

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

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AND  
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STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**TABLE OF CONTENTS**

<b>Independent Auditors' Report</b> .....	1-3
<b>Management's Discussion and Analysis</b> .....	4-8
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position.....	9
Statement of Activities .....	10
<b>Fund Financial Statements</b>	
Balance Sheet - Governmental Funds.....	11-12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	14-15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - S.H.I.P. Fund.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public Library Fund .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Transportation Trust Fund .....	20
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fines and Forfeitures Fund .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Medical Services Fund .....	22
Statement of Fiduciary Assets and Liabilities - Agency Funds .....	23
<b>Notes to Financial Statements</b> .....	24-43
<b>Required Supplementary Information</b>	
Other Postemployment Benefits Plan Schedule of Funding Progress.....	44

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**BRADFORD COUNTY, FLORIDA  
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**SEPTEMBER 30, 2014**

**TABLE OF CONTENTS  
(Concluded)**

**Combining Fund Statements**

Combining Balance Sheet - General Funds.....	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Funds .....	46
Combining Balance Sheet - Nonmajor Governmental Funds .....	47-49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	50-52
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds .....	53-54

**Other Information**

Schedule of Expenditures of Federal Awards and State Financial Assistance .....	55-57
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	58-59
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, <i>Rules of the Auditor General</i> .....	60-61
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes .....	62
Schedule of Findings and Questioned Costs - Federal Awards and State Financial Assistance .....	63-64
Management Letter .....	65-67
Management's Response .....	68-69

## INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners  
and Constitutional Officers  
Bradford County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bradford County, Florida (the County), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Certified Public Accountants**

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Board of County Commissioners  
and Constitutional Officers  
Bradford County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Continued)*

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2014, and the respective changes in financial position, thereof, and the respective budgetary comparison of the general fund and each major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund statements are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, is also not a required part of the basic financial statements.

The combining fund statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Board of County Commissioners  
and Constitutional Officers  
Bradford County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* in considering the County's internal control over financial reporting and compliance.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's management's discussion and analysis (MD&A) is designed to "provide an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions." The MD&A is designed to focus on significant financial issues, as well as to provide an overview of the County's financial activity and changes in the County's financial position.

This is the twelfth year that Bradford County has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement Number 34. This reporting model changes significantly not only the presentation of financial data, but also the manner in which the information is recorded. One of the most significant changes in financial presentation is the requirement to capitalize infrastructure assets and record depreciation.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The reader should take the time to read and evaluate all sections of this report, including the footnotes and other supplemental information that is provided.

### Financial Highlights

Total assets of the County exceeded total liabilities by \$62.5 million (net position). Unrestricted net position for Governmental Activities was \$9.8 million and restricted position was \$13.6 million, with the remaining \$39.1 million invested in capital assets.

General Fund revenues decreased by \$968,978 or 7.6% when compared to fiscal year 2013. General Fund expenditures decreased by \$479,751 or 3.7% when compared to fiscal year 2013. Comparing Revenue with Expenditures in the General Fund for fiscal year 2014 showed a deficiency in revenue of \$598,939.

## 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 three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The *government-wide financial statements*, consisting of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the County's assets and liabilities using the accrual basis of accounting with the difference between the two reported as *net position*. This difference between assets and liabilities is one way to measure the County's financial health, or financial position. Over time, increases or decreases in net assets may serve as a useful indicator of the County's financial health. It will serve to show whether the financial position is improving or deteriorating.

The *Statement of Activities* presents information on all revenues and expenses of the County and shows how the County's net assets changed during the year. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all the functions provided by the County. All of Bradford County's basic services are considered to be governmental activities.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS** *(Continued)*

These expense activities include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, court related, and interest and fiscal charges.

The General Revenues that finance these activities are mostly made up of property taxes, sales taxes, gas taxes, and other state shared revenues.

### **Fund Financial Statements**

A fund consists of a group of related accounts used to control resources that have been segregated for the purpose of carrying on specific activities or attaining certain objectives. The County, as with other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. Bradford County funds can be divided into two categories: governmental funds and fiduciary funds.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except on a much more narrowly defined basis. The County maintains twenty individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the six major funds, the General Fund, S.H.I.P, Public Library, Transportation Trust, Fines and Forfeitures, and Emergency Medical Services. Data from the other fourteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The County adopts an annual budget for its general and special revenue funds. A budgetary comparison statement has been provided for each of the six major funds.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

#### ***Notes to Financial Statements***

The notes provide additional information needed to fully understand both the government-wide and the fund financial statements. They provide information that is needed to help interpret the data and explain how it was collected.

#### ***Government-wide Financial Analysis***

Net position may serve over time as a useful indicator of a government's financial position. In the case of Bradford County, assets exceeded liabilities by \$62,507,534, which is a decrease over the prior year of \$1,970,085. Net position is composed of \$39,109,316 net investment in Capital Assets, \$13,639,685 restricted for other purposes, and \$9,758,533 being unrestricted. This unrestricted amount is available for use in future years to meet Bradford County's ongoing obligations to its citizens and creditors.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
*(Continued)*

***Fund Financial Analysis***

The primary purpose of the County’s governmental funds is to provide financial statements that focus on the short-term. The focus is directed to specific activities of the County instead of the County as a whole. Most funds are established for managerial control over resources and to satisfy finance related legal requirements.

As of September 30, 2014, Bradford County’s governmental funds reported combined ending fund balances of \$24,118,692. This is a decrease over the prior year of \$1,100,489. The breakout of the six major funds and the remaining non-major funds is as follows.

**Bradford County, Florida**  
**Reserved and Unreserved Fund Balances**

General Fund	\$ 10,507,307
S.H.I.P.	0
Public Library	147,331
Transportation Trust	2,608,733
Fines and Forfeitures	3,438,338
Emergency Medical Services	383,813
Other Governmental Funds (Combined 14 Non-major Funds)	7,033,170
<b>Total Fund Balances</b>	<b>\$ 24,118,692</b>

The County’s overall financial position reported a decrease in total governmental fund balances of \$1,100,489 or 4.36% during fiscal year 2014.

The County’s General Fund had a decrease in Fund Balance of \$1,815,484 during the current fiscal year. S.H.I.P. had no change, the Public Library Fund had a decrease of \$109,211. The Transportation Trust Fund showed a decrease of \$190,851 in fund balance. The Fines and Forfeitures Fund increased its fund balance by \$594,634. The Emergency Medical Services Fund showed a decrease in fund balance of \$120,566.

This accounts for all the major funds. The remaining fourteen non-major funds had a combined increase in fund balance of \$540,989. Although the County incurred a decrease of \$1,100,489 in Fund Balance this has been a relatively positive year financially considering the economic difficulties the State of Florida and the Nation have been facing.

***General Fund Budgetary Highlights***

There were a few differences between the General Fund’s final amended budget and the actual revenue and expenditures. The revenues were \$1,002,102 more than the final budgeted amount, and the expenditures were \$2,934,387 less than final budgeted amounts. This resulted in actual excess of expenditures over revenue being less than budgeted expenditures over budgeted revenue by \$3,936,489.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*(Continued)*

***Capital Assets and Debt Management***

**Capital Assets**

The County's investment in capital assets for its governmental activities as of September 30, 2014, exceeded \$39.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, infrastructure, and construction in progress, net of depreciation and disposals. Major capital asset events during the current fiscal year included the following increases before depreciation:

Net Increase in Infrastructure	\$	947,999
Net Decrease in Machinery and Equipment		(387,489)
Net Increase in Construction in Progress		808,380

See the notes to the financial statements for additional information on capital assets.

**Long-term Debt**

The primary debt for the fiscal year ended September 30, 2014, consists of \$773,158 for Compensated Absences and \$406,771 for Other Postemployment Benefits.

Three other substantial debts are:

Installment Purchase of Land and Building	\$	140,510
Estimated Landfill Postclosure Costs		168,255
Note Payable for Truck Mounted Excavator		103,433

***Economic Factors and Future Financial Condition***

Bradford County primarily relies on Ad Valorem taxes, a limited array of other taxes (sales, gasoline, etc.), state shared revenues (mainly from Florida's sales tax collections), and fees (building permits, ambulance user charges, etc.) for its governmental activities. Property taxes were levied at 9.1769 mills. A Small County Surtax was also collected at the maximum 1%. The Bradford County unemployment rate for 2014 according to the Florida Legislature Office of Economic and Demographic Research was listed as 5.6% while the State of Florida was 6.3%. In 2013, the unemployment rate for Bradford County according to the Florida Association of Counties was 5.7% and the State of Florida was 7.0%.

***Requests for Information***

This financial report was designed to provide users with a general overview of Bradford County's finances and demonstrate the County's accountability. If you have any questions concerning information provided in this report or need additional information, please contact the Bradford County Clerk of Court, P.O. Drawer B, Starke, Florida 32091.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Concluded)

**Bradford County Florida**  
**Summary of Net Position**

	<b>FYE 2014</b>	<b>(As Restated) FYE 2013</b>
<b>Assets</b>		
Current and Restricted Assets	\$ 28,790,553	\$ 29,428,757
Capital Assets	39,369,432	40,168,157
<b>Total Assets</b>	<u>68,159,985</u>	<u>69,596,914</u>
<b>Liabilities</b>		
Current Liabilities	4,084,151	3,462,789
Non-current Liabilities	1,568,300	1,656,506
<b>Total Liabilities</b>	<u>5,652,451</u>	<u>5,119,295</u>
<b>Net Position</b>		
Net Investment in Capital Assets	39,109,316	39,774,395
Restricted	13,639,685	15,009,737
Unrestricted	9,758,533	9,693,487
<b>Total Net Position</b>	<u>62,507,534</u>	<u>64,477,619</u>

The following schedule provides a summary of changes in net position as follows:

**Bradford County**  
**Changes in Net Position**

	<b>FYE 2014</b>	<b>FYE 2013</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 5,471,264	\$ 4,989,662
Operating Grants and Contributions	3,012,754	4,453,081
Capital Grants and Contributions	1,618,186	2,135,959
General Revenues:		
Property Taxes	7,199,030	7,209,732
Other Taxes	5,733,940	5,838,893
Other	493,397	475,610
<b>Total Revenues</b>	<u>23,528,571</u>	<u>25,102,937</u>
<b>Expenses</b>		
General Government	5,328,469	5,007,685
Public Safety	10,836,637	9,990,368
Physical Environment	1,266,743	1,253,041
Transportation	4,185,048	5,435,367
Economic Environment	529,813	487,638
Human Services	858,685	826,307
Culture and Recreation	900,333	722,637
Court Related	1,590,653	1,479,065
Interest and Fiscal Charges	2,275	11,266
<b>Total Expenses</b>	<u>25,498,656</u>	<u>25,213,374</u>
<b>Change in Net Position</b>	(1,970,085)	(110,437)
<b>Net Position-Beginning of Year (As Restated)</b>	64,477,619	64,588,056
<b>Net Position-End of Year</b>	<u>\$ 62,507,534</u>	<u>\$ 64,477,619</u>

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash Deposits	\$ 15,521,655
Investments	10,318,821
Accounts Receivable	541,845
Mortgages Receivable	390,055
Due from Other Governments	1,410,499
Inventory	67,340
Prepaid Expenses	137,494
Restricted Assets:	
Cash Deposits - Landfill Postclosure	6,845
Investments - Landfill Postclosure	395,999
Capital Assets Not Being Depreciated:	
Land	7,809,813
Construction in Progress	1,073,989
Depreciable Capital Assets, Net	30,485,630
<b>Total Assets</b>	<b>68,159,985</b>
<b>Liabilities</b>	
Accounts Payable	940,222
Due to Other Governments	154,337
Accrued Interest	405
Unearned Revenue	2,989,187
Noncurrent Liabilities:	
Due Within One Year:	
Installment Purchase Obligation	29,084
Estimated Landfill Postclosure Costs	84,128
Notes Payable	8,007
Due in More Than One Year:	
Installment Purchase Obligation	111,426
Estimated Landfill Postclosure Costs	84,127
Notes Payable	111,599
Compensated Absences	733,158
Other Postemployment Benefits Liability	406,771
<b>Total Liabilities</b>	<b>5,652,451</b>
<b>Net Position</b>	
Net Investment in Capital Assets	39,109,316
Restricted for:	
Other Purposes	13,639,685
Unrestricted	9,758,533
<b>Total Net Position</b>	<b>\$ 62,507,534</b>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2014**  
**BRADFORD COUNTY, FLORIDA**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
General Government	\$ 5,328,469	\$ 967,641	\$ 757,766	\$ 0	\$ (3,603,062)
Public Safety	10,836,637	2,121,482	381,633	0	(8,333,522)
Physical Environment	1,266,743	855,132	330,000	0	(81,611)
Transportation	4,185,048	572,659	733,989	1,618,186	(1,260,214)
Economic Environment	529,813	88,200	368,519	0	(73,094)
Human Services	858,685	7,680	143,760	0	(707,245)
Culture and Recreation	900,333	12,882	172,476	0	(714,975)
Court Related	1,590,653	845,588	124,611	0	(620,454)
Interest and Fiscal Charges	2,275	0	0	0	(2,275)
<b>Total Governmental Activities</b>	<b>\$ 25,498,656</b>	<b>\$ 5,471,264</b>	<b>\$ 3,012,754</b>	<b>\$ 1,618,186</b>	<b>(15,396,452)</b>

**General Revenues**

Property Taxes	7,199,030
Discretionary Sales Surtax	1,898,175
Gasoline Taxes	654,212
Communication Service Taxes	44,700
Tourist Development Tax	92,296
Sales Tax and Other State Shared Revenue	3,044,557
Interest Earnings	103,276
Miscellaneous	390,121
<b>Total General Revenues</b>	<b>13,426,367</b>
<b>Change in Net Position</b>	<b>(1,970,085)</b>
<b>Net Position, Beginning of Year</b>	<b>66,909,813</b>
<b>Prior Period Adjustment</b>	<b>(2,432,194)</b>
<b>Net Position, Beginning of Year (As Restated)</b>	<b>64,477,619</b>
<b>Net Position, End of Year</b>	<b>\$ 62,507,534</b>

The accompanying notes are an integral part of the financial statements.

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
<b>Assets</b>				
Cash Deposits	\$ 3,464,798	\$ 1,519,379	\$ 195,773	\$ 2,453,252
Investments	6,966,372	0	1,381,705	0
Accounts Receivable	98,920	0	730	7,930
Mortgages Receivable	0	390,055	0	0
Due from Other Funds	204,114	0	0	0
Due from Other Governments	699,375	0	0	267,216
Inventory	0	0	0	67,340
Prepaid Expenses	137,231	0	0	0
<b>Total Assets</b>	<u>11,570,810</u>	<u>1,909,434</u>	<u>1,578,208</u>	<u>2,795,738</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	580,307	196	21,840	187,005
Due to Other Funds	341,366	0	0	0
Due to Other Governments	91,092	0	0	0
Unearned Revenue	7,891	1,519,183	1,409,037	0
<b>Total Liabilities</b>	<u>1,020,656</u>	<u>1,519,379</u>	<u>1,430,877</u>	<u>187,005</u>
<b>Deferred Inflows of Resources</b>	<u>42,847</u>	<u>390,055</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Nonspendable	137,231	0	0	67,340
Restricted	94,950	0	0	2,541,393
Committed	0	0	0	0
Assigned	0	0	147,331	0
Unassigned	10,275,126	0	0	0
<b>Total Fund Balances</b>	<u>10,507,307</u>	<u>0</u>	<u>147,331</u>	<u>2,608,733</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 11,570,810</u>	<u>\$ 1,909,434</u>	<u>\$ 1,578,208</u>	<u>\$ 2,795,738</u>

The accompanying notes are an integral part of the financial statements.

<b>Fines and Forfeitures</b>	<b>Emergency Medical Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,980,508	\$ 179,989	\$ 4,734,801	\$ 15,528,500
0	0	2,366,743	10,714,820
0	399,960	34,305	541,845
0	0	0	390,055
350,696	0	11,358	566,168
144,097	0	267,351	1,378,039
0	0	0	67,340
0	263	0	137,494
<u>3,475,301</u>	<u>580,212</u>	<u>7,414,558</u>	<u>29,324,261</u>
36,963	41,186	72,725	940,222
0	0	192,342	533,708
0	0	63,245	154,337
0	0	53,076	2,989,187
<u>36,963</u>	<u>41,186</u>	<u>381,388</u>	<u>4,617,454</u>
<u>0</u>	<u>155,213</u>	<u>0</u>	<u>588,115</u>
0	263	0	204,834
294,720	0	1,704,944	4,636,007
754,048	0	892,680	1,646,728
2,389,570	383,550	4,436,499	7,356,950
0	0	(953)	10,274,173
<u>3,438,338</u>	<u>383,813</u>	<u>7,033,170</u>	<u>24,118,692</u>
<u>\$ 3,475,301</u>	<u>\$ 580,212</u>	<u>\$ 7,414,558</u>	<u>\$ 29,324,261</u>

The accompanying notes are an integral part of the financial statements.

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

<b>Fund Balances - Total Governmental Funds</b>	\$	24,118,692
 <b>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		39,369,432
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(1,568,300)
Receivables that do not provide current financial resources are reported as unearned revenue in the governmental funds.		588,115
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.		<u>(405)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>62,507,534</u></b>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
**BRADFORD COUNTY, FLORIDA**

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
<b>Revenues</b>				
Taxes	\$ 7,424,009	\$ 0	\$ 0	\$ 654,212
Licenses and Permits	112,879	0	0	0
Intergovernmental	3,163,459	74,508	172,634	1,669,785
Charges for Services	796,561	0	0	501,159
Fines and Forfeitures	108,200	0	0	0
Miscellaneous	182,762	1,964	22,984	5,839
<b>Total Revenues</b>	<u>11,787,870</u>	<u>76,472</u>	<u>195,618</u>	<u>2,830,995</u>
<b>Expenditures</b>				
Current:				
General Government	4,603,419	0	0	0
Public Safety	6,156,188	0	0	0
Physical Environment	184,269	0	0	0
Transportation	0	0	0	3,624,965
Economic Environment	60,673	138,207	0	0
Human Services	821,456	0	0	0
Culture and Recreation	94,201	0	766,961	0
Court-related	458,272	0	0	0
Debt Service:				
Principal Retirement	7,851	0	0	96,881
Interest	480	0	0	0
<b>(Total Expenditures)</b>	<u>(12,386,809)</u>	<u>(138,207)</u>	<u>(766,961)</u>	<u>(3,721,846)</u>
<b>(Deficiency) Excess of Revenues (Under)</b>				
<b>Over Expenditures</b>	<u>(598,939)</u>	<u>(61,735)</u>	<u>(571,343)</u>	<u>(890,851)</u>
<b>Other Financing</b>				
Transfers in	5,352,467	61,735	462,132	700,000
Transfers (out)	(6,569,012)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(1,216,545)</u>	<u>61,735</u>	<u>462,132</u>	<u>700,000</u>
<b>Net Change in Fund Balances</b>	(1,815,484)	0	(109,211)	(190,851)
<b>Fund Balances, Beginning of Year</b>	<u>12,322,791</u>	<u>0</u>	<u>256,542</u>	<u>2,799,584</u>
<b>Fund Balances, End of Year</b>	<u>\$ 10,507,307</u>	<u>\$ 0</u>	<u>\$ 147,331</u>	<u>\$ 2,608,733</u>

The accompanying notes are an integral part of the financial statements.

<b>Fines and Forfeitures</b>	<b>Emergency Medical Services</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,587,172	\$ 130,724	\$ 92,296	\$ 9,888,413
0	0	2,841	115,720
676,009	22,213	1,438,675	7,217,283
476,388	1,606,215	874,324	4,254,647
22,288	0	188,022	318,510
5,806	2,908	994,970	1,217,233
<u>2,767,663</u>	<u>1,762,060</u>	<u>3,591,128</u>	<u>23,011,806</u>
0	0	13,188	4,616,607
1,018,335	2,817,896	168,384	10,160,803
0	0	1,082,195	1,266,464
0	0	504,871	4,129,836
0	0	330,513	529,393
0	0	0	821,456
0	0	0	861,162
0	0	1,132,381	1,590,653
0	0	28,914	133,646
0	0	1,795	2,275
<u>(1,018,335)</u>	<u>(2,817,896)</u>	<u>(3,262,241)</u>	<u>(24,112,295)</u>
<u>1,749,328</u>	<u>(1,055,836)</u>	<u>328,887</u>	<u>(1,100,489)</u>
4,113,854	1,099,121	326,021	12,115,330
<u>(5,268,548)</u>	<u>(163,851)</u>	<u>(113,919)</u>	<u>(12,115,330)</u>
<u>(1,154,694)</u>	<u>935,270</u>	<u>212,102</u>	<u>0</u>
594,634	(120,566)	540,989	(1,100,489)
<u>2,843,704</u>	<u>504,379</u>	<u>6,492,181</u>	<u>25,219,181</u>
<u>\$ 3,438,338</u>	<u>\$ 383,813</u>	<u>\$ 7,033,170</u>	<u>\$ 24,118,692</u>

The accompanying notes are an integral part of the financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,100,489)

**Amounts Reported for Governmental Activities in the Statement  
of Activities are Different Because:**

Governmental funds report capital purchases as expenditures.

However, in the statement of activities, the costs of those assets is depreciated over their estimated useful lives and reported as depreciation expense:

Expenditures for Capital Assets	\$	1,680,015	
(Current Year Depreciation)		(3,002,015)	
Contributions of Capital Assets		682,391	
(Loss) on Disposal of Capital Assets		<u>(159,115)</u>	
			(798,724)

Certain revenues reported in the statement of activities are not considered current financial resources and, therefore, are not reported as revenue in the governmental funds. (165,626)

Repayment of long-term principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 133,646

Some expenses reported in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in Accrued Interest Payable		6,548	
Change in Estimated Landfill Postclosure Costs		80,398	
Change in Other Post Employment Benefits		(61,929)	
Change in Accrued Compensated Absences		<u>(63,909)</u>	
			<u>(38,892)</u>

**Change in Net Position of Governmental Activities** \$ (1,970,085)

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 6,564,291	\$ 6,564,291	\$ 7,424,009	\$ 859,718
Licenses and Permits	103,500	103,500	112,879	9,379
Intergovernmental	2,978,213	3,067,368	3,163,459	96,091
Charges for Services	833,922	833,922	796,561	(37,361)
Fines and Forfeitures	133,600	133,600	108,200	(25,400)
Miscellaneous	81,239	83,087	182,762	99,675
<b>Total Revenues</b>	<u>10,694,765</u>	<u>10,785,768</u>	<u>11,787,870</u>	<u>1,002,102</u>
<b>Expenditures</b>				
Current:				
General Government	6,674,082	6,837,318	4,603,419	2,233,899
Public Safety	5,698,424	6,289,341	6,156,188	133,153
Physical Environment	267,230	269,078	184,269	84,809
Economic Environment	85,405	85,405	60,673	24,732
Human Services	811,786	947,400	821,456	125,944
Culture and Recreation	73,139	119,208	94,201	25,007
Court-related	527,709	511,874	458,272	53,602
Reserve for Contingency	625,926	244,910	0	244,910
Debt Service:				
Principal Retirement	7,851	7,851	7,851	0
Interest Expense	480	480	480	0
<b>(Total Expenditures)</b>	<u>(14,772,032)</u>	<u>(15,312,865)</u>	<u>(12,386,809)</u>	<u>2,926,056</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(4,077,267)</u>	<u>(4,527,097)</u>	<u>(598,939)</u>	<u>3,928,158</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,644,806	7,089,636	5,352,467	(1,737,169)
Transfers (out)	(6,953,205)	(6,948,205)	(6,569,012)	379,193
<b>Total Other Financing Sources (Uses)</b>	<u>(308,399)</u>	<u>141,431</u>	<u>(1,216,545)</u>	<u>(1,357,976)</u>
<b>Net Change in Fund Balance</b>	(4,385,666)	(4,385,666)	(1,815,484)	2,570,182
<b>Fund Balance, Beginning of Year</b>	<u>4,385,666</u>	<u>4,385,666</u>	<u>12,322,791</u>	<u>7,937,125</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,507,307</u>	<u>\$ 10,507,307</u>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
S.H.I.P. FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 392,700	\$ 392,700	\$ 74,508	\$ (318,192)
Miscellaneous	1,000	1,000	1,964	964
<b>Total Revenues</b>	<u>393,700</u>	<u>393,700</u>	<u>76,472</u>	<u>(317,228)</u>
<b>Expenditures</b>				
Current:				
Economic Environment	482,317	482,317	138,207	344,110
<b>(Total Expenditures)</b>	<u>(482,317)</u>	<u>(482,317)</u>	<u>(138,207)</u>	<u>344,110</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(88,617)</u>	<u>(88,617)</u>	<u>(61,735)</u>	<u>26,882</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	61,735	61,735	61,735	0
<b>Total Other Financing Sources</b>	<u>61,735</u>	<u>61,735</u>	<u>61,735</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	(26,882)	(26,882)	0	26,882
<b>Fund Balance, Beginning of Year</b>	<u>26,882</u>	<u>26,882</u>	<u>0</u>	<u>(26,882)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
PUBLIC LIBRARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 331,882	\$ 331,882	\$ 172,634	\$ (159,248)
Miscellaneous	9,275	9,275	22,984	13,709
<b>Total Revenues</b>	<u>341,157</u>	<u>341,157</u>	<u>195,618</u>	<u>(145,539)</u>
<b>Expenditures</b>				
Current:				
Culture and Recreation	1,986,431	1,986,431	766,961	1,219,470
<b>(Total Expenditures)</b>	<u>(1,986,431)</u>	<u>(1,986,431)</u>	<u>(766,961)</u>	<u>1,219,470</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,645,274)</u>	<u>(1,645,274)</u>	<u>(571,343)</u>	<u>1,073,931</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	462,132	462,132	462,132	0
<b>Net Change in Fund Balance</b>	(1,183,142)	(1,183,142)	(109,211)	1,073,931
<b>Fund Balance, Beginning of Year</b>	<u>1,183,142</u>	<u>1,183,142</u>	<u>256,542</u>	<u>(926,600)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 147,331</u>	<u>\$ 147,331</u>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
TRANSPORTATION TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ 436,289	\$ 436,289	\$ 654,212	\$ 217,923
Intergovernmental	2,344,436	2,391,431	1,669,785	(721,646)
Charges for Services	528,550	528,550	501,159	(27,391)
Miscellaneous	1,300	1,300	5,839	4,539
<b>Total Revenues</b>	<u>3,310,575</u>	<u>3,357,570</u>	<u>2,830,995</u>	<u>(526,575)</u>
<b>Expenditures</b>				
Current:				
Transportation	4,531,165	4,525,810	3,624,965	900,845
Debt Service:				
Principal Retirement	0	49,250	96,881	(47,631)
Interest	2,000	5,100	0	5,100
<b>(Total Expenditures)</b>	<u>(4,533,165)</u>	<u>(4,580,160)</u>	<u>(3,721,846)</u>	<u>858,314</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(1,222,590)</u>	<u>(1,222,590)</u>	<u>(890,851)</u>	<u>331,739</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	700,000	700,000	700,000	0
<b>Total Other Financing Sources (Uses)</b>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	(522,590)	(522,590)	(190,851)	331,739
<b>Fund Balance, Beginning of Year</b>	<u>522,590</u>	<u>522,590</u>	<u>2,799,584</u>	<u>2,276,994</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,608,733</u>	<u>\$ 2,608,733</u>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FINES AND FORFEITURES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,500,457	\$ 1,500,457	\$ 1,587,172	\$ 86,715
Intergovernmental	520,000	520,000	676,009	156,009
Charges for Services	121,800	121,800	476,388	354,588
Fines and Forfeitures	13,000	13,000	22,288	9,288
Miscellaneous	12,000	12,000	5,806	(6,194)
<b>Total Revenues</b>	<u>2,167,257</u>	<u>2,167,257</u>	<u>2,767,663</u>	<u>600,406</u>
<b>Expenditures</b>				
Current:				
Public Safety	2,352,386	2,332,911	1,018,335	1,314,576
<b>(Total Expenditures)</b>	<u>(2,352,386)</u>	<u>(2,332,911)</u>	<u>(1,018,335)</u>	<u>1,314,576</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(185,129)</u>	<u>(165,654)</u>	<u>1,749,328</u>	<u>1,914,982</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,113,854	4,113,854	4,113,854	0
Transfers (out)	(5,445,480)	(5,464,955)	(5,268,548)	196,407
<b>Total Other Financing (Uses)</b>	<u>(1,331,626)</u>	<u>(1,351,101)</u>	<u>(1,154,694)</u>	<u>196,407</u>
<b>Net Change in Fund Balance</b>	(1,516,755)	(1,516,755)	594,634	2,111,389
<b>Fund Balance, Beginning of Year</b>	<u>1,516,755</u>	<u>1,516,755</u>	<u>2,843,704</u>	<u>1,326,949</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,438,338</u>	<u>\$ 3,438,338</u>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
EMERGENCY MEDICAL SERVICES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 132,982	\$ 132,982	\$ 130,724	\$ (2,258)
Intergovernmental	0	0	22,213	22,213
Charges for Services	1,625,000	1,625,000	1,606,215	(18,785)
Miscellaneous	0	0	2,908	2,908
<b>Total Revenues</b>	<u>1,757,982</u>	<u>1,757,982</u>	<u>1,762,060</u>	<u>4,078</u>
<b>Expenditures</b>				
Current:				
Public Safety	2,857,103	2,857,103	2,817,896	39,207
<b>(Total Expenditures)</b>	<u>(2,857,103)</u>	<u>(2,857,103)</u>	<u>(2,817,896)</u>	<u>39,207</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(1,099,121)</u>	<u>(1,099,121)</u>	<u>(1,055,836)</u>	<u>43,285</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,099,121	1,099,121	1,099,121	0
Transfers (out)	(163,853)	(163,853)	(163,851)	2
<b>Total Other Financing (Uses)</b>	<u>935,268</u>	<u>935,268</u>	<u>935,270</u>	<u>2</u>
<b>Net Change in Fund Balance</b>	(163,853)	(163,853)	(120,566)	43,287
<b>Fund Balance, Beginning of Year</b>	<u>163,853</u>	<u>163,853</u>	<u>504,379</u>	<u>340,526</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 383,813</u>	<u>\$ 383,813</u>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2014**  
**BRADFORD COUNTY, FLORIDA**

	<u>Agency Funds</u>
<b>Assets</b>	
Cash Deposits	\$ 1,101,764
Due from Individuals	<u>448</u>
<b>Total Assets</b>	<u><u>1,102,212</u></u>
<b>Liabilities</b>	
Accounts Payable	16,906
Due to Others	96,979
Due to Other Funds	32,460
Due to Other Governments	373,578
Deposits	<u>582,289</u>
<b>Total Liabilities</b>	<u><u>\$ 1,102,212</u></u>

The accompanying notes are an integral part of the financial statement.

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY, FLORIDA**

**Note 1 - Reporting Entity**

Bradford County, Florida, (the County) is a political subdivision of the State of Florida, and provides services to its residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, culture, and recreation. It is governed by a five-member elected Board of County Commissioners (the Board), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections. The Constitutional Officers, with the exception of the Supervisor of Elections, maintain separate accounting records and budgets. The County was established by the Constitution of the State of Florida, Article VIII, Section 1.

The Board and the offices of the Constitutional Officers (Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections) comprise the primary government of the County and are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. The Sheriff and Supervisor of Elections are budget officers fully funded by the Board. The Clerk funds his operations as a budget officer and a fee officer pursuant to Florida Statutes, Chapters 28, 218 and 129, respectively. As a Budget Officer, the operations of the Clerk are approved and funded by the Board. As a Fee Officer, from July 1, 2009 through June 30, 2013, the court-related operations of the Clerk were funded from the State of Florida general appropriations, pursuant to Chapter 2009-204, Laws of Florida. Beginning July 1, 2013, the Clerk's court-related operations were funded from fines, fees, court costs, and payments from the Clerk's Trust Fund, if applicable, under Chapter 2013-44, Laws of Florida. The operations of the Property Appraiser are funded by the Board, the St. Johns River Water Management District, and the Suwannee River Water Management District. The Tax Collector operates as a fee officer, whereby fees, commissions, and charges for services are retained to pay operating expenses.

The accompanying financial statements present the financial position and results of operations of the applicable fund types of the County.

Generally accepted accounting principles require that these financial statements include all entities for which the County is considered to be financially accountable (component units).

The Bradford County Health Facilities Authority (the Authority) is an entity (Part III, Chapter 154, Florida Statutes) established to assist health facilities within the County. For the 2013-2014 fiscal year, the Authority had no financial activity. The Authority is the County's only component unit and is not included because it had no financial transactions.

In addition, the County has entered into an interlocal agreement with Baker County and Union County, Florida to participate in the New River Public Library Cooperative (the Cooperative), an independent special district, the Cooperative Board of which is composed of two members from each participating county. Because there is no ongoing financial interest or responsibility by participating governments, the Cooperative is considered to be a jointly governed organization.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 1 - Reporting Entity (Concluded)**

**Joint Venture**

The governments of Baker, Bradford, and Union Counties established the New River Solid Waste Association (NRSWA) through an interlocal agreement executed on July 5, 1988. The NRSWA was established to provide the most effective, efficient, and economic means of disposing of the solid waste generated within the Tri-County region, as well as to provide associated services related to solid waste management.

The NRSWA has all the powers and authorities enumerated in Florida Statute, Chapter 163.01, *Florida Interlocal Cooperation Act of 1969*, plus additional powers as described in the interlocal agreement, including the ability to acquire real or personal property, the ability to sue and be sued, and the ability to incur debts, borrow money, and issue evidences of indebtedness. The County has an ongoing financial responsibility for the continued existence of the NRSWA.

The NRSWA is governed by a six-member Board of Directors consisting of two county commissioners from each of the participating counties. The Board of Directors has control over the budgeting and financing of the NRSWA.

During fiscal year 2013-2014, NRSWA collected and remitted \$193,475 to the County in solid waste assessments, and the County paid \$340,657 to NRSWA in tipping fees.

During fiscal year 2013-2014, NRSWA distributed \$330,000 to the County in revenue sharing monies.

The NRSWA's condensed financial information, as of and for the year ended September 30, 2014, (the latest audit report), is hereafter presented:

Total Assets	\$ 47,123,651
Total Liabilities	16,943,553
Total Net Assets	30,180,098
Total Operating Revenues	7,530,372
Total Operating Expenses	6,698,305
Nonoperating Revenues/(Expenses)	(832,552)
Change in Net Assets	(485)

Complete financial statements for the NRSWA may be obtained from its principal office, two and one-half miles north of Raiford, Florida, on State Road 121, or at P.O. Box 647, Raiford, Florida 32083.

**Note 2 - Summary of Significant Accounting Policies**

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**Government-wide and Fund Financial Statements**

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

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Government-wide and Fund Financial Statements (Continued)**

Government-wide financial statements (the statement of net position and the statement of changes in net position) report information on the reporting government as a whole, except for its fiduciary activities. The effect of interfund activity has been eliminated from these statements.

The statement of activities shows the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly related to a specific function or segment. *Program revenues* include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and b) grants and contributions that are restricted to meeting specific requirements of a particular function or segment. Taxes imposed by the County and other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

■ **Fund Financial Statements**

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

Fund financial statements for the government's governmental and fiduciary funds are presented after the government-wide financial statements. These statements show information about major funds individually and nonmajor funds in the aggregate for governmental funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

Governmental Accounting Standards Board (GASB) Statement No. 34 set forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of total governmental funds) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

■ **Governmental Major Funds**

- *General Fund*—The General Fund is the operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- *State Housing Initiatives Partnership (S.H.I.P.) Fund*—The S.H.I.P. Fund is used to account for state grant funds to be used for housing assistance.
- *Public Library Fund*—The Public Library Fund is used to account for grants and local funds to be used to support the County Library system.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Government-wide and Fund Financial Statements (Concluded)**

■ **Governmental Major Funds (Concluded)**

- *Transportation Trust Fund*—The Transportation Trust Fund is used to account for costs of road maintenance and the paving of new roads. Primarily funded by gas taxes.
- *Fines and Forfeitures Fund*—The Fines and Forfeitures Fund is used to account for the Board of County Commissioners transfers to the Sheriff, including costs of the jail, and the cost of the County court system. Primarily funded by property taxes, various fines and fees, and transfers from the General Fund.
- *Emergency Medical Service Fund*—The Emergency Medical Service Fund is used to account for grants and charges received for providing emergency transport and medical services within the County.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

■ **Government-wide Financial Statements**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary 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 No. 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 expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of related liability, rather than as an expenditure.

The effect of interfund activity has been eliminated from the government-wide financial statements.

■ **Governmental Fund Financial Statements**

Governmental fund financial statements are reported using *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 sixty days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. 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.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
*(Continued)*

■ **Governmental Fund Financial Statements (Concluded)**

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 (revenues 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.

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 funds 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 other financing source rather than as a fund liability. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

■ **Assets**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Certain funds of the County are classified as restricted assets on the statement of net position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributions, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

■ **Inventories**

Inventories shown in the Transportation Trust Fund consists predominately of fuel and road materials and are valued at cost. On the governmental fund balance sheet, the inventory balance is offset by a nonspendable fund balance classification, which indicates this balance does not constitute "available spendable resources" even though it is a component of net current assets. The costs of governmental fund type inventories are recorded as an expenditure when consumed; therefore, the inventory is not available for appropriation.

■ **Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads and bridges), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by Florida Statute, Chapter 274.02 to include items of a nonconsumable nature with a value of at least \$1,000 and a life of one year or more. Donated capital assets are recorded at estimated fair market value at the time 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.

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY, FLORIDA  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Concluded)**

■ **Capital Assets (Concluded)**

The capital assets used in the operations of the Board of County Commissioners, Property Appraiser, Tax Collector, Clerk of the Circuit and County Courts, and Supervisor of Elections are accounted for by the Board of County Commissioners, as the Board holds legal title and is accountable for them under Florida law. The Sheriff, under Florida law, is accountable for and thus maintains capital asset records pertaining to vehicles and equipment used in his operations.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-50
Equipment	5-15
Bridges	50
Roads	30

**Budgets and Budgetary Accounting**

The County follows the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements.

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for governmental funds in accordance with procedures and time intervals prescribed by law.
- Budgets are prepared for governmental funds on a basis consistent with generally accepted accounting principles and are based upon the final amended amounts.
- Appropriations lapse at year-end to the extent that they have not been expended. Budget appropriations may not be legally exceeded on a total fund basis.
- Budget amendments require the approval of the Board.

**Cash**

Cash consists of checking and savings accounts, certificates of deposit, and petty cash.

**Receivables**

Receivables are shown at their net realizable value and reduced by an allowance for uncollectible accounts of \$1,668,639.

**Due from (to) Other Funds**

During the course of operations, numerous transactions occur between funds for goods provided or services rendered. These include transactions between the Board of County Commissioners and the Constitutional Officers for goods provided, services rendered, or other budget transactions. These receivables and payables are classified as “Due from Other Funds” or “Due to Other Funds” on the governmental fund balance sheet. These transactions are eliminated on the government-wide financial statements.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies *(Continued)***

**Deferred Inflows/Outflows of Resources**

Deferred inflows of resources reported on applicable governmental fund types represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. The deferred inflows will be recognized as revenue in the fiscal year they are earned or become available. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

**Property Taxes**

Under the laws of the State of Florida, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The tax levy rate for general operations of the County for the year ended September 30, 2014, was 9.1769 mills.

The tax levy of the County is established by the Board of County Commissioners prior to October 1 of each year and the County Property Appraiser incorporates the Board millages into the total tax levy, which includes the various municipalities, the County School Board, and other taxing authorities.

All property is assessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1 following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the tax certificate holder after a period of two years. Unsold tax certificates are held by the County.

The County does not accrue its portion of the County held tax certificates because such amounts are not measurable and available as of the balance sheet date.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

It is the County's policy to grant employees personal leave time.

Permanent full-time employees of the County are entitled to accrue personal leave time. Upon retirement or resignation in good standing, employees shall be paid up to a maximum number of hours based upon the employee's years of service at the employee's current rate of pay.

Upon retirement, or resignation in good standing, Sheriff's employees are paid based upon years of service; in addition, Sheriff's employees that have compensatory leave time for approved holidays are to be paid for this leave time upon retirement or resignation at the employee's current rate of pay. Compensated absences are generally liquidated by the general fund, transportation fund and sheriff operations fund.

The County reports compensated absences on the government-wide financial statement as a noncurrent liability.

**Fund Balance**

Fund balance is reported in five components - nonspendable, restricted, committed, assigned, and unassigned.

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because: a) they are not expected to be converted to cash; or b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the organization's governing authority (the Board). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned**—This classification is used for: a) negative unrestricted fund balances in any governmental fund; or b) fund balances within the general fund that are not restricted, committed or assigned.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Fund Balance (Concluded)**

- **Flow Assumption**—When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the Board’s policy to use committed resources first, then assigned, and then unassigned as needed.

**Adoption of New Accounting Standards**

- The County implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement provides more guidance for the items listed in GASB Statement No. 63, and adds additional changes. It requires that statements avoid the use of the word “deferred” except as it relates to items that are deferred outflows or are deferred inflows. It addresses the calculation of a deferred outflow or inflow for the refunding of debt. For non-exchange transactions, like grants, amounts received before the time period of eligibility are treated as deferred inflows. This Statement also addresses taxes received prior to the period to which they relate. GASB Statement No. 65 also requires debt issuance costs to be expensed in the period that the debt was issued. In the past, subsequent to the implementation of GASB Statement No. 34, these costs were amortized over the life of the issue. The effects of this change are required to be disclosed on the statements in the period it is implemented. Losses on debt refundings are not expenses, but rather, treated as deferred outflows. For operating leases, any initial direct costs are recognized in the period incurred, instead of being amortized over the life of the lease. When an asset is recorded in governmental fund statements, but the revenue is not available until a future period, a deferred inflow is reported until the revenue becomes available.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – amendment of GASB Statement No. 27*, effective for the County’s fiscal year ending September 30, 2015, which establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses/expenditures for pensions. This statement requires recognition of the liability of employers to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employee’s past periods of service (total pension liability), less the amount of the pension plan’s fiduciary net pension.

As described in Note 9, the County participates in the Florida Retirement System (FRS), a cost-sharing, multi-employer defined benefit public retirement plan. Upon implementation of GASB Statement No. 68, the County will be required to recognize a liability for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan, and related pension expense/expenditure and deferred outflows and inflows of resources. The effect of the application of GASB Statement No. 68 has not yet been determined.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies (Concluded)**

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the County as part of its budgetary accounting controls. Encumbrance appropriations lapse at year-end.

**Landfill Postclosure Costs**

The County has obtained engineering estimates of the costs to monitor the County's sanitary landfill site in accordance with state and federal guidelines. U.S. Environmental Protection Agency regulations and related GASB Statement No. 18, require that all local government solid waste landfill owners account for postclosure costs. A long-term liability of accrued landfill postclosure costs at September 30, 2014, has been reported as a noncurrent liability in the statement of net position.

**Note 3 - Cash and Investments**

**Deposits with Financial Institutions**

The County maintains various checking and money market accounts which are held in banks that qualify as public depositories pursuant to Chapter 280, Florida Statutes. In addition, the County held two certificates of deposit in banks that qualify as public depositories at September 30, 2014.

Under Chapter 280, Florida Statutes, every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral for the depository. The State Treasurer, by rule, shall establish minimum required collateral pledging levels and shall notify each qualified public depository of its required pledging level. Each qualified public depository shall calculate the amount of its required collateral based upon certain formulas. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

The County's net carrying amount of cash deposits was \$16,630,264 and the bank balances were \$15,501,351 at September 30, 2014.

**Investments**

The County's investment practices are governed by Section 218.415, Florida Statutes. Authorized investments include the Local Government Surplus Funds Trust Fund (the State Pool) or similar intergovernmental investment pools, money market funds registered with obligations of the United States Treasury, federal agencies and instrumentalities, securities of, or interests in, any open-end or closed-end management-type investment company or investment trust, or other investments authorized by Florida Statutes.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 3 - Cash and Investments (Concluded)**

**Investments (Concluded)**

As of September 30, 2014, the County had the following in investments:

	<b>Fair Value Amount</b>
Certificates of Deposit	\$ 395,999
Florida Local Government Investment Trust	10,318,821
<b>Total Investments</b>	<b>\$ 10,714,820</b>

Reported in accompanying financial statements as follows:

Investments	\$ 10,318,821
Restricted Investments – Landfill Postclosure	395,999
<b>Total</b>	<b>\$ 10,714,820</b>

The County's investments in certificates of deposit have maturities greater than three months. The Florida Local Government Investment Trust (the Trust) is a joint venture between the Florida Association of Counties and the Florida Association of Court Clerks. The Trust is a local government investment pool established through s.163.01 Florida Statutes (*Florida Interlocal Cooperation Act*) and is a statutory investment under s.218.415(15) Florida Statutes. The Trust reports all share information at Net Asset Value (NAV) and reflects its share value at fair value in accordance with GASB Statement No. 31. At September 30, 2014, the Trust was invested in corporate bonds, government related securities, asset-backed securities, agency discount notes, and treasury notes. This investment type is subject to some market risk due to fluctuating prices and liquidity risk due to advance redemption notification requirements. However, it has a professional investment advisor and an investment advisory board. The Trust is rated AAA by Standard & Poor's at September 30, 2014. The Trust is not insured against loss. As of September 30, 2014, the County had \$10,318,821 invested with the Trust.

**Interest Rate Risk**

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk**

The County does not have a policy that limits the amount that maybe invested in any type of investment.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of bank failure, or the failure of the counterparty, the government's deposits may not be returned to it, or the government may not be able to recover the value of its investments that are in the possession of an outside party. The County does not have a written investment policy that limits the exposure to custodial credit risk for investments.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 4 - Restricted Assets**

Restricted assets of \$402,844 in the statement of net position represent monies held in a separate account in accordance with the requirements of the Florida Department of Environmental Protection to fund future postclosure costs of the County's landfills.

**Note 5 - Capital Assets**

Capital asset activity for the year ended September 30, 2014, including the Sheriff, is as follows:

	<u>Balance</u> <u>10/1/13</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/14</u>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,293,889	\$ 0	\$ 0	\$ 1,293,889
Land Right-of-Way	6,515,924	0	0	6,515,924
Construction in Progress:				
Infrastructure	<u>265,609</u>	<u>1,756,379</u>	<u>(947,999)</u>	<u>1,073,989</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>8,075,422</u>	<u>1,756,379</u>	<u>(947,999)</u>	<u>8,883,802</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	17,566,476	23,740	0	17,590,216
Machinery and Equipment	13,848,841	582,286	(969,775)	13,461,352
Infrastructure	<u>40,842,648</u>	<u>947,999</u>	<u>0</u>	<u>41,790,647</u>
<b>Total Capital Assets Being Depreciated</b>	<u>72,257,965</u>	<u>1,554,025</u>	<u>(969,775)</u>	<u>72,842,215</u>
<b>Total Before Depreciation</b>	<u>80,333,387</u>	<u>3,310,404</u>	<u>(1,917,774)</u>	<u>81,726,017</u>
<b>Less Accumulated Depreciation</b>				
Buildings	(4,857,058)	(393,772)	0	(5,250,830)
Machinery and Equipment	(8,680,534)	(1,298,614)	810,660	(9,168,488)
Infrastructure	<u>(26,627,638)</u>	<u>(1,309,629)</u>	<u>0</u>	<u>(27,937,267)</u>
<b>Total Accumulated Depreciation</b>	<u>(40,165,230)</u>	<u>(3,002,015)</u>	<u>810,660</u>	<u>(42,356,585)</u>
<b>Total Being Depreciated, Net</b>	<u>32,092,735</u>	<u>(1,447,990)</u>	<u>(159,115)</u>	<u>30,485,630</u>
<b>Fixed Assets, Cost Less Depreciation</b>	<u>\$ 40,168,157</u>	<u>\$ 308,389</u>	<u>\$ (1,107,114)</u>	<u>\$ 39,369,432</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 526,444
Public Safety	901,138
Physical Environment	80,677
Transportation	1,415,438
Economic Environment	420
Human Services	38,727
Culture and Recreation	<u>39,171</u>
<b>Total Depreciation Expense</b>	<u>\$ 3,002,015</u>

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 6 - General Long-term Debt**

The following is a summary of the changes in general long-term debt for the year ended September 30, 2014:

	<u>Balance</u> <u>10/1/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/14</u>	<u>Due Within</u> <u>One Year</u>
<b>Long-term Debt Payable</b>					
Notes Payable	\$ 224,336	\$ 0	\$ (104,730)	\$ 119,606	\$ 8,007
Installment Obligations	169,426	0	(28,916)	140,510	29,084
Compensated Absences	669,249	63,909	0	733,158	0
Landfill Postclosure Costs	248,653	0	(80,398)	168,255	84,128
Other Postemployment Benefits	344,842	61,929	0	406,771	0
<b>Total Long-term Debt Payable</b>	<u>\$ 1,656,506</u>	<u>\$ 125,838</u>	<u>\$ (214,044)</u>	<u>\$ 1,568,300</u>	<u>\$ 121,219</u>

General long-term debt at September 30, 2014, is comprised of the following:

Installment Purchase of Land and Building, Due in 180 Monthly Payments of \$2,767, Includes Interest at 4.10%	\$ 140,510
Estimated Landfill Postclosure Costs for County Landfill Site	168,255
Accumulated Compensated Absences Payable	733,158
Other Postemployment Benefits	406,771
Notes Payable—Voting Equipment, Due in 5 Yearly Payments of \$8,330, Includes Interest at 2.00%	16,173
Notes Payable—Truck Mounted Excavator, Due in 5 Yearly Payments of \$54,310.71, Includes Interest at 3.32%	103,433
<b>Total</b>	<u>\$ 1,568,300</u>

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2014:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2015	\$ 121,219	\$ 1,798	\$ 123,017
2016	172,588	4,740	177,328
2017	82,329	2,542	84,871
2018	30,114	445	30,559
2019	22,121	104	22,225
Compensated Absences	733,158	0	733,158
Other Postemployment Benefits	406,771	0	406,771
<b>Totals</b>	<u>\$ 1,568,300</u>	<u>\$ 9,629</u>	<u>\$ 1,577,929</u>

Interest expense during 2014 on general long-term debt totaled \$14,013, none of which was capitalized.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 7 - Grants**

The County participates in a number of federal and state grant programs, principal of which are the following:

- State Aid to Libraries
- County Incentive Grant Program
- Department of Justice Grants
- State Housing Initiative Partnership (S.H.I.P.) Grants
- Community Development Block Grant

These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for, or including the year ended September 30, 2014, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

**Note 8 - Interfund Balances and Transfers**

Interfund balances at September 30, 2014, were as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
<b>Major Funds</b>	<b>Major Funds</b>	
Fines and Forfeitures	General Fund	\$ 341,366
<b>Major Funds</b>	<b>Other Governmental Funds</b>	
General Fund	Clerk – Fines and Forfeiture	1,137
	Sheriff – Inmate Welfare	8,879
	Sheriff – E-911	105,040
	CDBG	77,286
	<b>Agency Funds</b>	
General Fund	Tax Collector – Taxes	635
	Clerk – Special Fine and Forfeiture	9,137
	Clerk – Alimony and Support	2,000
Fines and Forfeitures	Clerk – Special Fine and Forfeiture	890
	Sheriff – Individual Depositor	8,440
<b>Other Governmental Funds</b>	<b>Agency Funds</b>	
Eighth Judicial Court	Clerk – Trust	700
	Clerk – Special Fine and Forfeiture	10,658
<b>Total</b>		<b>\$ 566,168</b>

Sheriff Operations, Clerk of the Circuit Court Operations, Property Appraiser Operations, and Tax Collector Operations payables represent those Constitutional Officers' budget excess to be returned to the Board. Agency Fund payables are normal fees and fines collected by the Agency Funds and paid to Board funds each month.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 8 - Interfund Balances and Transfers (Concluded)**

<b>Fund Receiving Transfer</b>	<b>Amount</b>	<b>Fund Sending Transfer</b>
<b>Major Funds</b>		<b>Other Governmental Funds</b>
General Fund	\$ 105,040	Sheriff E-911 Fund
General Fund	8,879	Sheriff Inmate Welfare Fund
 <b>Major Funds</b>		 <b>Major Funds</b>
Transportation Trust	700,000	General Fund
S.H.I.P.	61,735	General Fund
Fines and Forfeitures	4,113,854	General Fund
Emergency Medical Services	1,099,121	General Fund
Public Library	462,132	General Fund
General Fund	5,238,548	Fines and Forfeitures
 <b>Other Governmental Funds</b>		 <b>Major Funds</b>
Eighth Judicial Circuit	102,713	General Fund
Mosquito Fund	29,457	General Fund
Sheriff Education and Public Service	30,000	Fines and Forfeitures
Sheriff E 911	163,851	Emergency Medical Services
<b>Total</b>	<b>\$ 12,115,330</b>	

Transfers are used to fund general operations of the Board of County Commissioners and Constitutional Officers.

**Note 9 - Defined Benefit Pension Plan**

**Plan Description**

Membership in the Florida Retirement System (FRS) is required for all full-time and part-time employees in regularly established positions for state agencies, county governments, district school boards, state universities and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. The FRS Pension Plan is a cost-sharing, multiple employer, public retirement system, administered by the State of Florida Division of Retirement. The FRS also offers eligible employees participation in an alternative defined contribution plan (the Investment Plan).

Employees participating in the Pension Plan who retire at or after age 62 with six years of credited service or with 30 years of service regardless of age, are entitled to a retirement benefit, payable monthly for life. The monthly benefit payment received is based on years of creditable service, average final compensation and the percentage value received for each year of service. The percentage values are 1.6% for regular employees, 2% for senior management, and 3% for county elected officials. Final average compensation is the employee's average of the five highest years of salary earned during credited service. Vested employees who have not yet reached their normal retirement date, may elect to take early retirement and receive retirement

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Defined Benefit Pension Plan (Concluded)**

**Plan Description (Concluded)**

benefits that are reduced 5% for each year between their age at retirement and the normal retirement age of 62. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death and disability benefits (including in-line-of-duty disability). Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S-4, *Florida Administrative Code*.

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS trust fund (increased by a cost of living adjustment each July) and earn monthly interest equivalent to an annual rate of 6.50%. When the DROP period ends, the DROP account is paid out as a lump sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

**Funding Policy**

The Florida Legislature has established a uniform contribution rate system for the FRS covering both the Pension Plan and the Investment Plan. The current contribution rates by member class are as follows: regular employees 7.37%, special risk employees 19.82%, senior management 21.14%, DROP employees 12.28%, and elected officials 33.17%. As of July 1, 2011, employees are required to contribute 3% of their compensation to the Plan. The County's contributions to the Plan for the years ended September 30, 2014, 2013, and 2012, were \$1,230,458, \$833,776, and \$702,319, respectively, equal to the actuarially determined contribution requirements for each fiscal year.

**Note 10 - Other Postemployment Benefits (OPEB)**

**Plan Description**

The OPEB Plan is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the "implicit rate subsidy".

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The OPEB does not issue a stand-alone report and is not included in the report of the FRS or other entity.

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY, FLORIDA  
(Continued)**

**Note 10 - Other Postemployment Benefits (OPEB) (Continued)**

**Funding Policy**

For the OPEB Plan, contribution requirements of the County are established and may be amended through action from either the Board of County Commissioners or Constitutional Officers. Currently the County's OPEB Benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no separate Trust Fund or equivalent arrangement into which the County would make contributions to advance-fund the obligation, as it does for its pension plan, the FRS. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the County, which are invested in very short-term income instruments. The County selected an interest rate discount of 4.5% for this purpose.

**Annual OPEB Cost and Net OPEB Obligation**

The County's annual OPEB cost (expense) is calculated based on the annual contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability represents an actuarial measurement of the obligation that has accrued so far based on the promise that has been made to current retirees and current employees. Since the County's OPEB is currently unfunded, the offset to that expense comes from actual subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the employer contribution and equals the total age-adjusted costs paid by the County for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The following table shows the components of the County's net obligation to the OPEB Plan:

Normal Cost (Service Cost for One Year)	\$	53,020
Amortization of Unfunded Actuarial Accrued Liability (UAAL)		17,163
Adjustment for Timing		3,158
Annual Required Contribution (ARC)		73,341
Interest on Net OPEB Obligation		15,518
Adjustment to ARC		(14,698)
Annual OPEB Cost (Expense)		74,161
Employer Contributions Made		(12,232)
Increase in Net OPEB Obligation		61,929
<b>Net OPEB Obligation at Beginning of Year</b>		<b>344,842</b>
<b>Net OPEB Obligation at End of Year</b>	<b>\$</b>	<b>406,771</b>

The County's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB costs, and the net OPEB obligation for 2014, 2013, and 2012, were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions Toward the OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
09/30/2014	\$ 74,161	\$ 12,232	16%	\$ 406,771
09/30/2013	68,928	11,222	16%	344,842
09/30/2012	68,491	18,769	28%	287,136

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Continued)*

**Note 10 - Other Postemployment Benefits (OPEB) (Concluded)**

**Funding Status and Funding Progress**—As of October 1, 2013, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits was \$420,794 and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$420,794. The covered payroll (annual payroll of active employees covered by the Plan) was \$8,969,793, and the ratio of the UAAL to the covered payroll was 4.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, termination, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

In any long-term actuarial valuation, certain demographic, economic, and behavioral assumptions are made concerning the population, the investment discount rates and the benefits provided. These actuarial assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided, and the contributions collected. Then the investment discount rate assumption is used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost. The actuarial assumptions also included a payroll growth rate of 3%, and an annual healthcare cost trend rate of 10% initially, reduced annually to an ultimate rate of 5% after 9 years. The remaining amortization period at September 30, 2014, was 25 years.

The results presented as of the actuarial valuation date have been derived using the Projected Unit Credit Method with linear proration to decrement. Under this method, benefits of each individual included in an actuarial valuation are allocated by a consistent formula to valuation years. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**Note 11 - Postclosure Care Cost**

Pursuant to Consent Order 89-0989 from the Florida Department of Environmental Protection (FDEP), dated November 16, 1990, as well as other state and federal laws and regulations, the Board was required to place a final cover on its State Road 100 closed landfill site. Total cost of the cover was \$1,401,491 (construction - \$1,254,599, and engineering - \$146,892) which was financed primarily from the 1993 Solid Waste Disposal Special Assessment Revenue Note.

State and federal laws and regulations also require the County to perform certain maintenance and monitoring functions at the site for the next three years. Although these postclosure care costs will be paid at future dates, the County has recorded a liability at September 30, 2014, for the entire estimated cost of these activities (in 2014 dollars).

Total current cost of remaining postclosure care at the State Road 100 landfill site is estimated to be \$84,128 annually, or \$168,255 total. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Furthermore, after five years, the County can petition FDEP for a reduction in the monitoring activities, which could reduce the future annual cost.

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY, FLORIDA  
(Continued)**

**Note 11 - Postclosure Care Cost (Concluded)**

At September 30, 2014, \$402,844 was held in separate cash accounts to fund estimated postclosure care costs. The County intends to fund these costs annually through its solid waste special assessment.

The County's solid waste is currently disposed of at the NRSWA facility (see Note 1 - Joint Venture). The NRSWA collects postclosure costs through its tipping fees.

**Note 12 - Other Disclosures**

**Deficit Fund Balance**

The nonmajor special revenue Community Development Block Grant (CDBG) Housing Rehab fund had a deficit fund balance of \$953 at September 30, 2014.

**Financial Reporting of One-Cent Sales Tax Fund**

For financial reporting purposes, the financial activity of the One-Cent Sales Tax Fund reported as a separate major fund in previous years has been reported in the County's General Fund for fiscal year 2014.

**Fund Balance Classifications**

The following is a summary of the County's fund balance classifications and the purpose of each as of September 30, 2014:

**Nonspendable Fund Balance**

Prepaid Expenses	\$ 137,494
Inventories	67,340

<b>Total Nonspendable Fund Balance</b>	<b>\$ 204,834</b>
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**Restricted Fund Balance**

Transportation	\$ 2,541,393
Doris Slosberg	9,384
IGCF	85,566
Sheriff Forfeitures	182,845
Law Enforcement Education	32,175
Crime Prevention Programs	79,700
Tourist Development	153,455
Mosquito Control	63,453
Public Records Modernization	413,390
Inmate Welfare	360,607
E-911	311,195
Landfill	402,844

<b>Total Restricted Fund Balance</b>	<b>\$ 4,636,007</b>
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**Committed Fund Balance**

Inmate Fees Set-aside	\$ 754,048
Solid Waste	892,680

<b>Total Committed Fund Balance</b>	<b>\$ 1,646,728</b>
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**Assigned Fund Balance**

Public Library	\$ 147,331
Public Safety	2,773,120
Court Operations	1,060,813
Education and Public Service	102,559
Capital Projects	3,273,127

<b>Total Assigned Fund Balance</b>	<b>\$ 7,356,950</b>
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**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY, FLORIDA**  
*(Concluded)*

**Note 13 - Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others. The County uses commercial insurance to cover the following types of risk:

- |                               |   |
|-------------------------------|---|
| ■ Workers' Compensation       | ■ General Liability                     |
| ■ Automobile Liability        | ■ Crime Coverage                        |
| ■ Public Officials' Liability | ■ Law Enforcement Officers              |
| ■ Personal Property Damage    | ■ Emergency Medical Service Technicians |

Workers' compensation coverage was obtained under a retrospectively rated insurance policy. Premiums are accrued based on the ultimate cost-to-date of the County's experience for this type of risk. Settlements have not exceeded insurance coverage for each of the past three years.

**Note 14 - Contingencies**

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the County.

**Note 15 - Other Disclosures**

Beginning Net Position in the Statement of Activities was decreased by \$2,432,194 as a result of implementing GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Net Position as of September 30, 2013	\$ 66,909,813
Decrease	<u>(2,432,194)</u>
<b>Total Net Position as of September 30, 2013, as Restated</b>	<b><u>\$ 64,477,619</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

<b>Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as Percentage of Covered Payroll</b>
10/1/2010	\$ 0	\$ 372,073	\$ 372,073	0.0%	\$ 7,986,673	4.7%
10/1/2011	\$ 0	\$ 419,055	\$ 419,055	0.0%	\$ 8,226,273	5.1%
10/1/2012	\$ 0	\$ 363,156	\$ 363,156	0.0%	\$ 8,395,280	4.3%
10/1/2013	\$ 0	\$ 420,794	\$ 420,794	0.0%	\$ 8,969,793	4.7%

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the system's funded status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

**COMBINING FUND STATEMENTS**

**COMBINING BALANCE SHEET  
GENERAL FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<b>BOCC General</b>	<b>One Cent Sales Tax</b>	<b>Clerk Operating</b>	<b>Sheriff Operating</b>	<b>Property Appraiser Operating</b>	<b>Tax Collector Operating</b>	<b>Supervisor of Elections Operating</b>	<b>Interfund Eliminations</b>	<b>Total General Funds</b>
<b>Assets</b>									
Cash Deposits	\$ 2,355,360	\$ 577,933	\$ 47,228	\$ 385,311	\$ 25,004	\$ 63,971	\$ 9,991	\$ 0	\$ 3,464,798
Investments	3,272,797	3,693,575	0	0	0	0	0	0	6,966,372
Accounts Receivable	58,544	0	177	39,900	0	299	0	0	98,920
Due from Other Funds	194,552	0	2,000	113,919	0	0	0	(106,357)	204,114
Due from Other Governments	325,885	349,763	0	23,727	0	0	0	0	699,375
Prepaid Expenses	137,231	0	0	0	0	0	0	0	137,231
<b>Total Assets</b>	<b>6,344,369</b>	<b>4,621,271</b>	<b>49,405</b>	<b>562,857</b>	<b>25,004</b>	<b>64,270</b>	<b>9,991</b>	<b>(106,357)</b>	<b>11,570,810</b>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities</b>									
Accounts Payable	356,258	0	458	221,491	0	0	2,100	0	580,307
Due to Other Funds	0	0	17,569	341,366	24,522	64,266	0	(106,357)	341,366
Due to Other Governments	90,606	0	0	0	482	4	0	0	91,092
Unearned Revenue	0	0	0	0	0	0	7,891	0	7,891
<b>Total Liabilities</b>	<b>446,864</b>	<b>0</b>	<b>18,027</b>	<b>562,857</b>	<b>25,004</b>	<b>64,270</b>	<b>9,991</b>	<b>(106,357)</b>	<b>1,020,656</b>
<b>Deferred Inflows of Resources</b>	<b>42,847</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,847</b>
<b>Fund Balances</b>									
Nonspendable	137,231	0	0	0	0	0	0	0	137,231
Restricted	94,950	0	0	0	0	0	0	0	94,950
Unassigned	5,622,477	4,621,271	31,378	0	0	0	0	0	10,275,126
<b>Total Fund Balances</b>	<b>5,854,658</b>	<b>4,621,271</b>	<b>31,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,507,307</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,344,369</b>	<b>\$ 4,621,271</b>	<b>\$ 49,405</b>	<b>\$ 562,857</b>	<b>\$ 25,004</b>	<b>\$ 64,270</b>	<b>\$ 9,991</b>	<b>\$ (106,357)</b>	<b>\$ 11,570,810</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GENERAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<b>BOCC General</b>	<b>One Cent Sales Tax</b>	<b>Clerk Operating</b>	<b>Sheriff Operating</b>	<b>Property Appraiser Operating</b>	<b>Tax Collector Operating</b>	<b>Supervisor of Elections Operating</b>	<b>Interfund Eliminations</b>	<b>Total General Funds</b>
<b>Revenues</b>									
Taxes	\$ 5,525,834	\$ 1,898,175	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,424,009
Licenses and Permits	112,879	0	0	0	0	0	0	0	112,879
Intergovernmental	3,059,993	0	0	103,466	0	0	0	0	3,163,459
Charges for Services	13,008	0	86,112	71,500	12,899	608,519	4,523	0	796,561
Fines and Forfeitures	108,200	0	0	0	0	0	0	0	108,200
Miscellaneous	106,959	23,954	1,468	4,483	2,546	43,352	0	0	182,762
<b>Total Revenues</b>	<b>8,926,873</b>	<b>1,922,129</b>	<b>87,580</b>	<b>179,449</b>	<b>15,445</b>	<b>651,871</b>	<b>4,523</b>	<b>0</b>	<b>11,787,870</b>
<b>Expenditures</b>									
Current:									
General Government	2,512,128	0	474,169	0	600,340	651,865	364,917	0	4,603,419
Public Safety	770,157	0	0	5,386,031	0	0	0	0	6,156,188
Physical Environment	184,269	0	0	0	0	0	0	0	184,269
Economic Environment	60,673	0	0	0	0	0	0	0	60,673
Human Services	723,574	0	0	97,882	0	0	0	0	821,456
Court-related	59,164	0	240,847	158,261	0	0	0	0	458,272
Culture and Recreation	94,201	0	0	0	0	0	0	0	94,201
Debt Service:									
Principle	0	0	0	0	0	0	7,851	0	7,851
Interest	0	0	0	0	0	0	480	0	480
<b>(Total Expenditures)</b>	<b>(4,404,166)</b>	<b>0</b>	<b>(715,016)</b>	<b>(5,642,174)</b>	<b>(600,340)</b>	<b>(651,865)</b>	<b>(373,248)</b>	<b>0</b>	<b>(12,386,809)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>4,522,707</b>	<b>1,922,129</b>	<b>(627,436)</b>	<b>(5,462,725)</b>	<b>(584,895)</b>	<b>6</b>	<b>(368,725)</b>	<b>0</b>	<b>(598,939)</b>
<b>Other Financing</b>									
Transfers in	42,092	0	645,000	5,462,725	609,417	0	368,725	(1,775,492)	5,352,467
Transfers (out)	(6,924,580)	(1,377,832)	(17,564)	0	(24,522)	(6)	0	1,775,492	(6,569,012)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,882,488)</b>	<b>(1,377,832)</b>	<b>627,436</b>	<b>5,462,725</b>	<b>584,895</b>	<b>(6)</b>	<b>368,725</b>	<b>0</b>	<b>(1,216,545)</b>
<b>Net Change in Fund Balances</b>	<b>(2,359,781)</b>	<b>544,297</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,815,484)</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,214,439</b>	<b>4,076,974</b>	<b>31,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,322,791</b>
<b>Fund Balances, End of Year</b>	<b>\$ 5,854,658</b>	<b>\$ 4,621,271</b>	<b>\$ 31,378</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,507,307</b>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

**Board of County Commissioners  
Special Revenue Funds**

	<b>Tourist Development</b>	<b>Eighth Circuit Court</b>	<b>Mosquito Control</b>	<b>Solid Waste</b>
<b>Assets</b>				
Cash Deposits	\$ 146,366	\$ 525,581	\$ 63,773	\$ 826,457
Investments	0	0	0	0
Accounts Receivable	0	0	0	16,234
Due from Other Funds	0	11,358	0	0
Due from Other Governments	7,089	1,263	0	90,909
<b>Total Assets</b>	<b>153,455</b>	<b>538,202</b>	<b>63,773</b>	<b>933,600</b>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	0	14,384	320	40,920
Due to Other Funds	0	0	0	0
Due to Other Governments	0	0	0	0
Unearned Revenues	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>14,384</b>	<b>320</b>	<b>40,920</b>
<b>Fund Balance</b>				
Restricted	153,455	0	63,453	0
Committed	0	0	0	892,680
Assigned	0	523,818	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>153,455</b>	<b>523,818</b>	<b>63,453</b>	<b>892,680</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 153,455</b>	<b>\$ 538,202</b>	<b>\$ 63,773</b>	<b>\$ 933,600</b>

Board of County Commissioners Special Revenue Funds			Constitutional Officers Special Revenue Funds				
Criminal Justice	Traffic Fines	CDBG Housing Rehab	Clerk of the Circuit Court Fine and Forfeitures	Clerk of the Circuit Court Public Records	Sheriff Education and Public Service	Sheriff Inmate Welfare	Sheriff E-911 Fund
\$ 225,786	\$ 324,397	\$ 0	\$ 95,747	\$ 413,401	\$ 102,589	\$ 351,415	\$ 405,513
0	0	0	0	0	0	0	0
0	0	0	0	0	0	18,071	0
0	0	0	0	0	0	0	0
0	0	76,333	25,583	0	0	0	10,722
<u>225,786</u>	<u>324,397</u>	<u>76,333</u>	<u>121,330</u>	<u>413,401</u>	<u>102,589</u>	<u>369,486</u>	<u>416,235</u>
13,188	0	0	3,872	11	30	0	0
0	0	77,286	1,137	0	0	8,879	105,040
0	0	0	63,245	0	0	0	0
0	0	0	53,076	0	0	0	0
<u>13,188</u>	<u>0</u>	<u>77,286</u>	<u>121,330</u>	<u>11</u>	<u>30</u>	<u>8,879</u>	<u>105,040</u>
0	0	0	0	413,390	0	360,607	311,195
0	0	0	0	0	0	0	0
212,598	324,397	0	0	0	102,559	0	0
0	0	(953)	0	0	0	0	0
<u>212,598</u>	<u>324,397</u>	<u>(953)</u>	<u>0</u>	<u>413,390</u>	<u>102,559</u>	<u>360,607</u>	<u>311,195</u>
<u>\$ 225,786</u>	<u>\$ 324,397</u>	<u>\$ 76,333</u>	<u>\$ 121,330</u>	<u>\$ 413,401</u>	<u>\$ 102,589</u>	<u>\$ 369,486</u>	<u>\$ 416,235</u>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA  
(Concluded)**

	<b>Board of County Commissioners Capital Projects Funds</b>		
	<b>Landfill Closure Escrow</b>	<b>Fiscally Constrained</b>	<b>Totals</b>
<b>Assets</b>			
Cash Deposits	\$ 6,845	\$ 1,246,931	\$ 4,734,801
Investments	395,999	1,970,744	2,366,743
Accounts Receivable	0	0	34,305
Due from Other Funds	0	0	11,358
Due from Other Governments	0	55,452	267,351
<b>Total Assets</b>	<b>402,844</b>	<b>3,273,127</b>	<b>7,414,558</b>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	0	0	72,725
Due to Other Funds	0	0	192,342
Due to Other Governments	0	0	63,245
Unearned Revenues	0	0	53,076
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>381,388</b>
<b>Fund Balance</b>			
Restricted	402,844	0	1,704,944
Committed	0	0	892,680
Assigned	0	3,273,127	4,436,499
Unassigned	0	0	(953)
<b>Total Fund Balances</b>	<b>402,844</b>	<b>3,273,127</b>	<b>7,033,170</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 402,844</b>	<b>\$ 3,273,127</b>	<b>\$ 7,414,558</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

Board of County Commissioners Special Revenue Funds				
	Tourist Development	Eighth Circuit Court	Mosquito Control	Solid Waste
<b>Revenues</b>				
Taxes	\$ 92,296	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	2,841
Intergovernmental	0	0	29,456	90,909
Charges for Services	0	165,207	0	193,475
Fines and Forfeitures	0	0	0	0
Miscellaneous	140	0	25	709,574
<b>Total Revenues</b>	<u>92,436</u>	<u>165,207</u>	<u>29,481</u>	<u>996,799</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Public Safety	0	753	0	0
Physical Environment	0	0	45,705	1,036,490
Transportation	0	0	0	0
Economic Environment	43,954	0	0	0
Court-related	0	322,802	0	0
Debt Service:				
Principal Retirement	28,914	0	0	0
Interest	1,795	0	0	0
<b>(Total Expenditures)</b>	<u>(74,663)</u>	<u>(323,555)</u>	<u>(45,705)</u>	<u>(1,036,490)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>17,773</u>	<u>(158,348)</u>	<u>(16,224)</u>	<u>(39,691)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	0	102,713	29,457	0
Transfers (out)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>102,713</u>	<u>29,457</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	17,773	(55,635)	13,233	(39,691)
<b>Fund Balances, Beginning of Year</b>	<u>135,682</u>	<u>579,453</u>	<u>50,220</u>	<u>932,371</u>
<b>Fund Balances, End of Year</b>	<u>\$ 153,455</u>	<u>\$ 523,818</u>	<u>\$ 63,453</u>	<u>\$ 892,680</u>

Board of County Commissioners Special Revenue Funds			Constitutional Officers Special Revenue Funds				
Criminal Justice	Traffic Fines	CDBG Housing Rehab	Clerk of the Circuit Court Fines and Forfeitures	Clerk of the Circuit Court Public Records	Sheriff Education and Public Service	Sheriff Inmate Welfare	Sheriff E-911 Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0	0
0	0	286,559	195,539	0	0	0	207,918
0	0	0	482,921	32,721	0	0	0
0	0	0	101,685	86,337	0	0	0
0	111	0	8,675	0	82,254	179,450	0
0	111	286,559	788,820	119,058	82,254	179,450	207,918
13,188	0	0	0	0	0	0	0
0	0	0	0	0	81,211	7,593	78,827
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	286,559	0	0	0	0	0
0	0	0	788,820	20,759	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(13,188)	0	(286,559)	(788,820)	(20,759)	(81,211)	(7,593)	(78,827)
(13,188)	111	0	0	98,299	1,043	171,857	129,091
0	0	0	0	0	30,000	0	163,851
0	0	0	0	0	0	(8,879)	(105,040)
0	0	0	0	0	30,000	(8,879)	58,811
(13,188)	111	0	0	98,299	31,043	162,978	187,902
225,786	324,286	(953)	0	315,091	71,516	197,629	123,293
\$ 212,598	\$ 324,397	\$ (953)	\$ 0	\$ 413,390	\$ 102,559	\$ 360,607	\$ 311,195

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA  
(Concluded)**

<b>Board of County Commissioners</b>			
<b>Capital Projects Funds</b>			
	<b>Landfill Closure Escrow</b>	<b>Fiscally Constrained</b>	<b>Totals</b>
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 92,296
Licenses and Permits	0	0	2,841
Intergovernmental	0	628,294	1,438,675
Charges for Services	0	0	874,324
Fines and Forfeitures	0	0	188,022
Miscellaneous	2,158	12,583	994,970
<b>Total Revenues</b>	<b>2,158</b>	<b>640,877</b>	<b>3,591,128</b>
<b>Expenditures</b>			
Current:			
General Government	0	0	13,188
Public Safety	0	0	168,384
Physical Environment	0	0	1,082,195
Transportation	0	504,871	504,871
Economic Environment	0	0	330,513
Court-related	0	0	1,132,381
Debt Service:			
Principal Retirement	0	0	28,914
Interest	0	0	1,795
<b>(Total Expenditures)</b>	<b>0</b>	<b>(504,871)</b>	<b>(3,262,241)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,158</b>	<b>136,006</b>	<b>328,887</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	0	0	326,021
Transfers (out)	0	0	(113,919)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>212,102</b>
<b>Net Change in Fund Balances</b>	<b>2,158</b>	<b>136,006</b>	<b>540,989</b>
<b>Fund Balances, Beginning of Year</b>	<b>400,686</b>	<b>3,137,121</b>	<b>6,492,181</b>
<b>Fund Balances, End of Year</b>	<b>\$ 402,844</b>	<b>\$ 3,273,127</b>	<b>\$ 7,033,170</b>

**COMBINING STATEMENT OF FIDUCIARY ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

	<b>Clerk of the Circuit Court</b>				
	<b>Cash Bonds</b>	<b>Trust</b>	<b>Alimony and Support</b>	<b>Special Fine and Forfeiture</b>	<b>Registry of the Court</b>
<b>Assets</b>					
Cash Deposits	\$ 3,648	\$ 11,736	\$ 3,586	\$ 107,100	\$ 571,439
Due from Individuals	0	0	0	0	0
<b>Total Assets</b>	<u>3,648</u>	<u>11,736</u>	<u>3,586</u>	<u>107,100</u>	<u>571,439</u>
<b>Liabilities</b>					
Accounts Payable	0	0	0	0	0
Due to Others	0	9,550	1,586	85,843	0
Due to Other Funds	0	700	2,000	20,685	0
Due to Other Governments	0	0	0	572	0
Deposits	3,648	1,486	0	0	571,439
<b>Total Liabilities</b>	<u>\$ 3,648</u>	<u>\$ 11,736</u>	<u>\$ 3,586</u>	<u>\$ 107,100</u>	<u>\$ 571,439</u>

<b>Tax Collector</b>	<b>Sheriff</b>		
<b>Taxes</b>	<b>Individual Depositors</b>	<b>Inmate Trust</b>	<b>Total</b>
\$ 373,193	\$ 11,604	\$ 19,458	\$ 1,101,764
448	0	0	448
<u>373,641</u>	<u>11,604</u>	<u>19,458</u>	<u>1,102,212</u>
0	0	16,906	16,906
0	0	0	96,979
635	8,440	0	32,460
373,006	0	0	373,578
0	3,164	2,552	582,289
<u>\$ 373,641</u>	<u>\$ 11,604</u>	<u>\$ 19,458</u>	<u>\$ 1,102,212</u>

## **OTHER INFORMATION**

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA**

Federal Grantor/Pass-Through Grantor/ Grant Program	CFDA Number	Grant ID Number	Expenditures
<b>Federal Awards</b>			
<b>U.S. Department of Agriculture</b>			
Passed through State of Florida Department of Agriculture and Consumer Services:			
Volunteer Fire Assistance Grant	10.664	New River	\$ 5,168
Volunteer Fire Assistance Grant	10.664	Heilbron Springs	1,975
Volunteer Fire Assistance Grant	10.664	Heilbron Springs	4,984
Volunteer Fire Assistance Grant	10.664	Theresa	5,000
<b>Subtotal Expenditure - CFDA No. 10.664</b>			<u>17,127</u>
<b>Total U.S. Department of Agriculture</b>			<u>17,127</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through State of Florida Department of Economic Opportunity:			
Community Development Block Grants (CDBG)	14.228	11DB-C5-03-14-01-H17	<u>286,559</u>
<b>U.S. Department of Justice</b>			
Passed through State of Florida Office of the Attorney General:			
Victims of Crime Act (VOCA)	16.575	V13237	<u>32,004</u>
Passed through State of Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-JAGC-BRAD-1-E5-002	34,454
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-JAGC-BRAD-A-E6-009	2,467
<b>Subtotal Expenditures - CFDA No. 16.738</b>			<u>36,921</u>
Direct:			
Equitable Sharing Program	16.922		<u>30,000</u>
<b>Total U.S. Department of Justice</b>			<u>98,925</u>
<b>U.S. Department of Transportation</b>			
Passed through State of Florida Department of Transportation:			
State and Community Highway Safety	20.600	SC-14-13-06	<u>34,541</u>
<b>U.S. Election Assistance Commission</b>			
Passed through State of Florida Department of State:			
Help America Vote Act Requirements Payments	90.401		<u>1,516</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through State of Florida Department of Revenue:			
Child Support Enforcement	93.563	COC04	128,392
Child Support Enforcement	93.563		1,182
<b>Subtotal Expenditures - CFDA No. 93.563</b>			<u>129,574</u>
Passed through State of Florida Department of State:			
Vote Program Grant	93.617		<u>1,958</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>131,532</u>

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA  
(Continued)**

Federal Grantor/Pass-Through Grantor/ Grant Program	CFDA Number	Grant ID Number	Expenditures
<b>Federal Awards (Concluded)</b>			
<b>U.S. Department of Homeland Security</b>			
Passed through State of Florida Executive Office of the Governor:			
Disaster Grants - Public Assistance	97.036	13-DB-73-03-14-02-509	\$ 399
Hazard Mitigation Grant	97.039	14-HM-6B-03-14-01-383	24,000
Hazard Mitigation Grant	97.039	14-HM-6B-03-14-01-384	9,000
<b>Subtotal Expenditures - CFDA No. 97.039</b>			<u>33,000</u>
Emergency Management Performance Grant	97.042	14-FG-1M-03-14-01-071	37,520
Emergency Management Performance Grant	97.042	15-FG-4D-03-14-01-071	19,604
<b>Subtotal Expenditures - CFDA No. 97.042</b>			<u>57,124</u>
Homeland Security Grant Program	97.067	13-DS-29-20-03-14-01-335	10,923
<b>Total U. S. Department of Homeland Security</b>			<u>101,446</u>
<b>Total Federal Expenditures</b>			<u>671,646</u>
<b>State Financial Assistance</b>			
<b>Office of the Governor</b>			
Emergency Management Programs	31.063	14-BG-05-03-14-01-071	101,820
Emergency Management Programs	31.063	15-BG-83-03-14-01-004	17,883
<b>Subtotal Expenditures - CSFA No. 31.063</b>			<u>119,703</u>
Emergency Management Programs	31.067	14-CP-11-03-14-01-217	349
<b>Total Office of the Governor</b>			<u>120,052</u>
<b>State of Florida Department of Environmental Protection</b>			
Small County Consolidated Grant - S/W Management Grant	37.012	302SC	90,909
<b>State of Florida Department of Agriculture and Consumer Services</b>			
Mosquito Control	42.003		29,456
<b>State of Florida Department of State</b>			
State Aid to Libraries	45.030	09-ST-41	102,066
State Aid to Libraries	45.030	10-ST-41	171,160
<b>Subtotal Expenditures - CSFA No. 45.030</b>			<u>273,226</u>
<b>Total State of Florida Department of State</b>			<u>273,226</u>

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA  
(Concluded)**

Federal Grantor/Pass-Through Grantor/ Grant Program	CFDA Number	Grant ID Number	Expenditures
<b>State Financial Assistance (Concluded)</b>			
<b>Florida Housing Finance Corporation</b>			
State Housing Initiative Partnership (SHIP) Program	52.901		\$ 76,472
<b>State of Florida Department of Transportation</b>			
County Incentive Grant Program - SE 144th St	55.008	417311-1-58-01	17,990
County Incentive Grant Program - SE 144th St from Hayes Ave to 301	55.008	420531-3-38,48,58-01	892,299
<b>Subtotal Expenditures - CSFA No. 55.008</b>			<b>910,289</b>
Small County Road Assistance Program - CR221 to 301	55.016	431611-1-58-01	3,950
Small County Road Assistance Program - Resurface NE 19th Ave	55.016	431609-1-58-01	22,335
<b>Subtotal Expenditures - CSFA No. 55.016</b>			<b>26,285</b>
<b>Total Florida Department of Transportation</b>			<b>936,574</b>
<b>State of Florida Department of Health</b>			
County Grant Award	64.005	C2004	22,213
<b>Total Florida Department of Health</b>			<b>22,213</b>
<b>State of Florida Department of Management Services</b>			
E911 Rural Grant Program	72.001	13-10-2	52,718
E911 Rural Grant Program	72.001	14-4-3	26,109
<b>Subtotal Expenditures - CSFA No. 72.001</b>			<b>78,827</b>
<b>Total Florida Department of Management Services</b>			<b>78,827</b>
<b>Total State Expenditures</b>			<b>1,627,729</b>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<b>\$ 2,299,375</b>

**Note to the Schedule of Expenditures of Federal Awards and State Financial Assistance**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance is presented on the modified accrual basis of accounting.

**INDEPENDENT AUDITORS' 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***

The Honorable Board of County Commissioners  
and Constitutional Officers  
Bradford County, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bradford County, Florida (the County), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 29, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be significant deficiencies. These items have been disclosed in the reports of the Constitutional Officers.

**Certified Public Accountants**

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The Honorable Board of County Commissioners  
and Constitutional Officers  
Bradford County, Florida

**INDEPENDENT AUDITORS' 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*  
(*Concluded*)**

**Compliance and Other Matters**

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

We noted certain matters that were reported to management of the County in a separate management letter dated May 29, 2015.

**County's Response to Findings**

The County's response to the findings in our audit are described in the accompanying Management's Response. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it. Additional findings and management responses are included in the reports of the Constitutional Officers.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Board of County Commissioners  
and Constitutional Officers  
Bradford County, Florida

**Report on Compliance for Each Major Federal Program and Each State Project**

We have audited the compliance of Bradford County, Florida (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the Florida Department of Financial Services, *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and the major state project for the year ended September 30, 2014. The County's major federal programs and state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state project.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and the major state project based on our audit of the types of compliance requirements referred to above. 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 program or state project occurred. An audit includes examining, on a test basis, evidence about the County'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 on compliance for each major federal program and the major state project. However, our audit does not provide a legal determination of the County's compliance.

**Opinion on Each Major Federal Program and State Project**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and the major state project for the year ended September 30, 2014.

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The Honorable Board of County Commissioners  
and Constitutional Officers  
Bradford County, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL  
(Concluded)**

**Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and the major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

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

We have examined Bradford County, Florida's, (the County) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and management, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014  
 BRADFORD COUNTY, FLORIDA**

**PART A - SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Bradford County, Florida.
2. Significant deficiencies identified during the audit of the financial statements are reported in the 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* for the individual reports of some of the Constitutional Officers.
3. There were no instances of noncompliance identified during the audit of the financial statements reported in the 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*.
4. No significant deficiencies and/or material weaknesses relating to internal control and compliance over major federal programs or state projects were disclosed.
5. The auditors' report on compliance for the major federal programs and state projects for Bradford County, Florida expresses an unmodified opinion.
6. The audit disclosed no findings that are required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.
7. The projects tested as major federal programs and state projects were as follows:

<b>Federal Program</b>	<b>CFDA No.</b>
Emergency Management Performance Grant	97.042
Community Development Block Grant	14.228
<b>State Project</b>	<b>CSFA No.</b>
County Incentive Grant Program	55.008

8. The threshold for distinguishing Type A and Type B projects was \$300,000 for major federal programs and state projects.
9. The County did not qualify as a low-risk auditee pursuant to OMB Circular A-133.

**PART B - FINDINGS - FINANCIAL STATEMENTS**

Financial statement findings are reported in the individual reports of the Constitutional Officers.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY, FLORIDA  
(Concluded)**

**PART C - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS**

1. No matters were reported.

**PART D - FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS**

1. No matters were reported.

**PART E - OTHER ISSUES**

1. No Prior Year Audit Findings.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida *Single Audit Acts*.

## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of Bradford County, Florida (the County), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 29, 2015.

### Auditors' Responsibility

We conducted our audit 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*.

### Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 29, 2015, should be considered in conjunction with this management letter. This management letter applies to the County as a whole. Other management letter comments are described in the audit reports of the Constitutional Officers.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The County was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units included with the County's financial statements.

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**MANAGEMENT LETTER**  
(Continued)

**Financial Condition**

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**Annual Financial Report**

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the County for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

**Special District Component Units**

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statement of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Other Matters**

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have the following recommendations:

■ **ML-2014-1 Building Permit Overpayments**

*Condition*—During our testing of building permit collections it was determined that certain residential building permits were calculated incorrectly and this resulted in approximately \$5,200 in building permit fees that were overcharged.

*Effect*—It appears that the square footage information used to calculate the building permits for residential properties was not entered into the building permit system correctly which resulted in incorrect calculations.

*Recommendation*—We recommend that increased efforts be made to correctly enter the square footage information into the building permit system and that all overpayments identified be refunded to customers.

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

**MANAGEMENT LETTER**  
*(Concluded)*

**Other Matters (Concluded)**

■ **ML-2014-2 SHIP Expenditure Requirements**

*Condition*—The SHIP program requires recipients that receive SHIP funds to expend those funds within a three year period ending June 30 after the year the SHIP funds were awarded. The County did not meet this requirement for the fiscal year 2011-2012 reporting period. The County did request an extension and is working under an extended timeline.

*Effect*—The inability to expend the SHIP funds within the required time period could result in the reduction or loss of future SHIP funding.

*Recommendation*—We recommend the County continue to monitor the expenditure of SHIP funds to ensure that expenditures are made in a timely manner in accordance with SHIP requirements.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners and Constitutional Officers and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

# Board of County Commissioners

District I  
Ross Chandler

District II  
Kenny Thompson

District III  
Lila Sellars

District IV  
Danny Riddick

District V  
Eddie J. Lewis

bocc@bradfordcountyfl.gov

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June 2, 2015

VIA ELECTRONIC AND U.S. MAIL

Terry Kite  
Purvis Gray Company, LLP  
222 N.E. 1st Street  
Gainesville, Florida 32614

RE: Response – Bradford County Audit Report – FY 2013/2014

Dear Mr. Kite:

Please accept this letter as Bradford County's response to the following recommendations which were provided in the "Management Letter" accompanying the aforementioned audit report:

ML-2014-1 Building Permit Overpayments:

Purvis Gray's recommendation is that Bradford County increase efforts to correctly enter square footage information in our building permit system and to refund all identified overpayments.

Response:

Bradford County has reviewed the condition and effect outlined in the "Management Letter" as they pertain to this particular issue. Steps have been taken to make certain that square footages for all building permit applications are correctly entered into the Building Department's ZonePro electronic permitting system.

Additionally, Bradford County has issued refunds to all customers who were identified as having overpaid based upon erroneous square footage calculations.

ML-2014-2 SHIP Expenditure Requirements:

Purvis Gray recommends that Bradford County continue to monitor the expenditure of SHIP funds so as to ensure that said expenditures are made in a timely manner in accordance with SHIP requirements.

Response:

Bradford County has reviewed the condition and effect outlined in the "Management Letter" as they pertain to this particular issue. We have been in regular communication with representatives of the Florida Housing Finance Corporation, the state agency responsible for the management of the SHIP program. Together with their guidance, we have formulated a plan to increase the number of SHIP projects that Bradford County can fund. The plan includes the addition of a staff member in the Community Development Department to better assist with expanding the projects we fund as well as the inclusion of Bradford County Architect, Robert E. Taylor, to assist with the management of the construction projects.

It is our belief that the adoption of the practices mentioned in the response above will adequately satisfy the recommendation(s) of the auditor in the "Management Letter". We thank you for your advice regarding this matter. As always, in the event that you have any additional questions or concerns, please do not hesitate to give me a call.

Sincerely,

  
Ross Chandler, Chairman

cc: Brad Carter, County Manager  
Ray Norman, Clerk to the Board  
William E. Sexton, County Attorney

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY  
CLERK OF THE CIRCUIT COURT  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY  
CLERK OF THE CIRCUIT COURT  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**TABLE OF CONTENTS**

<b>Independent Auditors' Report</b> .....	1-2
<b>Financial Statements</b>	
Balance Sheet - Governmental Funds .....	3
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Governmental Funds .....	5-7
Statement of Fiduciary Assets and Liabilities - Agency Funds .....	8
Notes to Financial Statements .....	9-15
<b>Other Financial Information</b>	
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds .....	16
<b>Other Reports</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	17-18
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes .....	19
Independent Accountants' Report on Compliance with Sections 28.35 and 28.36, Florida Statutes .....	20
Management Letter .....	21-22
Management's Response .....	23

## INDEPENDENT AUDITORS' REPORT

The Honorable Ray Norman  
Bradford County Clerk of the Circuit Court  
Bradford County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and aggregate remaining fund information of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Clerk's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2014, and the respective changes in financial position, and budgetary comparison for the major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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The Honorable Ray Norman  
Bradford County Clerk of the Circuit Court  
Bradford County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Emphasis of a Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the *Rules*) of the State of Florida. In conformity with the *Rules*, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position as a whole of Bradford County, Florida as of September 30, 2014, and the changes in its financial position, and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Matters**

*Other Financial Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The other financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The other financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* in considering the Clerk's internal control over financial reporting and compliance.



May 28, 2015  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Fine and Forfeiture Fund</b>	<b>Public Records Fund</b>	
<b>Assets</b>				
Cash	\$ 47,228	\$ 95,747	\$ 413,401	\$ 556,376
Due from Individuals	177	0	0	177
Due from Other Governments	0	25,583	0	25,583
Due from Other Funds	2,000	0	0	2,000
<b>Total Assets</b>	<u>49,405</u>	<u>121,330</u>	<u>413,401</u>	<u>584,136</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	458	3,872	11	4,341
Unearned Revenue	0	53,076	0	53,076
Due to Other Governments	0	64,382	0	64,382
Due to Board of County Commissioners	17,569	0	0	17,569
<b>Total Liabilities</b>	<u>18,027</u>	<u>121,330</u>	<u>11</u>	<u>139,368</u>
<b>Fund Balances</b>				
Restricted:				
Records Modernization	0	0	413,390	413,390
Unassigned	31,378	0	0	31,378
<b>Total Fund Balance</b>	<u>31,378</u>	<u>0</u>	<u>413,390</u>	<u>444,768</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 49,405</u>	<u>\$ 121,330</u>	<u>\$ 413,401</u>	<u>\$ 584,136</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Fine and Forfeiture Fund</b>	<b>Public Records Fund</b>	
<b>Revenues</b>				
Intergovernmental Revenue	\$ 0	\$ 195,539	\$ 0	\$ 195,539
Charges for Services	86,112	482,921	32,721	601,754
Fines and Forfeitures	0	101,685	86,337	188,022
Miscellaneous	1,468	8,675	0	10,143
<b>Total Revenues</b>	<u>87,580</u>	<u>788,820</u>	<u>119,058</u>	<u>995,458</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	471,272	0	0	471,272
Operating Expenditures	2,276	0	0	2,276
Capital Outlay	621	0	0	621
Court-related:				
Personal Services	173,707	664,833	0	838,540
Operating Expenditures	60,291	40,694	18,569	119,554
Capital Outlay	6,849	14,533	2,190	23,572
<b>(Total Expenditures)</b>	<u>(715,016)</u>	<u>(720,060)</u>	<u>(20,759)</u>	<u>(1,455,835)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(627,436)</u>	<u>68,760</u>	<u>98,299</u>	<u>(460,377)</u>
<b>Other Financing Sources (Uses)</b>				
Reversion to Clerk of Court Trust Fund	0	(68,760)	0	(68,760)
Transfers in from Board of County Commissioners	645,000	0	0	645,000
Transfers (out) to Board of County Commissioners	(17,564)	0	0	(17,564)
<b>Total Other Financing Sources (Uses)</b>	<u>627,436</u>	<u>(68,760)</u>	<u>0</u>	<u>558,676</u>
<b>Net Change in Fund Balances</b>	0	0	98,299	98,299
<b>Fund Balances, Beginning of Year</b>	<u>31,378</u>	<u>0</u>	<u>315,091</u>	<u>346,469</u>
<b>Fund Balances, End of Year</b>	<u>\$ 31,378</u>	<u>\$ 0</u>	<u>\$ 413,390</u>	<u>\$ 444,768</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<b>General Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for Services	\$ 81,115	\$ 81,115	\$ 86,112	\$ 4,997
Miscellaneous	1,100	1,100	1,468	368
<b>Total Revenues</b>	<u>82,215</u>	<u>82,215</u>	<u>87,580</u>	<u>5,365</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	447,942	471,768	471,272	496
Operating Expenditures	24,500	11,250	2,276	8,974
Capital Outlay	14,500	3,194	621	2,573
Court-related:				
Personal Services	159,331	173,712	173,707	5
Operating Expenditures	68,000	60,169	60,291	(122)
Capital Outlay	12,942	7,122	6,849	273
<b>(Total Expenditures)</b>	<u>(727,215)</u>	<u>(727,215)</u>	<u>(715,016)</u>	<u>12,199</u>
<b>(Deficiency) of Expenditures (Under)</b>				
<b>Revenues</b>	<u>(645,000)</u>	<u>(645,000)</u>	<u>(627,436)</u>	<u>17,564</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	645,000	645,000	645,000	0
Transfers (out) to Board of County Commissioners	0	0	(17,564)	(17,564)
<b>Total Other Financing Sources (Uses)</b>	<u>645,000</u>	<u>645,000</u>	<u>627,436</u>	<u>(17,564)</u>
<b>Net Change in Fund Balances</b>	0	0	0	0
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>31,378</u>	<u>31,378</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,378</u>	<u>\$ 31,378</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT  
(Continued)**

	<b>Fine and Forfeiture Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental Revenue	\$ 58,566	\$ 173,359	\$ 195,539	\$ 22,180
Charges for Services	540,810	540,810	482,921	(57,889)
Fines and Forfeitures	70,500	70,500	101,685	31,185
Miscellaneous	4,190	4,190	8,675	4,485
<b>Total Revenues</b>	<u>674,066</u>	<u>788,859</u>	<u>788,820</u>	<u>(39)</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personal Services	641,119	664,853	664,833	20
Operating Expenditures	28,927	40,709	40,694	15
Capital Outlay	4,020	14,536	14,533	3
<b>(Total Expenditures)</b>	<u>(674,066)</u>	<u>(720,098)</u>	<u>(720,060)</u>	<u>38</u>
<b>Excess of Expenditures Over Revenues</b>	<u>0</u>	<u>68,761</u>	<u>68,760</u>	<u>(1)</u>
<b>Other Financing Sources (Uses)</b>				
Reversion to Clerk of Court Trust Fund	<u>0</u>	<u>(68,761)</u>	<u>(68,760)</u>	<u>1</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT  
(Concluded)**

	<b>Public Records Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for Services	\$ 17,000	\$ 17,000	\$ 32,721	\$ 15,721
Fines and Forfeitures	100,000	100,000	86,337	(13,663)
<b>Total Revenues</b>	<u>117,000</u>	<u>117,000</u>	<u>119,058</u>	<u>2,058</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personal Services	127,650	127,650	0	127,650
Operating Expenditures	38,000	38,000	18,569	19,431
Capital Outlay	131,350	131,350	2,190	129,160
<b>(Total Expenditures)</b>	<u>(297,000)</u>	<u>(297,000)</u>	<u>(20,759)</u>	<u>276,241</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(180,000)</u>	<u>(180,000)</u>	<u>98,299</u>	<u>278,299</u>
<b>Net Change in Fund Balances</b>	(180,000)	(180,000)	98,299	278,299
<b>Fund Balances, Beginning of Year</b>	<u>180,000</u>	<u>180,000</u>	<u>315,091</u>	<u>135,091</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 413,390</u></u>	<u><u>\$ 413,390</u></u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2014**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

**Assets**

Cash	<u>\$ 697,509</u>
<b>Total Assets</b>	<u><u>697,509</u></u>

**Liabilities**

Due to Others	96,979
Due to Other Funds	2,000
Due to Other Governments	21,957
Deposits	<u>576,573</u>
<b>Total Liabilities</b>	<u><u>\$ 697,509</u></u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk), conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Reporting Entity**

Bradford County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Clerk is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Clerk is a part of the primary government of the County. The Clerk is responsible for the administration and operation of the Clerk's office, and the Clerk's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There are no component units for the Clerk to consider for inclusion in these financial statements.

The Clerk funds his noncourt operations as a Budget Officer and a Fee Officer pursuant to Florida Statutes, Chapters 28, 218 and 129, respectively. As a Budget Officer, the operations of the Clerk are approved and funded by the County's General Fund. The receipts from the County's General Fund are recorded as other financing sources on the Clerk's general fund financial statements. Any excess of revenues and other financing sources received over expenditures of the Clerk's general fund are remitted to the County's General Fund at September 30 of each year. The amount of \$31,378 reported in the Clerk's general fund as unassigned fund balance at year-end represent amounts received in a prior year which were not required to be remitted to the County. The court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida and are reported in the Clerk's fine and forfeiture fund. Any excess of revenues over court-related expenditures of the Clerk's fine and forfeiture fund are remitted to the State of Florida pursuant to Section 28.37, Florida Statutes. The excess of revenues over court-related expenditures of the Clerk's fine and forfeiture fund as of September 30, 2014, has been reported as a liability, Due to Other Governments.

**Basis of Presentation**

The accompanying financial statements include all the funds and accounts of the Clerk's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General*, Local Governmental Entity Audits.

**Fund Accounting**

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

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies *(Continued)***

**Fund Accounting *(Concluded)***

The Clerk utilizes the following fund types:

■ **Governmental Funds**

● **Major Funds**

- ▶ **General Fund**—The General Fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.
- ▶ **Fine and Forfeiture Fund**—The fine and forfeiture fund was established to account for court-related revenues and expenditures and are legally restricted and required to be reported separately from the Clerk’s General Fund activities.
- ▶ **Public Records Fund**—The public records fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the public records system of the Clerk’s office and additional court-related operational needs and program enhancements.

■ **Fiduciary Funds**

- **Agency Funds**—The agency funds are used to account for assets held by the Clerk as an agent for individuals, private organizations and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

**Basis of Accounting**

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

The modified accrual basis of accounting is followed by the governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Clerk considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Budgetary Requirement**

Government fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund and the public records fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. A budget was adopted for the fine and forfeiture fund and approved by the Florida Clerk of Courts Operations Corporation. Budgets are prepared on the modified accrual basis of accounting.

The Clerk's annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Capital Assets**

Tangible personal property is recorded as expenditures in the governmental fund at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the capital asset accounts of the County. The Clerk maintains custodial responsibility for the capital assets used by his office.

**Accumulated Compensated Absences**

Permanent full-time employees of the Clerk are entitled to accrue personal leave time. Upon retirement or resignation in good standing, employees shall be paid up to a maximum number of hours based upon the employee's years of service at the employee's current rate of pay.

**Risk Management**

The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others. The Clerk participates in the risk management program through the County, which uses commercial insurance to cover the following types of risk:

- Workers' Compensation
- Automobile Liability
- Public Officials' Liability
- Personal Property Damage
- General Liability

Workers' compensation coverage is provided under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the County's experience for this type of risk.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**  
*(Continued)*

**Note 2 - Cash**

At September 30, 2014, the carrying amount of the Clerk's deposits was \$1,253,885 and the bank balance was \$1,403,627. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Clerk are placed with qualified financial institutions, which means they are insured or collateralized.

**Note 3 - Employee Benefits**

**Plan Description**

Membership in the Florida Retirement System (FRS) is required for all full-time and part-time employees in regularly established positions for state agencies, county governments, district school boards, state universities and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. The FRS Pension Plan is a cost-sharing, multiple-employer, public retirement system, administered by the State of Florida Division of Retirement. The FRS also offers eligible employees participation in an alternative defined contribution plan (the Investment Plan).

Employees participating in the Pension Plan are entitled to a retirement benefit, payable monthly for life. If employed prior to July 1, 2011, the FRS provides for vesting of benefits after six years of creditable service. The vesting requirement changes to eight years of creditable service for those employed on or after July 1, 2011. For those employed prior to July 1, 2011, normal retirement is after 30 years of service or age 62. If employed on or after July 1, 2011, normal retirement is after 33 years of service or age 65. The monthly benefit received is equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Vested employees may retire early and receive reduced retirement benefits. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death and disability benefits (including in-line-of-duty disability). Benefits are established by Florida Statutes.

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS trust fund (increased by a cost of living adjustment each July). DROP participants starting the program prior to July 1, 2011, earn monthly interest equivalent to an annual rate of 6.5%. Participants starting the program on or after July 1, 2011, earn an effective annual rate of 1.3%. When the DROP period ends, the DROP account is paid out as a lump-sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**  
*(Continued)*

**Note 3 - Employee Benefits (Concluded)**

**Plan Description (Concluded)**

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

**Funding Policy**

The Florida Legislature has established a uniform contribution rate system for the FRS covering both the Pension Plan and the Investment Plan. The current contribution rates by member class are as follows: regular employees 7.37%, senior management 21.14%, DROP employees 12.28%, and elected officials 43.24%. As of July 1, 2011, employees are required to contribute 3% of their compensation to the plan. The Clerk's contributions to the plan for the years ended September 30, 2014, 2013, and 2012, were \$82,206, \$59,210, and \$47,446, respectively, equal to the actuarially determined contribution requirements for each fiscal year.

**Note 4 - Postemployment Benefits Other Than Pensions**

The County implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

The Other Postemployment Benefit (OPEB) is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage selected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the "implicit rate subsidy."

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected.

Currently, the Clerk has 22 active employees and one retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Clerk's portion of the OPEB obligation for the year totaled \$17,603. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 5 - Change in Long-term Debt**

The following is a summary of the changes in long-term debt of the Clerk for the year ended September 30, 2014:

	<u>Balance October 1, 2013</u>	<u>Net Additions (Deletions)</u>	<u>Balance September 30, 2014</u>
Accumulated Compensated Absences	\$ 94,779	\$ 2,447	\$ 97,226
Other Postemployment Benefit			
Obligations	<u>13,715</u>	<u>3,888</u>	<u>17,603</u>
<b>Total Long-term Debt</b>	<u>\$ 108,494</u>	<u>\$ 6,335</u>	<u>\$ 114,829</u>

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**  
*(Continued)*

**Note 5 - Change in Long-term Debt (Concluded)**

Accumulated compensated absences represent the vested portion of accrued personal leave (see Note 1 for a summary of the Clerk's accumulated compensated absences policy).

The Clerk's long-term debt is reported in the statement of net position in the County's financial statements.

**Note 6 - Fund Balance Reporting**

Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned:

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any nonspendable funds.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County's governing board. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Clerk, or by an individual or body to whom the Clerk has delegated this responsibility. By definition, fund balances are also assigned to the extent that they are needed to finance a subsequent years' budget deficit.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the General Fund that are not restricted, committed or assigned.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the Clerk's policy to use committed resources first, then assigned, and then unassigned as needed.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**  
*(Concluded)*

**Note 7 - Unassigned Fund Balance**

The Clerk held \$31,378 in unassigned fund balance at September 30, 2014. These monies are available to budget and spend for authorized purposes at the discretion of the Clerk.

**Note 8 - Interfund Receivables and Payables**

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 2,000	\$ 0
Fiduciary Funds:		
Alimony and Support Fund	0	2,000
<b>Totals</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>

## **OTHER FINANCIAL INFORMATION**

## **AGENCY FUNDS**

**Cash Bond**—Accounts for funds received from defendants of criminal and traffic arrests required to assure that the defendant will meet the requirement to appear in court. Disposition of these bond funds is made as ordered by the court.

**Trust**—This fund accounts for the receipt and disbursement of various fees and service charges, and the receipt and disbursement of monies to jurors and witnesses on behalf of county and state agencies.

**Alimony and Support**—This fund accounts for the collection and disbursement of court-ordered alimony and child support payments.

**Special Fine and Forfeiture**—This fund accounts for the receipt and disbursement of fines, fees and service charges.

**Registry of the Court**—This fund accounts for the collection and disbursement of deposits required by circuit court legal actions.

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<u>Cash Bond</u>	<u>Trust</u>	<u>Alimony and Support</u>	<u>Special Fine and Forfeiture</u>	<u>Registry of the Court</u>	<u>Total All Agency Funds</u>
<b>Assets</b>						
Cash	\$ 3,648	\$ 11,736	\$ 3,586	\$ 107,100	\$ 571,439	\$ 697,509
<b>Total Assets</b>	<u>3,648</u>	<u>11,736</u>	<u>3,586</u>	<u>107,100</u>	<u>571,439</u>	<u>697,509</u>
<b>Liabilities</b>						
Due to Others	0	9,550	1,586	85,843	0	96,979
Due to Other Funds	0	0	2,000	0	0	2,000
Due to Other Governments	0	700	0	21,257	0	21,957
Deposits	3,648	1,486	0	0	571,439	576,573
<b>Total Liabilities</b>	<u>\$ 3,648</u>	<u>\$ 11,736</u>	<u>\$ 3,586</u>	<u>\$ 107,100</u>	<u>\$ 571,439</u>	<u>\$ 697,509</u>

## **OTHER REPORTS**

**INDEPENDENT AUDITORS' 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***

The Honorable Ray Norman  
Bradford County Clerk of the Circuit Court  
Bradford County, Florida

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2014, and the related notes to the financial statements and have issued our report thereon dated May 28, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion of the effectiveness of the Clerk's internal control.

A *deficiency in internal control* exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Clerk's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described below, that we consider to be a significant deficiency.

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The Honorable Ray Norman  
Bradford County Clerk of the Circuit Court  
Bradford County, Florida

**INDEPENDENT AUDITORS' 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***  
*(Concluded)*

**Internal Control Over Financial Reporting *(Concluded)***

■ **2009-1 Separation of Duties**

*Condition*—Because of a limited number of available personnel, it was not always possible to adequately separate certain incompatible duties so that no one employee has access to both the physical assets and the related accounting records, or to all phases of a transaction.

*Effect*—Lack of proper separation of incompatible duties could result in errors and irregularities that go undetected.

*Recommendation*—We recommend that incompatible duties be separated among various employees where it is feasible to do so.

**Compliance and Other Matters**

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

We noted a certain matter that we reported to management in a separate letter dated May 28, 2015.

**Clerk's Response to Findings**

The Clerk's response to the findings identified in our audit is described in Management's Response. The Clerk's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 28, 2015  
Gainesville, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Ray Norman  
Bradford County Clerk of the Circuit Court  
Bradford County, Florida

We have examined Bradford County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Clerk, its management, and the Board of County Commissioners of Bradford County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*  
May 28, 2015  
Gainesville, Florida

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES**

The Honorable Ray Norman  
Bradford County Clerk of the Circuit Court  
Bradford County, Florida

We have examined Bradford County, Florida, Clerk's (the Clerk) compliance with the requirements of Sections 28.35 and 28.36, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Clerk, its management, and the Board of County Commissioners of Bradford County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

May 28, 2015  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Ray Norman  
Bradford County Clerk of the Circuit Court  
Bradford County, Florida

### Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Bradford County, Florida, Clerk of Court (the Clerk), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 28, 2015.

### Auditors' Responsibility

We conducted our audit 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; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports

We have issued our Independent Auditors' 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*; and Independent Accountants' Reports on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 28, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.

#### ■ ML 2013-1 Court Registry Deposits

During our review of court registry balances, we identified several court registry deposits that have been held for more than five years with no activity.

We recommend the Clerk's office review these case files to determine if the funds on deposit can be paid out or whether it would be appropriate to obtain an order from the circuit judge to disburse these monies to the state school trust fund in accordance with Section 43.19, Florida Statutes.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Clerk was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Clerk.

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The Honorable Ray Norman  
Bradford County Clerk of the Circuit Court  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**Other Matters**

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Clerk and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Purvis, Gray and Company, LLP*

May 28, 2015  
Gainesville, Florida



**Management's Response**

May 28, 2015

TO WHOM IT MAY CONCERN:

The following is the Bradford County Clerk of the Circuit Court's response to the audit comments included in fiscal year ending September 30, 2014

2009-1: Separation of duties.

RESPONSE: Every effort has been made toward the separation of duties. However, with a limited number of available personnel it is not feasible to adequately separate certain incompatible duties so that no one (1) employee has access to both the physical assets and the related accounting records, or to all phases of a transaction.

ML 2013-1: Inactivity in Court Registry Deposits.

RESPONSE: The Clerk's Office has met with the presiding judge, established a game plan and we are actively working together to resolve all cases that have monies in court registry.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above.

Sincerely,

A handwritten signature in blue ink that reads "Ray Norman".

Ray Norman  
Clerk of the Circuit Court

RN/ms

Cc: File

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY SHERIFF  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY SHERIFF  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**TABLE OF CONTENTS**

<b>Independent Auditors' Report</b> .....	1-2
<b>Financial Statements</b>	
Balance Sheet - Governmental Funds .....	3
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Governmental Fund .....	5
Statement of Fiduciary Assets and Liabilities - Agency Funds .....	6
Notes to Financial Statements .....	7-14
<b>Other Financial Information</b>	
Combining Balance Sheet - Nonmajor Governmental Funds - All Special Revenue Funds .....	15
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - All Special Revenue Funds .....	16
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds .....	17
<b>Other Reports</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	18-19
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes .....	20
Management Letter .....	21-22
Management's Response .....	23

## INDEPENDENT AUDITORS' REPORT

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of Bradford County, Florida, Sheriff (the Sheriff), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sheriff's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2014, and the respective changes in financial position thereof, and the budgetary comparison for the major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Emphasis of a Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position as a whole of Bradford County, Florida as of September 30, 2014, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Matters**

*Other Financial Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The other financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The other financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* in considering the Sheriff's internal control over financial reporting and compliance.

*Purvis, Gray and Company, LLP*

May 28, 2015  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY SHERIFF**

	<b>Major Fund General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash	\$ 385,311	\$ 859,517	\$ 1,244,828
Due from Other Governments	23,727	10,722	34,449
Due from Other Funds	113,919	0	113,919
Accounts Receivable	39,900	18,071	57,971
<b>Total Assets</b>	<b>562,857</b>	<b>888,310</b>	<b>1,451,167</b>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	221,491	30	221,521
Due to Other Funds	0	113,919	113,919
Due to Board of County Commissioners	341,366	0	341,366
<b>Total Liabilities</b>	<b>562,857</b>	<b>113,949</b>	<b>676,806</b>
 <b>Fund Balances</b>			
Restricted:			
Inmate Welfare Fund	0	360,607	360,607
E-911 Fund	0	311,195	311,195
Assigned:			
Education and Public Service	0	102,559	102,559
<b>Total Fund Balances</b>	<b>0</b>	<b>774,361</b>	<b>774,361</b>
 <b>Total Liabilities and Fund Balances</b>	 <b>\$ 562,857</b>	 <b>\$ 888,310</b>	 <b>\$ 1,451,167</b>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY SHERIFF**

	<u>Major Fund General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Intergovernmental Revenues	\$ 103,466	\$ 207,918	\$ 311,384
Charges for Services	71,500	0	71,500
Miscellaneous	4,483	261,704	266,187
<b>Total Revenues</b>	<u>179,449</u>	<u>469,622</u>	<u>649,071</u>
<b>Expenditures</b>			
Current:			
Court-related:			
Personal Services	149,564	0	149,564
Operating Expenditures	8,697	0	8,697
Public Safety:			
Personal Services	3,771,296	0	3,771,296
Operating Expenditures	1,437,998	167,631	1,605,629
Capital Outlay	176,737	0	176,737
Human Services:			
Personal Services	71,731	0	71,731
Operating Expenditures	26,151	0	26,151
<b>(Total Expenditures)</b>	<u>(5,642,174)</u>	<u>(167,631)</u>	<u>(5,809,805)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(5,462,725)</u>	<u>301,991</u>	<u>(5,160,734)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in from Board of County Commissioners	5,348,806	193,851	5,542,657
Transfers (out) to Board of County Commissioners	0	0	0
Interfund Transfers in	113,919	0	113,919
Interfund Transfers (out)	0	(113,919)	(113,919)
<b>Total Other Financing Sources (Uses)</b>	<u>5,462,725</u>	<u>79,932</u>	<u>5,542,657</u>
<b>Net Change in Fund Balances</b>	0	381,923	381,923
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>392,438</u>	<u>392,438</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 774,361</u>	<u>\$ 774,361</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY SHERIFF**

	<b>General Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental Revenues	\$ 111,760	\$ 111,760	\$ 103,466	\$ (8,294)
Charges for Services	86,500	86,500	71,500	(15,000)
Miscellaneous	0	0	4,483	4,483
<b>Total Revenues</b>	<u>198,260</u>	<u>198,260</u>	<u>179,449</u>	<u>(18,811)</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personal Services	159,836	149,564	149,564	0
Operating Expenditures	15,000	8,707	8,697	10
Public Safety:				
Personal Services	3,673,683	3,771,297	3,771,296	1
Operating Expenditures	1,062,050	1,392,567	1,437,998	(45,431)
Capital Outlay	130,000	176,737	176,737	0
Human Services:				
Personal Services	81,528	71,731	71,731	0
Operating Expenditures	29,000	25,324	26,151	(827)
<b>(Total Expenditures)</b>	<u>(5,151,097)</u>	<u>(5,595,927)</u>	<u>(5,642,174)</u>	<u>(46,247)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(4,952,837)</u>	<u>(5,397,667)</u>	<u>(5,462,725)</u>	<u>(65,058)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	4,952,837	5,348,806	5,348,806	0
Transfers in from Other Funds	0	48,861	113,919	65,058
Transfers (out) to Board of County Commissioners	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>4,952,837</u>	<u>5,397,667</u>	<u>5,462,725</u>	<u>65,058</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2014**  
**BRADFORD COUNTY SHERIFF**

**Assets**

Cash	\$ 31,062
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<b>Total Assets</b>	<u>31,062</u>
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**Liabilities**

Accounts Payable	16,906
Due to Board of County Commissioners	8,440
Deposits	<u>5,716</u>

<b>Total Liabilities</b>	<u>\$ 31,062</u>
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See accompanying notes to financial statements.

**NOTES TO  
FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY SHERIFF**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Bradford County, Florida, Sheriff (the Sheriff) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Reporting Entity**

Bradford County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Sheriff is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Sheriff is a part of the primary government of the County. The Sheriff is responsible for the administration and operation of the Sheriff's office, and the Sheriff's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There are no component units for the Sheriff to consider for inclusion in these financial statements.

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

**Basis of Presentation**

The accompanying financial statements include all the funds and accounts of the Sheriff's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits*.

**Fund Accounting**

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

The Sheriff utilizes the following fund types:

■ **Governmental Funds**

● **Major Fund**

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

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SHERIFF**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Concluded)**

■ **Governmental Funds (Concluded)**

● **Other Governmental Funds**

▶ **Special Revenue Funds**—Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the financial statements under the title “Other Governmental Funds:”

- **Education and Public Service Fund**—Accounts for the revenues and expenditures from donations received and miscellaneous receipts.
- **Inmate Welfare Fund**—Accounts for commissions received from pay telephones and commissary profits used for the benefit of inmates.
- **E-911 Fund**—Accounts for revenues received for the 911 program and expenditures for 911 services.

■ **Fiduciary Funds**

- **Agency Funds**—The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

**Basis of Accounting**

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

The modified accrual basis of accounting is followed by the governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Sheriff considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SHERIFF**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Budgetary Requirement**

Government fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the General Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Sheriff's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Capital Assets**

Capital assets, which include vehicles and equipment, are recorded as capital outlay expenditures in the governmental funds at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position as part of the basic financial statements of the County (statement of net position). Capital assets acquired under capital leases are capitalized at cost in the statement of net position at the time the assets are received. Donated and confiscated capital assets are recorded in the statement of net position at fair value at the time received. Capital assets are depreciated using the straight-line method over two to ten years. The depreciation expense is recorded in the statement of activities as part of the basic financial statements of the County.

**Accumulated Compensated Absences**

Permanent full-time employees of the Sheriff are entitled to accrue personal leave time. Upon retirement or resignation in good standing, employees shall be paid up to a maximum number of hours based upon the employee's years of service at the employee's current rate of pay. In addition, employees that have earned compensatory leave time for approved holidays are to be paid for this leave time upon retirement or resignation at the employee's current rate of pay.

**Group Health Insurance**

The employer portion of health insurance coverages provided for the Sheriff's employees, under a group health insurance plan, were paid for by the Board of County Commissioners and recorded on the Board's accounting records.

**Risk Management**

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others. The Sheriff purchased commercial insurance and participates in the risk management program through the Board, which uses commercial insurance to cover the following types of risk:

- Crime Coverage
- Workers' Compensation
- Law Enforcement Officers
- Personal Property Damage

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SHERIFF**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Risk Management (Concluded)**

The Sheriff's coverage for workers' compensation is under the Board's retrospectively rated policy. Premiums paid by the Board are accrued based on the ultimate cost to-date of the Sheriff's experience for this type of risk. Claims have not exceeded coverage during the last three years.

In addition, the Sheriff participates in two Florida Sheriffs self-insurance funds for risk related to professional liability, public officials' coverage, and automobile risks. The funding agreements provide that each fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$2,300,000 for professional liability and \$1,300,000 for public officials' coverage. Coverage limits for automobile risks are \$200,000 for bodily injury and \$100,000 for property damage.

**Note 2 - Cash Deposits**

At September 30, 2014, the carrying amount of the Sheriff's deposits was \$1,275,890, and the bank balance was \$1,301,958. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Sheriff are placed with qualified financial institutions, which mean they are insured or collateralized.

**Note 3 - Employee Benefits**

**Plan Description**

Membership in the Florida Retirement System (FRS) is required for all full-time and part-time employees in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. The FRS Pension Plan is a cost-sharing, multiple-employer, public retirement system, administered by the State of Florida Division of Retirement. The FRS also offers eligible employees participation in an alternative defined contribution plan (the Investment Plan).

Employees participating in the Pension Plan are entitled to a retirement benefit, payable monthly for life. If employed prior to July 1, 2011, the FRS provides for vesting of benefits after six years of creditable service. The vesting requirement changes to eight years of creditable service for those employed on or after July 1, 2011. For those employed prior to July 1, 2011, normal retirement is after 30 years of service or age 62. If employed on or after July 1, 2011, normal retirement is after 33 years of service or age 65. The monthly benefit received is equal to the product of: (1) average monthly compensation in the highest five

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SHERIFF**  
*(Continued)*

**Note 3 - Employee Benefits (Concluded)**

**Plan Description (Concluded)**

years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Vested employees may retire early and receive reduced retirement benefits. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death and disability benefits (including in-line-of-duty disability). Benefits are established by Florida Statutes.

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS trust fund (increased by a cost-of-living adjustment each July). DROP participants starting the program prior to July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50%. Participants starting the program on or after July 1, 2011, earn an effective annual rate of 1.3%. When the DROP period ends, the DROP account is paid out as a lump-sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

**Funding Policy**

The Florida Legislature has established a uniform contribution rate system for the FRS covering both the FRS Pension Plan and the Investment Plan. The current contribution rates by member class are as follows: regular employees 7.37%, special risk employees 19.82%, senior management 21.14%, DROP employees 12.28%, and elected officials 43.24%. As of July 1, 2011, employees are required to contribute 3% of their compensation to the plan. The Sheriff's contributions to the plan for the years ended September 30, 2014, 2013, and 2012, were \$464,797, \$347,235, and \$295,803, respectively, equal to the actuarially determined contribution requirements for each fiscal year.

**Note 4 - Capital Assets**

The tangible personal property used by the Sheriff in its governmental fund operation is reported as capital assets in the statement of net position as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the governmental fund types of the Sheriff and capitalized at cost in the capital asset accounts of the County. The Sheriff maintains recordkeeping and custodial responsibility for certain tangible capital assets used by his office. Information on vehicles and equipment used in the operations of the Sheriff's office are presented below:

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SHERIFF**  
*(Continued)*

**Note 4 - Capital Assets (Concluded)**

	<b>Balance October 1, 2013</b>	<b>Increase</b>	<b>(Decrease)</b>	<b>Balance September 30, 2014</b>
Buildings	\$ 11,345	\$ 0	\$ 0	\$ 11,345
Vehicles	1,599,951	159,232	(243,491)	1,515,692
Equipment	1,857,726	8,304	0	1,866,030
(Accumulated Depreciation)	<u>(2,343,582)</u>	<u>(371,941)</u>	<u>237,807</u>	<u>(2,477,716)</u>
Capital Assets, Net	<u>\$ 1,125,440</u>	<u>\$ (204,405)</u>	<u>\$ (5,684)</u>	<u>\$ 915,351</u>

Depreciation expense was charged to Public Safety of the Sheriff in the government-wide financial statements in the amount of \$371,941.

**Note 5 - Postemployment Benefits Other Than Pensions**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

The Other Postemployment Benefits (OPEB) is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage selected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the “implicit rate subsidy.”

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected.

Currently, the Sheriff has 68 active employees and 1 retired employee who are considered participants in the plan for purposes of computing the OPEB obligation. The Sheriff’s portion of the OPEB obligation for the year totaled \$224,479. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 6 - Changes in Long-term Debt**

The following is a summary of the changes in long-term debt of the Sheriff for the year ended September 30, 2014:

	<b>Balance October 1, 2013</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2014</b>
Accumulated Compensated				
Absences	\$ 221,093	\$ 196,984	\$ (168,397)	\$ 249,680
Other Postemployment Benefits	<u>190,674</u>	<u>33,805</u>	<u>0</u>	<u>224,479</u>
<b>Totals</b>	<u>\$ 411,767</u>	<u>\$ 230,789</u>	<u>\$ (168,397)</u>	<u>\$ 474,159</u>

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SHERIFF**  
*(Continued)*

**Note 6 - Changes in Long-term Debt (Concluded)**

Accrued compensated absences represent the vested portion of accrued leave. See Note 1 for a summary of the Sheriff's policy regarding compensated absences.

The Sheriff's long-term debt is reported in the statement of net position in the County's financial statements.

**Note 7 - Interfund Receivables and Payables**

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
Major Fund:		
General Fund	\$ 113,919	\$ 0
Special Revenue Funds:		
E-911 Fund	0	105,040
Inmate Welfare Fund	0	8,879
<b>Totals</b>	<b>\$ 113,919</b>	<b>\$ 113,919</b>

**Note 8 - Interfund Transfers**

Transfers are used to: a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; b) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and c) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the year ended September 30, 2014, the E-911 Fund transferred \$105,040 to the General Fund to cover expenditures paid for by the General Fund on behalf of the E-911 Fund. Also, the Inmate Welfare Fund transferred \$8,879 to the General Fund to cover expenditures paid for by the General Fund on behalf of the Inmate Welfare Fund.

**Note 9 - Fund Balance Reporting**

Fund balance is reported in five components - nonspendable, restricted, committed, assigned, and unassigned:

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because: a) they are not expected to be converted to cash; or b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Sheriff does not have any nonspendable funds.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or b) by law through constitutional provisions or enabling legislation.

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SHERIFF**  
*(Concluded)*

**Note 9 - Fund Balance Reporting (Concluded)**

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County’s governing board. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Sheriff, or by an individual or body to whom the Sheriff has delegated this responsibility. By definition, fund balances are also assigned to the extent that they are needed to finance a subsequent years’ budget deficit.
- **Unassigned**—This classification is used for: a) negative unrestricted fund balances in any governmental fund; or b) fund balances within the General Fund that are not restricted, committed or assigned.

When both restricted and unrestricted resources are available for use, it is the Sheriff’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Sheriff’s policy to use committed resources first, then assigned, and then unassigned as needed.

**Note 10 - Other Disclosures**

The general fund reported total expenditures in excess of total appropriations of \$46,247. This resulted from an audit adjustment to record additional accounts payable at year-end.

## **OTHER FINANCIAL INFORMATION**

**NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS**

**Education and Public Service Fund**—Accounts for revenues and expenditures from donations received and miscellaneous receipts.

**Inmate Welfare Fund**—Accounts for commissions received from pay telephones and commissary profits used for the benefit of inmates.

**E-911 Fund**—Accounts for revenues and expenditures for 911 program.

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - ALL SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2014  
BRADFORD COUNTY SHERIFF**

	<u>Education and Public Service Fund</u>	<u>Inmate Welfare Fund</u>	<u>E-911 Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 102,589	\$ 351,415	\$ 405,513	\$ 859,517
Due from Other Governments	0	0	10,722	10,722
Accounts Receivable	0	18,071	0	18,071
<b>Total Assets</b>	<u>102,589</u>	<u>369,486</u>	<u>416,235</u>	<u>888,310</u>
<b>Liabilities and Fund Balances</b>				
Accounts Payable	30	0	0	30
Due to Other Funds	0	8,879	105,040	113,919
<b>Total Liabilities</b>	<u>30</u>	<u>8,879</u>	<u>105,040</u>	<u>113,949</u>
<b>Fund Balances</b>				
Restricted:				
Inmate Welfare Fund	0	360,607	0	360,607
E-911 Fund	0	0	311,195	311,195
Assigned:				
Education and Public Service	102,559	0	0	102,559
<b>Total Fund Balances</b>	<u>102,559</u>	<u>360,607</u>	<u>311,195</u>	<u>774,361</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 102,589</u>	<u>\$ 369,486</u>	<u>\$ 416,235</u>	<u>\$ 888,310</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
ALL SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY SHERIFF**

	<u>Education and Public Service Fund</u>	<u>Inmate Welfare Fund</u>	<u>E-911 Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 207,918	\$ 207,918
Miscellaneous	82,254	179,450	0	261,704
<b>Total Revenues</b>	<u>82,254</u>	<u>179,450</u>	<u>207,918</u>	<u>469,622</u>
<b>Expenditures</b>				
Public Safety:				
Operating Expenditures	<u>(81,211)</u>	<u>(7,593)</u>	<u>(78,827)</u>	<u>(167,631)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,043</u>	<u>171,857</u>	<u>129,091</u>	<u>301,991</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	30,000	0	163,851	193,851
Interfund Transfers (out)	<u>0</u>	<u>(8,879)</u>	<u>(105,040)</u>	<u>(113,919)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>30,000</u>	<u>(8,879)</u>	<u>58,811</u>	<u>79,932</u>
<b>Net Change in Fund Balances</b>	31,043	162,978	187,902	381,923
<b>Fund Balances, Beginning of Year</b>	<u>71,516</u>	<u>197,629</u>	<u>123,293</u>	<u>392,438</u>
<b>Fund Balances, End of Year</b>	<u>\$ 102,559</u>	<u>\$ 360,607</u>	<u>\$ 311,195</u>	<u>\$ 774,361</u>

## **AGENCY FUNDS**

**Individual Depositors**—Accounts for fees charged for the service of process in civil cases. These nonrefundable fees are set by Section 30.231, Florida Statutes. The cost of executing enforceable writs is also handled through this fund. On a monthly basis, these fees are deposited to the General Fund of the Board.

**Inmate Trust**—Accounts for inmates' cash receipts and disbursements. Individual inmate account records are maintained and commissary sales recorded. This fund makes disbursements requested by inmates to the extent of their available funds.

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 SEPTEMBER 30, 2014  
 BRADFORD COUNTY SHERIFF**

	<u>Individual Depositors</u>	<u>Inmate Trust</u>	<u>Total All Agency Funds</u>
<b>Assets</b>			
Cash	\$ 11,604	\$ 19,458	\$ 31,062
<b>Total Current Assets</b>	<u>11,604</u>	<u>19,458</u>	<u>31,062</u>
<b>Liabilities</b>			
Accounts Payable	0	16,906	16,906
Due to Board of County Commissioners	8,440	0	8,440
Deposits	3,164	2,552	5,716
<b>Total Liabilities</b>	<u>\$ 11,604</u>	<u>\$ 19,458</u>	<u>\$ 31,062</u>

## **OTHER REPORTS**

**INDEPENDENT AUDITORS' 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***

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund, and the aggregate remaining fund information of the Bradford County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2014, and the related notes to the financial statements and have issued our report thereon dated May 28, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion of the effectiveness of the Sheriff's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Certified Public Accountants**

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

**INDEPENDENT AUDITORS' 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  
(Concluded)**

**Compliance and Other Matters**

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

We noted a certain matter that we reported to management in a separate letter dated May 28, 2015.

**Sheriff's Response to Findings**

The Sheriff's response to the findings identified in our audit is described in the Management's Response. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis, Gray and Company, LLP*

May 28, 2015  
Gainesville, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

We have examined Bradford County, Florida, Sheriff's (the Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Sheriff, its management, and the Board of County Commissioners of Bradford County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

May 28, 2015  
Gainesville, Florida

**Certified Public Accountants**

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## MANAGEMENT LETTER

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

### Report on the Financial Statements

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Bradford County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 28, 2015.

### Auditors' Responsibility

We conducted our audit 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; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports

We have issued our Independent Auditors' 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; and Independent Accountants' Report on our examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 28, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

### Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter, any recommendations to improve financial management. In connection with our audit, we have the following recommendation:

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The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**Other Matters (Concluded)**

■ **ML 2014-01 E911 Fund**

During fiscal year 2014, the E911 Fund had increased its fund balance by \$187,902 to a total of \$311,195. Pursuant to Section 365.173(2)(c), Florida Statutes, the agency may carry forward up to 30% of the total funds received each year for E911 capital outlay, capital improvements or equipment replacement. The Sheriff should review the provisions of Section 365.173(2)(c), Florida Statutes to ensure that 911 funds received are used to pay for all 911 eligible expenditures and excess funds on hand do not exceed the authorized carry forward amounts.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Punio, Gray and Company, LLP*

May 28, 2015  
Gainesville, Florida

SHERIFF



*Gordon Smith*

---

P.O. BOX 400  
STARKE, FLORIDA 32091  
(904) 966-2276

May 28, 2015

Purvis Gray & Company  
P.O Box 141270  
Gainesville, FL 32614

Gentlemen;

After review of the Special Purpose Financial Statements and Independent Auditor's Report dated September 30, 2014, I have prepared the following response to the items of concern you noted:

**Page 22      ML 2014-01 E911 Fund:**

In Fiscal Year 2014, The Sheriff's Office received a surplus of \$163,851.30 that was transferred from the Board of Commissioners. These funds were the remainder of accumulated E911 Funds that were held by the Board, for outstanding payables at the time E911 responsibilities were switched to the Sheriff's Office. We will monitor this account regularly, to ensure that no more than thirty percent of funds received, are retained for capital improvement projects.

Sincerely,

A handwritten signature in blue ink that reads "Gordon Smith".

Sheriff Gordon Smith

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY TAX COLLECTOR  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY TAX COLLECTOR  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**TABLE OF CONTENTS**

<b>Independent Auditors' Report</b> .....	1-2
<b>Financial Statements</b>	
Balance Sheet - General Fund .....	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	5
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	6
Notes to Financial Statements .....	7-12
<b>Other Reports</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	13-14
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes.....	15
Management Letter.....	16-17

## INDEPENDENT AUDITORS' REPORT

The Honorable Teresa G. Phillips  
Bradford County Tax Collector  
Bradford County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Tax Collector's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The Honorable Teresa G. Phillips  
Bradford County Tax Collector  
Bradford County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2014, and the respective changes in financial position of its general fund and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of a Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position as a whole of Bradford County, Florida as of September 30, 2014, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* in considering the Tax Collector's internal control over financial reporting and compliance.

  
May 26, 2015  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2014  
BRADFORD COUNTY TAX COLLECTOR**

<b>Assets</b>	
Cash	\$ 63,971
Accounts Receivable	299
<b>Total Assets</b>	<u>64,270</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Due to Board of County Commissioners	64,266
Due to Other Governments	4
Unearned Revenues	0
<b>Total Liabilities</b>	<u>64,270</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 64,270</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014  
 BRADFORD COUNTY TAX COLLECTOR**

<b>Revenues</b>	
Charges for Services	\$ 608,519
Miscellaneous	43,352
<b>Total Revenues</b>	<u>651,871</u>
 <b>Expenditures</b>	
Current:	
General Government:	
Personal Services	589,437
Operating Expenditures	62,428
<b>(Total Expenditures)</b>	<u>(651,865)</u>
 <b>Excess of Revenues Over Expenditures</b>	 6
 <b>Other Financing Sources (Uses)</b>	
Transfers (out) to Board of County Commissioners	<u>(6)</u>
 <b>Net Change in Fund Balance</b>	 0
 <b>Fund Balance, Beginning of Year</b>	 <u>0</u>
 <b>Fund Balance, End of Year</b>	 <u><u>\$ 0</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY TAX COLLECTOR**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$ 636,426	\$ 636,426	\$ 608,519	\$ (27,907)
Miscellaneous	4,367	4,367	43,352	38,985
<b>Total Revenues</b>	<u>640,793</u>	<u>640,793</u>	<u>651,871</u>	<u>11,078</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	640,523	636,522	589,437	47,085
Operating Expenditures	58,629	62,630	62,428	202
<b>(Total Expenditures)</b>	<u>(699,152)</u>	<u>(699,152)</u>	<u>(651,865)</u>	<u>47,287</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(58,359)</u>	<u>(58,359)</u>	<u>6</u>	<u>58,365</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	58,359	58,359	0	(58,359)
Transfers (out) to Board of County Commissioners	0	0	(6)	(6)
<b>Total Other Financing Sources (Uses)</b>	<u>58,359</u>	<u>58,359</u>	<u>(6)</u>	<u>(58,365)</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2014**  
**BRADFORD COUNTY TAX COLLECTOR**

**Assets**

Cash	\$ 373,193
Accounts Receivable	448
<b>Total Assets</b>	<u>373,641</u>

**Liabilities**

Due to Board of County Commissioners	635
Due to Other Governments	<u>373,006</u>
<b>Total Liabilities</b>	<u>\$ 373,641</u>

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY TAX COLLECTOR**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Bradford County, Florida, Tax Collector (the Tax Collector), conform to generally accepted accounting principles (GAAP), as applicable to governments.

The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Reporting Entity**

Bradford County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Tax Collector is an elected official of the County, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Tax Collector is a part of the primary government of Bradford County, Florida. The Florida Department of Revenue approves the Tax Collector's operating budget, the Tax Collector is responsible for the administration and operation of the Tax Collector's office, and the Tax Collector's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There are no component units for the Tax Collector to consider for inclusion in these financial statements.

The Tax Collector operates as a fee officer. Upon approval of the operating budget, revenues are collected from fees and from commissions earned for the collection of taxes and special assessments for the various County, taxing authorities pursuant to Section 192.091(2), Florida Statutes. Any excess revenues received over expenditures made are remitted at year-end to all the taxing districts.

**Basis of Presentation**

The accompanying financial statements include all the funds and accounts of the Tax Collector's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with GAAP. The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits*.

**Fund Accounting**

The financial transactions of the Tax Collector are recorded in separate funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Tax Collector utilizes the following fund types:

■ **Governmental Funds**

● **Major Fund**

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

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY TAX COLLECTOR**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Concluded)**

■ **Fiduciary Funds**

- **Agency Funds**—Agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting.

Under this method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Tax Collector considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Budgetary Requirement**

The revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the General Fund. Budget to actual comparisons are provided in the financial statements for the General Fund, where the Tax Collector has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Tax Collector's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY TAX COLLECTOR**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Capital Assets**

Tangible personal property is recorded as expenditures in the General Fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector maintains custodial responsibility for the capital assets used by her office.

**Accumulated Compensated Absences**

Permanent full-time employees of the Tax Collector are entitled to accrue personal leave time. Upon retirement or resignation in good standing, employees shall be paid up to a maximum number of hours based upon the employee's years of service at the employee's current rate of pay.

**Risk Management**

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others. The Tax Collector participates in the risk management program through the Board, which uses commercial insurance to cover the following types of risk:

- Workers' Compensation
- Automobile Liability
- Public Officials' Liability
- Personal Property Damage
- General Liability

Workers' compensation coverage is provided under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the Board's experience for this type of risk.

**Property Tax Collections**

Chapter 197, Florida Statutes, governs property tax collections.

■ **Current Taxes**

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.

■ **Unpaid Taxes—Sale of Tax Certificates**

The Tax Collector advertises, as required by Florida Statutes then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

■ **Tax Deeds**

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY TAX COLLECTOR**  
*(Continued)*

**Note 2 - Cash**

At September 30, 2014, the carrying amount of the Tax Collector's deposits was \$437,164 and the bank balance was \$517,946. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Tax Collector are placed with qualified financial institutions which means, they are insured or collateralized.

**Note 3 - Employee Benefits**

**Plan Description**

Membership in the Florida Retirement System (FRS) is required for all full-time and part-time employees in regularly established positions for state agencies, county governments, district school boards, state universities and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. The FRS Pension Plan is a cost-sharing, multiple-employer, public retirement system, administered by the State of Florida Division of Retirement. The FRS also offers eligible employees participation in an alternative defined contribution plan (the Investment Plan).

Employees participating in the Pension Plan are entitled to a retirement benefit, payable monthly for life. If employed prior to July 1, 2011, the FRS provides for vesting of benefits after six years of creditable service. The vesting requirement changes to eight years of creditable service for those employed on or after July 1, 2011. For those employed prior to July 1, 2011, normal retirement is after 30 years of service or age 62. If employed on or after July 1, 2011, normal retirement is after 33 years of service or age 65. The monthly benefit received is equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Vested employees may retire early and receive reduced retirement benefits. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death and disability benefits (including in-line-of-duty disability). Benefits are established by Florida Statutes.

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS trust fund (increased by a cost of living adjustment each July) DROP participants starting the program prior to July 1, 2011, earn monthly interest equivalent to an annual rate of 6.5%. Participants starting the program on or after July 1, 2011, earn an effective annual rate of 1.3%. When the DROP period ends, the DROP account is paid out as a lump-sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY TAX COLLECTOR**  
*(Continued)*

**Note 3 - Employee Benefits (Concluded)**

**Plan Description (Concluded)**

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

**Funding Policy**

The Florida Legislature has established a uniform contribution rate system for the FRS covering both the Pension Plan and the Investment Plan. The current contribution rates by member class are as follows: regular employees 7.37%, senior management 21.14%, DROP employees 12.28%, and elected officials 43.24%. As of July 1, 2011, employees are required to contribute 3% of their compensation to the plan. The Tax Collector's contributions to the plan for the years ended September 30, 2014, 2013, and 2012, were \$66,270, \$33,540, and \$21,760, respectively, equal to the actuarially determined contribution requirements for each fiscal year.

**Note 4 - Postemployment Benefits Other Than Pensions**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

The Other Postemployment Benefits (OPEB) is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage selected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the "implicit rate subsidy."

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected.

Currently, the Tax Collector has seven active employees and no retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Tax Collector's portion of the OPEB obligation for the year totaled \$16,691. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY TAX COLLECTOR**  
*(Concluded)*

**Note 5 - Changes in Long-term Debt**

The following is a summary of the changes in long-term debt of the Tax Collector for the year ended September 30, 2014:

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2014</u>
Accumulated Compensated Absences	\$ 43,550	\$ 29,371	\$ (29,906)	\$ 43,015
Other Postemployment Benefits	<u>14,732</u>	<u>1,959</u>	<u>0</u>	<u>16,691</u>
<b>Total Long-term Debt</b>	<u>\$ 58,282</u>	<u>\$ 31,330</u>	<u>\$ (29,906)</u>	<u>\$ 59,706</u>

Accumulated compensated absences represent the vested portion of accrued personal leave. See Note 1 for a summary of the Tax Collector's accumulated compensated absences policy.

The Tax Collector's long-term debt is reported in the statement of net position in the County's financial statements.

**Note 6 - Operating Lease**

The Tax Collector's Office entered into a lease agreement for lease of a mail processor and scale. The lease provides for 16 quarterly payments of \$231. The lease is for 48 months, ending May 2015. Total lease payments of \$926 were made during the fiscal year ending September 30, 2014.

The future minimum lease payments for the mail processor and scale are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2015	<u>\$ 694</u>
<b>Total</b>	<u>\$ 694</u>

## **OTHER REPORTS**

**INDEPENDENT AUDITORS' 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***

The Honorable Teresa G. Phillips  
Bradford County Tax Collector  
Bradford County, Florida

We have audited in accordance with the 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, the financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2014, and the related notes to the financial statements and have issued our report thereon dated May 26, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Tax Collector's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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The Honorable Teresa G. Phillips  
Bradford County Tax Collector  
Bradford County, Florida

**INDEPENDENT AUDITORS' 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*  
(*Concluded*)**

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis, Gray and Company, LLP*

May 26, 2015  
Gainesville, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Teresa G. Phillips  
Bradford County Tax Collector  
Bradford County, Florida

We have examined Bradford County, Florida, Tax Collector's (the Tax Collector) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Tax Collector's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Tax Collector, its management, and the Board of County Commissioners of Bradford County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

May 26, 2015  
Gainesville, Florida

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**MANAGEMENT LETTER**

The Honorable Teresa G. Phillips  
Bradford County Tax Collector  
Bradford County, Florida

**Report on the Financial Statements**

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 26, 2015.

**Auditors' Responsibility**

We conducted our audit 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; and Chapter 10.550, *Rules of the Auditor General*.

**Other Reports**

We have issued our Independent Auditors' 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; and Independent Accountants' Report on our examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 26, 2015, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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The Honorable Teresa G. Phillips  
Bradford County Tax Collector  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**Other Matters**

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Purvis, Gray and Company, LLP*

May 26, 2015  
Gainesville, Florida

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY PROPERTY APPRAISER  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY PROPERTY APPRAISER  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**TABLE CONTENTS**

<b>Independent Auditors' Report</b> .....	1-2
<b>Financial Statements</b>	
Balance Sheet - General Fund .....	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	5
Notes to Financial Statements .....	6-10
<b>Other Reports</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	11-12
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes.....	13
Management Letter .....	14-15
Management's Response.....	16

## INDEPENDENT AUDITORS' REPORT

The Honorable Jimmy Alvarez  
Bradford County Property Appraiser  
Bradford County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Property Appraiser's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The Honorable Jimmy Alvarez  
Bradford County Property Appraiser  
Bradford County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2014, and the changes in financial position of its general fund and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of a Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, where applicable, only for that portion of the major funds of Bradford County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position as a whole of Bradford County, Florida as of September 30, 2014, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* in considering the Property Appraiser's internal control over financial reporting and compliance.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 31, 2014  
BRADFORD COUNTY PROPERTY APPRAISER**

<b>Assets</b>	
Cash	\$ 25,004
	<hr/>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Due to Board of County Commissioners	24,522
Due to Other Governments	482
<b>Total Liabilities</b>	<hr/> 25,004 <hr/>
<b>Fund Balance</b>	<hr/> 0 <hr/>
<b>Total Liabilities and Fund Balance</b>	<hr/> \$ 25,004 <hr/>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - GENERAL FUND  
 SEPTEMBER 31, 2014  
 BRADFORD COUNTY PROPERTY APPRAISER**

<b>Revenues</b>	
Charges for Services	\$ 12,899
Miscellaneous	2,546
<b>Total Revenues</b>	15,445
<b>Expenditures</b>	
Current:	
General Government:	
Personal Services	485,904
Operating Expenditures	113,287
Capital Outlay	1,149
<b>(Total Expenditures)</b>	(600,340)
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(584,895)
<b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	609,417
Transfers (out) to Board of County Commissioners	(24,522)
<b>Total Other Financing Sources (Uses)</b>	584,895
<b>Net Change in Fund Balance</b>	0
<b>Fund Balance, Beginning of Year</b>	0
<b>Fund Balance, End of Year</b>	\$ 0

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
SEPTEMBER 31, 2014  
BRADFORD COUNTY PROPERTY APPRAISER**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Charges for Services	\$ 13,381	\$ 13,381	\$ 12,899	\$ (482)
Miscellaneous	0	0	2,546	2,546
<b>Total Revenues</b>	<u>13,381</u>	<u>13,381</u>	<u>15,445</u>	<u>2,064</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	497,295	497,295	485,904	11,391
Operating Expenditures	123,503	122,354	113,287	9,067
Capital Outlay	0	1,149	1,149	0
Reserve for Contingency	2,000	2,000	0	2,000
<b>(Total Expenditures)</b>	<u>(622,798)</u>	<u>(622,798)</u>	<u>(600,340)</u>	<u>22,458</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(609,417)</u>	<u>(609,417)</u>	<u>(584,895)</u>	<u>24,522</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	609,417	609,417	609,417	0
Transfers (out) to Board of County Commissioners	0	0	(24,522)	(24,522)
<b>Total Other Financing Sources (Uses)</b>	<u>609,417</u>	<u>609,417</u>	<u>584,895</u>	<u>(24,522)</u>
<b>Net Change in Fund Balance</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY PROPERTY APPRAISER**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Bradford County, Florida, Property Appraiser (the Property Appraiser) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Reporting Entity**

Bradford County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Property Appraiser is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is a part of the primary government of the County. The Florida Department of Revenue approve the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There are no component units for the Property Appraiser to consider for inclusion in these financial statements.

The operations of the Property Appraiser are funded by the Board, the St. John's River Water Management District, and the Suwannee River Water Management District. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements.

**Basis of Presentation**

The accompanying financial statements include all the funds and accounts of the Property Appraiser's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits*.

**Fund Accounting**

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Property Appraiser utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY PROPERTY APPRAISER**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Basis of Accounting**

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

The modified accrual basis of accounting is followed by the General Fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Property Appraiser considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The General Fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Budgetary Requirement**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the General Fund. Budget to actual comparisons are provided in the financial statements for the General Fund, where the Property Appraiser has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Property Appraiser's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Capital Assets**

Tangible personal property is recorded as expenditures in the General Fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

**Accumulated Compensated Absences**

Permanent full-time employees of the Property Appraiser are entitled to accrue personal leave time. Upon retirement or resignation in good standing, employees shall be paid up to a maximum number of hours based upon the employee's years of service at the employee's current rate of pay.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY PROPERTY APPRAISER**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Risk Management**

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others. The Property Appraiser participates in a risk management program through the Board, which uses commercial insurance to cover the following types of risk:

- Workers' Compensation
- Automobile Liability
- Public Officials' Liability
- Personal Property Damage
- General Liability

Workers' compensation coverage is provided under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the Board's experience for this type of risk.

**Note 2 - Cash**

At September 30, 2014, the carrying amount of the Property Appraiser's deposits was \$25,004 and the bank balance was \$49,254. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Property Appraiser are placed with qualified a financial institution, which means they are insured or collateralized.

**Note 3 - Employee Benefits**

**Plan Description**

Membership in the Florida Retirement System (FRS) is required for all full-time and part-time employees in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. The FRS Pension Plan is a cost-sharing, multiple-employer, public retirement system, administered by the State of Florida Division of Retirement. The FRS also offers eligible employees participation in an alternative defined contribution plan (the Investment Plan).

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY PROPERTY APPRAISER**  
*(Continued)*

**Note 3 - Employee Benefits (Concluded)**

**Plan Description (Concluded)**

Employees participating in the FRS Pension Plan are entitled to a retirement benefit, payable monthly for life. If employed prior to July 1, 2011, the FRS provides for vesting of benefits after six years of creditable service. The vesting requirement changes to eight years of creditable service for those employed on or after July 1, 2011. For those employed prior to July 1, 2011, normal retirement is after 30 of service or age 62. If employed on or after July 1, 2011, normal retirement is after 33 years of service or age 65. The monthly benefit received is equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Vested employees may retire early and receive reduced retirement benefits. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death and disability benefits (including in-line-of-duty disability). Benefits are established by Florida Statutes.

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS trust fund (increased by a cost-of-living adjustment each July). DROP participants starting the program prior to July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50%. Participants starting the program on or after July 1, 2011, earn an effective annual rate of 1.3%. When the DROP period ends, the DROP account is paid out as a lump-sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

**Funding Policy**

The Florida Legislature has established a uniform contribution rate system for the FRS covering both the FRS Pension Plan and the Investment Plan. The current contribution rates by member class are as follows: regular employees 7.37%, senior management 21.14%, DROP employees 12.28%, and elected officials 43.24%. As of July 1, 2011, employees are required to contribute 3% of their compensation to the plan. The Property Appraiser's contributions to the plan for the years ended September 30, 2014, 2013, and 2012, were \$53,893, \$29,654, and \$21,508, respectively, equal to the actuarially determined contribution requirements for each fiscal year.

**Note 4 - Other Postemployment Benefits (OPEB)**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY PROPERTY APPRAISER**  
*(Concluded)*

**Note 4 - Other Postemployment Benefits (OPEB) (Concluded)**

The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage selected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the “implicit rate subsidy.”

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected.

Currently the Property Appraiser has three active employees and no retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Property Appraiser’s portion of the OPEB obligation for the year totaled \$530. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 5 - Change in Long-term Debt**

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2014:

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2014</u>
Accumulated Compensated Absences	\$ 23,267	\$ 25,439	\$ (18,836)	\$ 29,870
Other Postemployment Benefits	236	294	0	530
<b>Total Long-term Debt</b>	<u>\$ 23,503</u>	<u>\$ 25,733</u>	<u>\$ (18,836)</u>	<u>\$ 30,400</u>

Accumulated compensated absences represent the vested portion of accrued leave. See Note 1 for a summary of the Property Appraiser’s accumulated compensated absences policy.

The Property Appraiser’s long-term debt is not reported in the accompanying financial statements but is recorded in the statement of net position as part of the basic financial statements of the County.

## **OTHER REPORTS**

**INDEPENDENT AUDITORS' 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***

The Honorable Jimmy Alvarez  
Bradford County Property Appraiser  
Bradford County, Florida

We have audited, in accordance with the 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, the financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Property Appraiser's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described below that we consider to be a significant deficiency.

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The Honorable Jimmy Alvarez  
Bradford County Property Appraiser  
Bradford County, Florida

**INDEPENDENT AUDITORS' 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*  
(Concluded)**

**Internal Control Over Financial Reporting (Concluded)**

■ **2009-1 Separation of Duties**

*Condition*—Because of a limited number of available personnel, it was not always possible to adequately separate certain incompatible duties so that no one person has access to both the physical assets and the related accounting records, or to all phases of a transaction.

*Criteria*—Separation of incompatible duties provides increased assurance that errors and irregularities will not go undetected for long periods of time.

*Effect*—Lack of proper separation of incompatible duties could result in errors and irregularities that go undetected.

*Recommendation*—We recommend that incompatible duties be separated among various individuals where it is feasible to do so.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance 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*.

**Property Appraiser's Response to Findings**

The Property Appraiser's response to the findings identified in our audit is described in the Management's Response. The Property Appraiser's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 29, 2015  
Gainesville, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Jimmy Alvarez  
Bradford County Property Appraiser  
Bradford County, Florida

We have examined Bradford County, Florida, Property Appraiser's (the Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Property Appraiser, applicable management, and the Board of County Commissioners of Bradford County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Jimmy Alvarez  
Bradford County Property Appraiser  
Bradford County, Florida

### Report on the Financial Statements

We have audited the financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 29, 2015.

### Auditors' Responsibility

We conducted our audit 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; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports

We have issued our Independent Auditors' 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*; and Independent Accountants' Report on our examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 29, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendation made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

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The Honorable Jimmy Alvarez  
Bradford County Property Appraiser  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**Other Matters**

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter, any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Property Appraiser and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



May 29, 2015  
Gainesville, Florida

BRADFORD COUNTY  
PROPERTY APPRAISER

JIMMY ALVAREZ  
Certified Florida Appraiser

Post Office Box 250  
Starke, Florida 32091-0250  
(904) 966-6216  
www.bradfordappraiser.com  
Fax (904) 966-6167

May 29, 2015

Gentlemen:

The following is my response to the Report on Internal Control Structure for the Bradford County Property Appraiser, prepared by Purvis, Gray and Company, for the fiscal year ended September 30, 2014, which noted a reportable condition:

Although I recognize the advantages of segregating certain financial duties so that no one employee has access to both physical assets and the related accounting records, it is not economically feasible to do so at this time. The constraints of a limited staff make it necessary that some of these functions be consolidated for purposes of utilizing personnel to the fullest extent. I will, however, continue to monitor this and make changes as conditions warrant.

Sincerely,

  
Jimmy Alvarez  
Property Appraiser

JA/ljl

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY SUPERVISOR OF ELECTIONS  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY SUPERVISOR OF ELECTIONS  
BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2014**

**TABLE OF CONTENTS**

<b>Independent Auditors' Report</b> .....	1-2
<b>Financial Statements</b>	
Balance Sheet - General Fund .....	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	5
Notes to Financial Statements .....	6-10
<b>Other Reports</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	11-12
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes .....	13
Management Letter.....	14-15

## INDEPENDENT AUDITORS' REPORT

The Honorable Terry Vaughan  
Bradford County Supervisor of Elections  
Bradford County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the general fund of Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Supervisor of Elections' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The Honorable Terry Vaughan  
Bradford County Supervisor of Elections  
Bradford County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Supervisor of Elections as of September 30, 2014, and the changes in financial position of its general fund and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of a Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, where applicable, only for that portion of the major funds of Bradford County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position as a whole of Bradford County, Florida as of September 30, 2014, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2014  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

<b>Assets</b>	
Cash in Bank	\$ 9,991
	<u>                    </u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	2,100
Unearned Revenue	7,891
<b>Total Liabilities</b>	<u>9,991</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 9,991</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

<b>Revenues</b>	
Intergovernmental Revenue	\$ 3,474
Miscellaneous	1,049
<b>Total Revenues</b>	4,523
 <b>Expenditures</b>	
Current:	
General Government:	
Personal Services	275,865
Operating Expenditures	86,768
Debt Service	8,330
Capital Outlay	2,285
<b>(Total Expenditures)</b>	(373,248)
 <b>(Deficiency) of Revenues (Under) Expenditures</b>	 (368,725)
 <b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	368,725
<b>Total Other Financing Sources (Uses)</b>	368,725
 <b>Net Change in Fund Balance</b>	 0
 <b>Fund Balance, Beginning of Year</b>	 0
 <b>Fund Balance, End of Year</b>	 \$ 0

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental Revenue	\$ 0	\$ 0	\$ 3,474	\$ 3,474
Miscellaneous	0	0	1,049	1,049
<b>Total Revenues</b>	<u>0</u>	<u>0</u>	<u>4,523</u>	<u>4,523</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	263,593	276,557	275,865	692
Operating Expenditures	103,270	92,020	86,768	5,252
Debt Service	8,330	8,330	8,330	0
Capital Outlay	3,000	2,286	2,285	1
Reserve for Contingency	1,000	0	0	0
<b>(Total Expenditures)</b>	<u>(379,193)</u>	<u>(379,193)</u>	<u>(373,248)</u>	<u>5,945</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(379,193)</u>	<u>(379,193)</u>	<u>(368,725)</u>	<u>10,468</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	379,193	379,193	368,725	(10,468)
<b>Total Other Financing Sources (Uses)</b>	<u>379,193</u>	<u>379,193</u>	<u>368,725</u>	<u>(10,468)</u>
<b>Net Change in Fund Balance</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Reporting Entity**

Bradford County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Supervisor of Elections is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Supervisor of Elections is a part of the primary government of the County. The Board approves the Supervisor of Elections' total operating budget and is responsible for accounting for the Supervisor of Elections' transactions. The Supervisor of Elections is responsible for the administration and operation of the Supervisor of Elections' office, and the Supervisor of Elections' financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There are no component units for the Supervisor of Elections to consider for inclusion in these financial statements.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements.

**Basis of Presentation**

The accompanying financial statements include all the funds and accounts of the Supervisor of Elections' office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits*.

**Fund Accounting**

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

**Basis of Accounting**

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

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SUPERVISOR OF ELECTIONS**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies *(Continued)***

**Basis of Accounting**

The modified accrual basis of accounting is followed by the General Fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Supervisor of Elections considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The General Fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Budgetary Requirement**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the General Fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the General Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

**Capital Assets**

Tangible personal property is recorded as expenditures in the General Fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections maintains custodial responsibility for the capital assets used by his office.

**Accumulated Compensated Absences**

Permanent full-time employees of the Supervisor of Elections are entitled to accrue personal leave time. Upon retirement or resignation in good standing, employees shall be paid up to a maximum number of hours based upon the employee's years of service at the employee's current rate of pay.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SUPERVISOR OF ELECTIONS**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Risk Management**

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others. The Supervisor of Elections participates in the risk management program through the Board, which uses commercial insurance to cover the following types of risk:

- Workers' Compensation
- Automobile Liability
- Public Officials' Liability
- Personal Property Damage
- General Liability

**Note 2 - Cash Deposits**

At September 30, 2014, the carrying amount of the Supervisor of Elections' deposits was \$9,991, held as part of the Board's pooled checking account. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balances of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Supervisor of Elections are placed with qualified financial institutions which means, they are insured or collateralized.

**Note 3 - Employee Benefits**

**Plan Description**

Membership in the Florida Retirement System (FRS) is required for all full-time and part-time employees in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. The FRS Pension Plan is a cost-sharing, multiple-employer, public retirement system, administered by the State of Florida Division of Retirement. The FRS also offers eligible employees participation in an alternative defined contribution plan (the Investment Plan).

Employees participating in the FRS Pension Plan are entitled to a retirement benefit, payable monthly for life. If employed prior to July 1, 2011, FRS provides for vesting of benefits after six years of creditable service. The vesting requirement changes to eight years of creditable service for those employed on or after July 1, 2011. For those employed prior to July 1, 2011, normal retirement is after 30 years of service or age 62. If employed on or after July 1, 2011, normal retirement is after 33 years of service or age 65. The monthly benefit received is equal to the product of: (1) average monthly compensation in the highest five years of

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SUPERVISOR OF ELECTIONS**  
*(Continued)*

**Note 3 - Employee Benefits (Concluded)**

**Plan Description (Concluded)**

creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Vested employees may retire early and receive reduced retirement benefits. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death and disability benefits (including in-line-of-duty disability). Benefits are established by Florida Statutes.

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS trust fund (increased by a cost-of-living adjustment each July). DROP participants starting the program prior to July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50%. Participants starting the program on or after July 1, 2011, earn an effective annual rate of 1.3%. When the DROP period ends, the DROP account is paid out as a lump-sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

**Funding Policy**

The Florida Legislature has established a uniform contribution rate system for the FRS covering both the FRS Pension Plan and the Investment Plan. The current contribution rates by member class are as follows: regular employees 7.37%, senior management 21.14%, DROP employees 12.28%, and elected officials 43.24%. As of July 1, 2011, employees are required to contribute 3% of their compensation to the Plan. The Supervisor of Elections' contributions to the Plan for the years ended September 30, 2014, 2013, and 2012, were \$36,645, \$17,106, and \$12,628, respectively, equal to the actuarially determined contribution requirements for each fiscal year.

**Note 4 - Other Postemployment Benefits (OPEB)**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage selected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the "implicit rate subsidy."

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected.

**NOTES TO FINANCIAL STATEMENTS**  
**BRADFORD COUNTY SUPERVISOR OF ELECTIONS**  
*(Concluded)*

**Note 4 - Other Postemployment Benefits (OPEB) (Concluded)**

Currently, the Supervisor of Elections has three active employees who are considered participants in the Plan for purposes of computing the OPEB obligation. The Supervisor of Elections' portion of the OPEB obligation for the year totaled \$3,380. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 5 - Change in Long-term Debt**

The following is a summary of the change in long-term debt of the Supervisor of Elections for the year ended September 30, 2014:

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2014</u>	<u>Due Within One Year</u>
Accumulated Compensated Absences	\$ 3,904	\$ 2,260	\$ 0	\$ 6,164	\$ 0
Other Postemployment Benefits	3,371	9	0	3,380	0
Capital Lease—Voting Equipment	<u>24,023</u>	<u>0</u>	<u>(7,850)</u>	<u>16,173</u>	<u>8,007</u>
<b>Total Long-term Debt</b>	<u>\$ 31,298</u>	<u>\$ 2,269</u>	<u>\$ (7,850)</u>	<u>\$ 25,717</u>	<u>\$ 8,007</u>

Accumulated compensated absences represent the vested portion of personal leave (see Note 1 for a summary of the Supervisor of Elections' compensated absences policy).

The Supervisor of Elections has entered into a capital lease agreements as a lessee for 17 voting machines. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date in the County's financial statements.

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2014:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 8,007	\$ 323	\$ 8,330
2016	8,166	164	8,330
Compensated Absences	6,164	0	6,164
Other Postemployment Benefits	<u>3,380</u>	<u>0</u>	<u>3,380</u>
<b>Totals</b>	<u>\$ 25,717</u>	<u>\$ 487</u>	<u>\$ 26,204</u>

Interest paid on the capital lease during the fiscal year totaled \$480.

The Supervisor of Elections' long-term debt is reported in the statement of net position in the County's financial statements.

## **OTHER REPORTS**

**INDEPENDENT AUDITORS' 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***

The Honorable Terry Vaughan  
Bradford County Supervisor of Elections  
Bradford County, Florida

We have audited in accordance with the 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, the financial statements of the general fund of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Supervisor of Election's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Certified Public Accountants**

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Terry Vaughan  
Bradford County Supervisor of Elections  
Bradford County, Florida

**INDEPENDENT AUDITORS' 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*  
(*Concluded*)**

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Terry Vaughn  
Bradford County Supervisor of Elections  
Bradford County, Florida

We have examined Bradford County, Florida, Supervisor of Election's (the Supervisor of Elections) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Supervision of Elections' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervision of Elections' compliance with specified requirements.

In our opinion, the Supervision of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections and its management, and the Board of County Commissioners of Bradford County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Terry Vaughan  
Bradford County Supervisor of Elections  
Bradford County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 29, 2015.

### Auditors' Responsibility

We conducted our audit 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; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports

We have issued our Independent Auditors' 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*; and Independent Accountants' Report on our examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 29, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

### Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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The Honorable Terry Vaughan  
Bradford County Supervisor of Elections  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**Other Matters (Concluded)**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Supervisor of Elections and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Purvis, Gray and Company, LLP*

May 29, 2015  
Gainesville, Florida