required, to participate in the Pool. In addition to a variety of fixed coupon investments, the Pool also purchases floating rate and adjustable rate securities . These floating rate and adjustable rate securities are used to hedge against interest rate risk and provide diversification to the portfolio. The floating rate and adjustable rate securities all float relative to prevailing short-term interest rates such as LIBOR, Prime, or Fed Funds rates. On September 30, 2003, the Pool held floating rate securities, either directly or as invested securities lending collateral, at a fair value of \$2.24 billion. The Pool also participates in securities lending programs. As of September 30, 2003, the collateral held by the Pool, \$5,207,037,936 in cash and \$4,095,228 in U.S. Government securities, exceeded the fair value of the securities underlying the agreements. As of September 30, 2003, the Pool had approximately 800 local government participants with total investments of approximately \$21.34 billion.

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, 2003, the Trust had investments, at fair value, of approximately \$576 million. Of the total investments in the Trust, 9.30% was invested in asset backed securities 6.91% was invested in adjustable rate mortgages.

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

Schedule of Investments at September 30, 2003

	Fair Value	<u>Category</u>
Florida Local Government Surplus Funds Trust Fund	\$ 2,892,682	1
Local Government Surplus Funds Trust Fund	6,420,486	*
Bank of America		
Nations Fund Government		
Money Market Funds	6,658,565	*
	<u>\$15,971,733</u>	

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

Governmental activities:	
General Government	\$ 582,554
Public Safety	335,321
Physical Environment	16,679
Transportation	412,196
Human Services	30,825
Culture/Recreation	<u>33,900</u>
Total depreciation expense - governmental activities	<u>\$1,411,475</u>
Business-type activities:	
Landfill Enterprise	<u>\$ 356,304</u>
Total depreciation expense - business-type activities	<u>\$ 356,304</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2003, were:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 148,576	\$ 139,676
Special Revenue Funds:		
Municipal Services Benefit Unit	168,901	162,046
Municipal Services Special District	69,450	78,936
Capital Projects Funds:		
Connector Road Project	-	429,695
County Facilities Renovation	4,147	36,038
Road Improvement	429,695	-
Proprietary Fund:		
Landfill Enterprise	<u>162,046</u>	<u>136,424</u>
Totals	<u>\$ 982,815</u>	<u>\$ 982,815</u>

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2003, consisted of the following:

Transfers from General Fund to:	
County Transportation Fund	\$ 175,589
Municipal Services Benefit Unit Fund	40,741
Municipal Services Special District Fund	50,482
Renovation Construction Fund	75,000
Library Enhancement Fund	1,408
Transfer from Special Revenue Funds to:	
Road Improvement Fund	600,000
General Fund	695,494
Municipal Services Special District Fund	35,000
Transfers from Fifth and Sixth Cent Fuel Tax Fund	
Road Improvement Fund	153,868
Transfer from 2003 Debt Service Fund to:	
Road Improvement Fund	1,795,000
Fifth and Sixth Cent Fuel Tax Fund	<u>300,000</u>
Total transfers	<u>\$3,922,582</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, and 3) use unrestricted general fund revenues to finance transportation activities which must be accounted for in another fund.

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 44,514	\$ 46,216	\$ 90,730
2005	46,697	44,033	90,730
2006	48,987	41,743	90,730
2007	51,389	39,341	90,730
2008	53,909	36,821	90,730
2009-2013	311,889	141,760	453,649
2014-2018	396,239	57,410	453,649
2019	30,041	202	30,243
Total	<u>\$ 983,665</u>	<u>\$ 407,526</u>	<u>\$ 1,391,191</u>

Revenue Bonds

- A. On April 15, 1996, the County also closed on a Revenue Term Bond in the amount of \$1,700,000. The proceeds were used to construct a manufacturing plant to be leased by the County to Homes of Merit. The bonds are being repaid over a period of eleven years with an average interest rate of 7.23%. The debt is secured by the State Half-Cent Sales Tax revenue. Debt service is accounted for in the applicable debt service fund and is being reimbursed by the tenant.

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 105,000	\$ 83,505	\$ 188,505
2005	115,000	75,987	190,987
2006	125,000	67,687	192,687
2007	810,000	31,911	841,911
Total	<u>\$ 1,155,000</u>	<u>\$ 259,090</u>	<u>\$ 1,414,090</u>

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,200,000	\$ 148,500	\$ 1,348,500
2005	1,350,000	91,125	1,441,125
2006	1,350,000	30,375	1,380,375
Total	<u>\$ 3,900,000</u>	<u>\$ 270,000</u>	<u>\$ 4,170,000</u>

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

<u>Year Ending September 30,</u>	
2004	\$ 231,185
2005	536,842
2006	402,675
2007	150,272
2008	<u>459,760</u>
	1,780,734
Less: amount representing interest Present value of future minimum lease payments	<u>(185,265)</u>
	<u>\$1,595,469</u>

**B. Business-type Activities
Notes Payable**

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 360,000	\$ 209,543	\$ 569,543
2005	380,000	191,223	571,223
2006	400,000	171,523	571,523
2007	415,000	150,429	565,429
2008	435,000	127,681	562,681
2009-2014	<u>1,995,000</u>	<u>241,561</u>	<u>2,236,561</u>
Total	<u>\$ 3,985,000</u>	<u>\$ 1,091,960</u>	<u>\$ 5,076,960</u>

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2003, was as follows:

	<u>Balance at 10/01/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 09/30/03</u>	<u>Due Within One Year</u>
Governmental Activities:					
Revenue notes payable:					
Notes payable					
Columbia County Bank	\$ 1,033,307	\$ -	\$ (49,642)	\$ 983,665	\$ 90,730
	<u>1,033,307</u>	<u>-</u>	<u>(49,642)</u>	<u>983,665</u>	<u>90,730</u>
Revenue bonds:					
Transportation-					
Series 2003	-	4,600,000	(356,218)	4,243,782	832,776
Transportation-					
Series 1993	2,865,000	-	(2,865,000)	-	-
SunTrust Revenue Term	3,620,000	-	(3,620,000)	-	-
SunTrust Revenue Term	1,255,000	-	(100,000)	1,155,000	188,505
SunTrust Revenue Term	2,750,000	-	(2,750,000)	-	-
SunTrust Revenue Term	5,000,000	-	(1,100,000)	3,900,000	1,348,500
SunTrust Revenue Term	-	6,370,000	(1,466,000)	4,904,000	1,601,149
	<u>15,490,000</u>	<u>10,970,000</u>	<u>(12,257,218)</u>	<u>14,202,782</u>	<u>3,970,930</u>

made by the employer. The FRS provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a five percent reduction in benefits for each year prior to the normal retirement age. Retirement benefits are based on age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

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

Funding Policy - The FRS has the following classes of membership applicable to the Board with descriptions and contribution rates in effect during the period ended September 30, 2003, as follows (contribution rates are in agreement with the actuarially determined rates):

	<u>10/01/02 to 06/30/03</u>	<u>07/01/03 to 09/30/03</u>
<u>Regular Class</u> - Members not qualifying for other classes.	5.76%	6.18%
<u>Senior Management Service Class</u> - Members of senior management who do not elect the optional annuity management program.	6.06%	8.16%
<u>Special Risk Class</u> - Members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class.	16.01%	17.32%
<u>Special Risk Administrative Support Class</u> - Special risk members who are transferred or re-assigned to non-special risk and meet the criteria.	9.83%	8.71%
<u>Elected County Officer's Class</u> - Certain elected county officials.	11.86%	14.02%
<u>Deferred Retirement Option Program</u> - Members who are eligible for normal retirement that have elected to participate in the deferred retirement option program.	9.11%	8.00%

Contributions to the FRS for the fiscal year ended September 30, 2003, were equal to 7.0% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2001, 2002, and 2003, were \$468,942, \$429,654, and \$415,017 respectively, which are equal to 100% of the required contribution for each year.

NOTE 13. 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 Board expects such amounts, if any, to be immaterial.

Litigation - The Board 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.

COMBINING FUND STATEMENTS

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

September 30, 2003

Revenue					Debt Service	Capital Projects		Total
Law Enforcement Special	Law Library	Library Enhancement	Local Housing Assistance	Tourist Development Tax	Tourist Development	Fifth and Sixth Cent Fuel Tax	Economic Development	Nonmajor Governmental Funds
\$ 18,042 1,015	\$ 9,344 -	\$ 452,726 -	\$ 349,895 -	\$ 171,947 11,033	\$ 195,068 -	\$ 397,522 -	\$ (615,452) -	\$1,733,889 12,477
-	605	-	-	-	15,800	-	459,103	578,463
1,208	-	1,149,147	35,085	-	41,271	140,191	118,673	1,485,575
<u>\$ 20,265</u>	<u>\$ 9,949</u>	<u>\$1,601,873</u>	<u>\$ 384,980</u>	<u>\$ 182,980</u>	<u>\$ 252,139</u>	<u>\$ 537,713</u>	<u>\$ (37,676)</u>	<u>\$3,810,404</u>
\$ -	\$ 15	\$ 345	\$ -	\$ -	\$ -	\$ 4,698	\$ 4,151	\$ 17,523
-	-	-	-	505	-	-	-	505
-	-	-	-	-	-	-	10,000	10,000
-	-	7	-	-	-	-	-	7
<u>-</u>	<u>15</u>	<u>352</u>	<u>-</u>	<u>505</u>	<u>-</u>	<u>4,698</u>	<u>14,151</u>	<u>28,035</u>
20,265	9,934	1,601,521	29,448	182,475	252,139	533,015	(51,827)	3,426,837
-	-	-	355,532	-	-	-	-	355,532
<u>20,265</u>	<u>9,934</u>	<u>1,601,521</u>	<u>384,980</u>	<u>182,475</u>	<u>252,139</u>	<u>533,015</u>	<u>(51,827)</u>	<u>3,782,369</u>
<u>\$ 20,265</u>	<u>\$ 9,949</u>	<u>\$1,601,873</u>	<u>\$ 384,980</u>	<u>\$ 182,980</u>	<u>\$ 252,139</u>	<u>\$ 537,713</u>	<u>\$ (37,676)</u>	<u>\$3,810,404</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 2003

Revenue					Debt Service	Capital Projects		Total
Law Enforcement Special	Law Library	Library Enhancement	Local Housing Assistance	Tourist Development Tax	Tourist Development	Fifth and Sixth Cent Fuel Tax	Economic Development	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 108,486	\$ -	\$ -	\$ 504,724
-	-	617,512	505,176	-	-	345,027	659,103	2,141,890
-	6,433	-	-	-	-	-	-	167,229
20,873	-	-	-	-	-	-	-	1,185,127
237	-	19,008	1,252	162,684	2,852	7,921	209,304	421,390
<u>21,110</u>	<u>6,433</u>	<u>636,520</u>	<u>506,428</u>	<u>362,684</u>	<u>111,338</u>	<u>352,948</u>	<u>868,407</u>	<u>4,420,360</u>
-	5,562	-	-	-	-	-	-	161,703
-	-	-	-	-	-	-	-	17,000
-	-	-	-	-	-	60,726	-	60,726
-	-	-	676,095	260,535	-	-	98,552	1,188,647
-	-	333,782	-	-	-	-	-	333,782
-	-	-	-	-	-	-	-	4,726
-	-	-	-	-	-	758,835	-	758,835
-	-	-	-	75,262	-	-	559,399	639,945
-	-	32,604	-	-	-	-	-	32,604
-	-	-	-	-	-	-	190,371	190,371
-	-	-	-	-	90,730	-	45,039	135,769
-	<u>5,562</u>	<u>366,386</u>	<u>676,095</u>	<u>335,797</u>	<u>90,730</u>	<u>819,561</u>	<u>893,361</u>	<u>3,524,108</u>
21,110	871	270,134	(169,667)	26,887	20,608	(466,613)	(24,954)	896,252
-	-	1,408	-	-	-	300,000	-	301,408
-	-	-	-	-	-	(153,868)	-	(884,362)
(16,879)	-	-	-	-	-	-	-	(1,327,379)
(16,879)	-	1,408	-	-	-	146,132	-	(1,910,333)
4,231	871	271,542	(169,667)	26,887	20,608	(320,481)	(24,954)	(1,014,081)
16,034	9,063	1,329,979	554,647	155,588	231,531	853,496	(26,873)	4,796,450
<u>\$ 20,265</u>	<u>\$ 9,934</u>	<u>\$1,601,521</u>	<u>\$ 384,980</u>	<u>\$ 182,475</u>	<u>\$ 252,139</u>	<u>\$ 533,015</u>	<u>\$ (51,827)</u>	<u>\$ 3,782,369</u>

COMPLIANCE SECTION

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

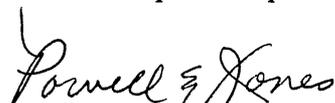
To the Board of County Commissioners
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Board of County Commissioners, as of and for the year ended September 30, 2003, and have issued our report thereon dated July 16, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Board of County Commissioners' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Columbia County Board of County Commissioners in a separate management letter dated July 16, 2004, on pages 2-69 - 2-70.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Board of County Commissioners' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Columbia County Board of County Commissioners in a separate management letter dated July 16, 2004, on pages 2-69 - 2-70.

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


POWELL & JONES

Certified Public Accountants

July 16, 2004

MANAGEMENT LETTER

To the Board of County Commissioners
Columbia County, Florida

We have audited the financial statements of the Columbia County Board of County Commissioners (the Board), as of and for the year ended September 30, 2003, and have issued our report thereon dated July 16, 2004. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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

IMMATERIAL INTERNAL CONTROL AND COMPLIANCE FINDINGS

PRIOR YEAR FINDINGS

Governmental Accounting Standards No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34) - In the prior years, we advised the Board that recent pronouncements by the Governmental Accounting Standards Board (GASB), with which the Board must comply, require that governments must record depreciation on all fixed assets and record such depreciation in its applicable funds. This change became effective for the County beginning in 2002. Due to the fact that the County currently has in excess of \$80 million in fixed assets, we recommended that proper procedures be developed to implement this major forthcoming requirement. In addition to establishing depreciable lives and methods for the various classes of depreciable fixed assets, clear guidelines should also be established as to classifying items as depreciable fixed assets.

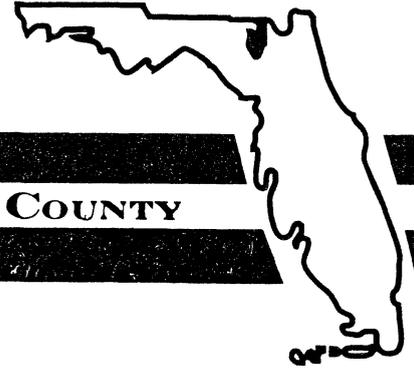
During the current year, the Board fully implemented the current requirements of GASB 34 and developed proper financial information for the preparation of required financial statements. The Board now has until 2006 to implement the retroactive reporting of infrastructure assets. We commend the Board departments in fulfilling this major accounting requirement.

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

CURRENT YEAR FINDINGS

Recording of Grant Revenues - During our audit, we found instances where grant revenues were posted to offset related grant expenditures in the financial records. For proper disclosure of total grant revenues and expenditures, all grant receipts should be recorded as revenues and grant disbursements should consistently be recorded and separately identified as expenditures.

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



BOARD OF COUNTY COMMISSIONERS • COLUMBIA COUNTY

October 21, 2004

Mr. William Monroe, Auditor General
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-12450

RE: Board of County Commissioners
Management Letter Response
Annual Financial Report Ending September 30, 2003

Dear Mr. Monroe:

The following response is offered regarding the current year findings in the management letter:

Recording of Grant Revenues – The Auditors recommendation will be implemented. Grant disbursements shall be consistently recorded and separately identified as expenditures.

Emergency Management Storm Shutter Grant – The Auditors recommendation will be implemented. The full financial activities of this grant will be researched and a refund, if warranted will be made to the grantor agency.

Sincerely,

Dale Williams
County Manager

DW/cnb

XC: Board of County Commissioners
Judy Lewis, Internal Auditor
Mary Kay Hollingsworth

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

INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Clerk of the Circuit Court (the Clerk of the Circuit Court), as of and for the year ended September 30, 2003, 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, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 19, 2004, on our consideration of the Clerk of the Circuit Court's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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


POWELL & JONES
July 19, 2004

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

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

For the Fiscal Year Ended September 30, 2003

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Intergovernmental revenue	\$ 28,392	\$ -	\$ 28,392
Charges for services	1,119,350	91,516	1,210,866
Miscellaneous	726	-	726
Total revenues	<u>1,148,468</u>	<u>91,516</u>	<u>1,239,984</u>
EXPENDITURES			
Current expenditures			
General government	1,732,590	56,966	1,789,556
Capital outlay			
General government	<u>36,664</u>	<u>12,476</u>	<u>49,140</u>
Total expenditures	<u>1,769,254</u>	<u>69,442</u>	<u>1,838,696</u>
Excess (deficiency) of revenues over expenditures	<u>(620,786)</u>	<u>22,074</u>	<u>(598,712)</u>
OTHER FINANCING SOURCES			
Transfers in from Board of County Commissioners	<u>620,786</u>	<u>-</u>	<u>620,786</u>
Excess of revenues and other financing sources over expenditures	-	22,074	22,074
Fund balances at beginning of year	-	50,138	50,138
Fund balances at end of year	<u>\$ -</u>	<u>\$ 72,212</u>	<u>\$ 72,212</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

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

For the Fiscal Year Ended September 30, 2003

	General Fund			Special Revenue Funds		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES						
Transfers in from Board of County Commissioners	\$ 620,786	\$ 620,786	\$ -	\$ -	\$ -	\$ -
Excess of revenues and other financing sources over expenditures	-	-	-	22,074	22,074	-
Fund balances at beginning of year	-	-	-	50,138	50,138	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,212</u>	<u>\$ 72,212</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

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 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 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, 2003, the Clerk maintained the following Special Revenue Funds:

Public Records Modernization Trust Fund
Teen Court Fund

H. Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group of the Board of County Commissioners.

I. Total Column on the Combined Statements - The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

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

NOTE 3. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Clerk is required to contribute at an actuarially determined rate. The rates at September 30, 2002 were as follows: Regular Employees 6.18%; Special Risk Employees 17.32%; Senior Management 8.16%; Elected Officials 14.02%. 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, 2003, 2002 and 2001 were \$81,895, \$101,195, and \$96,260, respectively, equal to the required contributions for each year.

NOTE 4. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2003, were:

COMBINING STATEMENTS

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental revenue			
Federal grants			
General government			
IV-D Reimbursement grant	\$ 52,000	\$ 28,392	\$ (23,608)
Charges for services			
General government			
Recording of legal instruments			
Recording fees user	200,779	173,492	(27,287)
Recording intergovernmental	<u>62,000</u>	<u>68,876</u>	<u>6,876</u>
Total recording of legal instruments	<u>262,779</u>	<u>242,368</u>	<u>(20,411)</u>
Certification, copying, record search			
Certify copy seal	75,000	83,935	8,935
Copies intergovernmental	<u>146,600</u>	<u>209,941</u>	<u>63,341</u>
Total certification, copying, record search	<u>221,600</u>	<u>293,876</u>	<u>72,276</u>
Circuit Court fees			
Appeals filed inter-governmental	20,000	34,012	14,012
Juvenile cases filed	35,000	32,960	(2,040)
Prepare court orders	25,000	23,560	(1,440)
Exhibit files	700	474	(226)
Civil filing	42,000	35,570	(6,430)
Marriage certificates	1,850	1,930	80
Other government charges	15,000	54,141	39,141
Certified mail user	4,000	4,876	876
Miscellaneous	19,000	17,940	(1,060)
Court attendance	54,000	54,975	975
Registry of Court service charges	6,000	6,642	642
Marriage licenses	17,000	13,645	(3,355)
Dissolution of marriage	1,000	990	(10)
Filing fees civil	59,000	60,672	1,672
Filing fees criminal	47,000	40,350	(6,650)
Juror and witness payrolls	700	505	(195)
Court minutes	44,000	38,995	(5,005)
Support payments	10,000	21,889	11,889
Probate charges	<u>12,000</u>	<u>12,713</u>	<u>713</u>
Total Circuit Court fees	<u>413,250</u>	<u>456,839</u>	<u>43,589</u>

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	\$ 620,786	\$ 620,786	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

SPECIAL REVENUE FUNDS

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

For the Fiscal Year Ended September 30, 2003

	<u>Public Records Modernization Trust Fund</u>	<u>Teen Court Fund</u>	<u>Totals</u>
REVENUES			
Charges for services			
General government			
Recording of legal instruments	\$ 50,947	\$ -	\$ 50,947
County Officers fees	-	40,569	40,569
Total revenues	<u>50,947</u>	<u>40,569</u>	<u>91,516</u>
EXPENDITURES			
General government			
Financial and administrative			
Operating expenses	18,182	-	18,182
Capital outlay	<u>12,476</u>	<u>-</u>	<u>12,476</u>
Total financial and administrative	<u>30,658</u>	<u>-</u>	<u>30,658</u>
Judicial			
Operating expenses	-	38,784	38,784
Total expenditures	<u>30,658</u>	<u>38,784</u>	<u>69,442</u>
Excess of revenues over expenditures	20,289	1,785	22,074
Fund balances at beginning of year	<u>38,211</u>	<u>11,927</u>	<u>50,138</u>
Fund balances at end of year	<u>\$ 58,500</u>	<u>\$ 13,712</u>	<u>\$ 72,212</u>

See notes to financial statements.

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2003

	<u>Balance</u> <u>Oct. 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Sept. 30, 2003</u>
TRUST FUND				
Assets				
Cash	\$ 635,775	\$6,969,188	\$6,555,332	\$ 1,049,631
Dishonored checks receivable	<u>3,390</u>	<u>8,760</u>	<u>8,463</u>	<u>3,687</u>
Total assets	<u>\$ 639,165</u>	<u>\$6,977,948</u>	<u>\$6,563,795</u>	<u>\$ 1,053,318</u>
Liabilities				
Due to other funds	\$ 49,326	\$ 680,996	\$ 664,959	\$ 65,363
Due to other governmental units	368,348	5,451,291	5,308,417	511,222
Suspense	42,114	29,870	25,434	46,550
Court liability fees payable	124,297	590,158	373,970	340,485
Juvenile installments	831	32,435	27,902	5,364
Tax deed sales	27,981	152,929	118,281	62,629
Installments payable	7,318	-	-	7,318
Other current liabilities	<u>18,950</u>	<u>24,822</u>	<u>29,385</u>	<u>14,387</u>
Total liabilities	<u>\$ 639,165</u>	<u>\$6,962,501</u>	<u>\$6,548,348</u>	<u>\$ 1,053,318</u>
EMPLOYEE RETIREMENT COMPENSATION TRUST FUND				
Assets				
Cash	<u>\$ 1,213</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 1,236</u>
Liabilities				
Retirement funds payable	<u>\$ 1,213</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 1,236</u>
COURT REPORTING PAYROLL TRUST FUND				
Assets				
Cash	<u>\$ 2,211</u>	<u>\$ 277,913</u>	<u>\$ 252,298</u>	<u>\$ 27,826</u>
Liabilities				
Due to other governmental units	<u>\$ 2,211</u>	<u>\$ 277,913</u>	<u>\$ 252,298</u>	<u>\$ 27,826</u>

(continued)

COMPLIANCE SECTION

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

To the Clerk of the Circuit Court
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Clerk of the Circuit Court, as of and for the year ended September 30, 2003, and have issued our report thereon dated July 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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


POWELL & JONES
July 19, 2004

MANAGEMENT LETTER

Honorable Clerk of the Circuit Court
Columbia County, Florida

We have audited the financial statements of the Columbia County Clerk of the Circuit Court, as of and for the year ended September 30, 2003, and have issued our report thereon dated July 19, 2004. 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 during the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements of Columbia County, Florida, for the year ended September 30, 2003. The financial statements of the Clerk of the Circuit Court are combined with other County agencies in that report.

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

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

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

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

P. DeWitt Cason

Clerk of Circuit Court - Columbia County, Florida



September 21, 2004

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

Dear Mr. Powell:

This letter is to confirm that I have received the Management Letter, prepared by your firm, for our financial statement audit for the fiscal year ended September 30, 2003.

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

Sincerely,

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

P. DeWitt Cason
Columbia County Clerk of Courts

INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2003, as listed in the table of contents. These special purpose financial statements are the responsibility of the Property Appraiser. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Property Appraiser, as of September 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated June 14, 2004, on our consideration of the Property Appraiser's internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


POWELL & JONES
June 14, 2004

COMBINED FINANCIAL STATEMENTS

**COLUMBIA COUNTY, FLORIDA
PROPERTY APPRAISER
GENERAL FUND**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Charges for services			
General government			
County officer fees			
Lake Shore Hospital Authority	\$ 65,599	\$ 65,599	\$ -
Columbia County Industrial Development Authority	6,000	6,000	-
Suwannee River Water Management District	<u>21,490</u>	<u>21,490</u>	<u>-</u>
Total revenues	<u>93,089</u>	<u>93,089</u>	<u>-</u>
EXPENDITURES			
General government			
Financial and administrative			
Personal services	756,890	740,199	16,691
Operating expenses	122,641	110,745	11,896
Capital outlay	5,314	5,302	12
Debt service	<u>45,048</u>	<u>45,048</u>	<u>-</u>
Total expenditures	<u>929,893</u>	<u>901,294</u>	<u>28,599</u>
Excess (deficiency) of revenues over expenditures	<u>(836,804)</u>	<u>(808,205)</u>	<u>28,599</u>
OTHER FINANCING SOURCES			
Transfers from Board of County Commissioners	<u>836,804</u>	<u>808,205</u>	<u>(28,599)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

PROPERTY APPRAISER

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Funding Policy - The System is employee noncontributory. The Property Appraiser is required to contribute at an actuarially determined rate. The rates at September 30, 2003 were as follows: Regular Employees 6.18%; Special Risk Employees 17.32%; Senior Management 8.16%; Elected Officials 14.02%. 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, 2003, 2002 and 2001 were \$35,021, \$49,342, and \$54,890, respectively, equal to the required contributions for each year.

NOTE 4. LONG-TERM DEBT

Note Payable - The Property Appraiser has an installment payment agreement with ACS Government for a scanner. The agreement is being paid in thirty-six monthly installments of \$3,337, including interest at 7.5%.

Annual debt service requirements to maturity for this note, including interest of \$4,258, is as follows:

Year Ending September 30,	
2004	\$40,047
2005	<u>33,373</u>
	<u>\$73,420</u>

Changes in Long-Term Liabilities - During the year ended September 30, 2003, the following occurred in liabilities reported in the general long-term debt account group:

	Balance 10/01/02	Additions	Retirement	Balance 09/30/03
Note payable	<u>\$107,957</u>	<u>\$ -</u>	<u>\$ (38,795)</u>	<u>\$ 69,162</u>

COMPLIANCE SECTION

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

To the Property Appraiser
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Property Appraiser, as of and for the year ended September 30, 2003, and have issued our report thereon dated June 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

Internal Control Over Financial Reporting - In planning and performing our audit we considered the Columbia County Property Appraiser's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Columbia County Property Appraiser in a separate letter dated June 14, 2004, on pages 4 - 8 and 4 - 9

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


POWELL & JONES
June 14, 2004

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, 2003, and have issued our report thereon dated June 14, 2004. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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

PRIOR YEAR FINDINGS

All prior year findings were cleared during the current year.

CURRENT YEAR FINDINGS

Cash Receipts - From our tests of selected cash receipts, we found several instances where cash received was deposited in excess of one week after being received. Although the noted instances were for small amounts, to enhance internal control over cash receipts; we recommend that receipts be deposited daily if possible, and always by the end of each work week.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements of Columbia County, Florida, for the year ended September 30, 2003. The financial statements of the Property Appraiser are combined with other County agencies in that report.

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

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

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

J. DOYLE CREWS

PROPERTY APPRAISER - COLUMBIA COUNTY, FLORIDA



September 21, 2004

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

RE: Management Letter-Audit for Year Ended September 30, 2003

Dear Richard;

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, 2003.

I have noted the Current Year Findings in reference to Cash Receipts.

I have discussed this matter with the personnel handling cash receipts deposits and beginning immediately deposits (if any collected) will be made at least once a week by the end of each workweek per your suggestion.

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

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

Sincerely,

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

J. Doyle Crews, CFA
Property Appraiser

JDC/mm
Cc: Dale Williams, County Manager

INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Sheriff (Sheriff), as of and for the year ended September 30, 2003, as listed in the table of contents. These special purpose financial statements are the responsibility of the Sheriff. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sheriff, as of September 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 4, 2004, on our consideration of the Sheriff's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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


POWELL & JONES
August 4, 2004

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SHERIFF

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

For the Fiscal Year Ended September 30, 2003

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Intergovernmental revenue	\$ 37,329	\$ -	\$ 37,329
Charges for services	64,974	170,000	234,974
Fines and forfeitures	-	215,807	215,807
Miscellaneous	-	96,195	96,195
Total revenues	<u>102,303</u>	<u>482,002</u>	<u>584,305</u>
EXPENDITURES			
Current Expenditures			
Public safety	8,834,896	302,776	9,137,672
Capital Outlay			
Public safety	<u>531,011</u>	<u>108,756</u>	<u>639,767</u>
Total expenditures	<u>9,365,907</u>	<u>411,532</u>	<u>9,777,439</u>
Excess (deficiency) of revenues over expenditures	<u>(9,263,604)</u>	<u>70,470</u>	<u>(9,193,134)</u>
OTHER FINANCING SOURCES			
Transfers in from Board of County Commissioners	<u>9,263,604</u>	<u>16,879</u>	<u>9,280,483</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	87,349	87,349
Fund balances at beginning of year	<u>-</u>	<u>65,506</u>	<u>65,506</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 152,855</u>	<u>\$ 152,855</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SHERIFF

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

GENERAL AND SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2003

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ 87,349	\$ 87,349	\$ -
Fund balances at beginning of year	-	-	-	65,506	65,506	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,855</u>	<u>\$ 152,855</u>	<u>\$ -</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

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

(i) **Governmental Fund**

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. As of September 30, 2003, the Sheriff maintained the following Special Revenue Funds:

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

(ii) **Fiduciary Funds**

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

- Inmate Trust Fund
- Bond and Fine Trust

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group of the Board of County Commissioners.

I. Total Column on the Combined Statements - The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

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

NOTE 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 10/01/02	Additions	Deletions	Balance 09/30/03
Equipment	<u>\$ 3,434,517</u>	<u>\$ 639,767</u>	<u>\$ 624,791</u>	<u>\$ 3,449,493</u>

NOTE 4. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Sheriff is required to contribute at an actuarially determined rate. The rates at September 30, 2002 were as follows: Regular Employees 6.18%; Special Risk Employees 17.32%; Senior Management 8.16%; Elected Officials 14.02%. 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, 2003, 2002 and 2001 were \$714,771, \$755,750, and \$809,437, respectively, equal to the required contributions for each year.

NOTE 5. CONTINGENT LIABILITIES

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

GENERAL FUND

COLUMBIA COUNTY, FLORIDA

SHERIFF GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Fiscal Year Ended September 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental revenue			
Federal grants			
Public safety			
Local Law Enforcement Block	\$ -	\$ 37,329	\$ 37,329
Charges for services			
Public safety			
Police services	-	64,974	64,974
Total revenue	<u>-</u>	<u>102,303</u>	<u>102,303</u>
EXPENDITURES			
Public safety			
Records and evidence			
Personal services	140,590	117,769	22,821
Operating expenses	31,546	24,448	7,098
Capital outlay	2,876	2,876	-
Total records and evidence	<u>175,012</u>	<u>145,093</u>	<u>29,919</u>
Public safety			
Personal services	475,409	422,235	53,174
Operating expenses	80,870	90,694	(9,824)
Total public safety	<u>556,279</u>	<u>512,929</u>	<u>43,350</u>
COPS grant			
Personal services	-	281	(281)
VOCA Grant			
Personal services	54,367	54,267	100
Operating expenses	5,706	5,706	-
Total VOCA grant	<u>60,073</u>	<u>59,973</u>	<u>100</u>
Local Law Enforcement Block Grant			
Operating expenses	-	4,583	(4,583)
Capital outlay	-	42,455	(42,455)
Total Local Law Enforcement Block	<u>-</u>	<u>47,038</u>	<u>(47,038)</u>
Multi-Jurisdictional Task Force Grant			
Personal services	110,788	141,924	(31,136)
Operating expenses	8,263	6,620	1,643
Capital outlay	28,276	29,636	(1,360)
Total Multi-Jurisdictional Task Force Grant	<u>147,327</u>	<u>178,180</u>	<u>(30,853)</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, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over expenditures	<u>\$(9,370,466)</u>	<u>\$(9,263,604)</u>	<u>\$ 106,862</u>
OTHER FINANCING SOURCES			
Interfund transfers in			
Transfers from Board of County Commissioners	<u>9,370,466</u>	<u>9,263,604</u>	<u>(106,862)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

COMBINING STATEMENTS

SPECIAL REVENUE FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 2003

	<u>Minimum Standards School</u>	<u>Forfeiture</u>	<u>Inmate Welfare</u>	<u>Forfeiture Non Grant</u>	<u>Work Program</u>	<u>Totals</u>
REVENUES						
Charges for services						
Public safety						
Other public safety charges	\$ -	\$ -	\$170,000	\$ -	\$ -	\$170,000
Fines and forfeitures						
Court cases						
Confiscated property	-	12,032	-	177,315	-	189,347
Law enforcement education	26,460	-	-	-	-	26,460
Total fines and forfeitures	<u>26,460</u>	<u>12,032</u>	<u>-</u>	<u>177,315</u>	<u>-</u>	<u>215,807</u>
Miscellaneous						
Interest earnings						
Interest on investments	127	136	264	561	168	1,256
Other miscellaneous						
Telephone commissions jail	-	-	81,288	-	-	81,288
Other miscellaneous	162	240	309	1,290	11,650	13,651
Total miscellaneous	<u>289</u>	<u>376</u>	<u>81,861</u>	<u>1,851</u>	<u>11,818</u>	<u>96,195</u>
Total revenues	<u>26,749</u>	<u>12,408</u>	<u>251,861</u>	<u>179,166</u>	<u>11,818</u>	<u>482,002</u>
EXPENDITURES						
Public safety						
Sheriff-Public Safety						
Operating expenses	25,333	9,057	-	12,577	-	46,967
Capital outlay	-	-	-	83,240	-	83,240
Grants and aids	-	-	-	10,000	-	10,000
Total public safety	<u>25,333</u>	<u>9,057</u>	<u>-</u>	<u>105,817</u>	<u>-</u>	<u>140,207</u>
Detention and correction						
Personal services	-	-	16,686	-	-	16,686
Operating expenses	-	-	215,608	-	13,515	229,123
Capital outlay	-	-	25,516	-	-	25,516
Total detention and correction	<u>-</u>	<u>-</u>	<u>257,810</u>	<u>-</u>	<u>13,515</u>	<u>271,325</u>
Total expenditures	<u>25,333</u>	<u>9,057</u>	<u>257,810</u>	<u>105,817</u>	<u>13,515</u>	<u>411,532</u>

(continued)

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

SHERIFF

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2003

	<u>Balance</u> <u>Oct. 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Sept. 30, 2003</u>
INMATE TRUST FUND				
Assets				
Cash	\$ <u>108,339</u>	\$ <u>267,027</u>	\$ <u>276,793</u>	\$ <u>100,573</u>
Liabilities				
Due to individuals	\$ 108,339	\$ 176,702	\$ 276,793	\$ 8,248
Other current liabilities	-	92,325	-	92,325
Total liabilities	\$ <u>108,339</u>	\$ <u>269,027</u>	\$ <u>276,793</u>	\$ <u>100,573</u>
BOND AND FINE TRUST FUND				
Assets				
Cash	\$ <u>120,883</u>	\$ <u>441,413</u>	\$ <u>467,157</u>	\$ <u>95,139</u>
Liabilities				
Cash bonds liability	\$ 109,450	\$ 342,628	\$ 366,885	\$ 85,193
Individual depositors liability	848	13,061	13,909	-
Due to other governmental units	10,585	85,723	86,362	9,946
Total liabilities	\$ <u>120,883</u>	\$ <u>441,412</u>	\$ <u>467,156</u>	\$ <u>95,139</u>
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ <u>229,222</u>	\$ <u>710,440</u>	\$ <u>743,950</u>	\$ <u>195,712</u>
Liabilities				
Cash bonds liability	\$ 109,450	\$ 342,628	\$ 366,885	\$ 85,193
Individual depositors liability	848	13,061	13,909	-
Due to individuals	108,339	176,702	276,793	8,248
Due to other governmental units	10,585	85,723	86,362	9,946
Other current liabilities	-	92,325	-	92,325
Total liabilities	\$ <u>229,222</u>	\$ <u>710,439</u>	\$ <u>743,949</u>	\$ <u>195,712</u>

See notes to financial statements.

COMPLIANCE SECTION

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

To the Sheriff
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Sheriff, as of and for the year ended September 30, 2003, and have issued our report thereon dated August 4, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the Columbia County Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Columbia County Sheriff in a separate letter dated August 4, 2004, on pages 5-19 - 5-20.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the Columbia County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Columbia County Sheriff in a separate letter dated August 4, 2004, on pages 5-19 - 5-20.

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


POWELL & JONES
August 4, 2004

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, 2003, and have issued our report thereon dated August 4, 2004. 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

Inmate Trust Deposits - From our audit of transactions relating to the Inmate Trust accounts in the prior and current year, we found that a monthly report of inmate balances is not regularly run and reconciled to the actual bank account balance. We again recommend that a report of individual inmate balances be run monthly and reconciled to the overall account balance. Any variances should be investigated and resolved.

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

CURRENT YEAR FINDINGS

Inmate Trust Funds - From our audit of transactions relating to the Inmate Trust accounts in the current year, we found that transfers totaling \$170,000 were made from the Inmate Trust Fund, which accounts for individual inmate cash accounts and transactions and profits related to the inmate commissary operation; to the Inmate Welfare Fund which is currently utilized for various inmate-related operating and capital expenditures.

From information provided us by the Sheriff's Office, we have concluded that of the \$170,000 in transferred funds, approximately \$142,000 related to the commissary operations and \$28,000 appears to have been from charges to inmates for medical and meal services. However, no verifiable documentation was available to substantiate that these funds did not include undisbursed or unclaimed inmate cash account balances.

Section 116.21, *Florida Statutes*, provides that the Sheriff is authorized to pay into the County Fine and Forfeiture Fund any and all unclaimed moneys deposited or collected by him in his official capacity under specific provisions that include annually publishing a list of unclaimed funds and allowing a specified time period for individuals to file claims for funds due to them.



FRANK E. OWENS, SHERIFF

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

Residence 752-3430

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

October 20, 2004

Powell & Jones, CPA's
2585 South First Street
Lake City, FL 32055

Dear Mr. Powell,

We have reviewed the audit report of the financial activities of the Office of Sheriff for the fiscal year ending, September 30, 2003, and the related management comments.

Inmate Trust Funds - We are in the process of strengthening supervisory controls and setting up procedures to document all monies transferred, as well as, reconciling the trust funds to the cash balance on a monthly basis.

Compensatory Time - We are aware there were several employees with accumulated time in excess of policy, but due to the shortage of employees, as well as, a limited budget, it is extremely difficult to keep under control and provide sufficient public safety coverage. We are doing as much as possible to rectify this situation.

I would like to thank Mr. Powell, Ms. Jones, and their staff for their assistance during the audit.

Sincerely,

Frank E. Owens
Sheriff, Columbia County

FEO:kc

INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Supervisor of Elections (Supervisor of Elections), as of and for the year ended September 30, 2003, as listed in the table of contents. These special purpose financial statements are the responsibility of the Supervisor of Elections. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Supervisor of Elections, as of September 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated July 29, 2004, on our consideration of the Supervisor of Elections internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


POWELL & JONES
July 29, 2004

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Miscellaneous			
Interest earnings			
Interest on			
investments	\$ -	\$ 145	\$ 145
Other miscellaneous	-	816	816
Total revenues	-	961	961
EXPENDITURES			
General government			
Other general government			
Personal services Supervisor	233,763	233,763	-
Operating expenses Supervisor	7,078	7,074	4
Operating expenses Elections	152,377	138,228	14,149
Capital outlay	13,162	16,842	(3,680)
Debt service	7,611	7,611	-
Total expenditures	413,991	403,518	10,473
Excess (deficiency) of revenues over expenditures	(413,991)	(402,557)	11,434
OTHER FINANCING SOURCES			
Transfers from Board of County Commissioners	413,991	402,557	(11,434)
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

SUPERVISOR OF ELECTIONS

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

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

(i) **Governmental Fund**

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

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.

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

NOTE 3. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Supervisor of Elections is required to contribute at an actuarially determined rate. The rates at September 30, 2003, were as follows: Regular Employees 6.18%; Special Risk Employees 17.32%; Senior Management 8.16%; Elected Officials 14.02%. 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, 2003, 2002 and 2001 were \$14,300, \$18,386, and \$21,802, respectively, equal to the required contributions for each year.

NOTE 4. LONG-TERM DEBT

Note Payable - The Supervisor of Elections has an installment payment agreement with Xerox Corporation for the purchase of a copy machine costing \$28,842. The agreement is being paid in sixty monthly installments of \$634, including interest at 11.5%.

Annual debt service requirements to maturity for this note, including interest of \$1,681 is as follows:

Year Ending <u>September 30,</u>	
2004	\$ 7,612
2005	<u>7,612</u>
	<u>\$15,224</u>

Changes in Long-Term Liabilities - During the year ended September 30, 2003, the following occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>10/01/02</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>09/30/03</u>
Note payable	<u>\$ 19,236</u>	<u>\$ -</u>	<u>\$ 5,693</u>	<u>\$ 13,543</u>

COMPLIANCE SECTION

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

To the Supervisor of Elections
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Supervisor of Elections, as of and for the year ended September 30, 2003, and have issued our report thereon dated July 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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


POWELL & JONES
July 29, 2004

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, 2003, and have issued our report thereon dated July 29, 2004. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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

PRIOR YEAR FINDINGS

All prior year findings were cleared during the current year.

CURRENT YEAR FINDINGS

There were no additional reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, *Florida Statutes*, is in agreement with the audited financial statements of Columbia County, Florida, for the year ended September 30, 2003. 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 is, or during the year was, in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

CAROLYN D. KIRBY

Supervisor of Elections • Columbia County

September 20, 2004

Honorable Charles Lester
Auditor General
111 West Madison St.
Tallahassee, Fl. 32301

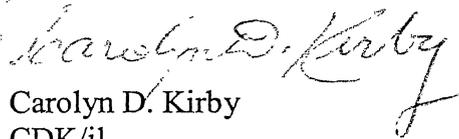
Re: Annual Financial Report, Supervisor of Elections Fiscal Year ending September 30, 2003.

Dear Honorable Lester:

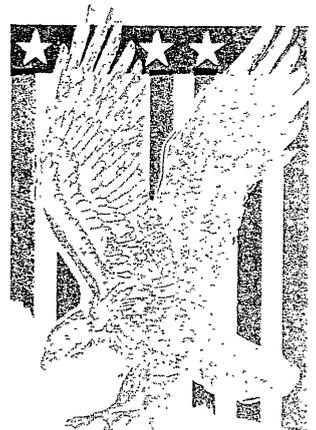
We have received the Columbia County, Florida Supervisor of Elections Annual Financial Report for the fiscal year ending September 30, 2003.

We respectfully accept this Report.

Sincerely,


Carolyn D. Kirby
CDK/jl

CAROLYN D. KIRBY
Supervisor of Elections • Columbia County
971 West Duval Street (Suite 102)
Lake City, Florida 32055-3734
Phone (386) 758-1026 • Fax (386) 755-7233
Suncom 839-1026



INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Columbia County, Florida

We have audited the accompanying special purpose financial statements of the Columbia County Tax Collector (Tax Collector), as of and for the year ended September 30, 2003, as listed in the table of contents. These special purpose financial statements are the responsibility of the Tax Collector. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Tax Collector, as of September 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 1, 2004, on our consideration of the Tax Collector's internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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


POWELL & JONES
July 1, 2004

COMBINED FINANCIAL STATEMENTS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

GENERAL FUND

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

For the Fiscal Year Ended September 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Charges for services			
General government			
County officer commissions and fees			
Professional and occupational	\$ 10,100	\$ 10,100	\$ -
Motor vehicle fees	345,388	345,388	-
Other licenses and permits	12,300	12,300	-
State commissions	330	330	-
County commissions	411,371	382,646	(28,725)
Tax commissions			
Columbia County Industrial Development Authority	3,469	3,469	-
Tax commissions			
Suwannee River Water Management District	12,500	12,500	-
Tax commissions			
Lake Shore Hospital Authority	38,135	38,135	-
Other tax commissions	5,272	5,272	-
Delinquent tax commissions	143,536	143,536	-
Miscellaneous commissions	9,973	9,973	-
Commissions special assessments	76,898	76,898	-
Advertising collections	884	884	-
Special assessment administrative fees	<u>61,341</u>	<u>61,341</u>	-
Total charges for services	<u>1,131,497</u>	<u>1,102,772</u>	<u>(28,725)</u>
Miscellaneous			
Interest earnings			
Interest county officers			
Tax Collector	5,139	5,139	-
Other miscellaneous	<u>4,613</u>	<u>4,613</u>	-
Total miscellaneous	<u>9,752</u>	<u>9,752</u>	-
Total revenues	<u>1,141,249</u>	<u>1,112,524</u>	<u>(28,725)</u>

(continued)

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 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 3. PENSION PLAN

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

Funding Policy - The System is employee noncontributory. The Tax Collector is required to contribute at an actuarially determined rate. The rates at September 30, 2002 were as follows: Regular Employees 6.18%; Special Risk Employees 17.32%; Senior Management 8.16%; Elected Officials 14.02%; Deferred Retirement Option Program (DROP) 9.11%. 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, 2003, 2002 and 2001 were \$44,712, \$83,753, and \$55,088, respectively, equal to the required contributions for each year.

NOTE 4. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2003, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 20,198	\$ 76
Ad Valorem Tax Fund	-	8,039
Tag Agency Fund	76	12,159
	<u>\$ 20,274</u>	<u>\$ 20,274</u>

COMBINING STATEMENTS

AGENCY FUNDS

COLUMBIA COUNTY, FLORIDA

TAX COLLECTOR

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Fiscal Year Ended September 30, 2003

	<u>Balance</u> <u>Oct. 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Sept. 30, 2003</u>
TAG AGENCY FUND				
Liabilities				
Due to other funds	\$ 12,558	\$ -	\$ 399	\$ 12,159
Due to other governmental units	38,181	4,942,056	4,891,309	88,928
Other current liabilities	1,967	15,212	16,855	324
Total liabilities	<u>\$ 52,706</u>	<u>\$4,957,268</u>	<u>\$4,908,563</u>	<u>\$ 101,411</u>
 TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 904,894	\$41,603,249	\$41,438,026	\$ 1,070,117
Dishonored checks receivable	585	12,314	12,440	459
Due from other funds	233,427	-	233,351	76
Due from other governmental units	12,142	-	12,142	-
Total assets	<u>\$1,151,048</u>	<u>\$41,615,563</u>	<u>\$41,695,959</u>	<u>\$ 1,070,652</u>
 Liabilities				
Due to the Board of County Commissioners	\$ 408,296	\$ 202,975	\$ 188,677	\$ 422,594
Due to other funds	251,179	7,965	238,946	20,198
Due to other governmental units	337,977	5,229,409	5,106,298	461,088
Escrow funds payable	179	817	-	996
Due to individuals	-	2,244,033	2,133,177	110,856
Occupational licenses payable	9,406	61,734	20,110	51,030
Interest payable	-	31,500	29,506	1,994
Taxes payable	-	33,432,417	33,432,417	-
Other current liabilities	144,011	149,518	291,633	1,896
Total liabilities	<u>\$1,151,048</u>	<u>\$41,360,368</u>	<u>\$41,440,764</u>	<u>\$ 1,070,652</u>

See notes to financial statements.

COMPLIANCE SECTION

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

To the Tax Collector
Columbia County, Florida

We have audited the special purpose financial statements of the Columbia County Tax Collector, as of and for the year ended September 30, 2003, and have issued our report thereon dated July 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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


POWELL & JONES
July 1, 2004

H. RAY WALKER, C. F. C.
COLUMBIA COUNTY TAX COLLECTOR

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

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

September 20, 2004

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

Gentlemen:

We have received our Management Letter from Powell and Jones, Certified Public Accountants, for our financial audit of the period ending September 30, 2003.

We were pleased to hear there were no reportable findings again this year. We appreciate the courtesy afforded us by the auditing staff.

Sincerely,


H. Ray Walker
Tax Collector

HRW/sm