

CAPITAL CITY BANK GROUP INC  
Form 11-K  
June 29, 2010

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

---

**FORM 11-K**

**ANNUAL REPORT PURSUANT TO SECTION 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

---

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**  
For the fiscal year ended December 31, 2009

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_ to \_\_\_  
Commission file number 0-13358

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**CAPITAL CITY BANK GROUP, INC. 401(k) Plan**

---

(Exact name of the plan)

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Capital City Bank Group, Inc.**  
217 North Monroe Street  
Tallahassee, Florida 32301

---

---

**REQUIRED INFORMATION**

The following financial statements shall be furnished for the plan:

Capital City Bank Group, Inc. 401(k) Plan ( Plan ) is subject to the Employee Retirement Income Security Act of 1974 ( ERISA ). Therefore, in lieu of the requirements of items 1-3 of Form 11-K, the financial statements and schedule of the Plan for the fiscal year ended December 31, 2009 have been prepared in accordance with the financial reporting requirements of ERISA.

---

**CAPITAL CITY BANK GROUP, INC.**  
**401(k) PLAN**

**FINANCIAL STATEMENTS**  
December 31, 2009 and 2008

---

Edgar Filing: CAPITAL CITY BANK GROUP INC - Form 11-K

CAPITAL CITY BANK GROUP, INC.  
401(k) PLAN  
Tallahassee, Florida

FINANCIAL STATEMENTS  
December 31, 2009 and 2008

CONTENTS

<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	1
FINANCIAL STATEMENTS	
<u>STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS</u>	2
<u>STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS</u>	3
<u>NOTES TO FINANCIAL STATEMENTS</u>	4
SUPPLEMENTAL SCHEDULE	
<u>SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)</u>	11

---

Edgar Filing: CAPITAL CITY BANK GROUP INC - Form 11-K

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Retirement Committee of  
Capital City Bank Group, Inc.  
Tallahassee, Florida

We have audited the accompanying statements of net assets available for benefits of Capital City Bank Group, Inc. 401(k) Plan (the Plan ) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009 in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2009 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2009 financial statements taken as a whole.

/s/ Crowe Horwath LLP

Crowe Horwath LLP

Fort Lauderdale, Florida  
June 21, 2010

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
 December 31, 2009 and 2008

---

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 160	\$ 7,150
Investments, at fair value (Note 3)	16,303,354	13,229,612
Receivables		
Dividends receivable	10,671	13,151
	<u>10,671</u>	<u>13,151</u>
<b>TOTAL AND NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 16,314,185</b>	<b>\$ 13,249,913</b>

---

See accompanying notes to financial statements.

Edgar Filing: CAPITAL CITY BANK GROUP INC - Form 11-K

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
Year ended December 31, 2009

---

**Additions to net assets attributed to:**

Investment income	
Net appreciation in fair value of investments (Note 3)	\$ 1,349,681
Dividends and interest income	264,194

---

1,613,875

Contributions

Participant	1,713,405
Employer	354,951
Rollover	1,335

---

2,069,691

---

Total additions 3,683,566

**Deductions from net assets attributed to:**

Benefits paid to participants	619,294
-------------------------------	---------

**Net increase** 3,064,272

Net assets available for benefits

Beginning of year	13,249,913
-------------------	------------

---

End of year \$ 16,314,185

---

See accompanying notes to financial statements.

3.

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

---

**NOTE 1 - DESCRIPTION OF PLAN**

The following description of the Capital City Bank Group, Inc. 401(k) Plan (the Plan ) provides general information only. More complete information regarding the Plan s provisions may be found in the Plan document.

General: The Plan, established on October 1, 1997, effective retroactive to January 1, 1997, is a defined contribution retirement plan under the provisions of Section 401(a) of the Internal Revenue Code (the IRC ), which includes a qualified deferred arrangement as described in Section 401(k) of the IRC. The Plan is intended to provide benefits to all eligible employees of Capital City Bank Group, Inc. (the Company ). Employees of the Company become eligible to participate in the Plan at the time of employment. Employees may enter the Plan on the first day of the month coinciding with or next following the date on which the employee becomes eligible to participate in the Plan.

Plan Administration: The overall responsibility for administering the Plan rests with the Company. However, the Company has delegated administration of the Plan to the Retirement Committee (the Plan Administrator ). The Plan s trustee, Capital City Trust Company (the Trustee ), a subsidiary of the Company, is responsible for the management and control of the Plan s assets.

Participant Contributions: Each year, participants may elect to contribute up to 100% of pretax annual compensation, as defined in the Plan and subject to certain limitations under the IRC. Participants may choose to change their deferral percentage at any time.

Employer Contributions: For 2009, the Company provided a 50% match on participant contributions of 6% or less. Only employees hired after January 1, 2002 and have completed 90 days of service are eligible for this match. No additional discretionary employer contributions were made for 2009.

Participant Accounts: Each participant s account is credited with the participant s contribution, the Company matching contributions, and allocations of Plan earnings based on the participant s investment elections, and is charged with his or her withdrawals. Allocations of Plan earnings are based on account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account. Each participant directs the investment of his or her account to any of the investment options available under the Plan.

Investment Options: Participants can direct their contributions into 25 investment options. Participants can change their investment elections and balances daily by way of internet, with their contributions being changed the next trading day.

---

(Continued)

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

---

**NOTE 1 - DESCRIPTION OF PLAN (Continued)**

Benefits Paid to Participants: Upon termination of service due to death, disability, retirement or other reason, a participant will receive a lump-sum amount equal to the value of the vested interest in his or her account. Participants may also receive a distribution while in service upon demonstration of financial hardship.

Retirement, Death and Disability: A participant becomes fully vested in his or her account balance upon retirement, death or disability.

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested in the Company's matching and discretionary contributions, and related earnings thereon, after three years of credited service (on a cliff basis). Credited service for vesting purposes requires 1,000 hours during the plan year.

Forfeitures: Forfeitures are used to reduce the employer contribution. Forfeitures were immaterial for 2009 and 2008.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting: The financial statements of the Plan are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions related to the reported amounts of assets, liabilities, and changes therein and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Payment of Benefits: Benefits are recorded when paid.

Plan Expenses: All plan expenses are paid by the Company.

Risks and Uncertainties: The Plan holds various investment securities, including Company common stock. Investment securities are exposed to various risks such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

---

(Continued)

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Adoption of New Accounting Standards:** *FASB Accounting Standards Codification:* In June 2009, the FASB replaced *The Hierarchy of Generally Accepted Accounting Principles*, with the *FASB Accounting Standards Codification*<sup>TM</sup> ( The Codification or ASC ) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification is effective for financial statements issued for periods ending after September 15, 2009.

**Investment Valuation and Income Recognition:** The Plan's investments are reported at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. The effect of a change in valuation technique or its application on a fair value estimate is accounted for prospectively as a change in accounting estimate. When evaluating indications of fair value resulting from the use of multiple valuation techniques, the Plan is to select the point within the resulting range of reasonable estimates of fair value that is most representative of fair value under current market conditions. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following are descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments held directly by the Plan.

*Mutual funds:* The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized security exchanges (Level 1 inputs).

---

(Continued)

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Company common stock:* Investments in Company common stock are valued by obtaining quoted prices on a national recognized security exchanges (Level 1 inputs).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments measured at fair value on a recurring basis are summarized below:

	<b>Fair Value Measurements at December 31, 2009 Using</b>		
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual Funds			
Money Market	\$ 5,362,098	\$	\$
Fixed Income	3,681,973		
Balanced Funds	163,417		
Domestic equities	4,679,708		
International equities	1,397,423		
Total Mutual Funds	15,284,619		
Company common stock	1,018,735		

	<b>Fair Value Measurements at December 31, 2008 Using</b>		
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual Funds	\$ 11,754,593	\$	\$
Company common stock	1,475,019		

---

(Continued)

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

**NOTE 3 - INVESTMENTS**

The investments of the Plan are held in a trust fund administered by the Trustee. Investments that represent 5% or more of the Plan's net assets available for benefits are separately identified as follows:

	December 31,	
	2009	2008
Investments at fair value		
Vanguard Prime Obligation Fund (5,314,573 and 5,173,671 shares)	\$ 5,314,573	\$ 5,173,671
Vanguard Institutional Index Fund (0 and 17,901 shares)	n/a	1,477,522
Vanguard Index 500 Fund (25,008 and 0 shares)	2,120,921	n/a
American Fund Europacific (33,999 and 30,565 shares)	1,301,472	854,289
Capital City Bank Group, Inc. Common Stock <sup>(1)</sup> (73,608 and 54,149 shares)	1,018,735	1,475,019

<sup>(1)</sup> Party-in-interest

During the year ended December 31, 2009 the Plan's investments, including gains and losses on investments bought and sold as well as held during the year, appreciated (depreciated) in value as follows:

Mutual Funds	\$ 2,035,637
Company common stock	(685,956)
	<hr/>
Net appreciation in fair value of investments	\$ 1,349,681
	<hr/>

**NOTE 4 RIGHTS UPON PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974. In the event of plan termination, participants would become 100% vested in their employer contributions and earnings thereon.

(Continued)

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

---

**NOTE 5 - TAX STATUS**

The Internal Revenue Service issued an opinion letter dated March 31, 2008 indicating that the prototype adopted by the Plan, as then designed, was in compliance with applicable requirements of the Internal Revenue Code. Although the Plan has been amended from the original prototype document, Plan management believes that the Plan is currently being operated in accordance with the Internal Revenue Code.

**NOTE 6 PARTY IN INTEREST TRANSACTIONS**

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the plan, the employer, and certain others. The Plan owns 73,608 and 54,149 shares of the Company's common stock at December 31, 2009 and 2008, respectively, which represents approximately .43% and .32% of the outstanding common stock of the Company. Dividend income of \$49,598 and \$39,175 was recognized during 2009 and 2008 from the Plan's investment in the Company's common stock. This investment qualifies as a party-in-interest investment. The Trustee is a subsidiary of the Company. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses of the Plan are absorbed by the Company.

**NOTE 7 PLAN AMENDMENTS**

There were no Plan amendments for plan years 2009.

**SUPPLEMENTAL SCHEDULE**

---

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 December 31, 2009

Name of plan sponsor: Capital City Bank Group, Inc.  
Employer identification number: 59-2273542  
Three-digit plan number: 003

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) **Cost	(e) Current Value
	Vanguard	Mid-Cap Index, 13,413 shares	\$	314,270
	Vanguard	Total Bond Index, 34,916 shares		361,385
	DWS Reef	Real Estate Securities Fund, 7,177 shares		100,115
	American Funds	High Income Fund, 20,521 shares		217,724
	Vanguard	Developed Market Index Fund, 10,068 shares		95,951
	DWS Dreman	Small Cap Fund, 4,248 shares		133,732
	Blackrock	Mid-Cap Value Fund, 16,324 shares		160,304
	American Funds	Small-Cap Fund, 5,023 shares		159,669
	Van Kampen Funds	Equity Fund, 209,978 shares		163,417
	Goldman Sachs	Structured U.S. Equity Fund, 2,475 shares		52,894

(Continued)

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 December 31, 2009

Name of plan sponsor: Capital City Bank Group, Inc.  
Employer identification number: 59-2273542  
Three-digit plan number: 003

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) **Cost	(e) Current Value
	T Rowe Price	Real Estate Retail Shares, 4,855 shares		\$ 67,138
	Vanguard	Inflation Protected Reinvestment, 905 shares		11,354
	Vanguard	Prime Obligation Fund, 5,314,573 shares		5,314,573
	Vanguard	Vanguard Index 500 Fund, 25,008 shares		2,120,921
	American Funds	Europacific, 33,999 shares		1,301,472
	American Funds	Fundamental Growth, 14,620 shares		478,669
	American Funds	Growth Fund of America, 24,964 shares		681,011
	Royce	Premier Investment, 28,219 shares		462,791
	Select	Selected American Shares, 16,890 shares		629,141
	Vanguard	Total Stock Market, 25,486 shares		699,590

(Continued)

CAPITAL CITY BANK GROUP, INC. 401(k) PLAN  
 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 December 31, 2009

Name of plan sponsor: Capital City Bank Group, Inc.  
Employer identification number: 59-2273542  
Three-digit plan number: 003

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) **Cost	(e) Current Value
	Dreyfus Fund	Bond Market Index, 24,822 shares		255,917
	Van Kampen	Mid-Cap Growth, 31,306 shares		740,384