

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY, FLORIDA
STARKE, FLORIDA**

SEPTEMBER 30, 2013

**FINANCIAL STATEMENTS
AND
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STARKE, FLORIDA**

SEPTEMBER 30, 2013

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	9
Statement of Activities	10
Fund Financial Statements	
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 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
Notes to Financial Statements	24-42
Required Supplementary Information	
Required Supplementary Information Other Postemployment Benefits Plan Schedule of Funding Progress	43

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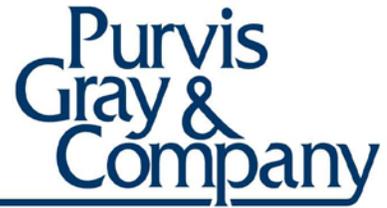
**TABLE OF CONTENTS
(Concluded)**

Combining Fund Statements

Combining Balance Sheet - General Funds	44
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances - General Funds	45
Combining Balance Sheet - Nonmajor Governmental Funds	46-49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	50-53
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds	54-55

Other Information

Schedule of Expenditures of Federal Awards and State Financial Assistance	56-58
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>	59-60
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>	61-62
Schedule of Findings and Questioned Costs - Federal Awards and State Financial Assistance	63-64
Management Letter	65-66
Management's Response	67-68



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, 2013, 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 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 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, 2013, 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, 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 (OMB) 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 June 5, 2014, 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

June 5, 2014
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 eleventh 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 \$66.9 million (net position). Unrestricted net position for Governmental Activities was \$12.1 million and restricted position was \$15 million, with the remaining \$39.8 million invested in capital assets.

General Fund revenues increased by \$2,152,649 or 20.3% when compared to fiscal year 2012. General Fund expenditures increased by \$1,483,498 when compared to fiscal year 2012. Comparing Revenues with Expenditures in the General Fund for fiscal year 2013 showed a deficiency in revenue of \$109,712.

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, interest and fiscal charges, and other debt service 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-four 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 eighteen 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 \$66,909,813, which is a decrease over the prior year of \$110,437. Net position is composed of \$39,774,395 net investment in capital assets, \$15,009,737 restricted for various uses, with \$12,125,681 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, 2013, Bradford County’s governmental funds reported combined ending fund balances of \$25,219,181. This is a decrease over the prior year of \$112,982. The breakout of the six major funds and the remaining non-major funds is as follows.

Bradford County, Florida
Fund Balances

General Fund	\$ 12,322,791
S.H.I.P.	0
Public Library	256,542
Transportation Trust	2,799,584
Fines and Forfeitures	2,843,704
Emergency Medical Services	504,379
Other Government Funds (Combined 18 Non-major Funds)	6,492,181
Total Fund Balances	\$ 25,219,181

The County’s overall financial position reported a decrease in total governmental fund balances of \$112,982 or 0.44% during fiscal year 2013.

The County’s General Fund had a decrease in fund balance of \$1,362,681 during the current fiscal year. S.H.I.P. had no change, the Public Library Fund had an increase of \$30,979. The Transportation Trust Fund showed an increase of \$96,825 in fund balance. The Fines and Forfeitures Fund increased its fund balance by \$1,602,150. The Emergency Medical Services Fund showed an increase in fund balance of \$168,871.

This accounts for all the major funds. The remaining eighteen non-major funds had a combined decrease in fund balance of \$649,126. Although the County incurred a small decrease of \$112,982 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 \$874,504 more than the final budgeted amount, and the expenditures were \$3,198,617 less than final budgeted amounts.

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, 2013, exceeded \$40.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, 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	\$	524,546
Net Increase in Buildings and Improvements		200,414
Net Increase in Machinery and Equipment		1,485,209
Net Increase in Construction in Progress		129,816

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, 2013, consists of \$669,249 for compensated absences and \$344,842 for Other Postemployment Benefits.

Two other substantial debts are:

Notes Payable	\$	224,336
Estimated Landfill Postclosure Costs		248,653

Economic Factors and Future Financial Condition

Bradford County primarily relies on AdValorem 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 2013 according to the Florida Association of Counties was listed as a preliminary 5.7% while the State of Florida was 7.0%. In 2012, the unemployment rate for Bradford County was 7.3% and the State of Florida was 8.7%.

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

	FYE 2013	FYE 2012
Assets		
Current Assets and Other Assets	\$ 29,428,757	\$ 29,099,686
Capital Assets	40,168,157	40,381,305
Total Assets	69,596,914	69,480,991
Liabilities		
Current Liabilities	1,030,595	882,961
Non-current Liabilities	1,656,506	1,577,780
Total Liabilities	2,687,101	2,460,741
Net Position		
Net Investment in Capital Assets	39,774,395	39,897,795
Restricted	15,009,737	16,272,094
Unrestricted	12,125,681	10,850,361
Total Net Position	\$ 66,909,813	\$ 67,020,250

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

Bradford County
Changes in Net Position

	FYE 2013	FYE 2012
Revenues		
Program Revenues:		
Charges for Services	\$ 4,989,662	\$ 4,993,794
Operating Grants and Contributions	4,453,081	2,295,275
Capital Grants and Contributions	2,135,959	979,916
General Revenues:		
Property Taxes	7,209,732	7,313,930
Other Taxes	5,838,893	6,684,261
Other	475,610	1,308,090
Total Revenues	25,102,937	23,575,266
Expenses		
General Government	5,007,685	4,714,341
Public Safety	9,990,368	8,591,283
Physical Environment	1,253,041	1,190,787
Transportation	5,435,367	4,586,806
Economic Environment	487,638	579,502
Human Services	826,307	763,008
Culture and Recreation	722,637	731,724
Court Related	1,479,065	1,361,168
Interest and Fiscal Charges	11,266	2,512
Total Expenses	25,213,374	22,521,131
Change in Net Position	(110,437)	1,054,135
Net Position - Beginning of Year	67,020,250	65,966,115
Net Position - End of Year	\$ 66,909,813	\$ 67,020,250

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA

	<u>Governmental Activities</u>
Assets	
Cash Deposits	\$ 14,856,853
Investments	11,677,202
Accounts Receivable	520,967
Mortgages Receivable	561,963
Due from Other Governments	1,327,081
Inventory	63,590
Prepaid Expenses	20,415
Restricted Assets:	
Cash Deposits - Landfill Postclosure	6,843
Investments - Landfill Postclosure	393,843
Capital Assets Not Being Depreciated:	
Land	7,809,813
Construction in Progress	265,609
Depreciable Capital Assets, Net	32,092,735
Total Assets	<u><u>69,596,914</u></u>
Liabilities	
Accounts Payable	601,952
Due to Other Governments	316,057
Accrued Interest	6,953
Unearned Revenue	105,633
Noncurrent Liabilities:	
Due Within One Year:	
Installment Purchase Obligation	24,709
Estimated Landfill Postclosure Costs	82,884
Notes Payable	62,641
Due In More Than One Year:	
Installment Purchase Obligation	144,717
Estimated Landfill Postclosure Costs	165,769
Notes Payable	161,695
Compensated Absences	669,249
Other Postemployment Benefits Liability	344,842
Total Liabilities	<u><u>2,687,101</u></u>
Net Position	
Net Investment in Capital Assets	39,774,395
Restricted for:	
Debt Service	
Other Purposes	15,009,737
Unrestricted	12,125,681
Total Net Position	<u><u>\$ 66,909,813</u></u>

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

STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position Governmental Activities
Governmental Activities					
General Government	\$ 5,007,685	\$ 1,010,490	\$ 855,663	\$ 0	\$ (3,141,532)
Public Safety	9,990,368	1,941,177	1,362,499	127,828	(6,558,864)
Physical Environment	1,253,041	867,919	531,250	0	146,128
Transportation	5,435,367	624,959	695,338	2,008,131	(2,106,939)
Economic Environment	487,638	85,000	522,325	0	119,687
Human Services	826,307	8,253	226,278	0	(591,776)
Culture and Recreation	722,637	14,286	179,692	0	(528,659)
Court Related	1,479,065	437,578	80,036	0	(961,451)
Interest and Fiscal Charges	11,266	0	0	0	(11,266)
Total Governmental Activities	\$ 25,213,374	\$ 4,989,662	\$ 4,453,081	\$ 2,135,959	(13,634,672)

General Revenues

Property Taxes	7,209,732
Discretionary Sales Surtax	1,748,052
Gasoline Taxes	623,064
Communication Service Taxes	40,472
Tourist Development Tax	83,653
Sales Tax and Other State Shared Revenue	3,343,652
Interest Earnings	72,049
Miscellaneous	403,561
Total General Revenues	13,524,235
Change in Net Position	(110,437)
Net Position, Beginning of Year	67,020,250
Net Position, End of Year	\$ 66,909,813

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA**

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
Assets				
Cash Deposits	\$ 3,330,173	\$ 1,201,356	\$ 974,606	\$ 2,576,254
Investments	8,898,619	0	522,883	0
Accounts Receivable	28,466	0	60	33,382
Mortgages Receivable	0	561,963	0	0
Due from Other Funds	103,779	0	0	0
Due from Other Governments	850,767	0	0	249,576
Inventory	0	0	0	63,590
Prepaid Expenses	10,000	0	0	0
Total Assets	<u>13,221,804</u>	<u>1,763,319</u>	<u>1,497,549</u>	<u>2,922,802</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	284,057	796	9,233	123,218
Due to Other Funds	440,550	0	0	0
Due to Other Governments	84,007	0	140	0
Unearned Revenue	90,399	1,762,523	1,231,634	0
Total Liabilities	<u>899,013</u>	<u>1,763,319</u>	<u>1,241,007</u>	<u>123,218</u>
Fund Balances				
Nonspendable	10,000	0	0	63,590
Restricted	186,157	0	64,978	2,735,994
Committed	0	0	0	0
Assigned	0	0	191,564	0
Unassigned	12,126,634	0	0	0
Total Fund Balances	<u>12,322,791</u>	<u>0</u>	<u>256,542</u>	<u>2,799,584</u>
Total Liabilities and Fund Balances	<u>\$ 13,221,804</u>	<u>\$ 1,763,319</u>	<u>\$ 1,497,549</u>	<u>\$ 2,922,802</u>

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

Fines and Forfeitures	Emergency Medical Service	Other Governmental Funds	Total Governmental Funds
\$ 1,849,163	\$ 316,349	\$ 4,615,795	\$ 14,863,696
697,540	0	1,952,003	12,071,045
10,415	403,461	45,183	520,967
0	0	0	561,963
448,779	0	16,614	569,172
92,669	0	93,215	1,286,227
0	0	0	63,590
0	10,415	0	20,415
<u>3,098,566</u>	<u>730,225</u>	<u>6,722,810</u>	<u>29,957,075</u>
72,974	22,616	89,058	601,952
0	0	87,768	528,318
181,888	0	50,022	316,057
0	203,230	3,781	3,291,567
<u>254,862</u>	<u>225,846</u>	<u>230,629</u>	<u>4,737,894</u>
0	10,415	0	84,005
374,248	163,851	1,222,601	4,747,829
598,165	0	932,371	1,530,536
1,871,291	330,113	4,338,162	6,731,130
0	0	(953)	12,125,681
<u>2,843,704</u>	<u>504,379</u>	<u>6,492,181</u>	<u>25,219,181</u>
<u>\$ 3,098,566</u>	<u>\$ 730,225</u>	<u>\$ 6,722,810</u>	<u>\$ 29,957,075</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, 2013
BRADFORD COUNTY, FLORIDA**

Fund Balances - Total Governmental Funds	\$	25,219,181
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		40,168,157
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(1,656,506)
Receivables that do not provide current financial resources are reported as unearned revenue in the governmental funds.		3,185,934
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.		<u>(6,953)</u>
Net Position of Governmental Activities	\$	<u>66,909,813</u>

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, 2013
BRADFORD COUNTY, FLORIDA

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
Revenues				
Taxes	\$ 7,277,766	\$ 0	\$ 0	\$ 623,064
Licenses and Permits	127,475	0	0	0
Intergovernmental	4,252,242	18,876	194,212	2,703,469
Charges for Services	837,592	0	0	539,196
Fines and Forfeitures	122,290	0	0	0
Miscellaneous	139,483	1,774	26,296	26,096
Total Revenues	<u>12,756,848</u>	<u>20,650</u>	<u>220,508</u>	<u>3,891,825</u>
Expenditures				
Current:				
General Government	4,783,902	0	0	0
Public Safety	6,654,537	0	0	0
Physical Environment	218,803	0	0	0
Transportation	0	0	0	4,704,321
Economic Environment	68,293	80,925	0	0
Human Services	759,306	0	0	0
Culture and Recreation	38,644	0	651,661	0
Court-related	334,745	0	0	0
Debt Service:				
Principal Retirement	7,696	0	0	52,697
Interest	634	0	0	1,614
(Total Expenditures)	<u>(12,866,560)</u>	<u>(80,925)</u>	<u>(651,661)</u>	<u>(4,758,632)</u>
(Deficiency) Excess of Revenues (Under)				
Over Expenditures	<u>(109,712)</u>	<u>(60,275)</u>	<u>(431,153)</u>	<u>(866,807)</u>
Other Financing				
Transfers in	5,018,604	60,275	462,132	963,632
Transfers (out)	(6,271,573)	0	0	0
Total Other Financing Sources (Uses)	<u>(1,252,969)</u>	<u>60,275</u>	<u>462,132</u>	<u>963,632</u>
Net Change in Fund Balances	(1,362,681)	0	30,979	96,825
Fund Balances, Beginning of Year	<u>13,685,472</u>	<u>0</u>	<u>225,563</u>	<u>2,702,759</u>
Fund Balances, End of Year	<u>\$ 12,322,791</u>	<u>\$ 0</u>	<u>\$ 256,542</u>	<u>\$ 2,799,584</u>

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

Fines and Forfeitures	Emergency Medical Services	Other Governmental Funds	Total Governmental Funds
\$ 1,589,587	\$ 130,903	\$ 83,653	\$ 9,704,973
0	0	0	127,475
616,342	135,468	1,884,255	9,804,864
473,711	1,426,548	549,058	3,826,105
90,943	0	116,446	329,679
22,883	10,026	858,791	1,085,349
<u>2,793,466</u>	<u>1,702,945</u>	<u>3,492,203</u>	<u>24,878,445</u>
0	0	0	4,783,902
1,071,252	2,711,096	150,849	10,587,734
0	0	1,137,110	1,355,913
0	0	0	4,704,321
0	0	338,257	487,475
0	0	24,370	783,676
0	0	0	690,305
415	0	1,168,710	1,503,870
0	0	29,355	89,748
0	0	2,235	4,483
<u>(1,071,667)</u>	<u>(2,711,096)</u>	<u>(2,850,886)</u>	<u>(24,991,427)</u>
<u>1,721,799</u>	<u>(1,008,151)</u>	<u>641,317</u>	<u>(112,982)</u>
4,744,917	1,177,022	153,535	12,580,117
<u>(4,864,566)</u>	<u>0</u>	<u>(1,443,978)</u>	<u>(12,580,117)</u>
<u>(119,649)</u>	<u>1,177,022</u>	<u>(1,290,443)</u>	<u>0</u>
1,602,150	168,871	(649,126)	(112,982)
<u>1,241,554</u>	<u>335,508</u>	<u>7,141,307</u>	<u>25,332,163</u>
<u>\$ 2,843,704</u>	<u>\$ 504,379</u>	<u>\$ 6,492,181</u>	<u>\$ 25,219,181</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, 2013
BRADFORD COUNTY, FLORIDA**

Net Change in Fund Balances - Total Governmental Funds \$ (112,982)

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

In the governmental funds, revenue cannot be recognized until it is available to liquidate liabilities of the current period. In the statement of activities, revenue is recognized as soon as it is earned regardless of its availability. 127,828

The Loss on disposal of general fixed assets is not reported in the governmental funds. The Loss on disposal of general fixed assets is a decrease in net position. (22,018)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period. (15,401)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. (87,864)

Change in Net Position of Governmental Activities \$ (110,437)

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, 2013
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,849,962	\$ 6,849,962	\$ 7,277,766	\$ 427,804
Licenses and Permits	61,000	61,000	127,475	66,475
Intergovernmental	2,588,864	3,817,852	4,252,242	434,390
Charges for Services	742,705	829,205	837,592	8,387
Fines and Forfeitures	234,500	240,250	122,290	(117,960)
Miscellaneous	89,825	84,075	139,483	55,408
Total Revenues	<u>10,566,856</u>	<u>11,882,344</u>	<u>12,756,848</u>	<u>874,504</u>
Expenditures				
Current:				
General Government	7,626,685	7,565,781	4,783,902	2,781,879
Public Safety	5,391,228	6,790,058	6,654,537	135,521
Physical Environment	237,995	238,605	218,803	19,802
Economic Environment	79,341	79,341	68,293	11,048
Human Services	569,952	876,660	759,306	117,354
Culture and Recreation	55,000	75,202	38,644	36,558
Court-related	440,871	431,145	334,745	96,400
Debt Service:				
Principal Retirement	0	7,700	7,696	4
Interest Expense	0	635	634	1
(Total Expenditures)	<u>(14,401,072)</u>	<u>(16,065,127)</u>	<u>(12,866,560)</u>	<u>3,198,567</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(3,834,216)</u>	<u>(4,182,783)</u>	<u>(109,712)</u>	<u>4,073,071</u>
Other Financing Sources (Uses)				
Transfers in	7,260,675	7,616,602	5,018,604	(2,597,998)
Transfers (out)	(6,650,961)	(6,658,321)	(6,271,573)	386,748
Total Other Financing Sources (Uses)	<u>609,714</u>	<u>958,281</u>	<u>(1,252,969)</u>	<u>(2,211,250)</u>
Net Change in Fund Balance	(3,224,502)	(3,224,502)	(1,362,681)	1,861,821
Fund Balance, Beginning of Year	<u>3,224,502</u>	<u>3,224,502</u>	<u>13,685,472</u>	<u>10,460,970</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,322,791</u>	<u>\$ 12,322,791</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, 2013
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 45,500	\$ 45,500	\$ 18,876	\$ (26,624)
Miscellaneous	3,000	3,000	1,774	(1,226)
Total Revenues	<u>48,500</u>	<u>48,500</u>	<u>20,650</u>	<u>(27,850)</u>
Expenditures				
Current:				
Economic Environment	479,477	479,477	80,925	398,552
(Total Expenditures)	<u>(479,477)</u>	<u>(479,477)</u>	<u>(80,925)</u>	<u>398,552</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(430,977)</u>	<u>(430,977)</u>	<u>(60,275)</u>	<u>370,702</u>
Other Financing Sources (Uses)				
Transfers in	60,275	60,275	60,275	0
Total Other Financing Sources	<u>60,275</u>	<u>60,275</u>	<u>60,275</u>	<u>0</u>
Net Change in Fund Balance	(370,702)	(370,702)	0	370,702
Fund Balance, Beginning of Year	<u>370,702</u>	<u>370,702</u>	<u>0</u>	<u>(370,702)</u>
Fund Balance, End of Year	<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, 2013
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 328,823	\$ 328,823	\$ 194,212	\$ (134,611)
Miscellaneous	8,174	8,174	26,296	18,122
Total Revenues	<u>336,997</u>	<u>336,997</u>	<u>220,508</u>	<u>(116,489)</u>
Expenditures				
Current:				
Culture and Recreation	1,636,258	1,636,258	651,661	984,597
(Total Expenditures)	<u>(1,636,258)</u>	<u>(1,636,258)</u>	<u>(651,661)</u>	<u>984,597</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(1,299,261)</u>	<u>(1,299,261)</u>	<u>(431,153)</u>	<u>868,108</u>
Other Financing Sources (Uses)				
Transfers in	462,132	462,132	462,132	0
Net Change in Fund Balance	(837,129)	(837,129)	30,979	868,108
Fund Balance, Beginning of Year	<u>837,129</u>	<u>837,129</u>	<u>225,563</u>	<u>(611,566)</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 256,542</u>	<u>\$ 256,542</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, 2013
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes	\$ 485,400	\$ 485,400	\$ 623,064	\$ 137,664
Intergovernmental	4,462,283	4,525,372	2,703,469	(1,821,903)
Charges for Services	503,275	503,275	539,196	35,921
Miscellaneous	1,450	1,450	26,096	24,646
Total Revenues	<u>5,452,408</u>	<u>5,515,497</u>	<u>3,891,825</u>	<u>(1,623,672)</u>
Expenditures				
Current:				
Transportation	6,589,256	6,912,270	4,704,321	2,207,949
Reserve for Contingency	47,250	0	0	0
Debt Service:				
Principal Retirement	0	52,700	52,697	3
Interest	2,000	3,625	1,614	2,011
(Total Expenditures)	<u>(6,638,506)</u>	<u>(6,968,595)</u>	<u>(4,758,632)</u>	<u>2,209,963</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(1,186,098)</u>	<u>(1,453,098)</u>	<u>(866,807)</u>	<u>586,291</u>
Other Financing Sources (Uses)				
Transfers in	846,907	1,113,907	963,632	(150,275)
Total Other Financing Sources (Uses)	<u>846,907</u>	<u>1,113,907</u>	<u>963,632</u>	<u>(150,275)</u>
Net Change in Fund Balance	(339,191)	(339,191)	96,825	436,016
Fund Balance, Beginning of Year	<u>339,191</u>	<u>339,191</u>	<u>2,702,759</u>	<u>2,363,568</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,799,584</u>	<u>\$ 2,799,584</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, 2013
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,614,917	\$ 1,614,917	\$ 1,589,587	\$ (25,330)
Intergovernmental	524,000	524,000	616,342	92,342
Charges for Services	117,550	117,550	473,711	356,161
Fines and Forfeitures	18,300	18,300	90,943	72,643
Miscellaneous	2,400	2,400	22,883	20,483
Total Revenues	<u>2,277,167</u>	<u>2,277,167</u>	<u>2,793,466</u>	<u>516,299</u>
Expenditures				
Current:				
Public Safety	1,428,370	2,443,908	1,071,252	1,372,656
Court-related	650	650	415	235
(Total Expenditures)	<u>(1,429,020)</u>	<u>(2,444,558)</u>	<u>(1,071,667)</u>	<u>1,372,891</u>
Excess of Revenues Over Expenditures	<u>848,147</u>	<u>(167,391)</u>	<u>1,721,799</u>	<u>1,889,190</u>
Other Financing Sources (Uses)				
Transfers in	3,723,277	4,738,815	4,744,917	6,102
Transfers (out)	<u>(4,861,803)</u>	<u>(4,861,803)</u>	<u>(4,864,566)</u>	<u>(2,763)</u>
Total Other Financing (Uses)	<u>(1,138,526)</u>	<u>(122,988)</u>	<u>(119,649)</u>	<u>3,339</u>
Net Change in Fund Balance	(290,379)	(290,379)	1,602,150	1,892,529
Fund Balance, Beginning of Year	<u>290,379</u>	<u>290,379</u>	<u>1,241,554</u>	<u>951,175</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,843,704</u>	<u>\$ 2,843,704</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, 2013
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 132,989	\$ 132,989	\$ 130,903	\$ (2,086)
Intergovernmental	32,000	97,918	135,468	37,550
Charges for Services	1,240,075	1,500,075	1,426,548	(73,527)
Miscellaneous	500	500	10,026	9,526
Total Revenues	<u>1,405,564</u>	<u>1,731,482</u>	<u>1,702,945</u>	<u>(28,537)</u>
Expenditures				
Current:				
Public Safety	2,582,586	2,908,504	2,711,096	197,408
(Total Expenditures)	<u>(2,582,586)</u>	<u>(2,908,504)</u>	<u>(2,711,096)</u>	<u>197,408</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(1,177,022)</u>	<u>(1,177,022)</u>	<u>(1,008,151)</u>	<u>168,871</u>
Other Financing Sources (Uses)				
Transfers in	1,177,022	1,177,022	1,177,022	0
Total Other Financing (Uses)	<u>1,177,022</u>	<u>1,177,022</u>	<u>1,177,022</u>	<u>0</u>
Net Change in Fund Balance	0	0	168,871	168,871
Fund Balance, Beginning of Year	0	0	335,508	335,508
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 504,379</u>	<u>\$ 504,379</u>

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA

	Agency Funds
Assets	
Cash Deposits	\$ 778,361
Due from Individuals	3,150
Total Assets	781,511
Liabilities	
Accounts Payable	9,548
Due to Others	79,427
Due to Other Funds	40,854
Due to Other Governments	393,168
Deposits	258,514
Total Liabilities	\$ 781,511

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, and 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 2012-2013 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.

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.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 1 - Reporting Entity (Concluded)

Joint Venture (Concluded)

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 2012-2013, NRSWA collected and remitted \$197,271 to the County in solid waste assessments, and the County paid \$356,420 to NRSWA in tipping fees.

During fiscal year 2012-2013, NRSWA distributed \$530,000 to the County in revenue sharing monies.

The NRSWA's condensed financial information, as of and for the year ended September 30, 2013, (the latest audit report), is hereafter presented:

Total Assets	\$ 46,144,190
Total Liabilities	15,963,607
Total Net Assets	30,180,583
Total Operating Revenues	7,349,510
Total Operating Expenses	7,030,522
Nonoperating Revenues/(Expenses)	(1,737,820)
Change in Net Assets	(1,418,832)

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

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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.
- *S.H.I.P. Fund (State Housing Initiatives Partnership)*—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.
- *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.

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)**

- *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 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 \$1,049,297.

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)*

Unearned Revenue

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

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, 2013, 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.

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.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Concluded)

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.
- **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.

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, 2013, 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, 2013.

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 \$15,642,057 and the bank balances were \$16,010,033 at September 30, 2013.

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, 2013, the County had the following in investments:

	Fair Value Amount
Certificates of Deposit	\$ 1,818,111
Florida Local Government Investment Trust	10,252,934
Total Investments	\$ 12,071,045

Reported in accompanying financial statements as follows:

Investments	\$ 11,677,202
Restricted Investments – Landfill Postclosure	393,843
Total	\$ 12,071,045

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 31. At September 30, 2013, 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, 2013. The Trust is not insured against loss. As of September 30, 2013, the County had \$10,252,934 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.

Note 4 - Restricted Assets

Restricted assets of \$400,686 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.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 5 - Capital Assets

Capital asset activity for the year ended September 30, 2013, including the Sheriff, is as follows:

	<u>Balance</u> <u>10/1/12</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/13</u>
Capital Assets Not Being Depreciated				
Land	\$ 1,292,804	\$ 1,085	\$ 0	\$ 1,293,889
Land Right-of-Way	6,515,924	0	0	6,515,924
Construction in Progress:				
Infrastructure	<u>135,793</u>	<u>872,308</u>	<u>(742,492)</u>	<u>265,609</u>
Total Capital Assets Not Being Depreciated	<u>7,944,521</u>	<u>873,393</u>	<u>(742,492)</u>	<u>8,075,422</u>
Capital Assets Being Depreciated				
Buildings	17,366,062	200,414	0	17,566,476
Machinery and Equipment	12,363,632	1,785,535	(300,326)	13,848,841
Infrastructure	<u>40,318,102</u>	<u>560,563</u>	<u>(36,017)</u>	<u>40,842,648</u>
Total Capital Assets Being Depreciated	<u>70,047,796</u>	<u>2,546,512</u>	<u>(336,343)</u>	<u>72,257,965</u>
Total Before Depreciation	<u>77,992,317</u>	<u>3,419,905</u>	<u>(1,078,835)</u>	<u>80,333,387</u>
Less Accumulated Depreciation				
Buildings	(4,482,440)	(374,618)	0	(4,857,058)
Machinery and Equipment	(7,745,630)	(1,212,172)	277,268	(8,680,534)
Infrastructure	<u>(25,382,942)</u>	<u>(1,267,227)</u>	<u>22,531</u>	<u>(26,627,638)</u>
Total Accumulated Depreciation	<u>(37,611,012)</u>	<u>(2,854,017)</u>	<u>299,799</u>	<u>(40,165,230)</u>
Total Being Depreciated, Net	<u>32,436,784</u>	<u>(307,505)</u>	<u>(36,544)</u>	<u>32,092,735</u>
Fixed Assets, Cost Less Depreciation	<u>\$ 40,381,305</u>	<u>\$ 565,888</u>	<u>\$ (779,036)</u>	<u>\$ 40,168,157</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 516,255
Public Safety	791,878
Physical Environment	74,262
Transportation	1,393,237
Economic Environment	163
Human Services	39,404
Culture and Recreation	<u>38,818</u>
Total Depreciation Expense	<u>\$ 2,854,017</u>

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, 2013:

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 6 - General Long-term Debt (Concluded)

	<u>Balance</u> <u>10/1/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/13</u>	<u>Due Within</u> <u>One Year</u>
Long-term Debt Payable					
Notes Payable	\$ 284,729	\$ 0	\$ (60,393)	\$ 224,336	\$ 62,641
Installment Obligations	198,781	0	(29,355)	169,426	24,709
Compensated Absences	654,513	14,736	0	669,249	0
Landfill Postclosure Costs	325,995	0	(77,342)	248,653	82,884
Other Postemployment Benefits	287,136	57,706	0	344,842	0
Total Long-term Debt Payable	<u>\$ 1,751,154</u>	<u>\$ 72,442</u>	<u>\$ (167,090)</u>	<u>\$ 1,656,506</u>	<u>\$ 170,234</u>

General long-term debt at September 30, 2013, is comprised of the following:

Installment Purchase of Land and Building, Due in 180 Monthly Payments of \$2,767, Includes Interest at 4.10%	\$ 169,426
Estimated Landfill Postclosure Costs for County Landfill Site	248,653
Accumulated Compensated Absences Payable	669,249
Other Postemployment Benefits	344,842
Notes Payable—Voting Equipment, Due in 5 Yearly Payments of \$8,330, Includes Interest at 2.00%	200,314
Notes Payable—Truck Mounted Excavator, Due in 5 Yearly Payments of \$54,310.71, Includes Interest at 3.326%	24,022
Total	<u>\$ 1,656,506</u>

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2013:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2014	\$ 167,282	\$ 8,953	\$ 176,235
2015	169,210	6,876	176,086
2016	171,344	4,740	176,084
2017	82,330	2,541	84,871
2018	30,114	445	30,559
2019	22,135	104	22,239
Compensated Absences	669,249	0	669,249
Other Postemployment Benefits	344,842	0	344,842
Totals	<u>\$ 1,656,506</u>	<u>\$ 23,659</u>	<u>\$ 1,680,165</u>

Interest expense during 2013 on general long-term debt totaled \$11,266, none of which was capitalized.

Note 7 - Grants

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 7 - Grants (Concluded)

- State Aid to Libraries
- Small County Road Assistance Program
- Department of Justice Grants
- State Housing Initiative Partnership (S.H.I.P.) Grants
- Disaster Grants - Public Assistance

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, 2013, 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, 2013, were as follows:

Receivable Fund	Payable Fund	Amount
Major Funds	Major Funds	
Fines and Forfeitures	General Fund	\$ 439,325
Major Funds	Other Governmental Funds	
General Fund	Clerk – Fines and Forfeiture	936
	Sheriff – Inmate Welfare	27,036
	Sheriff – E-911	59,796
General Fund	Agency Funds	
	Tax Collector – Taxes	560
	Clerk – Special Fine and Forfeiture	13,451
Fines and Forfeitures	Clerk – Special Fine and Forfeiture	884
	Sheriff – Individual Depositor	8,570
Other Governmental Funds	Agency Funds	
Eighth Judicial Court	Clerk – Trust	4,210
	Clerk – Special Fine and Forfeiture	11,179
Clerk Fine and Forfeiture	Clerk – Special Fine and Forfeiture	2,000
Other Governmental Funds	Other Governmental Funds	
Solid Waste	General Fund	1,225
Total		\$ 569,172

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)

<u>Fund Receiving Transfer</u>	<u>Amount</u>	<u>Fund Sending Transfer</u>
Major Funds		Other Governmental Funds
General Fund	\$ 147,003	Sheriff E-911 Fund
General Fund	27,036	Sheriff Inmate Welfare Fund
Fines and Forfeitures	692,676	Public Safety Complex Reserve
Fines and Forfeitures	310,539	Library Project
Transportation Trust	266,724	Road Improvement Sinking Fund
Major Funds		Major Funds
Transportation Trust	696,907	General Fund
S.H.I.P.	60,275	General Fund
Fines and Forfeitures	3,741,702	General Fund
Emergency Medical Services	1,177,022	General Fund
Public Library	462,132	General Fund
General Fund	4,844,566	Fines and Forfeitures
Other Governmental Funds		Major Funds
Eighth Judicial Circuit	102,713	General Fund
Mosquito Fund	29,597	General Fund
Solid Waste	1,225	General Fund
Sheriff Education and Public Service	<u>20,000</u>	Fines and Forfeitures
Total	<u>\$ 12,580,117</u>	

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 5.18%, special risk employees 14.90%, senior management 6.30%, DROP employees 5.44%, and elected officials 10.23%. 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, 2013, 2012, and 2011, were \$833,776, \$702,319, and \$1,129,155, 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 Florida Retirement System 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 OPEB obligation to the other postemployment benefit plan:

Normal Cost (Service Cost for One Year)	\$	50,495
Amortization of Unfunded Actuarial Accrued Liability (UAAL)		14,812
Adjustment for Timing		<u>2,939</u>
Annual Required Contribution (ARC)		68,246
Interest on Net OPEB Obligation		12,921
Adjustment to ARC		<u>(12,239)</u>
Annual OPEB Cost (Expense)		68,928
Employer Contributions Made		<u>(11,222)</u>
Increase in Net OPEB Obligation		<u>57,706</u>
Net OPEB Obligation at Beginning of Year		<u>287,136</u>
Net OPEB Obligation at End of Year	\$	<u>344,842</u>

The County's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB costs, and the net OPEB obligation for 2013, 2012, and 2011, 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>
09/30/2013	\$ 68,928	\$ 11,222	16%	\$ 344,842
09/30/2012	68,491	18,769	28%	287,136
09/30/2011	63,540	17,063	27%	237,414

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

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

Funding Status and Funding Progress—As of October 1, 2012, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits was \$363,156 and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$363,156. The covered payroll (annual payroll of active employees covered by the Plan) was \$8,395,280, and the ratio of the UAAL to the covered payroll was 4.3%.

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, 2013, was 26 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, 2013, for the entire estimated cost of these activities (in 2013 dollars).

Total current cost of remaining postclosure care at the State Road 100 landfill site is estimated to be \$82,884 annually, or \$248,653 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, 2013, \$400,686 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, 2013.

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 2013.

Fund Balance Classifications

The following is a summary of the County's fund balance classifications and the purpose of each as of September 30, 2013:

Nonspendable Fund Balance

Prepaid Expenses	\$ 20,415
Inventories	63,590

Total Nonspendable Fund Balance	\$ 84,005
--	------------------

Restricted Fund Balance

Transportation	\$ 2,735,994
Doris Slosberg	32,495
IGCF	153,662
Public Library	64,978
Sheriff Forfeitures	277,812
Law Enforcement Education	28,384
Crime Prevention Programs	68,052
Wireless 911	163,851
Tourist Development	135,682
Mosquito Control	50,220
Public Records Modernization	315,091
Inmate Welfare	197,629
E-911	123,293
Landfill	400,686

Total Restricted Fund Balance	\$ 4,747,829
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Committed Fund Balance

Inmate Fees Set-aside	\$ 598,165
Solid Waste	932,371

Total Committed Fund Balance	\$ 1,530,536
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Assigned Fund Balance

Public Library	\$ 191,564
Public Safety	2,201,404
Court Operations	1,129,525
Education and Public Service	71,516
Capital Projects	3,137,121

Total Assigned Fund Balance	\$ 6,731,130
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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 - Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances, total governmental funds, and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds" report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as "depreciation expense." The details of this (\$15,401) difference are as follows:

Capital Outlay	\$ 2,838,616
Depreciation Expense	<u>(2,854,017)</u>
Net Adjustment to Decrease Net Changes in Fund Balances -	
Total Governmental Funds to Arrive at Changes in Net	
Position of Governmental Activities	<u><u>\$ (15,401)</u></u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of this (\$87,864) difference are as follows:

Principal Retirement	\$ (89,748)
Increase in Compensated Absences	14,736
Increase in OPEB Liability	57,706
Landfill Postclosure Costs	(77,342)
Increase in Accrued Interest	<u>6,784</u>
Net Adjustment to Decrease Net Changes in Fund Balances -	
Total Governmental Funds to Arrive at Changes in Net	
Position of Governmental Activities	<u><u>\$ (87,864)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA**

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Annual Covered Payroll	UAAL as Percentage of Covered Payroll
10/1/2009	\$ 0	\$ 753,182	\$ 753,182	0.0%	\$ 8,020,808	9.4%
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%

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, 2013
BRADFORD COUNTY, FLORIDA**

	BOCC General	One Cent Sales Tax	Clerk Operating	Sheriff Operating	Property Appraiser Operating	Tax Collector Operating	Supervisor of Elections Operating	Interfund Eliminations	Total General Funds
Assets									
Cash Deposits	\$ 1,196,112	\$ 1,696,070	\$ 41,426	\$ 264,659	\$ 3,693	\$ 122,700	\$ 5,513	\$ 0	\$ 3,330,173
Investments	6,828,628	2,069,991	0	0	0	0	0	0	8,898,619
Accounts Receivable	17,421	0	1,706	9,339	0	0	0	0	28,466
Due from Other Funds	147,405	0	2,000	86,832	0	0	0	(132,458)	103,779
Due from Other									
Governments	296,800	310,913	0	243,054	0	0	0	0	850,767
Prepaid Expenses	10,000	0	0	0	0	0	0	0	10,000
Total Assets	8,496,366	4,076,974	45,132	603,884	3,693	122,700	5,513	(132,458)	13,221,804
Liabilities and Fund Balances									
Liabilities									
Accounts Payable	115,911	0	3,587	164,559	0	0	0	0	284,057
Due to Other Funds	0	0	10,167	439,325	3,608	119,908	0	(132,458)	440,550
Due to Other									
Governments	83,645	0	0	0	85	277	0	0	84,007
Unearned Revenue	82,371	0	0	0	0	2,515	5,513	0	90,399
Total Liabilities	281,927	0	13,754	603,884	3,693	122,700	5,513	(132,458)	899,013
Fund Balances									
Nonspendable	10,000	0	0	0	0	0	0	0	10,000
Restricted	186,157	0	0	0	0	0	0	0	186,157
Unassigned	8,018,282	4,076,974	31,378	0	0	0	0	0	12,126,634
Total Fund Balances	8,214,439	4,076,974	31,378	0	0	0	0	0	12,322,791
Total Liabilities and Fund Balances	\$ 8,496,366	\$ 4,076,974	\$ 45,132	\$ 603,884	\$ 3,693	\$ 122,700	\$ 5,513	\$ (132,458)	\$ 13,221,804

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GENERAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA**

	BOCC General	One Cent Sales Tax	Clerk Operating	Sheriff Operating	Property Appraiser Operating	Tax Collector Operating	Supervisor of Elections Operating	Interfund Eliminations	Total General Funds
Revenues									
Taxes	\$ 5,529,714	\$ 1,748,052	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,277,766
Licenses and Permits	127,475	0	0	0	0	0	0	0	127,475
Intergovernmental	4,089,754	0	0	151,616	0	0	10,872	0	4,252,242
Charges for Services	25,264	0	88,377	85,763	12,244	625,944	0	0	837,592
Fines and Forfeitures	122,290	0	0	0	0	0	0	0	122,290
Miscellaneous	107,589	7,873	2,054	12,216	0	9,751	0	0	139,483
Total Revenues	10,002,086	1,755,925	90,431	249,595	12,244	635,695	10,872	0	12,756,848
Expenditures									
Current:									
General Government	2,644,190	0	630,494	0	572,378	612,124	324,716	0	4,783,902
Public Safety	1,546,533	0	0	5,108,004	0	0	0	0	6,654,537
Physical Environment	218,803	0	0	0	0	0	0	0	218,803
Economic Environment	68,293	0	0	0	0	0	0	0	68,293
Human Services	665,479	0	0	93,827	0	0	0	0	759,306
Court-related	106,333	0	74,770	153,642	0	0	0	0	334,745
Culture and Recreation	38,644	0	0	0	0	0	0	0	38,644
Debt Service:									
Principle	0	0	0	0	0	0	7,696	0	7,696
Interest	0	0	0	0	0	0	634	0	634
(Total Expenditures)	(5,288,275)	0	(705,264)	(5,355,473)	(572,378)	(612,124)	(333,046)	0	(12,866,560)
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,713,811	1,755,925	(614,833)	(5,105,878)	(560,134)	23,571	(322,174)	0	(109,712)
Other Financing									
Transfers in	435,159	0	625,000	5,124,304	563,742	0	322,174	(2,051,775)	5,018,604
Transfers (out)	(7,027,826)	(1,239,750)	(10,167)	(18,426)	(3,608)	(23,571)	0	2,051,775	(6,271,573)
Total Other Financing Sources (Uses)	(6,592,667)	(1,239,750)	614,833	5,105,878	560,134	(23,571)	322,174	0	(1,252,969)
Net Change in Fund Balances	(1,878,856)	516,175	0	0	0	0	0	0	(1,362,681)
Fund Balances , Beginning of Year	10,093,295	3,560,799	31,378	0	0	0	0	0	13,685,472
Fund Balances, End of Year	\$ 8,214,439	\$ 4,076,974	\$ 31,378	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,322,791

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA**

Board of County Commissioners Special Revenue Funds

	Tourist Development	CDBG	Eighth Circuit Court
Assets			
Cash Deposits	\$ 129,135	\$ 0	\$ 592,864
Investments	0	0	0
Accounts Receivable	0	0	0
Due from Other Funds	0	0	15,389
Due from Other Governments	6,547	0	485
Total Assets	135,682	0	608,738
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	0	0	29,285
Due to Other Funds	0	0	0
Due to Other Governments	0	0	0
Unearned Revenues	0	0	0
Total Liabilities	0	0	29,285
Fund Balance			
Restricted	135,682	0	0
Committed	0	0	0
Assigned	0	0	579,453
Unassigned	0	0	0
Total Fund Balances	135,682	0	579,453
Total Liabilities and Fund Balances	\$ 135,682	\$ 0	\$ 608,738

Board of County Commissioners Special Revenue Funds

Mosquito Control	Solid Waste	Criminal Justice	Traffic Fines	CDBG Housing Rehab
\$ 52,981	\$ 934,976	\$ 225,786	\$ 324,286	\$ (6,756)
0	0	0	0	0
0	33,871	0	0	0
0	1,225	0	0	0
4,750	0	0	0	5,803
<u>57,731</u>	<u>970,072</u>	<u>225,786</u>	<u>324,286</u>	<u>(953)</u>
7,511	37,701	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>7,511</u>	<u>37,701</u>	<u>0</u>	<u>0</u>	<u>0</u>
50,220	0	0	0	0
0	932,371	0	0	0
0	0	225,786	324,286	0
0	0	0	0	(953)
<u>50,220</u>	<u>932,371</u>	<u>225,786</u>	<u>324,286</u>	<u>(953)</u>
<u>\$ 57,731</u>	<u>\$ 970,072</u>	<u>\$ 225,786</u>	<u>\$ 324,286</u>	<u>\$ (953)</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA
(Concluded)**

	Constitutional Officers Special Revenue Funds				
	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
Assets					
Cash Deposits	\$ 48,783	\$ 315,145	\$ 71,536	\$ 213,353	\$ 179,238
Investments	0	0	0	0	0
Accounts Receivable	0	0	0	11,312	0
Due from Other Funds	0	0	0	0	0
Due from Other Governments	20,443	0	0	0	3,851
Total Assets	<u>69,226</u>	<u>315,145</u>	<u>71,536</u>	<u>224,665</u>	<u>183,089</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	14,487	54	20	0	0
Due to Other Funds	936	0	0	27,036	59,796
Due to Other Governments	50,022	0	0	0	0
Unearned Revenues	3,781	0	0	0	0
Total Liabilities	<u>69,226</u>	<u>54</u>	<u>20</u>	<u>27,036</u>	<u>59,796</u>
Fund Balance					
Restricted	0	315,091	0	197,629	123,293
Committed	0	0	0	0	0
Assigned	0	0	71,516	0	0
Unassigned	0	0	0	0	0
Total Fund Balances	<u>0</u>	<u>315,091</u>	<u>71,516</u>	<u>197,629</u>	<u>123,293</u>
Total Liabilities and Fund Balances	<u>\$ 69,226</u>	<u>\$ 315,145</u>	<u>\$ 71,536</u>	<u>\$ 224,665</u>	<u>\$ 183,089</u>

Board of County Commissioners Debt Service Fund		Board of County Commissioners Capital Projects Funds				
Road Projects Sinking Reserve	Public Safety Complex Reserve	Landfill Closure Escrow	Library Project	Fiscally Constrained	Totals	
\$ 0	\$ 0	\$ 6,843	\$ 0	\$ 1,527,625	\$ 4,615,795	
0	0	393,843	0	1,558,160	1,952,003	
0	0	0	0	0	45,183	
0	0	0	0	0	16,614	
0	0	0	0	51,336	93,215	
0	0	400,686	0	3,137,121	6,722,810	
0	0	0	0	0	89,058	
0	0	0	0	0	87,768	
0	0	0	0	0	50,022	
0	0	0	0	0	3,781	
0	0	0	0	0	230,629	
0	0	400,686	0	0	1,222,601	
0	0	0	0	0	932,371	
0	0	0	0	3,137,121	4,338,162	
0	0	0	0	0	(953)	
0	0	400,686	0	3,137,121	6,492,181	
\$ 0	\$ 0	\$ 400,686	\$ 0	\$ 3,137,121	\$ 6,722,810	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA**

Board of County Commissioners Special Revenue Funds

	Tourist Development	CDBG	Eighth Circuit Court
Revenues			
Taxes	\$ 83,653	\$ 0	\$ 0
Intergovernmental	0	20,100	0
Charges for Services	0	0	173,475
Fines and Forfeitures	0	0	0
Miscellaneous	134	0	0
Total Revenues	<u>83,787</u>	<u>20,100</u>	<u>173,475</u>
Expenditures			
Current:			
Public Safety	0	0	0
Physical Environment	0	0	0
Economic Environment	44,372	10,422	0
Court-related	0	0	356,196
Debt Service:			
Principal Retirement	29,355	0	0
Interest	2,235	0	0
(Total Expenditures)	<u>(75,962)</u>	<u>(10,422)</u>	<u>(356,196)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,825</u>	<u>9,678</u>	<u>(182,721)</u>
Other Financing Sources (Uses)			
Transfers in	0	0	102,713
Transfers (out)	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>102,713</u>
Net Change in Fund Balances	7,825	9,678	(80,008)
Fund Balances, Beginning of Year	<u>127,857</u>	<u>(9,678)</u>	<u>659,461</u>
Fund Balances, End of Year	<u>\$ 135,682</u>	<u>\$ 0</u>	<u>\$ 579,453</u>

Board of County Commissioners Special Revenue Funds

Mosquito Control	Solid Waste	Criminal Justice	Traffic Fines	CDBG Housing Rehab
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
18,500	70,588	0	0	325,538
0	200,615	0	0	0
0	0	0	0	0
34	714,745	0	111	0
<u>18,534</u>	<u>985,948</u>	<u>0</u>	<u>111</u>	<u>325,538</u>
0	0	0	0	0
39,562	1,097,548	0	0	0
0	0	0	0	283,463
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>(39,562)</u>	<u>(1,097,548)</u>	<u>0</u>	<u>0</u>	<u>(283,463)</u>
<u>(21,028)</u>	<u>(111,600)</u>	<u>0</u>	<u>111</u>	<u>42,075</u>
29,597	1,225	0	0	0
0	0	0	0	0
<u>29,597</u>	<u>1,225</u>	<u>0</u>	<u>0</u>	<u>0</u>
8,569	(110,375)	0	111	42,075
<u>41,651</u>	<u>1,042,746</u>	<u>225,786</u>	<u>324,175</u>	<u>(43,028)</u>
<u>\$ 50,220</u>	<u>\$ 932,371</u>	<u>\$ 225,786</u>	<u>\$ 324,286</u>	<u>\$ (953)</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA
(Concluded)**

	Constitutional Officers Special Revenue Funds				
	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
Revenues					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	573,680	0	0	0	242,187
Charges for Services	140,269	34,699	0	0	0
Fines and Forfeitures	35,266	81,180	0	0	0
Miscellaneous	2,440	0	42,012	91,663	0
Total Revenues	<u>751,655</u>	<u>115,879</u>	<u>42,012</u>	<u>91,663</u>	<u>242,187</u>
Expenditures					
Current:					
Public Safety	0	0	51,351	19,446	80,052
Physical Environment	0	0	0	0	0
Economic Environment	0	0	0	0	0
Court-related	770,955	41,559	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest	0	0	0	0	0
(Total Expenditures)	<u>(770,955)</u>	<u>(41,559)</u>	<u>(51,351)</u>	<u>(19,446)</u>	<u>(80,052)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,300)</u>	<u>74,320</u>	<u>(9,339)</u>	<u>72,217</u>	<u>162,135</u>
Other Financing Sources (Uses)					
Transfers in	0	0	20,000	0	0
Transfers (out)	0	0	0	(27,036)	(147,003)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>(27,036)</u>	<u>(147,003)</u>
Net Change in Fund Balances	(19,300)	74,320	10,661	45,181	15,132
Fund Balances, Beginning of Year	<u>19,300</u>	<u>240,771</u>	<u>60,855</u>	<u>152,448</u>	<u>108,161</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 315,091</u>	<u>\$ 71,516</u>	<u>\$ 197,629</u>	<u>\$ 123,293</u>

Board of County Commissioners Debt Service Funds		Board of County Commissioners Capital Projects Funds				
Road Projects Sinking Reserve	Public Safety Complex Reserve	Landfill Closure Escrow	Library Project	Fiscally Constrained	Totals	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,653	
0	0	0	0	633,662	1,884,255	
0	0	0	0	0	549,058	
0	0	0	0	0	116,446	
533	0	1,553	0	5,566	858,791	
<u>533</u>	<u>0</u>	<u>1,553</u>	<u>0</u>	<u>639,228</u>	<u>3,492,203</u>	
0	0	0	0	0	150,849	
0	0	0	0	0	1,137,110	
0	0	0	0	0	338,257	
0	0	0	0	0	1,168,710	
0	0	0	0	0	29,355	
0	0	0	0	0	2,235	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(24,370)</u>	<u>(2,850,886)</u>	
533	0	1,553	0	614,858	641,317	
0	0	0	0	0	153,535	
<u>(266,724)</u>	<u>(692,676)</u>	<u>0</u>	<u>(310,539)</u>	<u>0</u>	<u>(1,443,978)</u>	
<u>(266,724)</u>	<u>(692,676)</u>	<u>0</u>	<u>(310,539)</u>	<u>0</u>	<u>(1,290,443)</u>	
<u>(266,191)</u>	<u>(692,676)</u>	<u>1,553</u>	<u>(310,539)</u>	<u>614,858</u>	<u>(649,126)</u>	
<u>266,191</u>	<u>692,676</u>	<u>399,133</u>	<u>310,539</u>	<u>2,522,263</u>	<u>7,141,307</u>	
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 400,686</u>	<u>\$ 0</u>	<u>\$ 3,137,121</u>	<u>\$ 6,492,181</u>	

**COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA**

	Clerk of the Circuit Court				
	Cash Bonds	Trust	Alimony and Support	Special Fine and Forfeiture	Registry of the Court
Assets					
Cash Deposits	\$ 10,032	\$ 35,194	\$ 5,132	\$ 93,727	\$ 204,296
Due from Individuals	0	20	0	0	0
Total Assets	<u>10,032</u>	<u>35,214</u>	<u>5,132</u>	<u>93,727</u>	<u>204,296</u>
Liabilities					
Accounts Payable	0	0	0	0	0
Due to Others	0	22,510	3,132	53,785	0
Due to Other Funds	0	4,210	2,000	25,514	0
Due to Other Governments	0	220	0	14,428	0
Deposits	10,032	8,274	0	0	204,296
Total Liabilities	<u>\$ 10,032</u>	<u>\$ 35,214</u>	<u>\$ 5,132</u>	<u>\$ 93,727</u>	<u>\$ 204,296</u>

Tax Collector	Sheriff		
Taxes	Individual Depositors	Inmate Trust	Total
\$ 379,080	\$ 7,849	\$ 43,051	\$ 778,361
0	3,130	0	3,150
<u>379,080</u>	<u>10,979</u>	<u>43,051</u>	<u>781,511</u>
0	0	9,548	9,548
0	0	0	79,427
560	8,570	0	40,854
378,520	0	0	393,168
0	2,409	33,503	258,514
<u>\$ 379,080</u>	<u>\$ 10,979</u>	<u>\$ 43,051</u>	<u>\$ 781,511</u>

OTHER INFORMATION

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA**

Federal Grantor/Pass-Through Grantor/ Grant Program	CFDA Number	Grant ID Number	Expenditures
Federal Awards			
U.S. Department of Agriculture			
Passed through State of Florida Department of Agriculture and Consumer Services:			
Volunteer Fire Assistance Grant	10.664	Heilbronn Springs	\$ 5,000
Volunteer Fire Assistance Grant	10.664	New River	5,000
Subtotal Expenditure - CFDA No. 10.664			<u>10,000</u>
Total U.S. Department of Agriculture			<u>10,000</u>
U.S. Department of Housing and Urban Development			
Passed through State of Florida Department of Economic Opportunity:			
Community Development Block Grants (CDBG)	14.228	11DB-L4-03-14-01-NE1	10,275
Community Development Block Grants (CDBG)	14.228	11DB-C5-03-14-01-H17	282,510
Subtotal Expenditures - CFDA No. 14.228			<u>292,785</u>
Total U.S. Department of Housing and Urban Development			<u>292,785</u>
U.S. Department of Justice			
Direct:			
Bulletproof Vests	16.607		801
Equitable Sharing Program	16.922		25,870
Passed through State of Florida Office of the Attorney General:			
Victims of Crime Act (VOCA)	16.575	V12237	30,871
Passed through State of Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-JAGC-BRAD-1-D8-003	2,391
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-JAGD-BRAD-1-D7-078	34,670
Subtotal Expenditures - CFDA No. 16.738			<u>37,061</u>
Total U.S. Department of Justice			<u>94,603</u>
U.S. Department of Transportation			
Passed through State of Florida Department of Transportation:			
DUI Enforcement	20.601	K8-12-06-12	37,312
Aggressive Driving	20.601	PT-13-12-07	45,571
Subtotal Expenditures - CFDA No. 20.601			<u>82,883</u>
Total U.S. Department of Transportation			<u>82,883</u>
U.S. Election Assistance Commission			
Passed through State of Florida Department of State:			
Help America Vote Act Requirements Payments	90.401		2,310

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA
(Continued)**

Federal Grantor/Pass-Through Grantor/ Grant Program	CFDA Number	Grant ID Number	Expenditures
Federal Awards (Concluded)			
U.S. Department of Health and Human Services			
Passed through State of Florida Department of Revenue:			
Child Support Enforcement	93.563	CD304	\$ 80,724
Child Support Enforcement	93.563		1,722
Subtotal Expenditures - CFDA No. 93.563			82,446
Passed through State of Florida Department of State:			
Vote Program Grant	93.617		8,330
Total U.S. Department of Health and Human Services			90,776
U.S. Department of Homeland Security			
Direct:			
Assistance to Firefighters Grant	97.044	EMW-2011-FV-02628	332,500
Assistance to Firefighters Grant	97.044	EMW-2011-FV-04462	323,100
Subtotal Expenditures - CFDA No. 97.044			655,600
Passed through State of Florida Executive			
Office of the Governor:			
Emergency Management Performance Grant	97.042	13-FG-86-03-14-01-071	41,592
Emergency Management Performance Grant	97.042	14-FG-IM-03-14-01-071	7,940
Subtotal Expenditures - CFDA No. 97.042			49,532
Homeland Security Grant Program	97.067	11-DS-9Z-03-14-01-326	23,875
Homeland Security Grant Program	97.067	12-DS-20-03-14-01-475	20,000
Homeland Security Grant Program	97.067	13-DS-29-20-03-14-01-335	198,315
Subtotal Expenditures - CFDA No. 97.067			242,190
Total U. S. Department of Homeland Security			947,322
Total Federal Expenditures			1,520,679

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013
BRADFORD COUNTY, FLORIDA
(Concluded)**

State Grantor/Pass-Through Grantor/ Grant Program	CSFA Number	Grant ID Number	Expenditures
State Financial Assistance			
State of Florida Department of Environmental Protection			
Small County Consolidated Grant - S/W Management Grant	37.012	302SC	\$ 70,588
State of Florida Department of Agriculture and Consumer Services			
Mosquito Control	42.003		18,500
State of Florida Department of State			
State Aid to Libraries	45.030	Prior Year Grants	179,692
Office of the Governor			
Emergency Management Programs	31.067	13-CP-11-03-14-01-193	262
Emergency Management Programs	31.063	13-BG-83-03-14-01-004	104,032
Emergency Management Programs	31.063	14-BG-05-03-14-01-071	3,986
Subtotal Expenditures - CSFA No. 31.063			108,018
Total Office of the Governor			108,280
Florida Housing Finance Corporation			
State Housing Initiative Partnership (SHIP) Program	52.901		80,925
State of Florida Department of Transportation			
County Incentive Grant Program - SE 144th St	55.008	417311-1-58-01	94,639
County Incentive Grant Program - SE 144th St from Hayes Ave to 301	55.008	420531-3-38,48,58-01	63,089
Subtotal Expenditures - CSFA No. 55.008			157,728
Small County Outreach Program - Resurface CR 229	55.009	424334-1-58-01	1,512,073
Small County Road Assistance Program - Resurface CR 225A	55.016	430728-1-58-01	301,219
Total Florida Department of Transportation			1,971,020
State of Florida Department of Health			
County Matching Grant	64.003	R2099	126,189
County Grant Award	64.005	C1004	9,278
Total Florida Department of Health			135,467
State of Florida Department of Management Services			
E911 Rural Grant Program	72.001	12-10-2	47,378
E911 Rural Grant Program	72.001	12-10-23	1,250
E911 Rural Grant Program	72.001	12-10-29	17,290
E911 Rural Grant Program	72.001	13-4-2	31,424
Subtotal Expenditures - CSFA No. 72.001			97,342
Total Florida Department of Management Services			97,342
Total State Expenditures			2,661,814
Total Expenditures of Federal Awards and State Financial Assistance			\$ 4,182,493

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 5, 2014.

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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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 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 June 5, 2014.

County's Response to Findings

The County's response to the findings in our audit are described in the accompanying reports of the Constitutional Officers. 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

June 5, 2014
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, 2013. 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, 2013.

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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

June 5, 2014
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013
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:

Federal Program	CFDA No.
Assistance to Firefighters Grant	97.044
Community Development Block Grant	14.228
State Project	CSFA No.
Small County Outreach Program (SCOP)	55.009

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, 2013
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

We have audited the financial statements of Bradford County, Florida (the County), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated June 5, 2014.

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*. We have issued our independent auditors' report on internal control over financial reporting and compliance and other matters, independent auditors' report on compliance for each major federal program and state project and on internal control over compliance, and schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated June 5, 2014, 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.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned reports or schedule:

- 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.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the County complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *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:

ML-2013-1 SHIP Mortgages

At September 30, 2013, SHIP mortgages receivable totaled \$969,343 over the remaining mortgage term for the individual mortgages outstanding, and an allowance for uncollectible accounts of \$407,380 had been established. Several of these mortgages with SHIP participants were delinquent. On September 19, 2013, the County adopted housing program guidelines to govern all first mortgage borrowers under the SHIP program.

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

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

MANAGEMENT LETTER
(Concluded)

ML-2013-1 SHIP Mortgages (Concluded)

We recommend that these housing program guidelines also address other SHIP borrowers as well and that all SHIP borrowers who are delinquent be contacted to address their delinquent status and that the County determine what actions should be taken to address their outstanding mortgage balances.

- Section 10.554(1)(i)4., *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.
- Section 10.554(1)(i)5., *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.
- Section 10.554(1)(i)6.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.
- Section 10.554(1)(i)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), *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.

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 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

June 5, 2014
Gainesville, Florida



Board of County Commissioners

District I
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Vice Chairman

District II
Doyle Thomas

District III
Lila Sellars

District IV
Danny Riddick
Chairman

District V
Eddie J. Lewis

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June 6, 2014

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 2012/2013

Dear Mr. Kite:

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

ML-2013-1 SHIP Mortgages:

Recommendation that the housing program guidelines also address other SHIP borrowers as well and that all SHIP borrowers who are delinquent be contacted to address their delinquent status and that the County determine what actions should be taken to address their outstanding mortgage balances.

Response:

Bradford County has reviewed the aforementioned recommendation. Following that recommendation, a review of the State Housing Initiatives Partnership (SHIP) Program loans mentioned therein was conducted, together with a review of the procedures utilized for the collection of receivables associated with those loans.

There are less than thirty SHIP loans, all originated prior to 2007, which were not initially considered "forgivable" pursuant to the State's program guidelines in place at the time of origination. Following 2007 all SHIP loans are considered "forgivable" following satisfaction of certain program requirements by the borrowers.

Based upon our review of the current system of collections for these loans, we have determined that the current system of collections, which includes periodic review of the current status of all loans and notification to all borrowers of amounts due and owing and all missed payments, satisfies (1) our desire to faithfully administer the SHIP program according to the principles and guidelines for which it was implemented; (2) the need to attempt to serve the public's interest in remaining fiscally

Terry Kite
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222 N.E. 1st Street
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responsible; and (3) our concern for the best interest of the borrowers associated with each of the
aforementioned loans.

Therefore, Bradford County intends to continue to diligently pursue collections for these loans,
including regular review of the same and notification to borrowers as recommended in the audit
report.

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,



Daniel Riddick, Chairman

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