COLUMBIA COUNTY,
FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2010

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbia County, Florida (the County), as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbia County, Florida, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2011, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2010

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

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

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

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

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

Powell & Jones

POWELL & JONES
Certified Public Accountants
June 23, 2011

COLUMBIA COUNTY, FLORIDA
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2010. 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, 2010.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

The **statement of activities** presents information on all revenues and expenses of the County and the change in net assets. Expenses are reported by major function and program revenues relating

to those functions are reported, providing the net cost of all functions provided by the County. To assist in understanding the County's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the County include public safety, physical environment, transportation, economic environment, human services, culture and recreation, and general government services. Business-type activities financed by user charges include the landfill operation.

Fund financial statements

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

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

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

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

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

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

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

Notes to the financial statements

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

FINANCIAL HIGHLIGHTS

Total assets of the County exceeded total liabilities by $168,413,299 (net assets). Unrestricted net assets for governmental activities were $30,387,140, and for business-type activities were $2,695,933. Governmental Activities restricted net assets were $10,903,329, and were $-0- for Business-type Activities.

Total net assets increased by $3,853,015. Of that amount, $1,078,926 is attributable to Governmental Activities and Business-type Activities contributed $2,774,089.

Governmental Funds revenues increased by $3,515,327 to $59,669,691. This increase in revenue was due primarily to increased grant receipts. Governmental Fund expenditures decreased by $2,763,518 to $57,472,549. This decrease in expenditures of 4.5% was primarily due to decreases in County services during the year.

Business-type activities revenues increased 30% to $3,634,078, while business-type expenses decreased to $1,978,205. The decrease in expenses was attributable to lowered estimates for landfill long-term care.

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, 2010, the assets of the County exceed liabilities by $168,413,299.

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

Net Assets

	Governmental Activities	Business-type Activities	Total Government 2010	Total Government 2009
Assets				
Current assets	$ 49,062,034	$ 8,554,692	$ 57,616,726	$ 54,627,358
Restricted assets	-	4,510,700	4,510,700	4,388,850
Noncurrent assets	122,595,840	11,216,039	133,811,879	132,388,473
Total assets	171,657,874	24,281,431	195,939,305	191,404,681
Liabilities				
Current liabilities (payable from current assets)	2,013,582	1,568,607	3,582,189	2,221,813
Current liabilities (payable from restricted assets)	-	808,275	808,275	510,000
Noncurrent liabilities	12,373,518	10,762,024	23,135,542	24,112,573
Total liabilities	14,387,100	13,138,906	27,526,006	26,844,386
Net assets				
Net assets invested in capital assets, net of related debt	115,980,305	6,992,723	122,973,028	119,048,494
Net assets - restricted	10,903,329	-	10,903,329	13,803,976
Net assets - unrestricted	30,387,140	4,149,802	34,536,942	31,707,825
	$157,270,774	$ 11,142,525	$168,413,299	$164,560,295

74% of the County's net assets reflect its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional 6% of the County's net assets represent resources that are dedicated or subject to restrictions on how they may be used. The remaining balance of unrestricted net assets (20%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Changes in Net Assets

	Governmental Activities	Business-type Activities	Total Government 2010	Total Government 2009
Revenues:				
Program revenues				
Charges for services	$13,378,431	$2,209,352	$15,587,783	$15,937,680
Operating grants/ contributions	2,394,671	78,787	2,473,458	1,873,502
Capital grants/contributions	1,363,539	1,107,632	2,471,171	1,941,287
General revenues				
Property taxes	19,694,052	-	19,694,052	19,266,907
Sales and use taxes	9,229,723	-	9,229,723	9,282,493
Federal and State shared revenues	10,532,922	-	10,532,922	9,533,274
Interest	185,893	144,880	330,773	426,325
Other	2,905,655	93,427	2,999,082	680,917
Total revenues	59,684,886	3,634,078	63,318,964	58,942,385
Expenses:				
General government	9,240,724	-	9,240,724	10,810,941
Public safety	22,640,908	-	22,640,908	22,777,796
Physical environment	4,549,733	1,978,205	6,527,938	7,701,152
Transportation	13,376,641	-	13,376,641	12,426,642
Economic environment	1,283,755	-	1,283,755	1,754,217
Human services	1,890,111	-	1,890,111	2,533,142
Culture/recreation	2,069,495	-	2,069,495	2,197,755
Court related	1,953,795	-	1,953,795	2,171,867
Interest on long-term debt	482,582	-	482,582	456,009
Total expenses	57,487,744	1,978,205	59,465,949	62,829,521
Transfers in (out)	(1,118,216)	1,118,216	-	-
Increase (decrease) in net assets	$ 1,078,926	$2,774,089	$ 3,853,015	$ (3,887,136)

Property taxes provide 31% of the revenues for Governmental Activities, while sales taxes provide 15%. Most of the Governmental Activities resources are spent for Public Safety (38%), General Government (15%), Transportation (23%), and Physical Environment (11%).

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, 2010, total assets were $19,893,112 and total liabilities were $481,030. The ending fund balance was $19,412,082; $3,396,130 of which is designated for specified projects.

During the year ended September 30, 2010, total revenues, $28,575,591, exceeded total expenditures, $13,033,855, by $15,541,736. $11,702,898 was also transferred to other funds for operational and capital related purposes. The net increase in the fund balance in the General Fund was therefore, $3,838,838.

During the fiscal year, the County amended the General Fund budget by $6,411,995, primarily due to State and Federal grants being received during the course of the year in excess of the original approved budget.

Other Governmental Funds

The *County Transportation Trust Fund* accounts for motor fuel taxes designated for the annual maintenance of roads, bridges, right-of-way, drainage systems, etc. The County has the legal authority to levy ad valorem taxes for the Transportation Fund, but has elected not to do so. As of September 30, 2010, expenditures exceeded revenues, debt proceeds, and transfers by $1,664,699.

The *Municipal Services Fund* accounts for expenditures incurred for the solid waste collection and fire control services in the unincorporated area, and other services which primarily benefit residents of the unincorporated area of the County. Financing is provided by non-ad valorem assessments and other revenues derived from the unincorporated area. For the fiscal year ended September 30, 2010, expenditures exceeded revenues and transfers by $3,955,405. This was primarily due to the consolidation of the MSSD Fund with this fund.

The *Sheriff General Fund* is the general operating fund of the Sheriff, a Constitutional Officer. The primary source of funds are transfers from the Board of County Commission General Fund. Expenditures for the year were $12,598,740, and by law this fund has no ending fund balance.

The *Clerk of Courts General Fund* is the general operating fund of the Clerk of the Circuit Court, a Constitutional Officer. The primary source of funds are various court related fees and service charges and transfers from the Board of County Commission General Fund. Expenditures for the year were $2,029,514, and this fund also has no ending fund balance.

The *Economic Development Fund* accounts for expenditures associated with debt service and other outlays for economic development projects authorized by the Board of County Commissioners. During the year, expenditures were exceeded by revenues by $1,292,910, leaving an ending fund balance of $3,445,106.

The *Connector Road Project Fund* accounts for the ongoing project to provide bypass roads to relieve traffic congestion throughout the county. Financing is provided by a previously dedicated local option gas tax and state construction grants. During the year, revenues were exceeded by expenditures by $(309,961), leaving an ending fund balance of $5,438,256 to be used in subsequent years for this project.

The *Road Improvement Fund* accounts for the ongoing resurfacing and improvements to various roads within the County. Financing is provided by State construction grants and various transfers from other Board funds. During the year, expenditures exceeded revenues were and transfers by $(2,862,621), leaving an ending fund balance of $(112,903).

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, 2010, were $19,031,424, total liabilities were $9,930,284, and net assets were $9,101,140. Total income was $2,520,684, and total expenses were $1,787,980, leaving a net income of $732,704.

The Utilities Fund, a new fund, accounts for the financial activities associated with the County operated water and sewer services. Total assets at September 30, 2010 were $5,250,007, total liabilities were $3,208,622, and net assets were $2,041,385. Total income was $1,113,394, primarily from capital grants, and total expenses were $190,225, leaving a net income of $923,169. Additionally, $1,118,216 was transferred in from other funds.

CAPITAL ASSETS ACTIVITY

The County's capital assets for its governmental and business-type activities as of September 30, 2010, is $133,787,721 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress, net of depreciation. Prior to 2003, general fixed assets were recorded at cost or fair market value at the time of acquisition. Depreciation was not recognized for governmental activities.

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

The following schedule provides a summary of the County's capital assets balances for the year ended September 30, 2010, compared to the prior year:

Capital Assets

	Governmental Activities	Business-type Activities	Total Government	
			2010	2009
Land and improvements	$ 4,977,539	$ 11,456,363	$ 16,433,902	$ 16,383,903
Construction in progress	3,641,294	3,882,116	7,523,410	2,841,270
Infrastructure	138,316,722	-	138,316,722	135,992,014
Buildings and improvements	48,949,932	624,868	49,574,800	47,838,410
Equipment	24,336,974	3,801,063	28,138,037	26,785,264
	220,222,461	19,764,410	239,986,871	229,840,861
Less accumulated depreciation	(97,626,621)	(8,572,527)	(106,199,148)	(97,502,897)
Total	$122,595,840	$ 11,191,883	$133,787,723	$132,337,964

DEBT MANAGEMENT

Governmental Activities Debt

During the year, total long-term debt decreased by $1,427,669, leaving the following balances:

Bank loans	$ 354,754
Revenue bonds	7,946,940
Capital leases	2,090,761
Compensated absences	2,330,686
	$ 12,723,141

Business-type Activities Debt

On September 1, 1995, the County refinanced the Series 1994 Solid waste Disposal Revenue Bonds with a fixed rate loan from the City of Gulf Breeze, Florida Local Government Loan program. The loan of $6,090,000 is being repaid over a period of seventeen years with interest rates ranging from 3.70% to 5.90%. The debt is payable from the net revenues of the Solid Waste Disposal facility. Principal payments of $485,000 were made on this loan during the year, leaving a balance of $1,050,000 at year end. The County has internally escrowed funds to fully pay this debt. The County also had $29,881 in long term compensated absences at year end.

At year end, the County had also received $1,695,291 in loans from the Florida Department of Environmental Protection in support of its utility services.

OTHER FINANCIAL INFORMATION

Economic Factors and Next Year's Budget

- The current unemployment rate for the County, was 10.9%.
- The official population for the County in 2010 was 69,264, and is estimated to be approximately the same by the end of 2011.
- The ad valorem tax millage rate for the County was 8.015 mills in 2010, which was the same as the prior year. During the ensuing year, the millage rate was kept at the same rate.

REQUEST FOR INFORMATION

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

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2010

	Governmental Activities	Business - type Activities	Total
ASSETS			
Current Assets			
Cash	$ 21,152,155	$ 7,188,151	$ 28,340,306
Accounts receivable	684,641	256,940	941,581
Due from other funds	1,561,715	148,534	1,710,249
Due from other governmental units	1,869,047	-	1,869,047
Inventories	17,223	-	17,223
Investments	23,702,681	961,067	24,663,748
Other current assets	74,572	-	74,572
Total current assets	49,062,034	8,554,692	57,616,726
Noncurrent Assets			
Restricted assets			
Cash	-	98,214	98,214
Investments	-	4,412,486	4,412,486
Total restricted assets	-	4,510,700	4,510,700
Capital assets, net	122,595,840	11,191,883	133,787,723
Other assets			
Unamortized bond issuance costs	-	24,156	24,156
Total noncurrent assets	122,595,840	15,726,739	138,322,579
Total assets	$ 171,657,874	$ 24,281,431	$ 195,939,305
LIABILITIES			
Current Liabilities			
Accounts payable	$ 893,812	$ -	$ 893,812
Accrued payroll liabilities	319,618	-	319,618
Due to other funds	148,534	1,463,600	1,612,134
Due to other governmental units	91,137	-	91,137
Accrued compensated absences	349,603	29,881	379,484
Interest payable	50,276	75,126	125,402
Deposits	47,518	-	47,518
Deferred revenue	112,807	-	112,807
Other current liabilities	277	-	277
Total current liabilities	2,013,582	1,568,607	3,582,189
Current Liabilities Payable from Restricted Assets			
Note payable Gulf Breeze, short-term portion	-	510,000	510,000
Landfill postclosure costs	-	298,275	298,275
	-	808,275	808,275
Noncurrent Liabilities			
Due within one year:			
Notes and loans payable	151,369	210,920	362,289
Capital leases	325,146	-	325,146
Bonds payable	517,406	-	517,406
Due in more than one year:			
Notes and loans payable	203,365	2,024,371	2,227,736
Capital leases	1,765,615	-	1,765,615
Bonds payable	7,429,534	-	7,429,534
Accrued compensated absences	1,981,083	-	1,981,083
Estimated landfill closure liability	-	8,526,733	8,526,733
Total noncurrent liabilities	12,373,518	10,762,024	23,135,542
Total liabilities	14,387,100	13,138,906	27,526,006

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2010

	Governmental Activities	Business - type Activities	Total
NET ASSETS			
Invested in capital assets, net of related debt	$ 115,980,305	$ 6,992,723	$ 122,973,028
Restricted for:			
Library	1,899,303	-	1,899,303
Road projects	5,325,353	-	5,325,353
Other purposes	3,678,673	-	3,678,673
Unrestricted	30,387,140	4,149,802	34,536,942
Total net assets	$ 157,270,774	$ 11,142,525	$ 168,413,299

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2010

Functions/Programs	Expenses	Program Services: Charges for Services	Program Services: Operating Grants and Contributions	Program Services: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Business Type Activities	Net (Expenses) Revenues and Changes in Net Assets: Total
Governmental Activities							
General Government	$ 9,240,724	$ 2,677,484	$ 488,229	$ -	$ (6,075,011)	$ -	$ (6,075,011)
Public Safety	22,640,908	6,021,306	950,833	-	(15,668,769)	-	(15,668,769)
Physical Environment	4,549,733	3,718,047	-	-	(831,686)	-	(831,686)
Transportation	13,376,641	160,630	-	1,363,539	(11,852,472)	-	(11,852,472)
Economic Environment	1,283,755	-	141,578	-	(1,142,177)	-	(1,142,177)
Human Services	1,890,111	1,287	128,438	-	(1,760,386)	-	(1,760,386)
Culture/recreation	2,069,495	128,156	502,468	-	(1,438,871)	-	(1,438,871)
Court-related	1,953,795	671,521	183,125	-	(1,099,949)	-	(1,099,949)
Interest on long-term debt	482,582	-	-	-	(482,582)	-	(482,582)
Total governmental activities	57,487,744	13,378,431	2,394,671	1,363,539	(40,351,903)	-	(40,351,903)
Business - type activities							
Physical Environment							
Landfill and utilities	1,978,205	2,209,352	78,787	1,107,632	-	1,417,566	1,417,566
Total government	59,465,949	15,587,783	2,473,458	2,471,171	(40,351,903)	1,417,566	(38,918,342)
General revenues							
Ad valorem taxes					19,694,052	-	19,694,052
Sales and use taxes					9,229,734	-	9,229,734
Franchise taxes					108,904		108,904
Federal payments in lieu of taxes					270,640	-	270,640
Federal and state shared revenue					10,532,922	-	10,532,922
Local payments in lieu of taxes					-	-	-
Interest					185,893	144,880	330,773
Gain (loss) on disposition of fixed assets					630,242	93,427	723,669
Rents and royalties					179,369	-	179,369
Miscellaneous					1,716,489	-	1,716,489
Transfers in (out)					(1,118,216)	1,118,216	-
Total general revenue					41,430,029	1,356,523	42,786,552
Change in net assets					1,078,926	2,774,089	3,853,015
Net assets beginning of year					156,191,848	8,368,436	164,560,284
Net assets end of year					$ 157,270,774	$ 11,142,525	$ 168,413,299

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2010

	General Fund	Special Revenue Funds: County Transportation Trust	Special Revenue Funds: Municipal Services	Special Revenue Funds: Clerk of Courts Operating	Special Revenue Funds: Sheriff Operating	Debt Service Fund: Economic Development	Capital Projects Funds: Connector Road Project	Capital Projects Funds: Road Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS										
Current assets										
Cash	$ -	$ 3,881,472	$ 3,204,731	$ 66,221	$ 615,269	$ 3,328,691	$ 5,011,004	$ -	$ 5,044,767	$ 21,152,155
Accounts receivable	125	121,072	548,486	1,782	10,285	-	-	-	2,891	684,641
Due from other funds	1,677,091	-	492,570	25,027	-	-	856,947	429,695	40,877	3,522,207
Due from other governmental units	340,557	549,343	259,342	14,559	254,978	155,933	-	-	294,335	1,869,047
Inventories	-	17,223	-	-	-	-	-	-	-	17,223
Investments	17,800,767	1,691,498	2,785,341	-	-	-	-	-	1,425,075	23,702,681
Other current assets	74,572	-	-	-	-	-	-	-	-	74,572
Total assets	$ 19,893,112	$ 6,260,608	$ 7,290,470	$ 107,589	$ 880,532	$ 3,484,624	$ 5,867,951	$ 429,695	$ 6,807,945	$ 51,022,526
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ 251,772	$ 57	$ 977	$ 3,985	$ 297,144	$ -	$ -	$ 295,992	$ 43,885	$ 893,812
Due to other funds	229,258	-	148,534	54,843	181,589	-	429,695	246,606	818,501	2,109,026
Due to other governmental units	-	-	-	48,761	-	-	-	-	42,376	91,137
Accrued payroll liabilities	-	-	1,030	-	300,605	-	-	-	17,983	319,618
Deposits	-	8,000	-	-	-	39,518	-	-	-	47,518
Revenues collected in advance	-	-	-	-	101,194	-	-	-	11,613	112,807
Other current liabilities	-	-	277	-	-	-	-	-	-	277
Total liabilities	481,030	8,057	150,818	107,589	880,532	39,518	429,695	542,598	934,358	3,574,195
Fund balances										
Designated	3,396,130	-	-	-	-	-	5,438,256	(112,903)	2,184,846	10,906,329
Unreserved	16,015,952	6,252,551	7,139,652	-	-	3,445,106	-	-	3,688,741	36,542,012
Total fund balances	19,412,082	6,252,551	7,139,652	-	-	3,445,106	5,438,256	(112,903)	5,873,587	47,448,331
Total liabilities and fund balances	$ 19,893,112	$ 6,260,608	$ 7,290,470	$ -	$ 880,532	$ 3,484,624	$ 5,867,951	$ 429,695	$ 6,807,945	

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

Capital assets used in governmental activities are not financial resources and, are therefore not reported in funds.	122,595,840
Long-term debt transactions including bonds payable ($7,946,940), notes and loans payable ($354,734), capital leases payable ($2,090,761), accrued interest ($50,276), and compensated absences ($2,330,686), are not due and payable in the current period and therefore are not reported in the	(12,773,397)
Net assets of governmental activities	$ 157,270,774

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2010

		Special Revenue Funds				Debt Service Fund	Capital Projects Funds			
	General Fund	County Transportation Trust	Municipal Services	Clerk of Courts Operating	Sheriff Operating	Economic Development	Connector Road Project	Road Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES										
Taxes	$ 22,759,119	$ 4,001,514	$ 581,505	$ -	$ -	$ -	$ -	$ -	$ 1,696,962	$ 29,039,100
Licenses and permits	-	-	6,971,991	-	-	-	-	32,233	-	7,004,224
Intergovernmental	2,903,705	3,596,346	2,584,669	1,430,100	490,889	1,424,215	653,329	710,210	816,257	14,609,720
Charges for services	1,535,909	-	1,285,988	243,696	127,435	-	-	-	2,793,912	5,986,940
Fines and forfeitures	109,534	-	-	-	-	-	-	-	178,445	287,979
Interest	124,091	9,782	14,362	-	6,729	2,930	6,749	309	21,280	186,232
Miscellaneous	1,143,233	1,400	10,420	-	101,434	527,304	-	-	136,139	1,919,930
Total revenues	28,575,591	7,609,042	11,448,935	1,673,796	726,487	1,954,449	660,078	742,752	5,642,995	59,034,125
EXPENDITURES										
Current expenditures										
General government	3,763,902	-	328,854	690,170	-	-	-	45,211	3,339,043	8,167,180
Public safety	2,492,811	-	6,237,491	-	12,145,668	-	-	-	267,701	21,143,671
Physical environment	737,622	-	3,725,721	-	-	-	-	-	-	4,463,343
Transportation	-	5,580,380	-	-	-	-	970,039	132,606	-	6,683,025
Economic environment	321,786	-	1,250	-	-	341	-	-	949,700	1,273,077
Human services	1,830,745	-	-	-	-	-	-	-	-	1,830,745
Culture/recreation	1,442,840	-	46,697	-	-	-	-	-	483,583	1,973,120
Court-related	20,960	-	-	1,339,344	-	-	-	-	578,296	1,938,600
Capital outlay										
General government	184,585	-	-	-	-	-	-	-	75,913	260,498
Public safety	1,444,372	-	49,169	-	453,072	-	-	-	120,539	2,067,152
Physical environment	125,756	-	-	-	-	-	-	-	-	125,756
Transportation	-	1,024,475	-	-	-	-	-	3,427,556	-	4,452,031
Economic environment	-	-	-	-	-	-	-	-	-	-
Human services	6,180	-	-	-	-	-	-	-	-	6,180
Culture/recreation	662,296	-	1,381	-	-	-	-	-	15,000	678,677
Court-related	-	-	-	-	-	-	-	-	195	195
Debt services										
Principal	-	340,537	159,592	-	-	476,808	-	-	18,022	994,959
Interest	-	82,427	201,034	-	-	184,390	-	-	-	467,851
Total expenditures	13,033,855	7,027,819	10,751,189	2,029,514	12,598,740	661,539	970,039	3,605,373	5,847,992	56,526,060
Excess of revenues over (under) expenditures	15,541,736	581,223	697,746	(355,718)	(11,872,253)	1,292,910	(309,961)	(2,862,621)	(204,997)	2,508,065
Other financing sources										
Sale of fixed assets	400	389,462	14,516	-	40,343	-	-	-	-	444,721
Interfund transfers in	2,315,561	-	3,473,002	355,718	11,831,910	-	-	-	1,689,752	19,665,943
Interfund transfers out	(14,018,859)	-	(229,859)	-	-	-	-	-	(5,647,084)	(19,895,802)
Debt proceeds	-	694,014	-	-	-	-	-	-	43,206	737,220
Total other financing sources (uses)	(11,702,898)	1,083,476	3,257,659	355,718	11,872,253	-	-	-	(3,914,126)	952,082
Net change in fund balances	3,838,838	1,664,699	3,955,405	-	-	1,292,910	(309,961)	(2,862,621)	(4,119,123)	3,460,147
Fund balances beginning of year	15,573,244	4,587,852	3,184,247	-	-	2,152,196	5,748,217	2,749,718	9,992,710	43,988,184
Fund balances end of year	$ 19,412,082	$ 6,252,551	$ 7,139,652	$ -	$ -	$ 3,445,106	$ 5,438,256	$ (112,903)	$ 5,873,587	$ 47,448,331

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2010

Net change in fund balances - total governmental funds		$ 3,460,147
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	$ 7,741,227	
Less current year depreciation	(9,326,457)	
		(1,585,230)
Governmental funds do not report gain or loss on trade-in or disposition of capital assets. However, the statement of activities reports these gains or losses.		
Loss on disposition of capital assets		(256,381)
Governmental funds do not report donated assets as revenue		
Donation of fixed assets		19,586
Debt and capital lease proceeds provide current financial resources to governmental funds, but debt and capital leases increase long-term liabilities in the statement of net assets.		
Loan proceeds		(737,220)
Repayments of notes, capital leases and bonds are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Note principal payments	141,565	
Capital lease principal payments	358,559	
Bond principal payments	494,835	
		994,959
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	65,634	
Net change in accrued interest expense	5,788	
Net transfer of capital long-term assets and liabilities to Enterprise Fund	(888,357)	
		(816,935)
		$ 1,078,926

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	Landfill Enterprise	Utilities	Total
ASSETS			
Current Assets			
Cash	$ 7,044,280	$ 143,871	$ 7,188,151
Accounts receivable net of allowance for uncollectible accounts	256,940	-	256,940
Due from other funds	148,534	-	148,534
Investments	961,067	-	961,067
Total current assets	8,410,821	143,871	8,554,692
Noncurrent Assets			
Restricted assets			
Cash	98,214	-	98,214
Investments	4,412,486	-	4,412,486
Total restricted assets	4,510,700	-	4,510,700
Fixed assets			
Land	887,973	1,021,030	1,909,003
Buildings	493,668	131,200	624,868
Improvements other than buildings	9,547,360	-	9,547,360
Construction in progress	-	3,882,116	3,882,116
Equipment	3,724,287	76,776	3,801,063
Allowance for depreciation	(8,567,541)	(4,986)	(8,572,527)
Total fixed assets	6,085,747	5,106,136	11,191,883
Other assets			
Unamortized bond issuance costs	24,156	-	24,156
Total noncurrent assets	10,620,603	5,106,136	15,726,739
Total assets	$ 19,031,424	$ 5,250,007	$ 24,281,431
LIABILITIES			
Current Liabilities			
Accounts payable	$ -	$ -	$ -
Due to other funds	9,731	1,453,869	1,463,600
Interest payable	15,664	59,462	75,126
Accrued compensated absences	29,881	-	29,881
Current portion loan payable	-	210,920	210,920
Total current liabilities	55,276	1,724,251	1,779,527
Current Liabilities Payable from Restricted Assets			
Note payable, short-term portion	510,000	-	510,000
Landfill postclosure costs	298,275	-	298,275
Total current liabilities payable from restricted assets	808,275	-	808,275
Noncurrent Liabilities			
Note payable Gulf Breeze, long-term portion	540,000	-	540,000
Loan payable Department of Environmental Protection	-	1,484,371	1,484,371
Estimated landfill closure liability	8,526,733	-	8,526,733
Total noncurrent liabilities	9,066,733	1,484,371	10,551,104
Total liabilities	9,930,284	3,208,622	13,138,906

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	Landfill Enterprise	Utilities	Total
NET ASSETS			
Invested in capital assets, net of related debt	$ 5,035,747	$ 1,956,976	$ 6,992,723
Unrestricted	4,065,393	84,409	4,149,802
Total net assets	$ 9,101,140	$ 2,041,385	$ 11,142,525

See notes to financial statements

COLUMBIA COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2010

	Landfill Enterprise	Utilities	Totals
OPERATING REVENUES			
Charges for services			
Physical environment			
Garbage/solid waste revenue	$ 2,203,593	$ -	$ 2,203,593
Utilties revenue	-	5,759	5,759
Total operating revenues	2,203,593	5,759	2,209,352
OPERATING EXPENSES			
Landfill and Utilities Operation and Maintenance			
Personal services	662,097	-	662,097
Operating expenses	514,101	185,239	699,340
Depreciation	425,389	4,986	430,375
Total Landfill Operation and Maintenance	1,601,587	190,225	1,791,812
Code Enforcement			
Personal services	43,526	-	43,526
Operating expenses	21,082	-	21,082
Total Code Enforcement	64,608	-	64,608
Total operating expenses	1,666,195	190,225	1,856,420
Operating income (loss)	537,398	(184,466)	352,932
NONOPERATING REVENUES (EXPENSES)			
State grants			
Physical environment			
State grants	78,787	1,107,632	1,186,419
Gain (loss) on disposal of capital assets	93,427	-	93,427
Interest earnings	144,877	3	144,880
Debt service costs			
Interest	(91,557)	-	(91,557)
Other debt service costs	(3,875)	-	(3,875)
Amortization	(26,353)	-	(26,353)
Total nonoperating revenues (expenses)	195,306	1,107,635	1,302,941
Change in net assets before capital contributions and operating transfers	732,704	923,169	1,655,873
Capital contributions net of related debt	-	888,357	888,357
Operating transfers in	-	229,859	229,859
Total capital contributions and operating transfers	-	1,118,216	1,118,216
Change in net assets after operating transfers	732,704	2,041,385	2,774,089
Net assets at beginning of year	8,368,436	-	8,368,436
Net assets at end of year	$ 9,101,140	$ 2,041,385	$ 11,142,525

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2010

	Landfill Enterprise	Utilities
Cash Flows From Operating Activities		
Cash flows received from customers	$ 2,180,862	$ 5,759
Cash paid for employee and benefits	(717,538)	-
Cash paid to vendors	(1,007,587)	(185,239)
Net cash provided by (used for) operating activities	455,737	(179,480)
Cash Flows From Noncapital Financing Activities		
State grants received	78,787	1,107,632
Net cash provided by noncapital financing activities	78,787	1,107,632
Cash Flows From Capital and Related Financing Activities		
Transfers and loans from other funds	-	1,683,728
Proceeds of sale of equipment	93,427	-
Proceeds of loans payable	-	670,975
Payments to acquire or construct capital assets	(563,173)	(3,138,987)
Principal paid on bonds	(485,000)	-
Interest paid on capital debt	(102,845)	-
Other debt service costs	(3,875)	-
Net cash used for capital and related financing activities	(1,061,466)	(784,284)
Cash Flows From Investing Activities		
Interest received	144,880	-
Purchase of investments	(125,180)	-
Net cash provided by investing activities	19,700	-
Net increase (decrease) in cash	(507,242)	143,868
Cash at beginning of year	7,649,735	-
Cash at end of year	$ 7,142,493	$ 143,868

(continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2010

	Landfill Enterprise	Utilities
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating income (loss)	$ 537,398	$ (184,466)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	425,389	4,986
Decrease in landfill closure liability	(471,223)	-
(Increase) decrease in assets:		
Accounts receivable	(22,731)	-
Increase (decrease) in liabilities:		
Accounts payable	(1,181)	-
Accrued compensated absences	(11,915)	-
Total adjustments	(81,661)	4,986
Net cash provided by (used for) operating activities	$ 455,737	$ (179,480)

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS
September 30, 2010

	Clerk of Circuit Court					Sheriff				Tax Collector		
	Clerk's Trust	Employee Sunshine	Domestic Relations	Jury Witness	Public Defender Occupancy Trust	Individual Depositors	Inmate Welfare	Donation Trust	Evidence Trust	Tag Agency	Ad Valorem Tax Agency	Totals
ASSETS												
Cash	$ 967,594	$ 1,209	$ 1,841	$ 8,185	$ 18,985	$ 7,672	$ 457,680	$ 19,146	$ 67,988	$ 86,701	$ 2,173,722	$ 3,810,723
Accounts receivable	16,086	-	-	-	-	-	9,594	-	-	347	223	26,250
Due from other funds	-	-	-	-	-	-	-	-	-	-	3,389	3,389
Total assets	$ 983,680	$ 1,209	$ 1,841	$ 8,185	$ 18,985	$ 7,672	$ 467,274	$ 19,146	$ 67,988	$ 87,048	$ 2,177,334	$ 3,840,362
LIABILITIES												
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 404	$ 19,150	$ 19,554
Cash bond liability	52,901	-	-	-	-	-	-	-	-	-	-	52,901
Due to individuals	-	-	-	-	-	-	157,559	-	-	-	-	157,559
Court fees payable	104,448	-	-	-	-	-	-	-	-	-	-	104,448
Deposits held in escrow	158,992	-	-	-	-	-	-	-	67,988	-	-	226,980
Due to other funds	92,180	-	-	-	-	6,440	-	-	-	-	2,884	101,504
Due to other governmental units	518,384	-	1,841	8,185	18,985	-	-	-	-	85,240	1,825,553	2,458,188
Interest payable	16,723	-	-	-	-	-	-	-	-	436	8,595	25,754
Installments payable	454	-	-	-	-	-	-	-	-	-	-	454
Tax deeds payable	37,802	-	-	-	-	-	-	-	-	-	268,131	305,933
Other current liabilities	1,796	1,209	-	-	-	1,232	309,715	19,146	-	968	53,021	387,087
Total liabilities	983,680	1,209	1,841	8,185	18,985	7,672	467,274	19,146	67,988	87,048	2,177,334	3,840,362
NET ASSETS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

See notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the Board) and its component units. However, some component units, because of the closeness of their relationships with the Board, should be blended as though they are part of the Board. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the Board), (2) organizations for which the

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

Blended Component Unit

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

B. Measurement Focus and Basis of Accounting

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

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

1. Government-wide Financial Statements

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

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

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry, if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

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

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

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

C. Basis of Presentation

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

1. Governmental Major Funds:

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

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

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

Clerk of Courts Operating Fund - The Operating Fund of the Clerk of Circuit Court is used to account for all financial resources which are generated from operations of the Office or any other resources not required to be accounted for in another fund.

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

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

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

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

2. Proprietary Funds:

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

Utilities Fund – The Utilities Fund accounts for revenues, expenses, assets and liabilities associated with the County operated water and sewer services.

3. Non-current Governmental Assets/Liabilities:

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

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Cash Equivalents

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

2. Investments

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

3. Allowance for Doubtful Accounts

The County provides an allowance for Landfill Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2010, this allowance was $17,566. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2010.

4. Receivables and Payables

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

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

5. Inventories

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

6. Restricted Assets

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

7. Encumbrances

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

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are reported at estimated historical cost, or not reported. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

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

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

9. Capitalization of Interest

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments.

10. Deferred Revenues

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

11. Accrued Compensated Absences

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

12. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue reduction" approach in accounting to rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The County has no arbitrage liability outstanding as of September 30, 2010.

13. Landfill Closure Costs

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

14. Capital Contributions

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

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

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

"Total fund balances" of the County's governmental funds $47,448,331 differs from "net assets" of governmental activities $157,270,774 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	$ 220,222,461
Accumulated depreciation	(97,626,621)
Total	$ 122,595,840

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, 2010, were:

Revenue notes/Bonds payable	$ 7,946,940
Notes and loans payable	354,734
Capital leases payable	2,090,761
Compensated absences	2,330,686
Total	$ 12,723,121

Accrued interest

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

Notes payable	$ 1,681
Capital leases	48,595
Total	$ 50,276

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of $1,960,492 between governmental funds must be eliminated for the statement of net assets.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the government wide stmt of net assets

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Net Assets
ASSETS					
Cash and cash equivalents	$ 21,152,155	$ -	$ -	$ -	$ 21,152,155
Accounts receivable - net	684,641	-	-	-	684,641
Due from other funds	3,522,207	-	-	1,960,492	1,561,715
Due from other governmental units	1,869,047	-	-	-	1,869,047
Investments	23,702,681	-	-	-	23,702,681
Inventories	17,223	-	-	-	17,223
Other current assets	74,572				74,572
Capital assets - net	-	122,595,840	-	-	122,595,840
Total assets	$ 51,022,526	$ 122,595,840	$ -	$ 1,960,492	$ 171,657,874
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 893,812	$ -	$ -	$ -	$ 893,812
Accrued interest payable	-	-	50,276	-	50,276
Accrued payroll liabilities	319,618	-	-	-	319,618
Due to other funds	2,109,026	-	-	1,960,492	148,534
Due to other governmental units	91,137	-	-	-	91,137
Deposits	47,518	-	-	-	47,518
Deferred revenues	112,807	-	-	-	112,807
Other current liabilities	277	-	-	-	277
Accrued compensated absences	-	-	2,330,686	-	2,330,686
Capital leases payable	-	-	2,090,761	-	2,090,761
Notes and loans payable	-	-	354,734	-	354,734
Revenue bonds payable	-	-	7,946,940	-	7,946,940
Total liabilities	3,574,195	-	12,773,397	1,960,492	14,387,100
Fund balances/net assets	47,448,331	122,595,840	(12,773,397)	-	157,270,774
Total liabilities and fund balance/net assets	$ 51,022,526	$ 122,595,840	$ -	$ 1,960,492	$ 171,657,874

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

The "net change in fund balances" for governmental funds ($3,460,147) differs from the "change in net assets" for governmental activities ($1,078,926) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Donated assets	$ 19,586
Loss on dispositions	(256,381)
Capital outlay	7,741,227
Depreciation expense	(9,326,457)
Difference	$ (1,822,025)

Long-term debt transactions

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

Debt proceeds	$ (737,220)

Repayments of debt principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Debt reduction	$ 994,959

Some revenues and expenses reported in the statement of activities do not require the use of or provide current financial resources, therefore, are not reported as expenditures in governmental funds.

Net transfer of capital assets and liabilities to Enterprise Fund	$ (888,357)
Net change in compensated absences	65,634
Net change in accrued interest	5,788
	$ (816,935)

Reclassification and Eliminations

Transfers in and transfers out in the amount of $20,749,721 between governmental activities should be eliminated.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
B. Explanation of Differences Between Government Fund Operating Statements and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Compensated Absences	Accrued Interest	Reclassifications and Eliminations	Statement of Activities
REVENUES							
Taxes	$ 29,039,100	$ -	$ -	$ -	$ -	$ -	$ 29,039,100
Licenses and permits	7,004,224	-	-	-	-	-	7,004,224
Intergovernmental	14,609,720	-	-	-	-	-	14,609,720
Charges for services	5,986,940	-	-	-	-	-	5,986,940
Fines and forfeitures	287,979	-	-	-	-	-	287,979
Interest	186,232	-	-	-	-	-	186,232
Miscellaneous	1,919,930	185,521	20,519	-	-	-	2,125,970
Total revenues	59,034,125	185,521	20,519	-	-	-	59,240,165
EXPENDITURES							
Current Expenditures							
General government	8,167,180	1,072,414	-	1,130	-	-	9,240,724
Public safety	21,143,671	1,565,719	-	(68,482)	-	-	22,640,908
Physical environment	4,463,343	91,357	-	(4,967)	-	-	4,549,733
Transportation	6,683,025	6,679,530	-	14,086	-	-	13,376,641
Economic environment	1,273,077	10,532	-	146	-	-	1,283,755
Human services	1,830,745	59,366	-	-	-	-	1,890,111
Culture/recreation	1,973,120	103,922	-	(7,547)	-	-	2,069,495
Court related	1,938,600	-	-	-	-	-	1,938,600
Capital outlay		-					
General government	260,498	(260,498)	-	-	-	-	-
Public safety	2,067,152	(2,067,152)	-	-	-	-	-
Physical environment	125,756	(125,756)	-	-	-	-	-
Transportation	4,452,031	(4,452,031)	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	6,180	(6,180)	-	-	-	-	-
Culture/recreation	678,677	(663,677)	-	-	-	-	15,000
Court related	195	-	-	-	-	-	195
Debt Service							
Principal	994,959	-	(994,959)	-	-	-	-
Interest	467,851	-	-	-	14,731	-	482,582
Total expenditures	56,526,060	2,007,546	(994,959)	(65,634)	14,731	-	57,487,744
Excess of revenues over (under) expenditures	2,508,065	(1,822,025)	1,015,478	65,634	(14,731)	-	1,752,421
OTHER FINANCING SOURCES (USES)							
Debt proceeds	737,220	-	(737,220)	-	-	-	-
Sale of fixed assets	444,721	-	-	-	-	-	444,721
Transfers in	19,665,943	-	1,083,778	-	-	(20,749,721)	-
Transfers out	(19,895,802)	(1,972,135)	-	-	-	20,749,721	(1,118,216)
Total other financing sources (uses)	952,082	(1,972,135)	346,558	-	-	-	(673,495)
Net change in fund balance	3,460,147	(3,794,160)	1,362,036	65,634	(14,731)	-	1,078,926
Fund balances at beginning of year	43,988,184	126,390,000	(11,754,471)	(2,396,320)	(35,545)	-	156,191,848
Fund balances at end of year	$ 47,448,331	$ 122,595,840	$ (10,392,435)	$ (2,330,686)	$ (50,276)	$ -	$ 157,270,774

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Prior to September 15, the County Manager serving as Budget Officer submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.

2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.

3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Board of County Commissioners.

4. The Constitutional Officers submit, at various times, to the Board and to certain divisions within the Department of Revenue, State of Florida, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them, as set forth in Chapter 129 of the *Florida Statutes*.

5. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and the Property Appraiser, which are classified as separate special revenue funds.

6. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.

7. Formal budgetary integration is employed as a management control device in all governmental funds.

8. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2010, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Fund budget is adopted on the accrual basis.

9. Legal control of the budget is exercised pursuant to applicable provisions of *Florida Statutes*.

10. Appropriations for the County lapse at the close of the fiscal year.

11. The following is a comparison of the appropriations to total expenses for the proprietary fund for the fiscal year ended September 30, 2010.

	Appropriations	Expenses	Variance Positive (Negative)
Enterprise funds			
Landfill enterprise	$ 2,576,764	$ 1,787,980	$ 788,784
Utilities	-	190,225	(190,225)
	$ 2,576,764	$ 1,978,205	$ 598,559

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

NOTE 4. CASH AND CASH EQUIVALENTS

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

1. Deposits

At September 30, 2010, the carrying amount of the County's deposits was $28,438,520. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

2. Investments

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

In accordance with generally accepted accounting principles, the County's investments are categorized in the following schedule to give an indication of the level of custodial credit risk assumed at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its agent in the County's name. Investments in the Local Government Surplus Funds Trust Fund, the Florida Local Government Investment Trust Fund, money market accounts and guaranteed investment contracts are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund and the Fund B Surplus Fund Trust Fund investment pools created by Sections 218.405, *Florida Statutes*, U.S. Treasury Securities, and those made locally. On December 4, 2007, the State Board of Administration restructured the Local Government Surplus Funds Trust Fund (Pool) to also establish the Fund B Surplus Funds Trust Fund. The local investments operate under the guidelines established by Section 218.415, *Florida Statutes.* The Board's investments in the Pool, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2010, are similar to money market funds in which shares are reported at fair value, which is amortized cost.

The Board's investments in the Fund B, Surplus Funds Trust Fund, are accounted for as a fluctuating net asset value pool, with a fair value factor of .54915068 at September 30, 2010. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the State Board of Administration, are effected by transferring eligible cash or securities to the Local Government Surplus Funds Trust Fund, consistent with the pro rata allocation of Pool

Shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as a liquid balance within the Local Government Surplus Funds Trust Fund.

The Florida Local Government Investment Trust Fund (Trust) is a professionally managed fund available only to public entities in Florida. The investment policy of the trust restricts investments to direct obligations of or securities fully guaranteed by the United States; obligations of certain federal agencies, including collateralized mortgage obligations; repurchase agreements; corporate bonds; and commercial paper. As of September 30, 2010, the Trust had investments, at fair value, of approximately $671.2 million. Of the total investments in the Trust, 1.8% was invested in asset backed securities. 46% was invested in Federal Treasury and Agency securities, and 28% was invested in corporate securities.

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

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

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

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

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

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

As of September 30, 2010, the County had investments with the following issuers in the percentages of total investments shown below.

Schedule of Investments at September 30, 2010

Investment	Maturities	Fair Value	Percent
State Board of Administration Local Government Surpluses Funds Trust Fund Investment Pool	33 Day Average	$ 29,061	0.11%
Fund B Surplus Funds Trust Fund	6.69 Year Average	7,042	0.01%
Florida Local Government Investment Pool	2.08 Years	4,412,486	15.18%
Certificates of Deposit, Money Market	Less than 1 Year	24,627,645	84.70%
Total Investments		$ 29,076,234	100.00%

NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2009-2010 fiscal year were levied in October 2009. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010, was as follows:

	Beginning Balance	Donations	Additions	Reclassifications/ Adjustments	Deletions	Balance
Governmental activities:						
Capital assets:						
Land	$ 5,948,569	$ -	$ -	$ (971,030)	$ -	$ 4,977,539
Buildings	45,026,441	-	188,804	1,070,865	-	46,286,110
Improvements other than buildings	2,318,300	-	283,086	62,436	-	2,663,822
Road improvements	135,992,015	-	2,278,825	45,882	-	138,316,722
Construction in progress	2,841,270	-	2,980,312	(2,180,288)	-	3,641,294
Equipment	23,624,151	19,586	2,010,200	-	(1,316,963)	24,336,974
Total capital assets	215,750,746	19,586	7,741,227	(1,972,135)	(1,316,963)	220,222,461
Less accumulated depreciation	(89,360,746)	-	(9,326,457)	(256,381)	1,316,963	(97,626,621)
Governmental activities capital assets, net	$ 126,390,000	$ 19,586	$ (1,585,230)	$ (2,228,516)	$ -	$ 122,595,840
Business-type activities:						
Land	$ 887,973	$ -	$ 50,000	$ 971,030	$ -	$ 1,909,003
Equipment	3,161,114	-	639,949	-	-	3,801,063
Buildings	493,668	-	131,200	-	-	624,868
Improvements	9,547,360	-	-	-	-	9,547,360
Construction in progress	-	-	2,881,011	1,001,105	-	3,882,116
Total capital assets	14,090,115	-	3,702,160	1,972,135	-	19,764,410
Less accumulated depreciation	(8,142,151)	-	(430,376)	-	-	(8,572,527)
Business-type activities capital assets, net	$ 5,947,964	$ -	$ 3,271,784	$ 1,972,135	$ -	$ 11,191,883

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

Governmental activities:	
General government	$ 1,072,415
Public safety	1,565,719
Physical environment	91,357
Transportation	6,423,146
Economic environment	10,532
Human services	59,366
Culture/recreation	103,922
Total depreciation expense - governmental activities	$ 9,326,457
Business -type activities:	
Landfill enterprise	425,390
Utilities enterprise	4,986
Total depreciation expense - business-type activities	$ 430,376

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2010, were:

Fund	Interfund Receivables	Interfund Payables
General fund	$ 1,677,091	$ 229,258
Special revenue funds:		
Municipal services benefit unit	492,570	148,534
Court service fund	15,306	-
Sheriff:		
Operating	-	181,589
Clerk of Courts:		
Operating	25,027	54,843
Public records modernization	7,514	-
Reserved 10%	11,891	-
Teen court	2,899	-
Property Appraiser operating	-	42,204
Supervisor of Elections operating	-	2,045
Tax Collector operating	2,883	392,785
Capital projects funds:		
Connector road project	856,947	429,695
Road improvement	429,695	246,606
Paving assessments	384	381,467
Agency funds:		
Clerk of Circuit Court		
Trust	-	92,180
Sheriff		
Individual depositors	-	6,440
Tax Collector		
Ad valorem tax	3,389	2,884
Enterprise Fund		
Landfill	148,534	9,731
Utilities	-	1,453,869
Totals	$ 3,674,130	$ 3,674,130

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2010, consisted of the following:

Transfers from General Fund to:	
Clerk of Courts Operating Fund	$ 315,608
Property Appraiser Operating Fund	1,095,572
Sheriff Operating Fund	12,013,500
Supervisor of Elections Operating Fund	594,180
Transfer from Municipal Services Special District to:	
General Fund	3,473,002
Transfer from Jail Debt Service to:	
General Fund	2,091,066
Transfer from Municipal Services Benefit Unit fund to:	
Clerk Operating	83,016
Utilities Fund	229,858
Total governmental fund transfers	19,895,802
Transfer from Long-term Debt and Fixed Assets to:	
Utility Fund	888,357
Total transfers	$40,679,961

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

NOTE 9. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2010, were as follows:

	Accounts	Due from Other Governmental Units	Total Receivables
Governmental activities:			
General	$ 125	$ 340,557	$ 340,682
County transportation trust	121,072	549,343	670,415
Municipal services	548,486	259,342	807,828
Sheriff operating	10,285	254,978	265,263
Clerk operating	1,782	14,559	16,341
Economic development	-	155,933	155,933
Other governmental	2,891	294,335	297,226
Total governmental activities	$ 684,641	$ 1,869,047	$ 2,553,688
Business-type activities:			
Landfill enterprise	$ 256,940	$ -	$ 256,940

Payables at September 30, 2010, were as follows:

	Vendors	Other Governmental Units	Total Payables
Governmental activities:			
General	$ 251,772	$ -	$ 251,772
County transportation trust	57	-	57
Municipal services	977	-	977
Clerk of Court operating	3,985	48,761	52,746
Sheriff operating	297,144	-	297,144
Road improvement	295,992	-	295,992
Other governmental	43,885	42,376	86,261
Total governmental activities	$ 893,812	$ 91,137	$ 984,949
Business-type activities:			
Landfill enterprise	$ -	$ -	$ -

NOTE 10. LONG-TERM LIABILITIES

A. Governmental Activities

Notes Payable

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

Year Ending September 30	Principal	Interest	Total
2011	$ 151,369	$ 20,031	$ 171,400
2012	161,776	9,624	171,400
2013	41,589	1,414	43,003
Total	$ 354,734	$ 31,069	$ 385,803

Revenue Bonds

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

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

Year Ending September 30	Principal	Interest	Total
2011	$ 168,175	$ 192,451	$ 360,626
2012	175,546	185,080	360,626
2013	183,241	177,385	360,626
2014	191,273	169,353	360,626
2015	199,656	160,970	360,626
Thereafter	3,606,883	1,171,411	4,778,294
Total	$ 4,524,774	$ 2,056,650	$ 6,581,424

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

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

Year Ending September 30	Principal	Interest	Total
2011	$ 350,824	$ 138,974	$ 489,798
2012	365,872	123,926	489,798
2013	381,565	108,233	489,798
2014	397,931	91,867	489,798
2015	414,999	74,799	489,798
Thereafter	1,510,975	113,501	1,624,476
Total	$ 3,422,166	$ 651,300	$ 4,073,466

Capital Leases

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

A. Purchase of three motor graders costing $771,762. The terms of the agreement called for six annual payments of $95,552, which included interest at 3.75%, with a terminating payment of $300,000 on November 13, 2014.

B. Purchase of a rotary mixer costing $369,420. The terms of the agreement call for five annual payments of $74,746 beginning June 11, 2007, and a concluding payment of $58,197 on June 11, 2012. These payments include interest at 7.00%.

C. Purchase of a wheel loader costing $192,883. The terms of the agreement call for five annual payments of $57,876 beginning June 11, 2007, and a concluding payment of $99,000 on June 11, 2012. These payments include interest at 7.00%.

D. Purchase of a motor grader costing $170,878. The terms of the agreement call for five annual payments of $21,073 beginning June 11, 2007, and a concluding payment of $110,000 on June 11, 2012. These payments include interest at 7.00%.

E. Purchase of a bulldozer costing $108,609. The terms of the agreement call for five annual payments of $16,630 beginning June 11, 2007, and a concluding payment of $50,000 on June 11, 2012. These payments include interest at 7.00%.

F. Purchase of a motor grader costing $156,310. The terms of the agreement call for five annual payments of $18,769 beginning January 1, 2007, and a concluding payment of $91,000 on January 1, 2012. These payments include interest at 4.95%.

G. Purchase of five motor graders costing $861,995. The terms of the agreement call for four annual payments of $77,412 beginning April 9, 2009, with a concluding payment of $550,002 on April 19, 2013. These payments include interest at 3.25%.

H. Purchase of three Mack dump trucks costing $344,026. The terms of the agreement call for five annual payments of $73,542 beginning January 1, 2008 and concluding with the payment on January 1, 2012. These payments include interest at 2.25%.

I. Purchase of a motor grader costing $175,576. The terms of the agreement call for five annual payments of $17,013 beginning February 1, 2008 with a concluding payment of $120,000 on February 1, 2013. These payments include interest at 7.00%.

J. In June, 2010, the Supervisor of Elections entered into an installment payment agreement with Kansas Bank of Manhattan for the purchase of a copier/printer costing $43,206. The agreement is being paid in four annual installments of $12,000, including interest at 7.5%.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at September 30, 2010:

Year Ending September 30	
2011	$ 464,614
2012	683,717
2013	812,552
2014	95,552
2015	300,000
Less amount representing interest	(253,674)
Total	$2,102,761

B. Business-type Activities

Note Payable

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

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

Year Ending September 30	Principal	Interest	Total
2011	$ 510,000	$ 46,905	$ 556,905
2012	540,000	15,930	555,930
Total	$1,050,000	$ 62,835	$1,112,835

Loan Payable

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

This loan was subsequently amended on June 14, 2006 for a total loan amount of $755,809 when fully disbursed. Upon full disbursement, the loan is payable in forty semi-annual payments of $24,345 including interest at 2.07%, beginning July 15, 2011. At September 30, 2010, a total of $576,376 had been drawn on this loan which includes $39,509 in capitalized interest.

Also, in conjunction with the project, the County entered into an additional loan with the FDEP in the amount of $2,885,158. This loan is payable in forty semi-annual payments of $43,070 including interest at 2.65%, beginning on January 15, 2011. At September 30, 2010, $940,175 had been drawn on this loan which includes $33,378 in capitalized interest.

During the current year, the County received an additional loan from FDEP in the amount of $1,379,595, of which $1,172,656 in principal will be forgiven. This loan is payable in forty semi-annual payments of $6,784 including interest at 2.71%, beginning August 15, 2011. At September 30, 2010, a total of $178,740 had been drawn on this loan, which includes $2,415 in capitalized interest.

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

D. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2010, was as follows:

	Balance at 10/01/09	Adjustment	Additions	Deletions	Balance at 09/30/10	Due Within One Year
Governmental activities:						
Revenue bonds:						
Columbia Bank-Series 2008B	3,757,409	-	-	335,243	3,422,166	350,905
Prosperity Bank-Series 2008A	4,684,366	-	-	159,592	4,524,774	166,501
	8,441,775	-	-	494,835	7,946,940	517,406
Loan agreements payable:						
Columbia Bank	496,298	-	-	141,565	354,734	151,369
Department of Environmental Protection	1,083,778	(1,083,778)	-	-	-	-
	1,580,076	(1,083,778)	-	141,565	354,734	151,369
Capital leases payable:						
Caterpillar Financial	182,648	-	-	61,960	120,688	66,298
Caterpillar Financial	131,214	-		18,691	112,523	19,999
Caterpillar Financial	127,892	-	-	12,120	115,772	12,968
Caterpillar Financial	70,882	-	-	11,668	59,214	12,485
John Deere Credit	117,129	-	-	13,467	103,662	14,148
Caterpillar Financial	753,188	(20,519)	-	53,600	679,069	57,141
Key Government Financing	207,448	-	-	65,999	141,449	69,101
Ringpower Corporation	136,196	-	-	7,480	128,716	8,003
Xerox Corporation	6,022	-	-	6,022	-	-
Caterpillar Financial	-	-	694,014	95,552	598,462	55,343
Kansas Bank	-	-	43,206	12,000	31,206	9,660
	1,732,619	(20,519)	737,220	358,559	2,090,761	325,146
Other Liabilities:						
Compensated absences	2,396,320	-	-	65,634	2,330,686	349,603
	$ 14,150,790	$ (1,104,297)	$ 737,220	$ 1,060,593	$ 12,723,121	$ 1,343,524
Business activities:						
Loan agreements payable:						
Department of Environmental Protection	$ -	$ 1,083,778	$ 611,513	$ -	$ 1,695,291	$ 210,920
Note payable:						
Gulf Breeze loan	1,535,000	-	-	485,000	1,050,000	510,000
Other Liabilities:						
Compensated absences	41,793	-	-	11,912	29,881	4,482
Estimated liability for landfill closure	9,296,231	-	-	471,223	8,825,008	298,275
	$ 10,873,024	$ 1,083,778	$ 611,513	$ 968,135	$ 11,600,180	$ 1,023,677

NOTE 11. LANDFILL CLOSURE AND POSTCLOSURE COSTS

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

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

$8,825,008 is reported as landfill closure and postclosure care liability at September 30, 2010, 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 2010. The County expects to close this landfill cell in the year 2018. Actual cost may be higher because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure. The County is in compliance with these requirements, and at September 30, 2010, restricted cash of $4,412,486 is held for its purpose. The County expects future inflation costs to be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (because of changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from other future revenues of the County.

NOTE 12. OPERATING LEASES

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

Year Ending September 30	
2011	$ 200,810
2012	174,956
2013	56,806
2014	13,388
2015	7,592
	$ 453,552

NOTE 13. DEFINED BENEFIT PENSION PLAN

Florida Retirement System

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

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

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

Funding Policy - The FRS has the following classes of membership applicable to the County with descriptions and contribution rates in effect during the period ended September 30, 2010, as follows (contribution rates are in agreement with the actuarially determined rates):

	7/1/09 6/30/10	7/1/10 6/30/11
Regular Class - Members not qualifying for other classes.	9.85%	10.77%
Senior Management Service Class - Members of senior management who do not elect the optional annuity management program.	13.12%	14.57%
Special Risk Class - members employed as law enforcement officers, firefighters, correctional officers, or emergency services and meet the criteria set to qualify for this class.	20.92%	23.25%
Special Risk Administrative Support Class - Special risk members who are transferred or reassigned to non-special risk and meet the criteria.	12.55%	13.24%
Elected County Officer's Class - Certain elected county officials.	16.53%	18.64%
Deferred Retirement Option Program - Members who are eligible for normal retirement that have elected to participate in the deferred retirement option program.	10.91%	12.25%

Contributions to the FRS for the fiscal year ended September 30, 2010, were equal to 15.53% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2007, 2008, and 2009, were $2,205,075, $2,714,043, and $2,895,706, respectively, which are equal to 100% of the required contribution for each year.

NOTE 14. FUND EQUITY

The County has established certain reserves within the fund equity section of the governmental and proprietary funds. Reserved fund balances and net assets at September 30, 2010, consist of the following:

General Fund:		
Judges fund reserve	$	116,567
SRWMD mitigation reserve		2,420,737
Special projects accounts reserve		4,711
Virginia Bishop reserve		4,966
Bernhardt Trust reserve		17,368
Ft. White library reserve		36,506
Clerk's storage reserve		778,467
Richardson Community Center		16,808
	$	3,396,130
Special Revenue Funds:		
Local Housing Assistance Fund		
SHIP housing initiatives reserve	$	285,543
Library Enhancement Fund		
State aid to libraries reserve		1,899,303
	$	2,184,846
Capital Projects Fund:		
Road projects	$	5,325,353

NOTE 15. CONTINGENT LIABILITIES

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

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

NOTE 16. RISK MANAGEMENT

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

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

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

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

NOTE 17. CONSTRUCTION COMMITMENTS

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

NOTE 18. FUND EQUITY DEFICITS

The following governmental funds had a deficit in fund balance at September 30, 2010:

Teen Court	$ (7,974)
Paving Assessments	(381,083)
Road Improvement	(112,903)
Total	$ (501,960)

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

NOTE 19. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

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

REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 23,343,441	$ 23,643,441	$ 22,759,119	$ (884,322)
Intergovernmental	1,144,229	1,239,152	2,903,705	1,664,553
Charges for services	851,250	1,241,766	1,535,909	294,143
Fines and forfeitures	427,300	124,500	109,534	(14,966)
Interest	190,500	190,500	124,091	(66,409)
Miscellaneous	115,400	188,142	1,143,233	955,091
Total revenues	26,072,120	26,627,501	28,575,591	1,948,090
EXPENDITURES				
Current operating:				
General government	3,257,459	4,054,069	3,763,902	290,167
Public safety	2,567,649	2,526,349	2,492,811	33,538
Physical environment	873,561	738,057	737,622	435
Economic environment	222,488	324,576	321,786	2,790
Human services	2,187,736	1,854,310	1,830,745	23,565
Culture/recreation	1,289,952	4,595,060	1,442,840	3,152,220
Court related		-	20,960	
Capital outlay:				
General government	50,000	342,180	184,585	157,595
Public safety	-	1,570,296	1,444,372	125,924
Physical environment	-	-	125,756	(125,756)
Human services	-	45,282	6,180	39,102
Culture/recreation	-	810,661	662,296	148,365
Total expenditures	10,448,845	16,860,840	13,033,855	3,847,945
Excess of revenues over expenditures	15,623,275	9,766,661	15,541,736	5,796,035
Other Financing Sources (Uses)				
Sale of fixed assets	-	-	400	400
Transfers in	385,550	-	2,315,561	2,315,561
Transfers out	(14,633,532)	(14,005,307)	(14,018,859)	(13,552)
Total other financing sources (uses)	(14,247,982)	(14,005,307)	(11,702,898)	2,302,409
Net change in fund balance	1,375,293	(4,238,646)	3,838,838	8,098,444
Fund balance, beginning of year	15,573,244	15,573,244	15,573,244	-
Fund balance, end of year	$ 16,948,537	$ 11,334,598	$ 19,412,082	$ 8,098,444

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Taxes	$ 3,779,000	$ 3,779,000	$ 4,001,514	$ 222,514
Intergovernmental	3,420,000	3,428,000	3,596,346	168,346
Interest	26,000	26,000	9,782	
Miscellaneous	152,768	144,768	1,400	(143,368)
Total revenues	7,377,768	7,377,768	7,609,042	247,492
EXPENDITURES				
Current operating:				
Transportation	6,397,395	6,324,882	5,580,380	744,502
Capital outlay:				
Transportation	-	243,262	1,024,475	(781,213)
Debt service				
Principal	290,000	311,600	340,537	(28,937)
Interest	60,700	111,600	82,427	29,173
Total expenditures	6,748,095	6,991,344	7,027,819	(65,648)
Excess of revenues over expenditures	629,673	386,424	581,223	181,844
Other Financing Sources (Uses)				
Sale of fixed assets	-	-	389,462	389,462
Debt proceeds	-	-	694,014	694,014
Total other financing sources (uses)	-	-	1,083,476	1,083,476
Net change in fund balance	629,673	386,424	1,664,699	1,265,320
Fund balance, beginning of year	4,587,852	4,587,852	4,587,852	-
Fund balance, end of year	$ 5,217,525	$ 4,974,276	$ 6,252,551	$ 1,265,320

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Taxes	$ 280,000	$ 518,000	$ 581,505	$ 63,505
Licenses, permits and assessments	6,520,000	6,747,000	6,971,991	224,991
Intergovernmental	2,695,250	2,514,535	2,584,669	70,134
Charges for services	1,500,000	1,500,000	1,285,988	(214,012)
Interest	40,000	40,000	14,362	(25,638)
Miscellaneous	4,700	4,700	10,420	5,720
Total revenues	11,039,950	11,324,235	11,448,935	124,700
EXPENDITURES				
Current operating:				
General government	337,500	359,150	328,854	30,296
Public safety	5,890,495	6,219,608	6,237,491	(17,883)
Physical environment	3,800,000	3,732,500	3,725,721	6,779
Economic environment	-	2,000	1,250	750
Culture/recreation	50,000	49,131	46,697	2,434
Capital outlay:				
Public safety	5,000	23,717	49,169	(25,452)
Culture/recreation	-	1,500	1,381	119
Debt service				
Principal	159,592	360,626	159,592	201,034
Interest	201,034	-	201,034	(201,034)
Total expenditures	10,443,621	10,748,232	10,751,189	198,077
Excess of revenues over expenditures	596,329	576,003	697,746	322,777
Other Financing Sources (Uses)				
Sale of fixed assets	-	-	14,516	14,516
Transfers in	-	-	3,473,002	3,473,002
Transfers out	-	-	(229,859)	(229,859)
Total other financing sources (uses)	-	-	3,257,659	3,257,659
Net change in fund balance	596,329	576,003	3,955,405	3,580,436
Fund balance, beginning of year	3,184,247	3,184,247	3,184,247	-
Fund balance, end of year	$ 3,780,576	$ 3,760,250	$ 7,139,652	$ 3,580,436

COLUMBIA COUNTY FLORIDA

CLERK OF CIRCUIT COURT OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Intergovernmental	$ 1,399,135	$ 1,399,135	$ 1,430,100	$ 30,965
Charges for services	260,000	260,000	243,696	(16,304)
Total revenues	1,659,135	1,659,135	1,673,796	14,661
EXPENDITURES				
Current operating:				
General government	652,805	652,805	690,170	(37,365)
Court-related	1,393,586	1,393,586	1,339,344	54,242
Total expenditures	2,046,391	2,046,391	2,029,514	16,877
Excess of revenues over expenditures	(387,256)	(387,256)	(355,718)	31,538
Other Financing Sources (Uses)				
Transfers in	387,256	387,256	355,718	(31,538)
Total other financing sources (uses)	387,256	387,256	355,718	(31,538)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 490,889	$ 490,889
Charges for services	-	-	127,435	127,435
Interest	-	-	6,729	6,729
Miscellaneous	-	-	101,434	101,434
Total revenues	-	-	726,487	726,487
EXPENDITURES				
Current operating:				
Public safety	11,679,762	11,849,125	12,145,668	(296,543)
Capital outlay:				
Public safety	155,000	194,375	453,072	(258,697)
Total expenditures	11,834,762	12,043,500	12,598,740	(555,240)
Excess of revenues over expenditures	(11,834,762)	(12,043,500)	(11,872,253)	171,247
Other Financing Sources (Uses)				
Sale of fixed assets	-	-	40,343	40,343
Transfers in	11,834,762	12,043,500	11,831,910	(211,590)
Total other financing sources (uses)	11,834,762	12,043,500	11,872,253	(171,247)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

COLUMBIA COUNTY FLORIDA

ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Intergovernmental	$ 1,600,000	$ 1,600,000	$ 1,424,215	$ (175,785.00)
Interest	5,000	5,000	2,930	(2,070)
Miscellaneous	177,300	177,300	527,304	350,004
Total revenues	1,782,300	1,782,300	1,954,449	172,149
EXPENDITURES				
Current operating:				
Economic environment	1,256,327	925,067	341	924,726
Capital outlay:				
Debt service				
Principal	331,799	566,819	476,808	90,011
Interest	158,000	254,240	184,390	69,850
Total expenditures	1,746,126	1,746,126	661,539	1,014,737
Net change in fund balance	36,174	36,174	1,292,910	1,186,886
Fund balance, beginning of year	2,142,196	2,142,196	2,152,196	-
Fund balance, end of year	$ 2,178,370	$ 2,178,370	$ 3,445,106	$ -

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Intergovernmental	$ 1,954,387	$ 1,954,387	$ 653,329	$ (1,301,058)
Interest	50,000	50,000	6,749	(43,251)
Total revenues	2,004,387	2,004,387	660,078	(1,344,309)
EXPENDITURES				
Current operating:				
Transportation	8,304,168	8,304,168	970,039	7,334,129
Total expenditures	8,304,168	8,304,168	970,039	7,334,129
Net change in fund balance	(6,299,781)	(6,299,781)	(309,961)	5,989,820
Fund balance, beginning of year	5,748,217	5,748,217	5,748,217	-
Fund balance, end of year	$ (551,564)	$ (551,564)	$ 5,438,256	$ 5,989,820

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Licenses, permits and assessments	$ 40,000	$ 40,000	$ 32,233	$ (7,767)
Intergovernmental	3,882,293	3,882,293	710,210	(3,172,083)
Interest	5,000	5,000	309	(4,691)
Total revenues	3,927,293	3,927,293	742,752	(3,184,541)
EXPENDITURES				
Current operating:				
General government	-	45,250	45,211	39
Transportation	-	134,529	132,606	1,923
Capital outlay:				
Transportation	7,200,000	7,358,758	3,427,556	3,931,202
Total expenditures	7,200,000	7,538,537	3,605,373	3,933,164
Net change in fund balance	(3,272,707)	(3,611,244)	(2,862,621)	748,623
Fund balance, beginning of year	2,749,718	2,749,718	2,749,718	-
Fund balance, end of year	$ (522,989)	$ (861,526)	$ (112,903)	$ 748,623

FUND COMBINING STATEMENTS

COLUMBIA COUNTY FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

September 30, 2010

	Clerk of Courts			Property Appraiser	Special	
	Public Records Modernization Trust	Reserved 10%	Teen Court	Operating	Minimun Standards School	Forfeiture
ASSETS						
Current assets						
Cash	$ 84,870	$ 97,010	$ 92	$ 48,205	$ 45,925	$ 7,799
Accounts receivable	-	-	-	-	-	-
Due from other funds	7,514	11,891	2,899	-	-	-
Due from other governmental units	-	-	-	-	1,724	-
Investments	-	-	-	-	-	-
Total assets	$ 92,384	$ 108,901	$ 2,991	$ 48,205	$ 47,649	$ 7,799
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Current liablilties						
Accounts payable	$ 142	$ -	$ 10,485	$ -	$ -	$ -
Accrued payroll liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	42,204	-	-
Due to other governmental units	-	-	-	6,001	-	-
Revenues collected in advance	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total liabilities	142	-	10,485	48,205	-	-
FUND BALANCES						
Reserved	-	-	-	-	-	-
Unreserved fund balances	92,242	108,901	(7,494)	-	47,649	7,799
Total fund balances	92,242	108,901	(7,494)	-	47,649	7,799
Total liabilites and fund balances	$ 92,384	$ 108,901	$ 2,991	$ 48,205	$ 47,649	$ 7,799

COLUMBIA COUNTY FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

September 30, 2010

Revenue Funds						
Sheriff			Supervisor of Elections	Tax Collector	Board of County Commissioners	
Inmate Welfare	Forfeiture Nongrant	Work Program	Operating	Operating	Community Development Block Grant	Court Reporters
$ 93,962	$ 475,731	$ 1,106	$ 13,728	$ 369,133	$ -	$ 31,203
-	-	-	-	-	-	-
-	-	-	-	2,883	-	-
-	-	-	-	101,615	-	-
-	-	-	-	-	-	-
$ 93,962	$ 475,731	$ 1,106	$ 13,728	$ 473,631	$ -	$ 31,203
$ 6,404	$ -	$ -	$ 70	$ 26,784	$ -	$ -
296	-	-	-	17,687	-	-
-	-	-	2,045	392,785	-	-
-	-	-	-	36,375	-	-
-	-	-	11,613	-	-	-
-	-	-	-	-	-	-
6,700	-	-	13,728	473,631	-	-
-	-	-	-	-	-	-
87,262	475,731	1,106	-	-	-	31,203
87,262	475,731	1,106	-	-	-	31,203
$ 93,962	$ 475,731	$ 1,106	$ 13,728	$ 473,631	$ -	$ 31,203

COLUMBIA COUNTY FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

September 30, 2010

	Special Revenue					
					Board of County	Con
	Court Service	Impact Fees	Industrial Development Authority	Law Enforcement Special	Law Library	Library Enhancement Grant
ASSETS						
Cash	$ 545,557	$ 293,124	$ 573,533	$ 36,253	$ 3,371	$ 525,037
Accounts receivable	-	-	41	-	-	-
Due from other funds	15,306	-	-	-	-	-
Due from other governmental units	153,000	-	-	-	-	-
Investments	-	-	-	1,453	-	1,374,266
Total assets	$ 713,863	$ 293,124	$ 573,574	$ 37,706	$ 3,371	$ 1,899,303
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Current liablilties						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
FUND BALANCES						
Reserved	-	-	-	-	-	1,899,303
Unreserved fund balances	713,863	293,124	573,574	37,706	3,371	-
Total fund balances	713,863	293,124	573,574	37,706	3,371	1,899,303
Total liabilites and fund balances	$ 713,863	$ 293,124	$ 573,574	$ 37,706	$ 3,371	$ 1,899,303

COLUMBIA COUNTY FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

September 30, 2010

Funds missioners			Debt Service Funds			Capital Projects	
Local Housing Assistance	MSSD	Tourist Development Tax	Jail	Road Improvement	Tourist Development	Paving Assess-ments	Total Nonmajo Governmental Funds
$ 285,543	$ -	$ 577,986	$ -	$ 935,599	$ -	$ -	$ 5,044,767
-	-	2,850	-	-	-	-	2,891
-	-	-	-	-	-	384	40,877
-	-	37,996	-	-	-	-	294,335
-	-	33	-	-	49,323	-	1,425,075
$ 285,543	$ -	$ 618,865	$ -	$ 935,599	$ 49,323	$ 384	$ 6,807,945
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 43,885
-	-	-	-	-	-	-	17,983
-	-	-	-	-	-	381,467	818,501
-	-	-	-	-	-	-	42,376
-	-	-	-	-	-	-	11,613
-	-	-	-	-	-	-	-
-	-	-	-	-	-	381,467	934,358
285,543	-	-	-	-	-	-	2,184,846
-	-	618,865	-	935,599	49,323	(381,083)	3,688,741
285,543	-	618,865	-	935,599	49,323	(381,083)	5,873,587
$ 285,543	$ -	$ 618,865	$ -	$ 935,599	$ 49,323	$ 384	$ 6,807,945

COLUMBIA COUNTY FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2010

	Clerk of Courts			Property Appraiser		Special
	Public Records Modernization Trust	Reserved 10%	Teen Court	Operating	Minimun Standards School	Forfeiture
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenue	-	-	-	-	-	-
Charges for services	80,333	-	28,895	164,744	-	-
Fines and forfeitures	-	107,793	-	-	18,035	1,156
Interest income	-	-	-	3,369	223	36
Miscellaneous	-	-	-	3,494	-	-
Total revenues	80,333	107,793	28,895	171,607	18,258	1,192
EXPENDITURES						
Current Expenditures						
General government	22,864	-	-	1,252,940	-	-
Public safety	-	-	-	-	13,228	-
Economic environment	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-
Court - related	33,894	24,440	28,221	-	-	-
Capital outlay						
General government	-	-	-	14,239	-	-
Public safety	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-
Court - related	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	56,758	24,440	28,221	1,267,179	13,228	-
Excess of revenues over (under) expenditures	23,575	83,353	674	(1,095,572)	5,030	1,192
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	-	-	-	-	-
Interfund transfers in	-	-	-	1,095,572	-	-
Interfund transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,095,572	-	-
Net change in fund balances	23,575	83,353	674	-	5,030	1,192
Fund balances beginning of year	68,667	25,548	(8,168)	-	42,619	6,607
Fund balances end of year	$ 92,242	$ 108,901	$ (7,494)	$ -	$ 47,649	$ 7,799

COLUMBIA COUNTY FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2010

Revenue Funds						
Sheriff			Supervisor of Elections	Tax Collector		
Inmate Welfare	Forfeiture Nongrant	Work Program	Operating	Operating	Community Development Block Grant	Court Reporters
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	9,542	-	-	180,309
200,000	-	4,222	-	1,466,499	-	-
-	50,945	-	-	-	-	-
339	2,902	24	-	1,030	-	-
115,748	-	-	4,841	6,087	-	-
316,087	53,847	4,246	14,383	1,473,616	-	180,309
-	-	-	583,819	1,461,870	-	-
241,823	3,607	9,043	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	219,091
-	-	-	49,928	11,746	-	-
-	120,539	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	195
-	-	-	18,022	-	-	-
-	-	-	-	-	-	-
241,823	124,146	9,043	651,769	1,473,616	-	219,286
74,264	(70,299)	(4,797)	(637,386)	-	-	(38,977)
-	-	-	43,206	-	-	-
-	-	-	594,180	-	-	-
-	-	-	-	-	(49)	-
-	-	-	637,386	-	(49)	-
74,264	(70,299)	(4,797)	-	-	(49)	(38,977)
12,998	546,030	5,903	-	-	49	70,180
$ 87,262	$ 475,731	$ 1,106	$ -	$ -	$ -	$ 31,203

COLUMBIA COUNTY FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2010

	Special Revenue					
	Court Service	Impact Fees	Industrial Development Authority	Board of County Commiss Law Enforcement Special	Law Library	Library Enhancement Grant
REVENUES						
Taxes	$ 153,000	$ -	$ 307,119	$ -	$ -	$ -
Intergovernmental revenue	-	-	-	-	-	483,633
Charges for services	144,595	-	-	-	-	-
Fines and forfeitures	-	-	-	516	-	-
Interest income	738	341	747	47	-	6,695
Miscellaneous	-	-	-	-	-	-
Total revenues	298,333	341	307,866	563	-	490,328
EXPENDITURES						
Current Expenditures						
General government	17,000	350	-	-	200	-
Public safety	-	-	-	-	-	-
Economic environment	-	-	299,155	-	-	-
Culture/recreation	-	-	-	-	-	483,583
Court -related	272,650	-	-	-	-	-
Capital outlay						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-
Court -related	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	289,650	350	299,155	-	200	483,583
Excess of revenues over (under) expenditures	8,683	(9)	8,711	563	(200)	6,745
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	-	-	-	-	-
Interfund transfers in	-	-	-	-	-	-
Interfund transfers out	(83,016)	-	-	-	-	-
Total other financing sources (uses)	(83,016)	-	-	-	-	-
Net change in fund balances	(74,333)	(9)	8,711	563	(200)	6,745
Fund balances beginning of year	788,196	293,133	564,863	37,143	3,571	1,892,558
Fund balances end of year	$ 713,863	$ 293,124	$ 573,574	$ 37,706	$ 3,371	$ 1,899,303

COLUMBIA COUNTY FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2010

Funds			Debt Service Funds			Capital Projects Fund	
ioners							
Local Housing Assistance	MSSD	Tourist Development Tax	Jail	Road Improvement	Tourist Development	Paving Assess-ments	Total Nonmajor Governmental Funds
$ -	$ -	$ 436,843	$ -	$ 800,000	$ -	$ -	$ 1,696,962
141,578	-	1,195	-	-	-	-	816,257
-	704,624	-	-	-	-	-	2,793,912
-	-	-	-	-	-	-	178,445
1,190	-	694	2,226	532	147	-	21,280
-	-	5,969	-	-	-	-	136,139
142,768	704,624	444,701	2,226	800,532	147	-	5,642,995
-	-	-	-	-	-	-	3,339,043
-	-	-	-	-	-	-	267,701
208,258	-	442,287	-	-	-	-	949,700
-	-	-	-	-	-	-	483,583
-	-	-	-	-	-	-	578,296
-	-	-	-	-	-	-	75,913
-	-	-	-	-	-	-	120,539
-	-	-	-	-	-	-	-
-	-	15,000	-	-	-	-	15,000
-	-	-	-	-	-	-	195
-	-	-	-	-	-	-	18,022
-	-	-	-	-	-	-	-
208,258	-	457,287	-	-	-	-	5,847,992
(65,490)	704,624	(12,586)	2,226	800,532	147	-	(204,997)
-	-	-	-	-	-	-	43,206
-	-	-	-	-	-	-	1,689,752
-	(3,473,002)	-	(2,091,017)	-	-	-	(5,647,084)
-	(3,473,002)	-	(2,091,017)	-	-	-	(3,914,126)
(65,490)	(2,768,378)	(12,586)	(2,088,791)	800,532	147	-	(4,119,123)
351,033	2,768,378	631,451	2,088,791	135,067	49,176	(381,083)	9,992,710
$ 285,543	$ -	$ 618,865	$ -	$ 935,599	$ 49,323	(381,083)	$ 5,873,587

SINGLE AUDIT AND COMPLIANCE SECTION

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

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

We have audited the basic financial statements of Columbia County, Florida (the County), as of and for the year ended September 30, 2010, and have issued our report thereon dated June 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

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

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

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

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

However, we noted certain matters that we reported to management of Columbia County in a separate letter dated June 23, 2011, on pages 85 -87.

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

Powell & Jones

POWELL & JONES
Certified Public Accountants
June 23, 2011

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, 2010. 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, 2010.

Internal Control Over Compliance

The management of Columbia County, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs and state financial assistance projects. In planning and performing our audit, we considered Columbia County, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal awards program or state financial assistance project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal and control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal awards program or state financial assistance project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of Columbia County, Florida as of and for the year ended September 30, 2010, and have issued our report thereon dated April 14, 2011. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Powell & Jones

POWELL & JONES
Certified Public Accountants
June 23, 2011

COLUMBIA COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2010

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEAR	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2010
FEDERAL AWARDS								
MAJOR PROGRAMS								
Federal Environmental Protection Agency								
passed through Florida Department of Environmental Protection								
Capitalization Grant for Clean Water State Revolving Funds	66.458	WW74202P	$ 755,809	$ 414,768	$ 122,099	$ -	$ -	$ -
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DW1201010	240,000	165,000	75,000	-	-	-
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DW1201010	2,405,158	538,950	-	-	-	-
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DW120400	1,172,656	-	-	999,178	999,178	-
			4,573,623	1,118,718	197,099	999,178	999,178	-
US Department of Justice								
E. Byrne Memorial Justice Assistance Grant/ARRA Funds	16.738	2009-SB-B9-0414	103,855	-	-	103,855	2,662	101,194
passed through Florida Department of Law Enforcement								
E. Byrne Memorial Justice Assistance Grant/MJTF JAG	16.738	2010-JAGC-COLU-1-4X-231	79,648	-	-	79,648	79,648	-
E. Byrne Memorial Justice Assistance Grant/FDLE ARRA Funds	16.738	2010-ARRC-COLU-2-W7-206	326,937	-	-	326,937	326,937	-
Byrne Formula Justice Assistance Grant/Radio Assistance	16.738	2009-DJ-BX-0012	25,239	-	-	25,239	25,239	-
			431,824	-	-	431,824	431,824	-
Total major programs			5,109,302	1,118,718	197,099	1,534,857	1,433,664	101,194
NONMAJOR PROGRAMS								
US Department of Justice								
passed through Florida Department of Children and Families								
Stop Violence Against Women Grant	16.588	LN917	68,475	12,138	-	36,414	54,914	-
Stop Violence Against Women Grant	16.588	LN917	67,769	-	-	16,941	22,386	-
US Department of Justice								
Bureau of Justice Assistance/Office of Criminal Justice Grants								
Bulletproof Vest Grant	16.607	FY2009	3,942	-	-	3,047	6,094	-
Total Nonmajor US Department of Justice			140,186	12,138	-	56,402	83,394	-
General Services Administration								
passed through State of Florida Division of Elections								
Election Reform Payments/Voter Education Funds	39.011	FY 2009-2010	6,805	-	-	2,184	2,184	4,621
Help America Vote Act								
passed through State of Florida Division of Elections								
Voting Systems Assistance/Pollworker Recruitment	90.401	FY 2008-2009	9,371	5,271	12,761	7,358	7,358	5,403
MOVE Act	90.401	FY 2009-2010	1,589	-	-	1,589	1,589	-
			10,960	5,271	12,761	8,947	8,947	5,403
U.S. Department of Health and Human Services								
passed through Florida Department of Revenue								
Title IV-D Funds	93.563	CD312	105,332	-	-	105,332	105,332	-
			105,332	-	-	105,332	105,332	-
US Department of Homeland Security								
Assistance to Firefighters Grant	97.044	EMW-2009-FO-02322	70,733	-	-	64,609	64,609	-
passed through the Florida Department of Community Affairs								
Homeland Security Grant	97.067	08-DS-60-03-22-01-372	45,536	15,000	-	30,536	30,536	-
Training Exercise Grant	97.067	09-DS-51-03-22-01-422	27,000	-	-	27,000	27,000	-
Tropical Storm Faye Disaster Assistance Grant	97.036	09-FA-C2-03-22-00-510	76,693	31,360	-	45,333	45,333	-
Hurricane Frances Disaster Assistance Grant	97.036	05-PA-G%-03-22-00-525	11,368	-	-	11,368	11,368	-
Emergency Management Performance Grant	97.042	10-BG-25-03-22-01-083	14,620	-	-	14,620	14,620	-
Total US Department of Homeland Security			245,950	46,360	-	193,466	193,466	-
Federal Emergency Management Agency								
passed through the Florida Department of Emergency Management								
Hazard Mitigation Grant	97.039	08HM-3G-03-22-01-056	154,400	-	-	149,416	149,416	-
Total nonmajor programs			663,634	63,769	12,761	515,747	542,739	10,024
Total federal awards			$ 5,772,936	$ 1,182,487	$ 209,860	$ 2,050,604	$ 1,976,403	$ 111,218

COLUMBIA COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2010

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEAR	REVENUES RECOGNIZED	EXPENDITURES	DEFERRED REVENUES 9/30/2010
STATE FINANCIAL ASSISTANCE								
MAJOR PROGRAMS								
Florida Department of Transportation								
County Incentive Grant/Bascom Norris Road	55.008	4068139-54-01/AO900	$ 2,826,000	$ 871,613	$ -	$ 653,329	$ 653,329	$ -
Small County Road Assistance Program/SCRAP Junction-Centerville	55.016	42021-1-58-01	900,000	-	-	-	-	-
Small County Road Assistance Program/SCRAP CR 778	55.016	424168-1-58-01	710,210	-	-	710,210	710,210	-
			4,436,210	871,613	-	1,363,539	1,363,539	-
Department of Environmental Protection								
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP6025	1,200,000	297,685	-	108,454	108,454	-
Small County Solid Waste Grant Agreement	37.012	004SC	78,787	-	-	78,787	78,787	-
			1,278,787	297,685	-	187,241	187,241	-
Total major programs			5,714,997	1,169,298	-	1,550,780	1,550,780	-
NONMAJOR PROGRAMS:								
Office of the Governor								
Economic Development Transportation Trust Grant (EDTF)	31.002	06-00123	440,000	296,579	-	-	-	-
Department of Agriculture and Consumer Services								
Arthropod Mosquito Control State Aid	42.003	FDACS Contract #014125	37,683	-	-	37,683	37,683	-
Department of State								
Division of Library Information Services								
State Aid to Libraries Operating/Equalization Grant	45.030	09-ST-13	534,785	228,717	306,068	-	306,068	-
State Aid to Libraries Operating/Equalization Grant	45.030	10-ST-13	502,468	-	-	502,468	177,515	324,953
			1,037,253	228,717	306,068	502,468	483,583	324,953
State Housing Initiatives Program								
SHIP Funds 2009	52.901	FY 2008/09	666,023	291,996	59,292	-	59,292	-
SHIP Funds 2010	52.901	FY 2009/10	350,000	-	208,422	141,578	112,743	237,258
			1,016,023	291,996	267,714	141,578	172,035	237,258
Department of Community Affairs								
Tropical Storm Faye Disaster Assistance Grant/MATCH	97.036	09-FA-C2-03-22-00-510	7,555	-	-	7,555	7,555	-
Hurricane Frances Disaster Assistance Grant/MATCH	97.036	05-PA-G%-03-22-00-525	625	-	-	625	625	-
Emergency Management Performance Grant/MATCH	52.008	10-BG-25-03-22-01-083	104,878	-	-	104,878	104,878	-
			113,058	-	-	113,058	113,058	-
Department of Health								
Emergency Medical Services County Grant Program	64.003	C1012	21,170	-	21,170	-	-	21,170
Emergency Medical Services County Grant Program	64.003	C2012	20,121	-	20,121	-	-	20,121
Emergency Medical Services County Grant Program	64.003	C3012	43,208	-	43,208	-	-	43,208
Emergency Medical Services County Grant Program	64.003	C7012	75,306	23,550	51,756	-	-	51,756
			159,805	23,550	136,255	-	-	136,255
Florida Wireless 911 Board								
Rural County Grant/911 Grant		09-10-01	424,603	-	-	424,603	424,603	-
Total nonmajor programs			**3,228,425**	**840,842**	**710,037**	**611,844**	**611,844**	-
Total state financial assistance			**$ 8,943,422**	**$ 2,010,140**	**$ 710,037**	**$ 2,162,624**	**$ 2,162,624**	**$ -**

COLUMBIA COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Basis of Accounting

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

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

COLUMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2010

Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:

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

Identification of major programs:

CFDA Number	Name of Federal Programs
66.468	Federal Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds
16.738	U.S. Department of Justice E.Byrne Memorial Justice Assistant Grants

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

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

COLUMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2010

State Financial Assistance

Internal control over major projects:	
• Material weakness identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major projects:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, *Rules of the Auditor General?*	No

CSFA Number	Name of State Programs
55.008	County Incentive Grant
37.039	Statewide Surface Water Restoration and Wastewater Projects
37.012	Small County Solid Waste Grant
55.016	Small County Road Assistance Program

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

Financial Statement Findings

None

State Financial Assistance Findings and Questioned Costs

None

MANAGEMENT LETTER

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

We have audited the financial statements of the Columbia County, Florida, as of and for the year ended September 30, 2010, and have issued our report thereon dated June 23, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major State Financial Assistance Project, and Schedule of Findings. Disclosures in those reports and schedule, which are dated June 23, 2011, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

BOARD OF COUNTY COMMISSIONERS

PRIOR YEAR FINDINGS

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

CURRENT YEAR FINDINGS

Landfill Accounts Receivable System - From our audit procedures regarding cash receipts at the Landfill, we found that the Landfill staff continue to maintain detail manual customer ledger records in addition to the fully integrated computerized customer accounts receivable records. From our review of these systems, we concluded that continued proper utilization of the computerized system would make the manual customer records redundant and unnecessary. We thus recommend that the County evaluate whether it is worthwhile to continue the maintenance of manual customer accounts receivable records at the Landfill.

Cash Receipts - from our testing of selected cash receipts we found several instances where receipts from the Building Department were deposited several days after being received. We also found that payments received for COBRA health insurance were also not always deposited in a timely manner. To increase internal control and custody over cash receipts we recommend that these receipts be deposited daily if possible and always by the end of each work week.

CLERK OF THE CIRCUIT COURT

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

PROPERTY APPRAISER

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SHERIFF

PRIOR YEAR FINDINGS

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

CURRENT YEAR FINDINGS

Payroll Disbursements – From our review of internal controls relating to the payroll system of the Office, we found that a single accounting employee prepares the biweekly payrolls, submits the payroll information electronically for bank EFT processing to employee bank accounts, and also prepares the monthly bank reconciliation for the Office. This lack of separation of accounting processes creates an internal control weakness in the payroll function.

To increase internal controls over payroll transactions we recommend the following additional control processes:

1. The detail of the payroll summary report be compared to the detail of the subsequent bank EFT transactions report by a responsible person.

2. During the bank reconciliation process, the total EFT withdrawals be reconciled to the detail payroll summaries and EFT transaction reports.

Purchasing – From our review of internal controls over purchasing, we found that the Office does not have formalized purchasing procedures that delineate when purchases require competitive procurement actions. While the Sheriff is not required to have comprehensive written purchasing procedures, implementation of such procedures would be a method of documenting that purchases were made competitively and in the public interest.

SUPERVISOR OF ELECTIONS

PRIOR YEAR FINDINGS

The prior year findings was corrected during the current year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

TAX COLLECTOR

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(l)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Columbia County, Florida, for the year ended September 30, 2010.

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

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

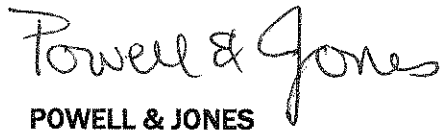
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based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

Requirements of Section 28.35 *Florida Statutes* – For the fiscal year ended September 30, 2010, the Clerk of the Circuit Court complied with the following:

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

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

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



POWELL & JONES
Certified Public Accountants
June 23, 2011