

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY, FLORIDA
STARKE, FLORIDA**

SEPTEMBER 30, 2015

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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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Certified Public Accountants

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

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

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2015, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2015, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require employers participating in defined benefit pension plans to report the net pension liability and other pension related deferred inflows and outflows related to these plans. In connection with the implementation of these statements, the County decreased its beginning net position in the governmental activities by \$8,294,603. Our opinion is not modified with respect to this matter.

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 GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund statements are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by 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 Honorable Board of County Commissioners
and Constitutional Officers
Bradford County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters (Concluded)

Other Information (Concluded)

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2016, 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 3, 2016
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

Financial Highlights

Total assets and deferred outflows of the County exceeded total liabilities and deferred inflows by \$52.9 million (net position). Unrestricted net position for Governmental Activities was \$9.2 million and restricted net position was \$5.2 million, with the remaining \$38.5 million net position invested in capital assets.

General Fund revenues increased by \$464,141 or 3.9% when compared to fiscal year 2014. General Fund expenditures increased by \$221,384 or 1.8% when compared to fiscal year 2014. Comparing Revenue with Expenditures in the General Fund for fiscal year 2015 showed a deficiency in revenue of \$356,182.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

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

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

Fund Financial Statements

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

Governmental Funds

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

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

Fiduciary Funds

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

Notes to Financial Statements

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

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of Bradford County, assets and deferred outflows exceeded liabilities and deferred inflows by \$52,902,931, which is a decrease over the prior year of \$9,604,603. Net position is composed of \$38,548,613 net investment in Capital Assets, \$5,172,547 restricted for other purposes, and < \$9,181,771 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, 2015, Bradford County's governmental funds reported combined ending fund balances of \$23,065,583. This is a decrease over the prior year of \$1,053,109. The breakout of the six major funds and the remaining non-major funds is as follows.

Bradford County, Florida
Reserved and Unreserved Fund Balances

General Fund	\$ 9,036,943
S.H.I.P.	0
Public Library	207,159
Transportation Trust	3,006,852
Fines and Forfeitures	4,031,028
Emergency Medical Services	333,979
Other Governmental Funds (Combined 14 Non-major Funds)	<u>6,449,622</u>
Total Fund Balances	<u>\$ 23,065,583</u>

The County's overall financial position reported a decrease in total governmental fund balances of \$1,053,109 or 4.37% during fiscal year 2015.

The County's General Fund had a decrease in Fund Balance of \$1,470,364 during the current fiscal year. S.H.I.P. had no change, the Public Library Fund had an increase of \$59,828. The Transportation Trust Fund showed an increase of \$398,119 in fund balance. The Fines and Forfeitures Fund increased its fund balance by \$592,690. The Emergency Medical Services Fund showed a decrease in fund balance of \$49,834.

This accounts for all the major funds. The remaining fourteen non-major funds had a combined decrease in fund balance of \$583,548. Although the County incurred a decrease of \$1,053,109 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 \$892,005 more than the final budgeted amount, and the expenditures were \$1,901,136 less than the 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, 2015, exceeded \$38.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, infrastructure, and construction in progress, net of depreciation and disposals. Major capital asset events during the current fiscal year included the following increases before depreciation:

Net Increase in Buildings	\$	107,668
Net Increase in Machinery and Equipment		1,433,617
Net Increase in Construction in Progress		602,364

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, 2015, consists of \$8,683,740 for Net Pension Liability, \$810,133 for Compensated Absences and \$472,792 for Other Postemployment Benefits.

This is the first year that the Net Pension Liability is required to be reported. As a participant in the Florida Retirement System we are required to implement two new Accounting Standards, GASB 68 and GASB 71. This resulted in an increase in the Net Pension Liability of \$8,683,740 and a reduction in the beginning net position of the County by \$8,294,603.

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 9.1104 mills. A Small County Surtax was also collected at the maximum 1%. The Bradford County unemployment rate for 2015 according to the Florida Legislature Office of Economic and Demographic Research was listed as 4.8% while the State of Florida was 5.4%. In 2014, the unemployment rate for Bradford County was 5.6% and the rate for the State of Florida was 6.3%.

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
Summary of Net Position

	FYE 2015	FYE 2014
Assets		
Current and Restricted Assets	\$ 27,502,018	\$ 28,790,553
Capital Assets	38,772,419	39,369,432
Total Assets	<u>66,274,437</u>	<u>68,159,985</u>
Deferred Outflow of Resources		
Pension Related	2,467,257	0
Liabilities		
Current Liabilities	4,091,322	4,084,151
Non-current Liabilities	10,102,010	1,568,300
Total Liabilities	<u>14,193,332</u>	<u>5,652,451</u>
Deferred Inflow of Resources		
Pension Related	1,645,431	0
Net Position		
Net Investment in Capital Assets	38,548,613	39,109,316
Restricted	5,172,547	13,639,685
Unrestricted	9,181,771	9,758,533
Total Net Position	<u>\$ 52,902,931</u>	<u>\$ 62,507,534</u> *

* The 2014 amounts were not restated

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

Bradford County
Changes in Net Position

	FYE 2015	FYE 2014
Revenues		
Program Revenues:		
Charges for Services	\$ 5,391,587	\$ 5,471,264
Operating Grants and Contributions	3,299,987	3,012,754
Capital Grants and Contributions	1,791,721	1,618,186
General Revenues:		
Property Taxes	7,247,720	7,199,030
Other Taxes	6,301,474	5,733,940
Other	689,219	493,397
Total Revenues	<u>24,721,708</u>	<u>23,528,571</u>
Expenses		
General Government	5,262,774	5,328,469
Public Safety	11,206,610	10,836,637
Physical Environment	1,524,791	1,266,743
Transportation	4,088,215	4,185,048
Economic Environment	479,065	529,813
Human Services	898,612	858,685
Culture and Recreation	969,399	900,333
Court Related	1,600,413	1,590,653
Interest and Fiscal Charges	1,829	2,275
Total Expenses	<u>26,031,708</u>	<u>25,498,656</u>
Change in Net Position	(1,310,000)	(1,970,085)
Net Position - Beginning of Year	62,507,534	64,477,619
Prior Period Adjustments	(8,294,603)	0
Net Position - Beginning of Year (As Restated)	<u>54,212,931</u>	<u>64,477,619</u>
Net Position - End of Year	<u>\$ 52,902,931</u>	<u>\$ 62,507,534</u> *

* The 2014 amounts were not restated

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA

	<u>Governmental Activities</u>
Assets	
Cash Deposits	\$ 14,035,020
Investments	10,409,871
Accounts Receivable	307,836
Mortgages Receivable	360,673
Due from Other Governments	1,926,739
Inventory	37,067
Prepaid Expenses	19,827
Restricted Assets:	
Cash Deposits - Landfill Postclosure	6,847
Investments - Landfill Postclosure	398,138
Capital Assets Not Being Depreciated:	
Land	7,809,813
Construction in Progress	1,676,353
Depreciable Capital Assets, Net	29,286,253
Total Assets	<u><u>66,274,437</u></u>
Deferred Outflow of Resources	
Pension Related	<u>2,467,257</u>
Liabilities	
Accounts Payable	974,555
Deposits	36,716
Due to Other Governments	136,921
Accrued Interest	5,109
Unearned Revenues	2,764,256
Noncurrent Liabilities:	
Due Within One Year:	
Installment Purchase Obligation	29,424
Estimated Landfill Postclosure Costs	85,304
Notes Payable	59,037
Due in More Than One Year:	
Installment Purchase Obligation	82,783
Notes Payable	52,562
Compensated Absences	810,133
Other Postemployment Benefits Liability	472,792
Net Pension Liability	8,683,740
Total Liabilities	<u><u>14,193,332</u></u>
Deferred Inflows of Resources	
Pension Related	<u>1,645,431</u>
Net Position	
Net Investment in Capital Assets	38,548,613
Restricted for:	
Other Purposes	5,172,547
Unrestricted	9,181,771
Total Net Position	<u><u>\$ 52,902,931</u></u>

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

STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions		
Governmental Activities					
General Government	\$ 5,262,774	\$ 937,488	\$ 826,275	\$ 0	\$ (3,499,011)
Public Safety	11,206,610	2,128,937	431,865	0	(8,645,808)
Physical Environment	1,524,791	857,275	230,000	0	(437,516)
Transportation	4,088,215	423,753	750,310	1,791,721	(1,122,431)
Economic Environment	479,065	88,200	416,910	0	26,045
Human Services	898,612	6,022	129,254	0	(763,336)
Culture and Recreation	969,399	11,709	383,784	0	(573,906)
Court Related	1,600,413	938,203	131,589	0	(530,621)
Interest and Fiscal Charges	1,829	0	0	0	(1,829)
Total Governmental Activities	\$ 26,031,708	\$ 5,391,587	\$ 3,299,987	\$ 1,791,721	(15,548,413)

General Revenues

Property Taxes	7,247,720
Discretionary Sales Surtax	2,157,009
Gasoline Taxes	673,080
Communication Service Taxes	43,587
Tourist Development Tax	102,069
Sales Tax and Other State Shared Revenue	3,325,729
Interest Earnings	128,953
Miscellaneous	560,266
Total General Revenues	14,238,413
Change in Net Position	(1,310,000)
Net Position, Beginning of Year	62,507,534
Prior Period Adjustments	(8,294,603)
Net Position, Beginning of Year (as Restated)	54,212,931
Net Position, End of Year	\$ 52,902,931

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA**

	General	S.H.I.P.	Public Library	Transportation Trust
Assets				
Cash Deposits	\$ 3,159,347	\$ 1,298,676	\$ 230,421	\$ 2,648,884
Investments	5,627,840	0	1,393,897	0
Accounts Receivable	29,517	0	348	8,475
Mortgages Receivable	0	360,673	0	0
Due from Other Funds	227,925	0	0	0
Due from Other Governments	888,606	0	0	816,572
Inventory	0	0	0	37,067
Prepaid Expenses	19,302	0	0	0
Total Assets	9,952,537	1,659,349	1,624,666	3,510,998
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	264,902	20,275	10,579	504,146
Deposits	0	0	0	0
Due to Other Funds	524,760	0	0	0
Due to Other Governments	77,039	0	0	0
Unearned Revenues	6,046	1,278,401	1,406,928	0
Total Liabilities	872,747	1,298,676	1,417,507	504,146
Deferred Inflows of Resources				
Unavailable Revenues	42,847	360,673	0	0
Fund Balances				
Nonspendable	19,302	0	0	37,067
Restricted	168,078	0	0	2,969,785
Committed	0	0	0	0
Assigned	2,752,130	0	207,159	0
Unassigned	6,097,433	0	0	0
Total Fund Balances	9,036,943	0	207,159	3,006,852
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,952,537	\$ 1,659,349	\$ 1,624,666	\$ 3,510,998

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

Fines and Forfeitures	Emergency Medical Service	Other Governmental Funds	Total Governmental Funds
\$ 2,145,178	\$ 220,555	\$ 4,338,806	\$ 14,041,867
1,400,000	0	2,386,272	10,808,009
0	240,571	28,925	307,836
0	0	0	360,673
538,141	0	16,049	782,115
78,945	0	99,442	1,883,565
0	0	0	37,067
0	525	0	19,827
<u>4,162,264</u>	<u>461,651</u>	<u>6,869,494</u>	<u>28,240,959</u>
27,556	7,205	139,892	974,555
0	0	36,716	36,716
80,680	0	133,501	738,941
0	0	59,882	136,921
<u>23,000</u>	<u>0</u>	<u>49,881</u>	<u>2,764,256</u>
<u>131,236</u>	<u>7,205</u>	<u>419,872</u>	<u>4,651,389</u>
0	120,467	0	523,987
0	525	0	56,894
312,664	0	1,722,020	5,172,547
856,363	0	744,756	1,601,119
2,862,001	333,454	3,982,846	10,137,590
0	0	0	6,097,433
<u>4,031,028</u>	<u>333,979</u>	<u>6,449,622</u>	<u>23,065,583</u>
<u>\$ 4,162,264</u>	<u>\$ 461,651</u>	<u>\$ 6,869,494</u>	<u>\$ 28,240,959</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, 2015
BRADFORD COUNTY, FLORIDA**

Fund Balances - Total Governmental Funds		\$ 23,065,583
 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.		38,772,419
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Net Pension Liability	\$ (8,683,740)	
Installment Purchase Obligation	(112,207)	
Estimated Landfill Obligation	(85,304)	
Notes Payable	(111,599)	
Compensated Absences	(810,133)	
Other Postemployment Benefits Liability	<u>(472,792)</u>	(10,275,775)
Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:		
Deferred Outflows Related to Pensions		2,467,257
Deferred Inflows Related to Pensions		(1,645,431)
Receivables that do not provide current financial resources are reported as unearned revenue in the governmental funds.		523,987
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.		<u>(5,109)</u>
Net Position of Governmental Activities		<u><u>\$ 52,902,931</u></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, 2015
BRADFORD COUNTY, FLORIDA

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
Revenues				
Taxes	\$ 7,706,016	\$ 0	\$ 0	\$ 673,080
Licenses and Permits	100,468	0	0	0
Intergovernmental	3,268,152	291,872	383,883	2,542,031
Charges for Services	819,979	0	0	352,254
Fines and Forfeitures	129,989	0	0	0
Miscellaneous	227,407	2,238	73,492	17,956
Total Revenues	<u>12,252,011</u>	<u>294,110</u>	<u>457,375</u>	<u>3,585,321</u>
Expenditures				
Current:				
General Government	4,625,302	0	0	0
Public Safety	6,423,186	0	0	0
Physical Environment	193,193	0	0	0
Transportation	0	0	0	4,837,202
Economic Environment	68,626	355,845	0	0
Human Services	871,740	0	0	0
Culture and Recreation	68,086	0	859,679	0
Court-related	349,730	0	0	0
Debt Service:				
Principal Retirement	8,007	0	0	0
Interest	323	0	0	0
(Total Expenditures)	<u>(12,608,193)</u>	<u>(355,845)</u>	<u>(859,679)</u>	<u>(4,837,202)</u>
(Deficiency) Excess of Revenues (Under)				
Over Expenditures	<u>(356,182)</u>	<u>(61,735)</u>	<u>(402,304)</u>	<u>(1,251,881)</u>
Other Financing				
Transfers in	5,657,862	61,735	462,132	1,650,000
Transfers (out)	(6,772,044)	0	0	0
Total Other Financing Sources (Uses)	<u>(1,114,182)</u>	<u>61,735</u>	<u>462,132</u>	<u>1,650,000</u>
Net Change in Fund Balances	(1,470,364)	0	59,828	398,119
Fund Balances, Beginning of Year	<u>10,507,307</u>	<u>0</u>	<u>147,331</u>	<u>2,608,733</u>
Fund Balances, End of Year	<u>\$ 9,036,943</u>	<u>\$ 0</u>	<u>\$ 207,159</u>	<u>\$ 3,006,852</u>

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

Fines and Forfeitures	Emergency Medical Services	Other Governmental Funds	Total Governmental Funds
\$ 1,609,738	\$ 132,562	\$ 102,069	\$ 10,223,465
0	0	0	100,468
748,811	5,370	1,206,700	8,446,819
634,039	1,526,131	953,337	4,285,740
19,010	0	200,910	349,909
24,853	6,798	1,026,683	1,379,427
<u>3,036,451</u>	<u>1,670,861</u>	<u>3,489,699</u>	<u>24,785,828</u>
0	0	0	4,625,302
1,219,864	2,810,040	453,862	10,906,952
0	0	1,332,108	1,525,301
0	0	0	4,837,202
0	0	55,370	479,841
0	0	0	871,740
0	0	0	927,765
0	0	1,276,965	1,626,695
0	0	28,303	36,310
0	0	1,506	1,829
<u>(1,219,864)</u>	<u>(2,810,040)</u>	<u>(3,148,114)</u>	<u>(25,838,937)</u>
<u>1,816,587</u>	<u>(1,139,179)</u>	<u>341,585</u>	<u>(1,053,109)</u>
4,300,463	1,089,345	397,493	13,619,030
<u>(5,524,360)</u>	<u>0</u>	<u>(1,322,626)</u>	<u>(13,619,030)</u>
<u>(1,223,897)</u>	<u>1,089,345</u>	<u>(925,133)</u>	<u>0</u>
592,690	(49,834)	(583,548)	(1,053,109)
<u>3,438,338</u>	<u>383,813</u>	<u>7,033,170</u>	<u>24,118,692</u>
<u>\$ 4,031,028</u>	<u>\$ 333,979</u>	<u>\$ 6,449,622</u>	<u>\$ 23,065,583</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, 2015
BRADFORD COUNTY, FLORIDA**

Net Change in Fund Balances - Total Governmental Funds \$ (1,053,109)

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

Governmental funds report capital purchases as expenditures.

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

Expenditures for Capital Assets	\$	2,577,643	
(Current Year Depreciation)		(2,972,158)	
(Loss) on Disposal of Capital Assets		(202,505)	
			(597,020)

Certain revenues reported in the statement of activities are not considered current financial resources and, therefore, are not reported as revenue in the governmental funds. (64,120)

Repayment of long-term principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 36,310

The changes in net pension liability and pension related deferred outflows and inflows of resources result in an adjustment to pension expense in the statement of activities, but not in the governmental fund statements. 432,689

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

Change in Accrued Interest Payable		(4,704)	
Change in Estimated Landfill Postclosure Costs		82,950	
Change in Other Postemployment Benefits		(66,021)	
Change in Accrued Compensated Absences		(76,975)	
			(64,750)

Change in Net Position of Governmental Activities \$ (1,310,000)

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, 2015
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	\$ 7,227,279	\$ 7,227,279	\$ 7,706,016	\$ 478,737
Licenses and Permits	136,000	136,000	100,468	(35,532)
Intergovernmental	2,758,880	2,954,815	3,268,152	313,337
Charges for Services	737,174	808,674	819,979	11,305
Fines and Forfeitures	96,800	96,800	129,989	33,189
Miscellaneous	81,424	136,438	227,407	90,969
Total Revenues	<u>11,037,557</u>	<u>11,360,006</u>	<u>12,252,011</u>	<u>892,005</u>
Expenditures				
Current:				
General Government	5,369,737	5,541,237	4,625,302	915,935
Public Safety	6,031,282	6,572,177	6,423,186	148,991
Physical Environment	297,998	297,998	193,193	104,805
Economic Environment	86,317	86,317	68,626	17,691
Human Services	996,387	998,092	871,740	126,352
Culture and Recreation	124,394	124,394	68,086	56,308
Court-related	452,938	446,926	349,730	97,196
Reserve for Contingency	610,926	433,858	0	433,858
Debt Service:				
Principal Retirement	8,007	8,007	8,007	0
Interest Expense	323	323	323	0
(Total Expenditures)	<u>(13,978,309)</u>	<u>(14,509,329)</u>	<u>(12,608,193)</u>	<u>1,901,136</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(2,940,752)</u>	<u>(3,149,323)</u>	<u>(356,182)</u>	<u>2,793,141</u>
Other Financing Sources (Uses)				
Transfers in	7,314,881	7,529,458	5,657,862	(1,871,596)
Transfers (out)	(8,703,123)	(8,709,129)	(6,772,044)	1,937,085
Total Other Financing Sources (Uses)	<u>(1,388,242)</u>	<u>(1,179,671)</u>	<u>(1,114,182)</u>	<u>65,489</u>
Net Change in Fund Balance	(4,328,994)	(4,328,994)	(1,470,364)	2,858,630
Fund Balance, Beginning of Year	<u>4,328,994</u>	<u>4,328,994</u>	<u>10,507,307</u>	<u>6,178,313</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,036,943</u>	<u>\$ 9,036,943</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, 2015
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	\$ 350,000	\$ 350,000	\$ 291,872	\$ (58,128)
Charges for Services	37,000	37,000	0	(37,000)
Miscellaneous	1,800	1,800	2,238	438
Total Revenues	<u>388,800</u>	<u>388,800</u>	<u>294,110</u>	<u>(94,690)</u>
Expenditures				
Current:				
Economic Environment	481,687	481,687	355,845	125,842
(Total Expenditures)	<u>(481,687)</u>	<u>(481,687)</u>	<u>(355,845)</u>	<u>125,842</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(92,887)</u>	<u>(92,887)</u>	<u>(61,735)</u>	<u>31,152</u>
Other Financing Sources (Uses)				
Transfers in	61,735	61,735	61,735	0
Total Other Financing Sources	<u>61,735</u>	<u>61,735</u>	<u>61,735</u>	<u>0</u>
Net Change in Fund Balance	(31,152)	(31,152)	0	31,152
Fund Balance, Beginning of Year	<u>31,152</u>	<u>31,152</u>	<u>0</u>	<u>(31,152)</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, 2015
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				
Intergovernmental	\$ 427,725	\$ 427,725	\$ 383,883	\$ (43,842)
Miscellaneous	12,025	12,025	73,492	61,467
Total Revenues	<u>439,750</u>	<u>439,750</u>	<u>457,375</u>	<u>17,625</u>
Expenditures				
Current:				
Culture and Recreation	2,376,798	2,376,798	859,679	1,517,119
(Total Expenditures)	<u>(2,376,798)</u>	<u>(2,376,798)</u>	<u>(859,679)</u>	<u>1,517,119</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,937,048)</u>	<u>(1,937,048)</u>	<u>(402,304)</u>	<u>1,534,744</u>
Other Financing Sources (Uses)				
Transfers in	462,132	462,132	462,132	0
Net Change in Fund Balance	(1,474,916)	(1,474,916)	59,828	1,534,744
Fund Balance, Beginning of Year	<u>1,474,916</u>	<u>1,474,916</u>	<u>147,331</u>	<u>(1,327,585)</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 207,159</u>	<u>\$ 207,159</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, 2015
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	\$ 650,000	\$ 650,000	\$ 673,080	\$ 23,080
Intergovernmental	3,289,331	3,375,829	2,542,031	(833,798)
Charges for Services	465,300	465,300	352,254	(113,046)
Miscellaneous	1,150	1,150	17,956	16,806
Total Revenues	<u>4,405,781</u>	<u>4,492,279</u>	<u>3,585,321</u>	<u>(906,958)</u>
Expenditures				
Current:				
Transportation	6,180,871	6,267,369	4,837,202	1,430,167
(Total Expenditures)	<u>(6,180,871)</u>	<u>(6,267,369)</u>	<u>(4,837,202)</u>	<u>1,430,167</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(1,775,090)</u>	<u>(1,775,090)</u>	<u>(1,251,881)</u>	<u>523,209</u>
Other Financing Sources (Uses)				
Transfers in	1,650,000	1,650,000	1,650,000	0
Total Other Financing Sources (Uses)	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>0</u>
Net Change in Fund Balance	(125,090)	(125,090)	398,119	523,209
Fund Balance, Beginning of Year	<u>125,090</u>	<u>125,090</u>	<u>2,608,733</u>	<u>2,483,643</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,006,852</u>	<u>\$ 3,006,852</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, 2015
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	\$ 1,656,666	\$ 1,656,666	\$ 1,609,738	\$ (46,928)
Intergovernmental	581,500	581,500	748,811	167,311
Charges for Services	114,000	114,000	634,039	520,039
Fines and Forfeitures	17,400	17,400	19,010	1,610
Miscellaneous	0	0	24,853	24,853
Total Revenues	<u>2,369,566</u>	<u>2,369,566</u>	<u>3,036,451</u>	<u>666,885</u>
Expenditures				
Current:				
Public Safety	1,953,633	1,953,633	1,219,864	733,769
(Total Expenditures)	<u>(1,953,633)</u>	<u>(1,953,633)</u>	<u>(1,219,864)</u>	<u>733,769</u>
Excess of Revenues Over Expenditures	<u>415,933</u>	<u>415,933</u>	<u>1,816,587</u>	<u>1,400,654</u>
Other Financing Sources (Uses)				
Transfers in	4,294,457	4,294,457	4,300,463	6,006
Transfers (out)	(5,443,680)	(5,443,680)	(5,524,360)	(80,680)
Total Other Financing (Uses)	<u>(1,149,223)</u>	<u>(1,149,223)</u>	<u>(1,223,897)</u>	<u>(74,674)</u>
Net Change in Fund Balance	(733,290)	(733,290)	592,690	1,325,980
Fund Balance, Beginning of Year	<u>733,290</u>	<u>733,290</u>	<u>3,438,338</u>	<u>2,705,048</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,031,028</u>	<u>\$ 4,031,028</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, 2015
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	\$ 136,426	\$ 136,426	\$ 132,562	\$ (3,864)
Intergovernmental	0	0	5,370	5,370
Charges for Services	1,645,000	1,645,000	1,526,131	(118,869)
Miscellaneous	0	0	6,798	6,798
Total Revenues	<u>1,781,426</u>	<u>1,781,426</u>	<u>1,670,861</u>	<u>(110,565)</u>
Expenditures				
Current:				
Public Safety	2,870,771	2,870,771	2,810,040	60,731
(Total Expenditures)	<u>(2,870,771)</u>	<u>(2,870,771)</u>	<u>(2,810,040)</u>	<u>60,731</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(1,089,345)</u>	<u>(1,089,345)</u>	<u>(1,139,179)</u>	<u>(49,834)</u>
Other Financing Sources (Uses)				
Transfers in	1,089,345	1,089,345	1,089,345	0
Total Other Financing (Uses)	<u>1,089,345</u>	<u>1,089,345</u>	<u>1,089,345</u>	<u>0</u>
Net Change in Fund Balance	0	0	(49,834)	(49,834)
Fund Balance, Beginning of Year	0	0	383,813	383,813
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 333,979</u>	<u>\$ 333,979</u>

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA

	<u>Agency Funds</u>
Assets	
Cash Deposits	<u>\$ 734,353</u>
Total Assets	<u><u>734,353</u></u>
Liabilities	
Accounts Payable	31,183
Due to Others	148,419
Due to Other Funds	43,174
Due to Other Governments	379,287
Deposits	<u>132,290</u>
Total Liabilities	<u><u>\$ 734,353</u></u>

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

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

Note 1 - Reporting Entity

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

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

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

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

The Bradford County Health Facilities Authority (the Authority) is an entity (Part III, Chapter 154, Florida Statutes) established to assist health facilities within the County. For the 2014-2015 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, which is composed of two members from each participating county. Because there is no ongoing financial interest or responsibility by participating governments, the Cooperative is considered to be a jointly governed organization.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 1 - Reporting Entity (Concluded)

Joint Venture

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

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

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

During fiscal year 2014-2015, NRSWA collected and remitted \$189,261 to the County in solid waste assessments, and the County paid \$360,050 to NRSWA in tipping fees.

During fiscal year 2014-2015, NRSWA distributed \$230,000 to the County in revenue sharing monies.

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

Government-wide and Fund Financial Statements

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

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

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

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

■ **Fund Financial Statements**

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

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

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

■ **Governmental Major Funds**

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Concluded)

■ **Governmental Major Funds (Concluded)**

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

■ **Government-wide Financial Statements**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

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

■ **Governmental Fund Financial Statements**

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

■ **Assets**

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

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

■ **Inventories**

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

■ **Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads and bridges), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by Florida Statute, Chapter 274.02 to include items of a nonconsumable nature with a value of at least \$1,000 and a life of one year or more. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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

■ **Capital Assets (Concluded)**

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

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

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

Budgets and Budgetary Accounting

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

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

Cash

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

Receivables

Receivables are shown at their net realizable value and reduced by an allowance for uncollectible accounts of \$539,359.

Due from (to) Other Funds

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

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

Deferred Inflows/Outflows of Resources

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

Pension Related—Pension Related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension liability, and the differences between expected and actual earnings on pension plan investments, and changes in the County's proportionate share of pension contributions. These amounts are reported as deferred inflows or outflows of resources, to be recognized in expense over time. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See note 9 for more information on Pension Related Deferred Inflows and Outflows.

Unavailable Revenues—Unavailable revenues are revenues which are measurable, but not available because they have not been received within the County's period of availability. These revenues are deferred and recorded as deferred outflows of resources in the governmental funds financial statements.

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, 2015, was 9.1104 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.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

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

Property Taxes *(Concluded)*

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.

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.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Concluded)

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the 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.

Adoption of New Accounting Standards

The County participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as required in 2015. GASB Statement No. 68 requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers’ proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. Beginning net position of the County was reduced by \$8,294,603 due to the adoption of this statement. Components of this restatement are as follows:

Net Pension Liability	\$	5,179,113
Pension Related Deferred Outflows		(1,333,345)
Pension Related Deferred Inflows		4,448,835
Total		<u><u>\$ 8,294,603</u></u>

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.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Concluded)

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, 2015, 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, 2015.

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 \$14,776,220 and the bank balances were \$14,820,828 at September 30, 2015.

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.

As of September 30, 2015, the County had the following in investments:

	Fair Value Amount
Certificates of Deposit	\$ 398,138
Florida Local Government Investment Trust	10,409,871
Total Investments	<u>\$ 10,808,009</u>

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

Note 3 - Cash and Investments (Concluded)

Investments (Concluded)

Reported in accompanying financial statements as follows:

Investments	\$ 10,409,871
Restricted Investments – Landfill Postclosure	<u>398,138</u>
Total	<u>\$ 10,808,009</u>

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 Section 163.01 Florida Statutes (*Florida Interlocal Cooperation Act*) and is a statutory investment under Section 218.415(15) Florida Statutes. The Trust reports all share information at Net Asset Value (NAV) and reflects its share value at fair value in accordance with GASB Statement No. 31. At September 30, 2015, 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, 2015. The Trust is not insured against loss. As of September 30, 2015, the County had \$10,409,871 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 may be 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 \$404,985 in the statement of net position represent monies held in separate accounts 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, 2015, including the Sheriff, is as follows:

	<u>Balance</u> <u>10/1/14</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/15</u>
Capital Assets Not Being Depreciated				
Land	\$ 1,293,889	\$ 0	\$ 0	\$ 1,293,889
Land Right-of-Way	6,515,924	0	0	6,515,924
Construction in Progress:				
Infrastructure	<u>1,073,989</u>	<u>786,072</u>	<u>(183,708)</u>	<u>1,676,353</u>
Total Capital Assets Not Being Depreciated	<u>8,883,802</u>	<u>786,072</u>	<u>(183,708)</u>	<u>9,486,166</u>
Capital Assets Being Depreciated				
Buildings	17,590,216	107,668	0	17,697,884
Machinery and Equipment	13,461,352	1,867,618	(434,001)	14,894,969
Infrastructure	<u>41,790,647</u>	<u>0</u>	<u>0</u>	<u>41,790,647</u>
Total Capital Assets Being Depreciated	<u>72,842,215</u>	<u>1,975,286</u>	<u>(434,001)</u>	<u>74,383,500</u>
Total Before Depreciation	<u>81,726,017</u>	<u>2,761,358</u>	<u>(617,709)</u>	<u>83,869,666</u>
Less Accumulated Depreciation				
Buildings	(5,250,830)	(394,420)	6,331	(5,638,919)
Machinery and Equipment	(9,168,488)	(1,250,785)	193,565	(10,225,708)
Infrastructure	<u>(27,937,267)</u>	<u>(1,326,953)</u>	<u>31,600</u>	<u>(29,232,620)</u>
Total Accumulated Depreciation	<u>(42,356,585)</u>	<u>(2,972,158)</u>	<u>231,496</u>	<u>(45,097,247)</u>
Total Being Depreciated, Net	<u>30,485,630</u>	<u>(996,872)</u>	<u>(202,505)</u>	<u>29,286,253</u>
Fixed Assets, Cost Less Depreciation	<u>\$ 39,369,432</u>	<u>\$ (210,800)</u>	<u>\$ (386,213)</u>	<u>\$ 38,772,419</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 529,082
Public Safety	840,837
Physical Environment	94,420
Transportation	1,422,346
Economic Environment	840
Human Services	34,077
Culture and Recreation	<u>50,556</u>
Total Depreciation Expense	<u>\$ 2,972,158</u>

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 6 - General Long-term Debt

The following is a summary of the changes in general long-term debt for the year ended September 30, 2015:

	<u>Balance</u> <u>10/1/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/15</u>	<u>Due Within</u> <u>One Year</u>
Long-term Debt Payable					
Notes Payable	\$ 119,606	\$ 0	\$ (8,007)	\$ 111,599	\$ 59,037
Installment Obligations	140,510	0	(28,303)	112,207	29,424
Compensated Absences	733,158	76,975	0	810,133	0
Landfill Postclosure Costs	168,255	0	(82,951)	85,304	85,304
Other Postemployment Benefits	406,771	66,021	0	472,792	0
Net Pension Liability	<u>5,179,113</u>	<u>3,504,627</u>	<u>0</u>	<u>8,683,740</u>	<u>0</u>
Total Long-term Debt Payable	<u>\$ 6,747,413</u>	<u>\$ 3,647,623</u>	<u>\$ (119,261)</u>	<u>\$ 10,275,775</u>	<u>\$ 173,765</u>

General long-term debt at September 30, 2015, is comprised of the following:

Installment Purchase of Land and Building, Due in 180 Monthly Payments of \$2,767, Includes Interest at 4.10%	\$ 112,207
Estimated Landfill Postclosure Costs for County Landfill Site	85,304
Accumulated Compensated Absences Payable	810,133
Other Postemployment Benefits	472,792
Net Pension Liability	8,683,740
Notes Payable—Voting Equipment, Due in 5 Yearly Payments of \$8,330, Includes Interest at 2.00%	8,166
Notes Payable—Truck Mounted Excavator, Due in 5 Yearly Payments of \$54,310.71, Includes Interest at 3.326%	<u>103,433</u>
Total	<u>\$ 10,275,775</u>

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2015:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2016	\$ 173,765	\$ 4,740	\$ 178,505
2017	82,328	2,542	84,870
2018	30,114	445	30,559
2019	22,903	104	23,007
2020	0	0	0
Net Pension Liability	8,683,740	0	8,683,740
Compensated Absences	810,133	0	810,133
Other Postemployment Benefits	<u>472,792</u>	<u>0</u>	<u>472,792</u>
Totals	<u>\$ 10,275,775</u>	<u>\$ 7,831</u>	<u>\$ 10,283,606</u>

Interest expense during 2015 on general long-term debt totaled \$1,829, none of which was capitalized.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 7 - Grants

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

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

These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for, or including the year ended September 30, 2015, 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, 2015, were as follows:

Receivable Fund	Payable Fund	Amount
Major Funds	Major Funds	
Fines and Forfeitures	General Fund	\$ 524,760
	Other Governmental Funds	
General Fund	Fines and Forfeitures	80,680
	Sheriff – E-911	133,501
	Agency Funds	
General Fund	Tax Collector – Taxes	731
	Clerk – Special Fine and Forfeiture	11,013
	Clerk – Alimony and Support	2,000
Fines and Forfeitures	Clerk – Special Fine and Forfeiture	1,041
	Sheriff – Individual Depositor	12,340
Other Governmental Funds	Agency Funds	
Eighth Judicial Court	Clerk – Trust	3,948
	Clerk – Special Fine and Forfeiture	12,101
Total		\$ 782,115

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)

Fund Receiving Transfer	Amount	Fund Sending Transfer
Major Funds		Other Governmental Funds
General Fund	\$ 133,501	Sheriff E-911 Fund
Transportation Fund	950,000	Fiscally Constrained Fund
Fines and Forfeitures Fund	74,125	Fiscally Constrained Fund
		Major Funds
Transportation Trust	700,000	General Fund
S.H.I.P.	61,735	General Fund
Fines and Forfeitures Fund	4,226,338	General Fund
Emergency Medical Services Fund	1,089,345	General Fund
Public Library	462,132	General Fund
General Fund	5,524,361	Fines and Forfeitures Fund
Other Governmental Funds		Major Funds
Eighth Judicial Circuit Fund	200,000	General Fund
Mosquito Control Fund	31,540	General Fund
CDBG Fund	953	General Fund
Other Governmental Fund		Other Governmental Fund
Solid Waste Fund	165,000	Fiscally Constrained Fund
Total	\$ 13,619,030	

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

Note 9 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Employee Retirement Plan (Continued)

General Information about the Florida Retirement System (FRS) (Concluded)

The County's pension expense totaled \$921,123 for the fiscal year ended September 30, 2015 (all plans).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the County are as follows:

- *Regular Class*—Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the County's 2014-2015 fiscal year were as follows:

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Contributions. (Concluded)

<u>Class</u>	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2016</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
FRS, Senior Management Service	3.00	19.84	3.00	19.73
FRS, Special Risk Regular	3.00	18.52	3.00	20.34
DROP – Applicable to Members from All of the Above Classes	0.00	11.02	0.00	11.22
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

The County contributions (employer), to the FRS Plan totaled \$1,087,557 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2015, the County reported a liability of \$5,643,749 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The County's proportionate share of the net pension liability was based on the County's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the County's proportion was .043694640%, which was an increase of .003387688 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the County recognized pension expense of \$539,259 related to the Plan. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions after Measurement Date	\$ 300,984	\$ 0
Difference Between Expected and Actual Experience	595,813	133,853
Changes of Assumptions	374,595	0
Changes in Proportion and Difference Between County Contributions and Proportionate Share of Contributions	808,388	140,717
Net Difference between Projected and Actual Earnings on Pension Plan Investments	0	1,347,633
Total	<u>\$ 2,079,780</u>	<u>\$ 1,622,203</u>

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. (Concluded)

The deferred outflows of resources related to pensions, totaling \$300,984, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Amount
<u>Ending</u>	<u></u>
2016	\$ (310,702)
2017	(310,702)
2018	(310,702)
2019	801,137
2020	228,664
Thereafter	<u>58,897</u>
Total	<u><u>\$ 156,592</u></u>

Actuarial Assumptions. The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	7.65% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Employee Retirement Plan (Continued)

FRS Pension Plan (Concluded)

Actuarial Assumptions. (Concluded)

<u>Asset Class</u>	<u>Annual Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	<u>100%</u>			
Assumed Inflation – Mean		2.6%		1.9%

Note: (1) As Outlined in the Plan’s Investment Policy.

Discount Rate. The discount rate used to measure the total pension liability was 7.65%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
County’s Proportionate Share of the Net Pension Liability	\$ 14,624,230	\$ 5,643,749	\$ (1,829,486)

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Employee Retirement Plan (Continued)

HIS Pension Plan

Benefits Provided. For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Contribution rates during the County's fiscal year were 1.26% from October 1, 2014 through June 30, 2015, and 1.66% from July 1, 2015 through September 30, 2015 of payroll, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$125,017 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2015, the County reported a net pension liability of \$3,039,991 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The County's proportionate share of the net pension liability was based on the County's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the County's proportionate share was .029808429%, which was an increase of .000720456 from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$240,624 related to the HIS Plan. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions after Measurement Date	\$ 40,860	\$ 0
Changes of Assumptions	239,168	0
Changes in Proportion and Difference between County Contributions and Proportionate Share of Contributions	105,803	23,228
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,646	0
Total	<u>\$ 387,477</u>	<u>\$ 23,228</u>

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

Note 9 - Employee Retirement Plan (Continued)

HIS Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. (Concluded)

The deferred outflows of resources related to pensions, totaling \$40,860, resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Amount</u>
2016	\$ 55,797
2017	55,797
2018	55,797
2019	55,462
2020	55,302
Thereafter	45,234
Total	\$ 323,389

Actuarial Assumptions. The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	3.80% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2015 valuation, were based on the results of an actuarial experience study for the period July 1, 2007, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Employee Retirement Plan (Continued)

HIS Pension Plan (Concluded)

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. (Concluded)

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
County's Proportionate Share of the Net Pension Liability	\$ 3,463,927	\$ 3,039,991	\$ 2,686,490

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS – Defined Contribution Pension Plan

The County contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Employee Retirement Plan (Concluded)

FRS – Defined Contribution Pension Plan (Concluded)

If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan pension expense totaled \$141,240 for the fiscal year ended September 30, 2015.

Note 10 - Other Postemployment Benefits (OPEB)

Plan Description

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

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

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.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

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

Annual OPEB Cost and Net OPEB Obligation

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

Normal Cost (Service Cost for One Year)	\$	52,848
Amortization of Unfunded Actuarial Accrued Liability (UAAL)		13,329
Adjustment for Timing		<u>2,978</u>
Annual Required Contribution (ARC)		69,155
Interest on Net OPEB Obligation		18,305
Adjustment to ARC		<u>(17,338)</u>
Annual OPEB Cost (Expense)		70,122
Employer Contributions Made		<u>(4,101)</u>
Increase in Net OPEB Obligation		<u>66,021</u>
Net OPEB Obligation at Beginning of Year		<u>406,771</u>
Net OPEB Obligation at End of Year	\$	<u>472,792</u>

The County's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB costs, and the net OPEB obligation for 2015, 2014, and 2013, 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>
09/30/2015	\$ 70,122	\$ 4,101	6%	\$ 472,792
09/30/2014	74,161	12,232	16%	406,771
09/30/2013	68,928	11,222	16%	344,842

Funding Status and Funding Progress

As of October 1, 2014, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits was \$326,795 and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$326,795. The covered payroll (annual payroll of active employees covered by the Plan) was \$9,870,243, and the ratio of the UAAL to the covered payroll was 3.3%.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

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

Funding Status and Funding Progress (Concluded)

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, 2015, was 24 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, 2015, for the entire estimated cost of these activities (in 2015 dollars).

The remaining cost of postclosure care at the State Road 100 landfill site is estimated to be \$85,304 and is due in the upcoming fiscal year. 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, 2015, \$404,985 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

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 2015.

Fund Balance Classifications

The following is a summary of the County's fund balance classifications and the purpose of each as of September 30, 2015:

Nonspendable Fund Balance	
Prepaid Expenses	\$ 19,827
Inventories	37,067
Total Nonspendable Fund Balance	<u>\$ 56,894</u>
Restricted Fund Balance	
Transportation	\$ 2,969,785
Doris Slosberg	50,362
Vessel Fees	15,917
IGCF	101,799
Sheriff Forfeitures	182,848
Law Enforcement Education	34,587
Crime Prevention Programs	95,229
Tourist Development	170,402
Mosquito Control	86,266
Public Records Modernization	443,047
Inmate Welfare	459,480
E-911	157,840
Landfill	404,985
Total Restricted Fund Balance	<u>\$ 5,172,547</u>
Committed Fund Balance	
Inmate Fees Set-aside	\$ 856,363
Solid Waste	744,756
Total Committed Fund Balance	<u>\$ 1,601,119</u>
Assigned Fund Balance	
Subsequent Year's Budget	\$ 2,752,130
Public Library	207,159
Public Safety	3,195,455
Court Operations	1,142,066
Education and Public Service	86,511
Capital Projects	2,754,269
Total Assigned Fund Balance	<u>\$ 10,137,590</u>

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 - Federal Single Audit

During the fiscal year, the County did not expend \$500,000 in Federal awards, therefore an audit in accordance with OMB Circular A-133 was not required.

REQUIRED SUPPLEMENTARY INFORMATION

**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	September 30, 2015
County's Proportion of the FRS Net Pension Liability	0.043694640%
County's Proportion Share of the FRS Net Pension Liability	\$ 5,643,749
County's Covered-Employee Payroll (FYE 9/30)	\$ 9,193,154
County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	61.39%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.00%

Note to Schedule:

The amounts presented for the Net Pension Liability were determined using a measurement date of June 30.
The Covered-Employee Payroll is for the fiscal year shown.
This schedule will build to 10 years as information becomes available.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	September 30, 2015
County's Proportion of the HIS Net Pension Liability	0.029808429%
County's Proportion Share of the HIS Net Pension Liability	\$ 3,039,991
County's Covered-Employee Payroll (FYE 9/30)	\$ 9,193,154
County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered-Employee Payroll	33.07%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.50%

Note to Schedule:

The amounts presented for the Net Pension Liability were determined using a measurement date of June 30.
The Covered-Employee Payroll is for the fiscal year shown.
This schedule will build to 10 years as information becomes available.

**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SCHEDULE OF COUNTY'S CONTRIBUTIONS
SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	September 30, 2015
Contractually Required Contribution	\$ 1,087,557
FRS Contribution in Relation to the Contractually Required Contribution	(1,087,557)
FRS Contribution Deficiency (Excess)	\$ 0
County's Covered-Employee Payroll (FYE 9/30)	\$ 9,193,154
FRS Contributions as a Percentage of Covered-Employee Payroll	11.83%

Note to Schedule:

This schedule will build to 10 years as information becomes available.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	September 30, 2015
Contractually Required Contribution	\$ 125,017
HIS Contribution in Relation to the Contractually Required Contribution	(125,017)
HIS Contribution Deficiency (Excess)	\$ 0
County's Covered-Employee Payroll (FYE 9/30)	\$ 9,193,154
HIS Contributions as a Percentage of Covered-Employee Payroll	1.36%

Note to Schedule:

This schedule will build to 10 years as information becomes available.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
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
10/1/2011	\$ 0	\$ 419,055	\$ 419,055	0.0%	\$ 8,226,273	5.1%
10/1/2012	0	363,156	363,156	0.0%	8,395,280	4.3%
10/1/2013	0	420,794	420,794	0.0%	8,969,793	4.7%
10/1/2014	0	326,795	326,795	0.0%	9,870,243	3.3%

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, 2015
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	\$ 1,177,095	\$ 1,184,956	\$ 314,796	\$ 354,278	\$ 34,874	\$ 87,302	\$ 6,046	\$ 0	\$ 3,159,347
Investments	1,901,678	3,726,162	0	0	0	0	0	0	5,627,840
Accounts Receivable	15,659	0	0	13,858	0	0	0	0	29,517
Due from Other Funds	406,275	0	2,000	214,181	0	0	0	(394,531)	227,925
Due from Other Governments	405,245	379,776	0	103,585	0	0	0	0	888,606
Prepaid Expenses	19,302	0	0	0	0	0	0	0	19,302
Total Assets	3,925,254	5,290,894	316,796	685,902	34,874	87,302	6,046	(394,531)	9,952,537
Liabilities Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts Payable	91,410	0	12,350	161,142	0	0	0	0	264,902
Due to Other Funds	0	0	273,068	524,760	34,166	87,297	0	(394,531)	524,760
Due to Other Governments	76,326	0	0	0	708	5	0	0	77,039
Unearned Revenue	0	0	0	0	0	0	6,046	0	6,046
Total Liabilities	167,736	0	285,418	685,902	34,874	87,302	6,046	(394,531)	872,747
Deferred Inflows of Resources	42,847	0	0	0	0	0	0	0	42,847
Fund Balances									
Nonspendable	19,302	0	0	0	0	0	0	0	19,302
Restricted	168,078	0	0	0	0	0	0	0	168,078
Assigned	2,752,130	0	0	0	0	0	0	0	2,752,130
Unassigned	775,161	5,290,894	31,378	0	0	0	0	0	6,097,433
Total Fund Balances	3,714,671	5,290,894	31,378	0	0	0	0	0	9,036,943
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,925,254	\$ 5,290,894	\$ 316,796	\$ 685,902	\$ 34,874	\$ 87,302	\$ 6,046	\$ (394,531)	\$ 9,952,537

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GENERAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
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	\$ 5,549,007	\$ 2,157,009	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,706,016
Licenses and Permits	100,468	0	0	0	0	0	0	0	100,468
Intergovernmental	3,137,450	0	0	118,517	0	0	12,185	0	3,268,152
Charges for Services	27,735	0	81,346	71,500	13,177	626,221	0	0	819,979
Fines and Forfeitures	129,989	0	0	0	0	0	0	0	129,989
Miscellaneous	126,406	32,946	2,120	55,014	2,199	8,564	158	0	227,407
Total Revenues	9,071,055	2,189,955	83,466	245,031	15,376	634,785	12,343	0	12,252,011
Expenditures									
Current:									
General Government	2,590,723	0	425,384	0	607,965	647,224	354,006	0	4,625,302
Public Safety	693,011	0	0	5,730,175	0	0	0	0	6,423,186
Physical Environment	193,193	0	0	0	0	0	0	0	193,193
Economic Environment	68,626	0	0	0	0	0	0	0	68,626
Human Services	764,222	0	0	107,518	0	0	0	0	871,740
Court-related	0	0	180,008	169,722	0	0	0	0	349,730
Culture and Recreation	68,086	0	0	0	0	0	0	0	68,086
Debt Service:									
Principle	0	0	0	0	0	0	8,007	0	8,007
Interest	0	0	0	0	0	0	323	0	323
(Total Expenditures)	(4,377,861)	0	(605,392)	(6,007,415)	(607,965)	(647,224)	(362,336)	0	(12,608,193)
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,693,194	2,189,955	(521,926)	(5,762,384)	(592,589)	(12,439)	(349,993)	0	(356,182)
Other Financing									
Transfers in	307,240	0	795,000	5,768,390	626,755	12,439	349,993	(2,201,955)	5,657,862
Transfers (out)	(7,140,421)	(1,520,332)	(273,074)	(6,006)	(34,166)	0	0	2,201,955	(6,772,044)
Total Other Financing Sources (Uses)	(6,833,181)	(1,520,332)	521,926	5,762,384	592,589	12,439	349,993	0	(1,114,182)
Net Change in Fund Balances	(2,139,987)	669,623	0	0	0	0	0	0	(1,470,364)
Fund Balances, Beginning of Year	5,854,658	4,621,271	31,378	0	0	0	0	0	10,507,307
Fund Balances, End of Year	\$ 3,714,671	\$ 5,290,894	\$ 31,378	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,036,943

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA**

**Board of County Commissioners
Special Revenue Funds**

	Tourist Development	Eighth Circuit Court	Mosquito Control	Solid Waste
Assets				
Cash Deposits	\$ 162,196	\$ 601,348	\$ 86,631	\$ 784,433
Investments	0	0	0	0
Accounts Receivable	0	0	0	15,554
Due from Other Funds	0	16,049	0	0
Due from Other Governments	8,206	131	0	0
Total Assets	170,402	617,528	86,631	799,987
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	0	12,567	365	55,231
Deposits	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Other Governments	0	0	0	0
Unearned Revenues	0	0	0	0
Total Liabilities	0	12,567	365	55,231
Fund Balances				
Restricted	170,402	0	86,266	0
Committed	0	0	0	744,756
Assigned	0	604,961	0	0
Total Fund Balances	170,402	604,961	86,266	744,756
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 170,402	\$ 617,528	\$ 86,631	\$ 799,987

Board of County Commissioners Special Revenue Funds			Constitutional Officers Special Revenue Funds				
Criminal Justice	Traffic Fines	CDBG Housing Rehab	Clerk of the Circuit Court Fine and Forfeitures	Clerk of the Circuit Court Public Records	Sheriff Education and Public Service	Sheriff Inmate Welfare	Sheriff E-911 Fund
\$ 212,598	\$ 324,507	\$ 0	\$ 86,062	\$ 444,443	\$ 123,257	\$ 446,109	\$ 349,215
0	0	0	0	0	0	0	0
0	0	0	0	0	0	13,371	0
0	0	0	0	0	0	0	0
0	0	0	24,878	0	0	0	11,252
<u>212,598</u>	<u>324,507</u>	<u>0</u>	<u>110,940</u>	<u>444,443</u>	<u>123,257</u>	<u>459,480</u>	<u>360,467</u>
0	0	0	1,177	1,396	30	0	69,126
0	0	0	0	0	36,716	0	0
0	0	0	0	0	0	0	133,501
0	0	0	59,882	0	0	0	0
0	0	0	49,881	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>110,940</u>	<u>1,396</u>	<u>36,746</u>	<u>0</u>	<u>202,627</u>
0	0	0	0	443,047	0	459,480	157,840
0	0	0	0	0	0	0	0
<u>212,598</u>	<u>324,507</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>86,511</u>	<u>0</u>	<u>0</u>
<u>212,598</u>	<u>324,507</u>	<u>0</u>	<u>0</u>	<u>443,047</u>	<u>86,511</u>	<u>459,480</u>	<u>157,840</u>
<u>\$ 212,598</u>	<u>\$ 324,507</u>	<u>\$ 0</u>	<u>\$ 110,940</u>	<u>\$ 444,443</u>	<u>\$ 123,257</u>	<u>\$ 459,480</u>	<u>\$ 360,467</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA
(Concluded)**

Board of County Commissioners Capital Projects Funds			
	Landfill Closure Escrow	Fiscally Constrained	Totals
Assets			
Cash Deposits	\$ 6,847	\$ 711,160	\$ 4,338,806
Investments	398,138	1,988,134	2,386,272
Accounts Receivable	0	0	28,925
Due from Other Funds	0	0	16,049
Due from Other Governments	0	54,975	99,442
Total Assets	404,985	2,754,269	6,869,494
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable	0	0	139,892
Deposits	0	0	36,716
Due to Other Funds	0	0	133,501
Due to Other Governments	0	0	59,882
Unearned Revenues	0	0	49,881
Total Liabilities	0	0	419,872
Fund Balances			
Restricted	404,985	0	1,722,020
Committed	0	0	744,756
Assigned	0	2,754,269	3,982,846
Total Fund Balances	404,985	2,754,269	6,449,622
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 404,985	\$ 2,754,269	\$ 6,869,494

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA**

Board of County Commissioners Special Revenue Funds				
	Tourist Development	Eighth Circuit Court	Mosquito Control	Solid Waste
Revenues				
Taxes	\$ 102,069	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	31,540	90,909
Charges for Services	0	184,586	0	191,999
Fines and Forfeitures	0	0	0	0
Miscellaneous	57	0	501	695,508
Total Revenues	102,126	184,586	32,041	978,416
Expenditures				
Current:				
Public Safety	0	0	0	0
Physical Environment	0	0	40,768	1,291,340
Economic Environment	55,370	0	0	0
Court-related	0	303,443	0	0
Debt Service:				
Principal Retirement	28,303	0	0	0
Interest	1,506	0	0	0
(Total Expenditures)	(85,179)	(303,443)	(40,768)	(1,291,340)
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,947	(118,857)	(8,727)	(312,924)
Other Financing Sources (Uses)				
Transfers in	0	200,000	31,540	165,000
Transfers (out)	0	0	0	0
Total Other Financing Sources (Uses)	0	200,000	31,540	165,000
Net Change in Fund Balances	16,947	81,143	22,813	(147,924)
Fund Balances, Beginning of Year	153,455	523,818	63,453	892,680
Fund Balances, End of Year	\$ 170,402	\$ 604,961	\$ 86,266	\$ 744,756

Board of County Commissioners Special Revenue Funds			Constitutional Officers Special Revenue Funds				
Criminal Justice	Traffic Fines	CDBG Housing Rehab	Clerk of the Circuit Court Fines and Forfeitures	Clerk of the Circuit Court Public Records	Sheriff Education and Public Service	Sheriff Inmate Welfare	Sheriff E-911 Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	214,034	0	0	0	217,341
0	0	0	546,013	30,739	0	0	0
0	0	0	101,768	99,142	0	0	0
0	110	0	11,483	0	179,424	120,068	0
0	110	0	873,298	129,881	179,424	120,068	217,341
0	0	0	0	0	195,472	21,195	237,195
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	873,298	100,224	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	(873,298)	(100,224)	(195,472)	(21,195)	(237,195)
0	110	0	0	29,657	(16,048)	98,873	(19,854)
0	0	953	0	0	0	0	0
0	0	0	0	0	0	0	(133,501)
0	0	953	0	0	0	0	(133,501)
0	110	953	0	29,657	(16,048)	98,873	(153,355)
212,598	324,397	(953)	0	413,390	102,559	360,607	311,195
\$ 212,598	\$ 324,507	\$ 0	\$ 0	\$ 443,047	\$ 86,511	\$ 459,480	\$ 157,840

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA
(Concluded)**

Board of County Commissioners Capital Projects Funds			
	Landfill Closure Escrow	Fiscally Constrained	Totals
Revenues			
Taxes	\$ 0	\$ 0	\$ 102,069
Intergovernmental	0	652,876	1,206,700
Charges for Services	0	0	953,337
Fines and Forfeitures	0	0	200,910
Miscellaneous	2,141	17,391	1,026,683
Total Revenues	2,141	670,267	3,489,699
Expenditures			
Current:			
Public Safety	0	0	453,862
Physical Environment	0	0	1,332,108
Economic Environment	0	0	55,370
Court-related	0	0	1,276,965
Debt Service:			
Principal Retirement	0	0	28,303
Interest	0	0	1,506
(Total Expenditures)	0	0	(3,148,114)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,141	670,267	341,585
Other Financing Sources (Uses)			
Transfers in	0	0	397,493
Transfers (out)	0	(1,189,125)	(1,322,626)
Total Other Financing Sources (Uses)	0	(1,189,125)	(925,133)
Net Change in Fund Balances	2,141	(518,858)	(583,548)
Fund Balances, Beginning of Year	402,844	3,273,127	7,033,170
Fund Balances, End of Year	\$ 404,985	\$ 2,754,269	\$ 6,449,622

**COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
SEPTEMBER 30, 2015
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	\$ 1,880	\$ 23,480	\$ 4,549	\$ 126,349	\$ 125,988
Total Assets	<u>1,880</u>	<u>23,480</u>	<u>4,549</u>	<u>126,349</u>	<u>125,988</u>
Liabilities					
Accounts Payable	0	0	0	0	0
Due to Others	0	16,153	641	101,120	0
Due to Other Funds	0	3,948	2,000	24,155	0
Due to Other Governments	0	1,840	1,908	1,074	0
Deposits	1,880	1,539	0	0	125,988
Total Liabilities	<u>\$ 1,880</u>	<u>\$ 23,480</u>	<u>\$ 4,549</u>	<u>\$ 126,349</u>	<u>\$ 125,988</u>

Tax Collector	Sheriff		
Taxes	Individual Depositors	Inmate Trust	Total
\$ 375,196	\$ 31,732	\$ 45,179	\$ 734,353
<u>375,196</u>	<u>31,732</u>	<u>45,179</u>	<u>734,353</u>
0	19,252	11,931	31,183
0	0	30,505	148,419
731	12,340	0	43,174
374,465	0	0	379,287
0	140	2,743	132,290
<u>\$ 375,196</u>	<u>\$ 31,732</u>	<u>\$ 45,179</u>	<u>\$ 734,353</u>

OTHER INFORMATION

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA**

Federal Grantor/Pass-through Grantor/ Grant Program	CFDA/CSFA 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	Theresa VFD	\$ 4,989
Volunteer Fire Assistance Grant	10.664	Heilbron Springs VFD	5,062
Volunteer Fire Assistance Grant	10.664	Heilbron Springs VFD	5,119
Volunteer Fire Assistance Grant	10.664	New River VFD	5,062
Volunteer Fire Assistance Grant	10.664	New River VFD	5,119
Volunteer Fire Assistance Grant	10.664	Hampton VFD	4,970
Volunteer Fire Assistance Grant	10.664	Lawtey VFD	5,169
Volunteer Fire Assistance Grant	10.664	Brooker VFD	4,982
Volunteer Fire Assistance Grant	10.664	Hampton VFD	3,488
Subtotal Expenditure - CFDA No. 10.664			43,960
Total U.S. Department of Agriculture			43,960
U.S. Department of Justice			
Passed through State of Florida Office of the Attorney General:			
Victims of Crime Act (VOCA)	16.575	V14237	35,295
Passed through State of Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-JAGC-BRAD-1-R3-031	38,461
Total U.S. Department of Justice			73,756
U.S. Department of Transportation			
Passed through State of Florida Department of Transportation:			
DUI Enforcement Program	20.616	2015-M5HVE-15-06-10	44,762
U.S. Election Assistance Commission			
Passed through State of Florida Department of State:			
Federal Election Activities Grant	90.401		1,845
U.S. Department of Health and Human Services			
Passed through State of Florida Department of Revenue:			
Child Support Enforcement	93.563	001-334600-00	1,435
Child Support Enforcement	93.563	052-334600	131,589
Subtotal Expenditures - CFDA No. 93.563			133,024
Passed through State of Florida Department of State:			
Vote Program Grant	93.617	10/1/14-09/30/15	10,340
Total U.S. Department of Health and Human Services			143,364

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA
(Continued)**

Federal Grantor/Pass-through Grantor/ Grant Program	CFDA/CSFA Number	Grant ID Number	Expenditures
Federal Awards (Concluded)			
U.S. Department of Homeland Security			
Passed through State of Florida Executive Office of the Governor:			
Hazard Mitigation Grant	97.039	14-HM-6B-03-14-01-446	\$ 41,195
Emergency Management Performance Grant	97.042	16-FG-5A-03-14-01-071	15,418
Emergency Management Performance Grant	97.042	15-FG-4D-03-14-01-071	26,290
Subtotal Expenditures - CFDA No. 97.042			<u>41,708</u>
Homeland Security Grant Program	97.067	13-DS-29-20-03-14-01-335	10,900
Total U.S. Department of Homeland Security			<u>93,803</u>
Total Federal Expenditures			<u>401,490</u>
State Financial Assistance			
Office of the Governor			
Emergency Management Programs	31.063	14-BG-05-03-14-01-071	87,917
Emergency Management Programs	31.063	15-BG-83-03-14-01-004	23,362
Subtotal Expenditures - CSFA No. 31.063			<u>111,279</u>
Emergency Management Programs	31.067	15-CP-11-03-14-01-462	1,434
Total Office of the Governor			<u>112,713</u>
State of Florida Department of Environmental Protection			
Small County Consolidated Grant - S/W Management Grant	37.012	402SC	90,909
State of Florida Department of Agriculture and Consumer Services			
Mosquito Control	42.003	10/1/14-09/30/15	31,540
State of Florida Department of State			
State Aid to Libraries	45.030	10-ST-41	30,094
State Aid to Libraries	45.030	11-ST-41	304,748
State Aid to Libraries	45.030	12-ST-41	34,942
Subtotal Expenditures - CSFA No. 45.030			<u>369,784</u>
Total State of Florida Department of State			<u>369,784</u>
Florida Housing Finance Corporation			
State Housing Initiative Partnership (SHIP) Program	52.901	10/1/14-09/30/15	240,908

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY, FLORIDA
(Concluded)**

Federal Grantor/Pass-through Grantor/ Grant Program	CFDA/CSFA Number	Grant ID Number	Expenditures
State Financial Assistance (Concluded)			
State of Florida Department of Transportation			
County Incentive Grant Program - SE 144th St from Hayes Ave to 301	55.008	420531-3-38,48,58-01	\$ 798,036
Subtotal Expenditures - CSFA No. 55.008			<u>798,036</u>
Small County Road Assistance Program - CR 221 to 301	55.009	430693-1-58-01	28,307
Small County Road Assistance Program - SE 144th to SE 150th	55.009	432779-1-58-01	20,495
Small County Road Assistance Program - Resurface NE 19th Ave	55.009	431610-1-58-01	43,934
Subtotal Expenditures - CSFA No. 55.009			<u>92,736</u>
Small County Road Assistance Program - Resurface NE 19th Ave	55.016	431609-1-58-01	235,658
Small County Road Assistance Program - CR221 to 301	55.016	431611-1-58-01	727,069
Subtotal Expenditures - CSFA No. 55.016			<u>962,727</u>
Total State of Florida Department of Transportation			<u>1,853,499</u>
State of Florida Department of Health			
County Grant Award	64.005	C1004	912
County Grant Award	64.005	C2004	4,458
Total State of Florida Department of Health			<u>5,370</u>
State of Florida Department of Management Services			
E911 Rural Grant Program	72.001	14-10-2	48,879
E911 Rural Grant Program	72.001	15-4-3	38,501
Subtotal Expenditures - CSFA No. 72.001			<u>87,380</u>
Total State of Florida Florida Department of Management Services			<u>87,380</u>
Total State Expenditures			<u>2,792,103</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 3,193,593</u>

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.

The County expended less than \$500,000 in federal awards and, therefore, no Federal Single audit was required for the fiscal year ended September 30, 2015.

**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, 2015, 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 3, 2016.

Internal Control Over Financial Reporting

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

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

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

Certified Public Accountants

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

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

Compliance and Other Matters

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

We noted certain matters that were reported to management of the County in a separate management letter dated June 3, 2016.

County's Response to Findings

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

Purpose of this Report

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



June 3, 2016
Gainesville, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY 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 State Project

We have audited the Bradford County, Florida (the County), compliance with the types of compliance requirements described in 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 state projects for the year ended September 30, 2015. The County's major state projects 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 state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major state projects 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; and Chapter 10.550, *Rules of the Auditor General*. Those standards, 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 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 state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major 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 state projects for the year ended September 30, 2015.

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

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

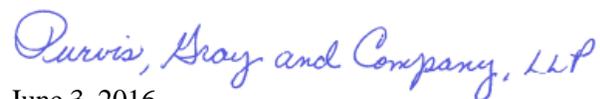
Report on Internal Control Over Compliance

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 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 state project and to test and report on internal control over compliance in accordance with 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 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 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 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 Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



June 3, 2016
Gainesville, Florida

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

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

We have examined Bradford County, Florida's, (the County) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

June 3, 2016
Gainesville, Florida

Certified Public Accountants

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**INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE WITH SECTION 365.172(10)
AND SECTION 365.173(2)(d), FLORIDA STATUTES**

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

We have examined Bradford County, Florida's, (the County) compliance with Section 365.172(10), and Section 365.173(2)(d) Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of County Commissioners of Bradford County, Florida, its 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 3, 2016
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015
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 state projects were disclosed.
5. The auditors' report on compliance for the major 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 Chapter 10.550, *Rules of the Auditor General*.
7. The projects tested as major state projects were as follows:

State Project	CSFA No.
State Aid to Libraries	45.030
County Incentive Grant Program	55.008
Small County Road Assistance Program	55.016

8. The threshold for distinguishing Type A and Type B projects was \$300,000 for major state projects.

PART B - FINDINGS - FINANCIAL STATEMENTS

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

PART C - FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS

1. No matters were reported.

PART D - OTHER ISSUES

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

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Bradford County, Florida (the County), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 3, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 3, 2016, should be considered in conjunction with this management letter. This management letter applies to the County as a whole. Other management letter comments are described in the audit reports of the Constitutional Officers.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below under the heading Prior Audit Findings and Recommendations.

Prior Audit Findings and Recommendations

■ ML-2014-2 S.H.I.P. Expenditure Requirements

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

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

MANAGEMENT LETTER
(Continued)

Prior Audit Findings and Recommendations (Concluded)

■ **ML-2014-2 SHIP Expenditure Requirements (Concluded)**

Effect—The inability to expend the S.H.I.P. funds within the required time period could result in the reduction or loss of future S.H.I.P. funding.

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

Official Title and Legal Authority

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

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

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

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

MANAGEMENT LETTER
(Concluded)

Other Matters

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

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

Purpose of this Letter

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

Durvis, Gray and Company, LLP

June 3, 2016
Gainesville, Florida

Board of County Commissioners

District I
Ross Chandler

District II
Kenny Thompson

District III
Lila Sellars

District IV
Danny Riddick
Vice - Chairman

District V
Eddie J. Lewis
Chairman

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June 3, 2016

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

RE: Response - Bradford County Audit Report - FY 2015/2016

Dear Mr. Kite:

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

ML-2014-2 S.H.I.P. Expenditure Requirements:

Purvis Gray's recommendation is that Bradford County continues to monitor the expenditure of S.H.I.P. funds to ensure that expenditures are made in a timely manner in accordance with S.H.I.P. requirements.

Response:

Bradford County has reviewed the condition and effect outlined in the "Management Letter" as they pertain to this particular issue. Bradford County continues to work diligently to ensure that expenditures are made in a timely manner in accordance with S.H.I.P.

Sincerely,



Eddie J. Lewis, Chairman

cc: Brad Carter, County Manager
Rachel Rhoden, Deputy County Manager
Will Sexton, County Attorney
Ray Norman, Clerk of Court

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and aggregate remaining fund information of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Clerk'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 Clerk's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2015, and the respective changes in financial position, and budgetary comparison for each major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2015, and the changes in its financial position, and budgetary comparisons for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Financial Information

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

The other financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 other financial information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Durvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	Major Funds			Total Governmental Funds
	General Fund	Fine and Forfeiture Fund	Public Records Fund	
Assets				
Cash	\$ 314,796	\$ 86,062	\$ 444,443	\$ 845,301
Due from Other Governments	0	24,878	0	24,878
Due from Other Funds	2,000	0	0	2,000
Total Assets	<u>316,796</u>	<u>110,940</u>	<u>444,443</u>	<u>872,179</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	12,350	1,177	1,396	14,923
Unearned Revenue	0	49,881	0	49,881
Due to Other Governments	0	59,882	0	59,882
Due to Board of County Commissioners	273,068	0	0	273,068
Total Liabilities	<u>285,418</u>	<u>110,940</u>	<u>1,396</u>	<u>397,754</u>
Fund Balances				
Restricted:				
Records Modernization	0	0	443,047	443,047
Unassigned	31,378	0	0	31,378
Total Fund Balance	<u>31,378</u>	<u>0</u>	<u>443,047</u>	<u>474,425</u>
Total Liabilities and Fund Balances	<u>\$ 316,796</u>	<u>\$ 110,940</u>	<u>\$ 444,443</u>	<u>\$ 872,179</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	Major Funds			Total Governmental Funds
	General Fund	Fine and Forfeiture Fund	Public Records Fund	
Revenues				
Intergovernmental Revenue	\$ 0	\$ 214,034	\$ 0	\$ 214,034
Charges for Services	81,346	546,013	30,739	658,098
Fines and Forfeitures	0	101,768	99,142	200,910
Miscellaneous	2,120	11,483	0	13,603
Total Revenues	83,466	873,298	129,881	1,086,645
Expenditures				
Current:				
General Government:				
Personal Services	418,563	0	0	418,563
Operating Expenditures	6,821	0	0	6,821
Court-related:				
Personal Services	110,192	733,196	74,159	917,547
Operating Expenditures	60,581	36,369	16,256	113,206
Capital Outlay	9,235	5,375	9,809	24,419
(Total Expenditures)	(605,392)	(774,940)	(100,224)	(1,480,556)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(521,926)	98,358	29,657	(393,911)
Other Financing Sources (Uses)				
Reversion to Clerk of Court Trust Fund	0	(98,358)	0	(98,358)
Transfers in from Board of County Commissioners	795,000	0	0	795,000
Transfers (out) to Board of County Commissioners	(273,074)	0	0	(273,074)
Total Other Financing Sources (Uses)	521,926	(98,358)	0	423,568
Net Change in Fund Balances	0	0	29,657	29,657
Fund Balances, Beginning of Year	31,378	0	413,390	444,768
Fund Balances, End of Year	\$ 31,378	\$ 0	\$ 443,047	\$ 474,425

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for Services	\$ 81,115	\$ 81,115	\$ 81,346	\$ 231
Miscellaneous	1,100	1,100	2,120	1,020
Total Revenues	<u>82,215</u>	<u>82,215</u>	<u>83,466</u>	<u>1,251</u>
Expenditures				
Current:				
General Government:				
Personal Services	447,942	447,117	418,563	28,554
Operating Expenditures	34,500	34,825	6,821	28,004
Capital Outlay	4,500	5,000	0	5,000
Court-related:				
Personal Services	159,331	169,586	110,192	59,394
Operating Expenditures	68,000	60,360	60,581	(221)
Capital Outlay	12,942	10,327	9,235	1,092
(Total Expenditures)	<u>(727,215)</u>	<u>(727,215)</u>	<u>(605,392)</u>	<u>121,823</u>
(Deficiency) of Expenditures (Under)				
Revenues	<u>(645,000)</u>	<u>(645,000)</u>	<u>(521,926)</u>	<u>123,074</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	645,000	645,000	795,000	150,000
Transfers (out) to Board of County Commissioners	0	0	(273,074)	(273,074)
Total Other Financing Sources (Uses)	<u>645,000</u>	<u>645,000</u>	<u>521,926</u>	<u>(123,074)</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>31,378</u>	<u>31,378</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,378</u>	<u>\$ 31,378</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT
(Continued)**

	Fine and Forfeiture Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ 58,566	\$ 156,145	\$ 214,034	\$ 57,889
Charges for Services	540,810	544,105	546,013	1,908
Fines and Forfeitures	70,500	70,500	101,768	31,268
Miscellaneous	4,190	4,190	11,483	7,293
Total Revenues	<u>674,066</u>	<u>774,940</u>	<u>873,298</u>	<u>98,358</u>
Expenditures				
Current:				
Court-related:				
Personal Services	641,119	733,196	733,196	0
Operating Expenditures	28,927	36,372	36,369	3
Capital Outlay	4,020	5,372	5,375	(3)
(Total Expenditures)	<u>(674,066)</u>	<u>(774,940)</u>	<u>(774,940)</u>	<u>0</u>
Excess of Expenditures Over Revenues	<u>0</u>	<u>0</u>	<u>98,358</u>	<u>98,358</u>
Other Financing Sources (Uses)				
Reversion to Clerk of Court Trust Fund	<u>0</u>	<u>0</u>	<u>(98,358)</u>	<u>(98,358)</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT
(Concluded)**

	Public Records Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for Services	\$ 117,000	\$ 117,000	\$ 30,739	\$ (86,261)
Fines and Forfeitures	180,000	180,000	99,142	(80,858)
Total Revenues	<u>297,000</u>	<u>297,000</u>	<u>129,881</u>	<u>(167,119)</u>
Expenditures				
Current:				
Court-related:				
Personal Services	127,650	201,826	74,159	127,667
Operating Expenditures	38,000	17,262	16,256	1,006
Capital Outlay	131,350	77,912	9,809	68,103
(Total Expenditures)	<u>(297,000)</u>	<u>(297,000)</u>	<u>(100,224)</u>	<u>196,776</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>29,657</u>	<u>29,657</u>
Net Change in Fund Balances	0	0	29,657	29,657
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>413,390</u>	<u>413,390</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 443,047</u></u>	<u><u>\$ 443,047</u></u>

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT

Assets

Cash	\$ <u>282,246</u>
Total Assets	<u><u>282,246</u></u>

Liabilities

Due to Others	146,017
Due to Other Funds	2,000
Due to Other Governments	4,822
Deposits	<u>129,407</u>
Total Liabilities	<u><u>\$ 282,246</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

The Clerk funds his noncourt operations as a Budget Officer and a Fee Officer pursuant to Florida Statutes, Chapters 28, 218 and 129, respectively. As a Budget Officer, the operations of the Clerk are approved and funded by the County's General Fund. The receipts from the County's General Fund are recorded as other financing sources on the Clerk's general fund financial statements. Any excess of revenues and other financing sources received over expenditures of the Clerk's general fund are remitted to the County's General Fund at September 30 of each year. The amount of \$31,378 reported in the Clerk's general fund as unassigned fund balance at year-end represent amounts received in a prior year which were not required to be remitted to the County. The court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida and are reported in the Clerk's fine and forfeiture fund. Any excess of revenues over court-related expenditures of the Clerk's fine and forfeiture fund are remitted to the State of Florida pursuant to Section 28.37, Florida Statutes. The excess of revenues over court-related expenditures of the Clerk's fine and forfeiture fund as of September 30, 2015, has been reported as a liability, Due to Other Governments.

Basis of Presentation

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

Fund Accounting

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Concluded)

The Clerk utilizes the following fund types:

■ **Governmental Funds**

● **Major Funds**

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

■ **Fiduciary Funds**

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

Basis of Accounting

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

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

Measurement Focus

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

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

Note 1 - Summary of Significant Accounting Policies (Concluded)

Budgetary Requirement

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

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

Capital Assets

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

Accumulated Compensated Absences

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

Risk Management

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

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

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

New Accounting Standard

The Clerk participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Clerk implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

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

Note 2 - Cash

At September 30, 2015, the carrying amount of the Clerk's deposits was \$1,127,547 and the bank balance was \$1,340,141. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Clerk are placed with qualified financial institutions, which means they are insured or collateralized.

Note 3 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, *Florida Administrative Code*; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the Clerk are as follows:

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.

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

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Plan Description. (Concluded)

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class Members Initially Enrolled Before July 1, 2011</i>	
Retirement up to Age 62 or up to 30 Years of Service	1.60
Retirement at Age 63 or with 31 Years of Service	1.63
Retirement at Age 64 or with 32 Years of Service	1.65
Retirement at Age 65 or with 33 or more Years of Service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011</i>	
Retirement up to Age 65 or up to 33 Years of Service	1.60
Retirement at Age 66 or with 34 Years of Service	1.63
Retirement at Age 67 or with 35 Years of Service	1.65
Retirement at Age 68 or with 36 or more Years of Service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

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

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Benefits Provided. (Concluded)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-2015 fiscal year were as follows:

Class	Year Ended June 30, 2015		Year Ended June 30, 2016	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
FRS, Senior Management Service	3.00	19.84	3.00	19.73
DROP - Applicable to Members from All of the Above Classes	0.00	11.02	0.00	11.22
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

The Clerk's contributions (employer) to the FRS Plan totaled \$64,120 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Clerk's proportionate share of the FRS net pension liability was \$358,976. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Clerk's proportionate share of the net pension liability was based on the Clerk's 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the Clerk's proportion was .002779238%, which was an increase of .000008884 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Clerk's pension expense related to the Plan (full accrual basis) was \$30,268. The Clerk's pension expense, proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

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

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were \$21,233 and \$17,855, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability in the July 1, 2015 actuarial valuation, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Return	7.65% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Annual Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	<u>100%</u>			
Assumed Inflation – Mean		2.6%		1.9%

⁽¹⁾ As Outlined in the FRS Pension Plan's Investment Policy.

Discount Rate. The discount rate used to measure the total pension liability was 7.65%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Concluded)

Sensitivity of the Clerk's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Clerk's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Clerk's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Clerk's Proportionate Share of the Net Pension Liability	\$ 930,188	\$ 358,976	\$ (116,366)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems Florida in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statutes. The Clerk contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate Trust Fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Clerk's contributions to the HIS Plan totaled \$13,108 for the fiscal year ended September 30, 2015.

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

Note 3 - Employee Retirement Plan (Continued)

HIS Pension Plan (Continued)

Pension Liabilities and Pension Expense. At September 30, 2015, the Clerk's proportionate share of the HIS net pension liability was \$319,361. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Clerk's proportionate share of the net pension liability was based on the Clerk's 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the Clerk's proportion was .003131471%, which was a decrease of .000034435 from its proportion measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Clerk pension expense related to the HIS Plan (full accrual basis) was \$21,259. The Clerk's pension expense, proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were \$4,283 and \$3,145, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2014, and recalculated as of June 30, 2015, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability.

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Return	3.80% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used to determine the total pension liability as of June 30, 2015, were based on certain results of an actuarial experience study of the FRS Plan for the period July 1, 2008 through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

Note 3 - Employee Retirement Plan (Continued)

HIS Pension Plan (Concluded)

Sensitivity of the Clerk's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Clerk's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Clerk's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Clerk's Proportionate Share of the Net Pension Liability	\$ 363,897	\$ 319,361	\$ 282,224

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS - Defined Contribution Pension Plan

The Clerk contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Clerk employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

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

Note 3 - Employee Retirement Plan (Concluded)

FRS - Defined Contribution Pension Plan (Concluded)

Class	Percent of Gross Compensation
FRS, Regular	6.30%
FRS, Senior Management Service	7.67%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Clerk's contributions to the Investment Plan totaled \$11,830 for the fiscal year ended September 30, 2015.

Note 4 - Postemployment Benefits Other Than Pensions

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

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

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

Note 4 - Postemployment Benefits Other Than Pensions (Concluded)

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

Currently, the Clerk has 22 active employees and one retired employee who are considered participants in the plan for purposes of computing the OPEB obligation. The Clerk's portion of the OPEB obligation for the year totaled \$20,491. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 5 - Change in Long-term Debt

The following is a summary of the changes in long-term debt of the Clerk for the year ended September 30, 2015:

	Balance October 1, 2014	Net Additions (Deletions)	Balance September 30, 2015
Accumulated Compensated Absences	\$ 97,226	\$ (3,130)	\$ 94,096
Other Postemployment Benefit			
Obligations	17,603	2,888	20,491
Net Pension Liabilities	465,217	213,120	678,337
Total Long-term Debt	\$ 580,046	\$ 212,878	\$ 792,924

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

Other postemployment benefits represent the portion of the liability based upon current and retired employees of the Clerk's office. See Note 4 for a description of other postemployment benefits.

See Note 3 for a description of the Net Pension Liabilities related to the FRS and HIS Pension Plans.

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

Note 6 - Fund Balance Reporting

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

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any nonspendable funds.

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

Note 6 - Fund Balance Reporting (Concluded)

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

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

Note 7 - Unassigned Fund Balance

The Clerk held \$31,378 in unassigned fund balance at September 30, 2015. These monies are available to budget and spend for authorized purposes at the discretion of the Clerk.

Note 8 - Interfund Receivables and Payables

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

OTHER FINANCIAL INFORMATION

AGENCY FUNDS

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

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

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

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

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

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<u>Cash Bond</u>	<u>Trust</u>	<u>Alimony and Support</u>	<u>Special Fine and Forfeiture</u>	<u>Registry of the Court</u>	<u>Total All Agency Funds</u>
Assets						
Cash	\$ 1,880	\$ 23,480	\$ 4,549	\$ 126,349	\$ 125,988	\$ 282,246
Total Assets	<u>1,880</u>	<u>23,480</u>	<u>4,549</u>	<u>126,349</u>	<u>125,988</u>	<u>282,246</u>
Liabilities						
Due to Others	0	20,101	641	125,275	0	146,017
Due to Other Funds	0	0	2,000	0	0	2,000
Due to Other Governments	0	1,840	1,908	1,074	0	4,822
Deposits	1,880	1,539	0	0	125,988	129,407
Total Liabilities	<u>\$ 1,880</u>	<u>\$ 23,480</u>	<u>\$ 4,549</u>	<u>\$ 126,349</u>	<u>\$ 125,988</u>	<u>\$ 282,246</u>

OTHER REPORTS

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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2015, and the related notes to the financial statements and have issued our report thereon dated June 1, 2016.

Internal Control Over Financial Reporting

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

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

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

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

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

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

Internal Control Over Financial Reporting (*Concluded*)

■ **2009-1 Separation of Duties**

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

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

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

Compliance and Other Matters

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

We noted a certain matter that we reported to management in a separate letter dated June 1, 2016.

Clerk's Response to Findings

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

Purpose of this Report

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


June 1, 2016
Gainesville, Florida

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

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

We have examined Bradford County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

Certified Public Accountants

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

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

We have examined Bradford County, Florida, Clerk's (the Clerk) compliance with the requirements of Sections 28.35 and 28.36, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

Certified Public Accountants

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SECTION 61.181, FLORIDA STATUTES**

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

We have examined Bradford County, Florida, Clerk's (the Clerk) compliance with the requirements of Section 61.181, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(d), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Bradford County, Florida, Clerk of Court (the Clerk), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 1, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountants' Report on Compliance with Sections 28.35 and 28.36, Florida Statutes; and Independent Accountants' Reports on examinations conducted in accordance with American Institute of Certified Public Accountants Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 1, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

■ ML 2013-1 Court Registry Deposits

During our review of court registry balances, we identified several court registry deposits that have been held for more than five years with no activity. On February 15, 2016, the Clerk distributed \$2,196.83 to the State of Florida in unclaimed court registry deposits held more than five years.

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

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

MANAGEMENT LETTER
(Concluded)

Official Title and Legal Authority

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

Other Matters

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

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

Purpose of this Letter

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

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



June 1, 2016
Gainesville, Florida



Management's Response

June 3, 2016

TO WHOM IT MAY CONCERN:

The following is the Bradford County Clerk of the Circuit Court's response to the audit comments included in fiscal year ending September 30, 2015.

2009-1: Separation of duties.

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

ML 2013-1: Inactivity in Court Registry Deposits.

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

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

Sincerely,

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

Ray Norman
Clerk of the Circuit Court

RN/lh

Cc: File

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

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INDEPENDENT AUDITORS' REPORT

The Honorable Gordon Smith
Bradford County Sheriff
Bradford County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of Bradford County, Florida, Sheriff (the Sheriff), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Sheriff'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 Sheriff's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2015, and the respective changes in financial position thereof, and the budgetary comparison for the major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

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The Honorable Gordon Smith
Bradford County Sheriff
Bradford County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2015, and the changes in its financial position and budgetary comparisons for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Financial Information

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

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

Other Reporting Required by *Government Auditing Standards*

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



June 1, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY SHERIFF**

	Major Fund	Other Governmental	Total Governmental
	General Fund	Funds	Funds
Assets			
Cash	\$ 354,278	\$ 918,581	\$ 1,272,859
Due from Other Governments	103,585	11,252	114,837
Due from Board of County Commissioners	80,680	0	80,680
Due from Other Funds	133,501	0	133,501
Accounts Receivable	13,858	13,371	27,229
Total Assets	685,902	943,204	1,629,106
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	161,142	69,156	230,298
Due to Other Funds	0	133,501	133,501
Deposits	0	36,716	36,716
Due to Board of County Commissioners	524,760	0	524,760
Total Liabilities	685,902	239,373	925,275
 Fund Balances			
Restricted:			
Inmate Welfare Fund	0	459,480	459,480
E-911 Fund	0	157,840	157,840
Assigned:			
Education and Public Service	0	86,511	86,511
Total Fund Balances	0	703,831	703,831
 Total Liabilities and Fund Balances	 \$ 685,902	 \$ 943,204	 \$ 1,629,106

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY SHERIFF**

	Major Fund General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Intergovernmental Revenues	\$ 118,517	\$ 217,341	\$ 335,858
Charges for Services	71,500	0	71,500
Miscellaneous	55,014	299,492	354,506
Total Revenues	<u>245,031</u>	<u>516,833</u>	<u>761,864</u>
Expenditures			
Current:			
Court-related:			
Personal Services	160,907	0	160,907
Operating Expenditures	8,815	0	8,815
Public Safety:			
Personal Services	3,972,376	0	3,972,376
Operating Expenditures	1,419,860	453,862	1,873,722
Capital Outlay	337,939	0	337,939
Human Services:			
Personal Services	74,796	0	74,796
Operating Expenditures	32,722	0	32,722
(Total Expenditures)	<u>(6,007,415)</u>	<u>(453,862)</u>	<u>(6,461,277)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(5,762,384)</u>	<u>62,971</u>	<u>(5,699,413)</u>
Other Financing Sources (Uses)			
Transfers in from Board of County Commissioners			
	5,634,889	0	5,634,889
Transfers (out) to Board of County Commissioners			
	(6,006)	0	(6,006)
Interfund Transfers in	133,501	0	133,501
Interfund Transfers (out)	0	(133,501)	(133,501)
Total Other Financing Sources (Uses)	<u>5,762,384</u>	<u>(133,501)</u>	<u>5,628,883</u>
Net Change in Fund Balances	0	(70,530)	(70,530)
Fund Balances, Beginning of Year	<u>0</u>	<u>774,361</u>	<u>774,361</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 703,831</u>	<u>\$ 703,831</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY SHERIFF**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 0	\$ 118,517	\$ 118,517	\$ 0
Charges for Services	0	71,500	71,500	0
Miscellaneous	0	55,014	55,014	0
Total Revenues	<u>0</u>	<u>245,031</u>	<u>245,031</u>	<u>0</u>
Expenditures				
Current:				
Court-related:				
Personal Services	160,734	160,907	160,907	0
Operating Expenditures	15,000	8,815	8,815	0
Public Safety:				
Personal Services	3,959,771	3,972,376	3,972,376	0
Operating Expenditures	1,104,050	1,442,799	1,419,860	22,939
Capital Outlay	204,125	315,000	337,939	(22,939)
Human Services:				
Personal Services	81,528	74,796	74,796	0
Operating Expenditures	29,000	32,722	32,722	0
(Total Expenditures)	<u>(5,554,208)</u>	<u>(6,007,415)</u>	<u>(6,007,415)</u>	<u>0</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(5,554,208)</u>	<u>(5,762,384)</u>	<u>(5,762,384)</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	5,554,208	5,634,889	5,634,889	0
Transfers in from Other Funds	0	133,501	133,501	0
Transfers (out) to Board of County Commissioners	0	(6,006)	(6,006)	0
Total Other Financing Sources (Uses)	<u>5,554,208</u>	<u>5,762,384</u>	<u>5,762,384</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY SHERIFF

Assets

Cash	\$ 76,911
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Total Assets	<u>76,911</u>
---------------------	---------------

Liabilities

Accounts Payable	31,183
------------------	--------

Other Liabilities	30,505
-------------------	--------

Due to Board of County Commissioners	12,340
--------------------------------------	--------

Deposits	<u>2,883</u>
----------	--------------

Total Liabilities	<u>\$ 76,911</u>
--------------------------	------------------

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

Basis of Presentation

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

Fund Accounting

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

The Sheriff utilizes the following fund types:

■ **Governmental Funds**

● **Major Fund**

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

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

Fund Accounting *(Concluded)*

■ **Governmental Funds *(Concluded)***

● **Other Governmental Funds**

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

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

■ **Fiduciary Funds**

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

Basis of Accounting

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

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

Measurement Focus

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Requirement

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

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

Capital Assets

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

Accumulated Compensated Absences

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

Group Health Insurance

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

Risk Management

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

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

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Risk Management (Concluded)

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

New Accounting Standard

The Sheriff participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Sheriff implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), as required in 2015. GASB 68 requires employers participating in cost-sharing, multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - Cash Deposits

At September 30, 2015, the carrying amount of the Sheriff's deposits was \$1,349,770, and the bank balance was \$1,433,600. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Sheriff are placed with qualified financial institutions, which mean they are insured or collateralized.

Note 3 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 3 - Employee Retirement Plan (Continued)

General Information about the Florida Retirement System (FRS) (Concluded)

Essentially all regular employees of the Sheriff are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the Sheriff are as follows:

- *Regular Class*—Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Plan Description. (Concluded)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Benefits Provided. (Concluded)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-2015 fiscal year were as follows:

Class	Year Ended June 30, 2015		Year Ended June 30, 2016	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
FRS, Senior Management Service	3.00	19.84	3.00	19.73
FRS, Special Risk Regular	3.00	18.52	3.00	20.34
DROP – Applicable to Members from all of the Above Classes	0.00	11.02	0.00	11.22
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

The Sheriff contributions (employer), to the FRS Plan totaled \$395,902 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Sheriff's proportionate share of the FRS net pension liability was \$2,061,991. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Sheriff's proportionate share of the net pension liability was based on the Sheriff's 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the Sheriff's proportion was .015964205%, which was an increase of .001163842 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Sheriff's pension expense related to the FRS plan (full accrual basis) was \$143,516. The Sheriff's pension expense, proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are recognized at the County-wide level.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were \$110,101 and \$103,420, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	7.65% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Annual Target Allocation</u> ⁽¹⁾	<u>Annual Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	<u>100%</u>			

Assumed Inflation – Mean	2.6%	1.9%
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⁽¹⁾ As Outlined in the FRS Pension Plan's Investment Policy.

Discount Rate. The discount rate used to measure the total pension liability was 7.65%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Concluded)

Sensitivity of the Sheriff's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Sheriff's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Sheriff's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Sheriff's Proportionate Share of the Net Pension Liability	\$ 5,343,086	\$ 2,061,991	\$ (668,418)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statutes. The Sheriff contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Sheriff's contributions to the HIS Plan totaled \$46,825 for the fiscal year ended September 30, 2015.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 3 - Employee Retirement Plan (Continued)

HIS Pension Plan (Continued)

Pension Liabilities and Pension Expense. At September 30, 2015, the Sheriff's proportionate share of the HIS net pension liability was \$1,149,968. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Sheriff's proportionate share of the net pension liability was based on the Sheriff's 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the Sheriff's proportion was .011275934%, which was an increase of .000480492 from its proportion measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Sheriff's pension expense related to the HIS Plan (full accrual basis) was \$92,867. The Sheriff's pension expense, proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were \$14,989 and \$11,268, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2014, and recalculated as of June 30, 2015, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement were used to determine the total pension liability.

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Return	3.80% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used to determine the total pension liability as of June 30, 2015, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 3 - Employee Retirement Plan (Continued)

HIS Pension Plan (Concluded)

Sensitivity of the Sheriff's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Sheriff's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Sheriff's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Sheriff's Proportionate Share of the Net Pension Liability	\$ 1,310,335	\$ 1,149,968	\$ 1,016,246

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS – Defined Contribution Pension Plan

The Sheriff contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. The Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Special Risk Regular	14.00

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 3 - Employee Retirement Plan (Concluded)

FRS – Defined Contribution Pension Plan (Concluded)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Sheriff's contributions to the Investment Plan totaled \$88,739 for the fiscal year ended September 30, 2015.

Note 4 - Capital Assets

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

	Balance October 1, 2014	Increase	(Decrease)	Balance September 30, 2015
Buildings	\$ 11,345	\$ 0	\$ 0	\$ 11,345
Vehicles	1,515,692	229,869	(24,771)	1,720,790
Equipment	1,866,030	139,762	0	2,005,792
(Accumulated Depreciation)	<u>(2,477,716)</u>	<u>(373,514)</u>	<u>14,037</u>	<u>(2,837,193)</u>
Capital Assets, Net	<u>\$ 915,351</u>	<u>\$ (3,883)</u>	<u>\$ (10,734)</u>	<u>\$ 900,734</u>

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

Note 4 - Capital Assets (Concluded)

Depreciation expense was charged to Public Safety of the Sheriff in the government-wide financial statements in the amount of \$373,514.

Note 5 - Postemployment Benefits Other Than Pensions

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

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

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

Currently, the Sheriff has 68 active employees and 1 retired employee who are considered participants in the plan for purposes of computing the OPEB obligation. The Sheriff’s portion of the OPEB obligation for the year totaled \$265,830. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 6 - Changes in Long-term Debt

The following is a summary of the changes in long-term debt of the Sheriff for the year ended September 30, 2015:

	Balance October 1, 2014	Additions	(Deletions)	Balance September 30, 2015
Accumulated Compensated				
Absences	\$ 249,680	\$ 242,617	\$ (206,962)	\$ 285,335
Other Postemployment Benefits	224,479	41,351	0	265,830
Net Pension Liabilities	<u>1,912,440</u>	<u>1,299,519</u>	<u>0</u>	<u>3,211,959</u>
Totals	<u>\$ 2,386,599</u>	<u>\$ 1,583,487</u>	<u>\$ (206,962)</u>	<u>\$ 3,763,124</u>

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

Other postemployment benefits represent the portion of the liability based upon current and retired employees of the Sheriff’s office. See Note 5 for a description of other postemployment benefits.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Continued)

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

See Note 3 for more information on the Net Pension Liabilities related to the FRS and HIS Pension Plans.

The Sheriff's long-term debt is not recorded in the accompanying financial statements but is recorded in the statement of net assets as part of the basic financial statements of the County.

Note 7 - Interfund Receivables and Payables

	Due from Other Funds	Due to Other Funds
Major Fund:		
General Fund	\$ 133,501	\$ 0
Special Revenue Funds:		
E-911 Fund	0	133,501
Totals	\$ 133,501	\$ 133,501

Note 8 - Interfund Transfers

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

In the year ended September 30, 2015, the E-911 Fund transferred \$133,501 to the General Fund to cover expenditures paid for by the General Fund on behalf of the E-911 Fund.

Note 9 - Fund Balance Reporting

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

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because: a) they are not expected to be converted to cash; or b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Sheriff does not have any nonspendable funds.

- **Restricted**—This component of fund balance consists of amounts that are constrained either: a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or b) by law through constitutional provisions or enabling legislation.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SHERIFF
(Concluded)

Note 9 - Fund Balance Reporting (Concluded)

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

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

OTHER FINANCIAL INFORMATION

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

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

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

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

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - ALL SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY SHERIFF**

	<u>Education and Public Service Fund</u>	<u>Inmate Welfare Fund</u>	<u>E-911 Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash	\$ 123,257	\$ 446,109	\$ 349,215	\$ 918,581
Due from Other Governments	0	0	11,252	11,252
Accounts Receivable	0	13,371	0	13,371
Total Assets	<u>123,257</u>	<u>459,480</u>	<u>360,467</u>	<u>943,204</u>
Liabilities and Fund Balances				
Accounts Payable	30	0	69,126	69,156
Deposits	36,716	0	0	36,716
Due to Other Funds	0	0	133,501	133,501
Total Liabilities	<u>36,746</u>	<u>0</u>	<u>202,627</u>	<u>239,373</u>
Fund Balances				
Restricted:				
Inmate Welfare Fund	0	459,480	0	459,480
E-911 Fund	0	0	157,840	157,840
Assigned:				
Education and Public Service	86,511	0	0	86,511
Total Fund Balances	<u>86,511</u>	<u>459,480</u>	<u>157,840</u>	<u>703,831</u>
Total Liabilities and Fund Balances	<u>\$ 123,257</u>	<u>\$ 459,480</u>	<u>\$ 360,467</u>	<u>\$ 943,204</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY SHERIFF**

	Education and Public Service Fund	Inmate Welfare Fund	E-911 Fund	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 217,341	\$ 217,341
Miscellaneous	179,424	120,068	0	299,492
Total Revenues	<u>179,424</u>	<u>120,068</u>	<u>217,341</u>	<u>516,833</u>
Expenditures				
Public Safety:				
Operating Expenditures	<u>(195,472)</u>	<u>(21,195)</u>	<u>(237,195)</u>	<u>(453,862)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,048)</u>	<u>98,873</u>	<u>(19,854)</u>	<u>62,971</u>
Other Financing Sources (Uses)				
Interfund Transfers (out)	<u>0</u>	<u>0</u>	<u>(133,501)</u>	<u>(133,501)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(133,501)</u>	<u>(133,501)</u>
Net Change in Fund Balances	(16,048)	98,873	(153,355)	(70,530)
Fund Balances, Beginning of Year	<u>102,559</u>	<u>360,607</u>	<u>311,195</u>	<u>774,361</u>
Fund Balances, End of Year	<u>\$ 86,511</u>	<u>\$ 459,480</u>	<u>\$ 157,840</u>	<u>\$ 703,831</u>

AGENCY FUNDS

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

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

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 SEPTEMBER 30, 2015
 BRADFORD COUNTY SHERIFF**

	<u>Individual Depositors</u>	<u>Inmate Trust</u>	<u>Total All Agency Funds</u>
Assets			
Cash	\$ 31,732	\$ 45,179	\$ 76,911
Total Current Assets	<u>31,732</u>	<u>45,179</u>	<u>76,911</u>
Liabilities			
Accounts Payable	19,252	11,931	31,183
Other Liabilities	0	30,505	30,505
Due to Board of County Commissioners	12,340	0	12,340
Deposits	140	2,743	2,883
Total Liabilities	<u>\$ 31,732</u>	<u>\$ 45,179</u>	<u>\$ 76,911</u>

OTHER REPORTS

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

The Honorable Gordon Smith
Bradford County Sheriff
Bradford County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund, and the aggregate remaining fund information of the Bradford County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 1, 2016.

Internal Control Over Financial Reporting

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

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

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

Certified Public Accountants

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The Honorable Gordon Smith
Bradford County Sheriff
Bradford County, Florida

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*:

■ **2015-1 Budget Amendments**

Condition—Florida Statutes 129.06(2) permits the Sheriff at any time within a fiscal year to amend the budget for that year, and may within the first 60 days of a fiscal year amend the budget for the prior fiscal year. It was noted that the final budget amendment for fiscal year 2014-2015 was not submitted to the Board of County Commissioners until March 2016.

Effect—The Sheriff did not amend the budget in accordance with the time period allowed under Florida Statute 129.06(2).

Recommendation—We recommend the Sheriff review the budget procedures to ensure all budget amendments are prepared and approved within the time period allowed by Florida Statute 129.06(2).

We noted certain matters that we reported to management in a separate letter dated June 1, 2016.

Sheriff's Response to Findings

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

Purpose of this Report

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



June 1, 2016
Gainesville, Florida

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

The Honorable Gordon Smith
Bradford County Sheriff
Bradford County, Florida

We have examined Bradford County, Florida, Sheriff's (the Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

Certified Public Accountants

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MANAGEMENT LETTER

The Honorable Gordon Smith
Bradford County Sheriff
Bradford County, Florida

Report on the Financial Statements

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Bradford County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 1, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on our examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 1, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Prior Year Findings and Recommendations

■ ML 2014-01 E911 Fund

During fiscal year 2015, the E911 Fund had decreased its fund balance by \$153,355 to a total fund balance of \$157,840 at September 30, 2015. Pursuant to Section 365.173(2)(d), Florida Statutes, the agency may carry forward up to 30% of the total received each year for E911 capital outlay, capital improvements or equipment replacement. The Sheriff should review the provisions of Section 336.173(2)(d), Florida Statutes to ensure that 911 funds received are used for all eligible expenditures and excess funds on hand do not exceed the authorized carry forward amounts.

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The Honorable Gordon Smith
Bradford County Sheriff
Bradford County, Florida

MANAGEMENT LETTER
(Continued)

Official Title and Legal Authority

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

Other Matters

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

■ **ML 2015-01 Inmate Welfare Fund**

At September 30, 2015, the Inmate Welfare Fund had a fund balance of over \$459,000. Section 951.23(9)(d), Florida Statutes states that profits from the commissary shall be used for overall inmate welfare, and an inmate welfare fund committee shall recommend what expenditures are to be made. Activities of the committee shall be reviewed by the officer in charge who shall have final authority on expenditures. Section 951.23(9)(d), Florida Statutes, also recommended that the jail chaplain be a member of the committee.

We recommend that the provisions of Section 951.23(9)(d), Florida Statutes, be followed in regard to the expenditure of funds from the Inmate Welfare Fund.

■ **ML 2015-02 Evidence Deposits**

During fiscal year 2015, certain cash held as evidence was deposited into one of the Sheriff's bank accounts for safekeeping. The cash evidence that was deposited into the bank account was not specifically identified in the records by case and/or defendant name so that it could be properly tracked and accounted for.

We recommend that written policies be established to account for the receipt and tracking of all evidence deposits received and disbursed and that appropriate employees be properly trained in these policies. We also recommend that all cash evidence held be specifically identified by case and/or defendant name so that it can be properly tracked and accounted for.

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

Purpose of this Letter

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

The Honorable Gordon Smith
Bradford County Sheriff
Bradford County, Florida

MANAGEMENT LETTER
(Concluded)

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

Purvis, Gray and Company, LLP
June 1, 2016
Gainesville, Florida

SHERIFF



Gordon Smith

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

June 1, 2016

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

Gentlemen;

After review of the Special Purpose Financial Statements and Independent Auditor's Report dated September 30, 2015, I have prepared the following response to the items of concern you noted:

Page 26 2015-1 Budget Amendments:

Controls have been instituted to ensure that the amended budget is presented to the Board of County Commissioners within sixty days after the end of the fiscal year.

Page 28 ML 2014-01 E-911 Fund

We will closely monitor these funds to ensure the 911 funds received are used for eligible expenditures and that no more than thirty percent of received funds are retained for capital improvements.

Page 29 ML 2015-01 Inmate Welfare Fund

Controls are being taken to ensure the correct steps of proper expenditures for this fund.

ML 2015-02 Evidence Deposits

Controls and policies have been established to ensure specific tracking for these deposits.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gordon Smith", is written over the typed name "Sheriff Gordon Smith".

Sheriff Gordon Smith

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2015, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

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



June 1, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2015
BRADFORD COUNTY TAX COLLECTOR**

Assets	
Cash	\$ 87,302
Total Assets	<u>87,302</u>
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	87,297
Due to Other Governments	5
Total Liabilities	<u>87,302</u>
Fund Balance	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 87,302</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY TAX COLLECTOR**

Revenues	
Charges for Services	\$ 626,221
Miscellaneous	8,564
Total Revenues	<u>634,785</u>
 Expenditures	
Current:	
General Government:	
Personal Services	591,396
Operating Expenditures	55,828
(Total Expenditures)	<u>(647,224)</u>
 (Deficiency) of Revenues (Under) Expenditures	 (12,439)
 Other Financing Sources	
Transfers in from Board of County Commissioners	12,439
 Net Change in Fund Balance	 <u>0</u>
 Fund Balance, Beginning of Year	 <u>0</u>
 Fund Balance, End of Year	 <u><u>\$ 0</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY TAX COLLECTOR**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for Services	\$ 620,974	\$ 620,974	\$ 626,221	\$ 5,247
Miscellaneous	1,500	1,500	8,564	7,064
Total Revenues	<u>622,474</u>	<u>622,474</u>	<u>634,785</u>	<u>12,311</u>
Expenditures				
Current:				
General Government:				
Personal Services	661,673	661,673	591,396	70,277
Operating Expenditures	56,973	56,973	55,828	1,145
(Total Expenditures)	<u>(718,646)</u>	<u>(718,646)</u>	<u>(647,224)</u>	<u>71,422</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(96,172)</u>	<u>(96,172)</u>	<u>(12,439)</u>	<u>83,733</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	96,172	96,172	12,439	(83,733)
Total Other Financing Sources (Uses)	<u>96,172</u>	<u>96,172</u>	<u>12,439</u>	<u>(83,733)</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2015
BRADFORD COUNTY TAX COLLECTOR

Assets	
Cash	\$ 375,196
Total Assets	<u>375,196</u>
Liabilities	
Due to Board of County Commissioners	731
Due to Other Governments	374,465
Total Liabilities	<u>\$ 375,196</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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

Note 1 - Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

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

Basis of Presentation

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

Fund Accounting

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

The Tax Collector utilizes the following fund types:

■ **Governmental Funds**

● **Major Fund**

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Concluded)

■ **Fiduciary Funds**

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

Basis of Accounting

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

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

Measurement Focus

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

Budgetary Requirement

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

Budgets are prepared on the modified accrual basis of accounting.

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

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

Capital Assets

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

Accumulated Compensated Absences

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

Risk Management

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

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

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

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

■ **Current Taxes**

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

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

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

■ **Tax Deeds**

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

New Accounting Standard

The Tax Collector participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Tax Collector implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), as required in 2015. GASB 68 requires employers participating in cost-sharing, multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - Cash

At September 30, 2015, the carrying amount of the Tax Collector's deposits was \$462,498 and the bank balance was \$590,318. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Tax Collector are placed with qualified financial institutions which means, they are insured or collateralized.

Note 3 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 3 - Employee Retirement Plan *(Continued)*

General Information about the Florida Retirement System (FRS) *(Concluded)*

Essentially all regular employees of the Tax Collector are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the Tax Collector are as follows:

- *Regular Class*—Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-2015 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2016</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
FRS, Senior Management Service	3.00	19.84	3.00	19.73
FRS, Special Risk Regular	3.00	18.52	3.00	20.34
DROP – Applicable to Members from All of the Above Classes	0.00	11.02	0.00	11.22
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

The Tax Collector contributions (employer) to the FRS Plan totaled \$68,055 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Tax Collector's proportionate share of the FRS net pension liability was \$364,238. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Tax Collector's proportionate share of the net pension liability was based on the Tax Collector's 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the Tax Collector's proportion was .002819979%, which was an increase of .000357846 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Tax Collector's pension expense related to the FRS plan (full accrual basis) was \$66,760. The Tax Collector's pension expense, proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were \$17,878 and \$18,576, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Actuarial Assumptions. The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	7.65% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Annual Geometric Return</u>	<u>Standard Deviation</u>
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	<u>100%</u>			
Assumed Inflation – Mean		2.6%		1.9%

Note: (1) As Outlined in the Plan's Investment Policy.

Discount Rate. The discount rate used to measure the total pension liability was 7.65%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Tax Collector's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Tax Collector's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Tax Collector's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Concluded)

Sensitivity of the Tax Collector's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. (Concluded)

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Tax Collector's Proportionate Share of the Net Pension Liability	\$ 943,823	\$ 364,238	\$ (118,072)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statutes. The Tax Collector contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Tax Collector's contributions to the HIS Plan totaled \$5,994 for the fiscal year ended September 30, 2015.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 3 - Employee Retirement Plan (Continued)

HIS Pension Plan (Continued)

Pension Liabilities and Pension Expense. At September 30, 2015, the Tax Collector's proportionate share of the HIS net pension liability was \$148,433. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Tax Collector's proportionate share of the net pension liability was based on the Tax Collector's 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the Tax Collector's proportion was .001455448%, which was a decrease of .000036645 from its proportion measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Tax Collector's pension expense related to the HIS Plan (full accrual basis) was \$9,370. The Tax Collector's pension expense, proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were \$1,952 and \$1,522, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2014, and recalculated as of June 30, 2015, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability.

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Return	3.80% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used to determine the total pension liability as of June 30, 2015, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

Note 3 - Employee Retirement Plan (Continued)

HIS Pension Plan (Concluded)

Sensitivity of the Tax Collector's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Tax Collector's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Tax Collector's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Tax Collector's Proportionate Share of the Net Pension Liability	\$ 169,132	\$ 148,433	\$ 131,173

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS – Defined Contribution Pension Plan

The Tax Collector contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Tax Collector employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officer, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 3 - Employee Retirement Plan (Concluded)

FRS – Defined Contribution Pension Plan (Concluded)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Tax Collector's contributions to the Investment Plan totaled \$2,526 for the fiscal year ended September 30, 2015.

Note 4 - Postemployment Benefits Other Than Pensions

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

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

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

Currently, the Tax Collector has seven active employees and no retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Tax Collector's portion of the OPEB obligation for the year totaled \$18,819. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Concluded)

Note 5 - Changes in Long-term Debt

The following is a summary of the changes in long-term debt of the Tax Collector for the year ended September 30, 2015:

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2015</u>
Accumulated Compensated Absences	\$ 43,015	\$ 29,539	\$ (26,167)	\$ 46,387
Other Postemployment Benefits	16,691	2,128	0	18,819
Net Pension Liabilities	<u>289,740</u>	<u>222,931</u>	<u>0</u>	<u>512,671</u>
Total Long-term Debt	<u>\$ 349,446</u>	<u>\$ 254,598</u>	<u>\$ (26,167)</u>	<u>\$ 577,877</u>

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

Other postemployment benefits represent the portion of the liability based upon current and retired employees of the Tax Collector's office. See Note 4 for a description of other postemployment benefits.

See Note 3 for a description of the Net Pension Liabilities related to the FRS and HIS Pension Plans.

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

Note 6 - Operating Lease

The Tax Collector's Office entered into a lease agreement for lease of a mail processor and scale. The lease provides for 16 quarterly payments of \$225. The lease is for 48 months, ending November 2018. Total lease payments of \$675 were made during the fiscal year ending September 30, 2015.

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2016	\$ 900
2017	900
2018	900
2019	<u>225</u>
Total	<u>\$ 2,925</u>

OTHER REPORTS

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated June 1, 2016.

Internal Control Over Financial Reporting

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

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

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

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

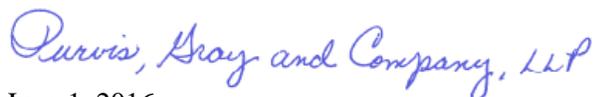
**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(*Concluded*)**

Compliance and Other Matters

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

Purpose of this Report

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



June 1, 2016
Gainesville, Florida

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

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

We have examined Bradford County, Florida, Tax Collector's (the Tax Collector) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 1, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountants' Report on our examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 1, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Other Matters

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

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

MANAGEMENT LETTER
(Concluded)

Other Matters (Concluded)

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

Purpose of this Letter

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

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


June 1, 2016

Gainesville, Florida

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, only for that portion of the major funds of Bradford County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2015, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

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



June 1, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2015
BRADFORD COUNTY PROPERTY APPRAISER**

Assets	
Cash	\$ 34,874
	<u> </u>
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	34,166
Due to Other Governments	708
Total Liabilities	<u>34,874</u>
Fund Balance	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 34,874</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
SEPTEMBER 30, 2015
BRADFORD COUNTY PROPERTY APPRAISER**

Revenues	
Charges for Services	\$ 13,177
Miscellaneous	2,199
Total Revenues	<u>15,376</u>
Expenditures	
Current:	
General Government:	
Personal Services	512,427
Operating Expenditures	95,538
(Total Expenditures)	<u>(607,965)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(592,589)</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	626,755
Transfers (out) to Board of County Commissioners	(34,166)
Total Other Financing Sources (Uses)	<u>592,589</u>
Net Change in Fund Balance	0
Fund Balance, Beginning of Year	<u>0</u>
Fund Balance, End of Year	<u><u>\$ 0</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
SEPTEMBER 30, 2015
BRADFORD COUNTY PROPERTY APPRAISER**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Charges for Services	\$ 13,885	\$ 13,885	\$ 13,177	\$ (708)
Miscellaneous	0	0	2,199	2,199
Total Revenues	<u>13,885</u>	<u>13,885</u>	<u>15,376</u>	<u>1,491</u>
Expenditures				
Current:				
General Government:				
Personal Services	539,052	539,447	512,427	27,020
Operating Expenditures	99,193	99,193	95,538	3,655
Reserve for Contingency	2,000	2,000	0	2,000
(Total Expenditures)	<u>(640,245)</u>	<u>(640,640)</u>	<u>(607,965)</u>	<u>32,675</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(626,360)</u>	<u>(626,755)</u>	<u>(592,589)</u>	<u>34,166</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	626,360	626,755	626,755	0
Transfers (out) to Board of County Commissioners	0	0	(34,166)	(34,166)
Total Other Financing Sources (Uses)	<u>626,360</u>	<u>626,755</u>	<u>592,589</u>	<u>(34,166)</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

Basis of Presentation

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

Fund Accounting

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

The Property Appraiser utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Measurement Focus

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

Budgetary Requirement

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

Budgets are prepared on the modified accrual basis of accounting.

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

Capital Assets

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

Accumulated Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Risk Management

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

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

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

New Accounting Standard

The Property Appraiser participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Tax Collector implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), as required in 2015. GASB 68 requires employers participating in cost-sharing, multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - Cash

At September 30, 2015, the carrying amount of the Property Appraiser's deposits was \$34,874 and the bank balance was \$49,287. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Property Appraiser are placed with qualified a financial institution, which means they are insured or collateralized.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 3 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Property Appraiser are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the Property Appraiser are as follows:

- *Regular Class*—Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Plan Description. (Concluded)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Benefits Provided. (Concluded)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-2015 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2016</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
DROP – Applicable to Members from All of the Above Classes	0.00	11.02	0.00	11.22
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

The Property Appraiser contributions (employer) to the FRS Plan totaled \$53,827 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Property Appraiser’s proportionate share of the FRS net pension liability was \$275,521. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Property Appraiser’s proportionate share of the net pension liability was based on the Property Appraiser’s 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the Property Appraiser’s proportion was .002133116%, which was an increase of .000542015 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Property Appraiser’s pension expense related to the FRS plan (full accrual basis) was \$59,235. The Property Appraiser’s pension expense, proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were \$13,702 and \$11,882, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	7.65% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study of the FRS Plan for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Annual Geometric Return</u>	<u>Standard Deviation</u>
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	<u>100%</u>			
Assumed Inflation – Mean		2.6%		1.9%

Note: (1) As Outlined in the Plan's Investment Policy.

Discount Rate. The discount rate used to measure the total pension liability was 7.65%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Concluded)

Sensitivity of the Property Appraiser's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Property Appraiser's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Property Appraiser's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Property Appraiser's Proportionate Share of the Net Pension Liability	\$ 713,936	\$ 275,521	\$ (89,313)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statutes. The Property Appraiser contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 3 - Employee Retirement Plan (Continued)

HIS Pension Plan (Continued)

Contributions. (Concluded)

The Property Appraiser's contributions to the HIS Plan totaled \$4,961 for the fiscal year ended September 30, 2015.

Pension Liabilities and Pension Expense. At September 30, 2015, the Property Appraiser's proportionate share of the HIS net pension liability was \$120,100. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Property Appraiser's proportionate share of the net pension liability was based on the Property Appraiser's 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the Property Appraiser's proportion was .001177637%, which was a decrease of .000004972 from its proportion measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Property Appraiser's pension expense related to the HIS Plan (full accrual basis) was \$8,899. The Property Appraiser's pension expense, proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were \$1,575 and \$1,116, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2014, and recalculated as of June 30, 2015, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability.

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Return	3.80% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used to determine the total pension liability as of June 30, 2015, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 3 - Employee Retirement Plan (Continued)

HIS Pension Plan (Concluded)

Sensitivity of the Property Appraiser's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Property Appraiser's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Property Appraiser's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Property Appraiser's Proportionate Share of the Net Pension Liability	\$ 136,849	\$ 120,100	\$ 106,135

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS – Defined Contribution Pension Plan

The Property Appraiser contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officer, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 3 - Employee Retirement Plan (Concluded)

FRS – Defined Contribution Pension Plan (Concluded)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Property Appraiser's contributions to the Investment Plan totaled \$29,489 for the fiscal year ended September 30, 2015.

Note 4 - Other Postemployment Benefits (OPEB)

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

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

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Concluded)

Note 4 - Other Postemployment Benefits (OPEB) (Concluded)

Currently the Property Appraiser has three active employees and no retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Property Appraiser's portion of the OPEB obligation for the year totaled \$1,375. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 5 - Change in Long-term Debt

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2015:

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2015</u>
Accumulated Compensated Absences	\$ 29,870	\$ 25,163	\$ (21,383)	\$ 33,650
Other Postemployment Benefits	530	845	0	1,375
Net Pension Liabilities	<u>207,658</u>	<u>187,963</u>	<u>0</u>	<u>395,621</u>
Total Long-term Debt	<u>\$ 238,058</u>	<u>\$ 213,971</u>	<u>\$ (21,383)</u>	<u>\$ 430,646</u>

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

Other postemployment benefits represent the portion of the liability based upon current and retired employees of the Property Appraiser's office. See Note 4 for a description of other postemployment benefits.

See Note 3 for a description of the Net Pension Liabilities related to the FRS and HIS Pension Plans.

The Property Appraiser's long-term debt is not reported in the accompanying financial statements but is recorded in the statement of net position as part of the basic financial statements of the County.

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated June 1, 2016.

Internal Control Over Financial Reporting

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

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

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

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 Jimmy Alvarez
Bradford County Property Appraiser
Bradford County, Florida

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

Internal Control Over Financial Reporting (Concluded)

■ **2009-1 Separation of Duties**

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

Criteria—Separation of incompatible duties provides increased assurance that errors and irregularities will not go undetected for long periods of time.

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

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

Compliance and Other Matters

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

Property Appraiser's Response to Findings

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

Purpose of this Report

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



June 1, 2016
Gainesville, Florida

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

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

We have examined Bradford County, Florida, Property Appraiser's (the Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

Certified Public Accountants

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 1, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on our examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 1, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Certified Public Accountants

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

MANAGEMENT LETTER
(Concluded)

Other Matters

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

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

Purpose of this Letter

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

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



June 1, 2016
Gainesville, Florida



BRADFORD COUNTY
PROPERTY APPRAISER

JIMMY ALVAREZ
Certified Florida Appraiser

P (904) 966-6216
F (904) 966-6167

June 1, 2016

Gentlemen:

The following is my response to the Report on Internal Control Structure for the Bradford County Property Appraiser, prepared by Purvis, Gray and Company, for the fiscal year ended September 30, 2015, which noted a reportable condition:

Although I recognize the advantages of segregating certain financial duties so that no one employee has access to both physical assets and the related accounting records, it is not economically feasible to do so at this time. The constraints of a limited staff make it necessary that some of these functions be consolidated for purposes of utilizing personnel to the fullest extent. I will, however, continue to monitor this and make changes as conditions warrant.

Sincerely,



Jimmy Alvarez
Property Appraiser

JA/ljl

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY SUPERVISOR OF ELECTIONS
BRADFORD COUNTY, FLORIDA
STARKE, FLORIDA**

SEPTEMBER 30, 2015

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY SUPERVISOR OF ELECTIONS
BRADFORD COUNTY, FLORIDA
STARKE, FLORIDA**

SEPTEMBER 30, 2015

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INDEPENDENT AUDITORS' REPORT

The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Certified Public Accountants

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

The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Supervisor of Elections as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, only for that portion of the major funds of Bradford County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2015, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

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



June 1, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2015
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

Assets	
Cash in Bank	\$ 6,046
Liabilities and Fund Balance	
Liabilities	
Unearned Revenue	6,046
Total Liabilities	<u>6,046</u>
Fund Balance	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 6,046</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

Revenues	
Intergovernmental Revenue	\$ 12,185
Miscellaneous	158
Total Revenues	12,343
Expenditures	
Current:	
General Government:	
Personal Services	280,573
Operating Expenditures	73,433
Debt Service	8,330
(Total Expenditures)	(362,336)
(Deficiency) of Revenues (Under) Expenditures	(349,993)
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	349,993
Total Other Financing Sources (Uses)	349,993
Net Change in Fund Balance	0
Fund Balance, Beginning of Year	0
Fund Balance, End of Year	\$ 0

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 0	\$ 0	\$ 12,185	\$ 12,185
Miscellaneous	0	0	158	158
Total Revenues	<u>0</u>	<u>0</u>	<u>12,343</u>	<u>12,343</u>
Expenditures				
Current:				
General Government:				
Personal Services	272,921	284,075	280,573	3,502
Operating Expenditures	116,220	113,396	73,433	39,963
Debt Service	8,330	8,330	8,330	0
Capital Outlay	3,000	3,000	0	3,000
Reserve for Contingency	1,000	1,000	0	1,000
(Total Expenditures)	<u>(401,471)</u>	<u>(409,801)</u>	<u>(362,336)</u>	<u>47,465</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(401,471)</u>	<u>(409,801)</u>	<u>(349,993)</u>	<u>59,808</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	401,471	409,801	349,993	(59,808)
Total Other Financing Sources (Uses)	<u>401,471</u>	<u>409,801</u>	<u>349,993</u>	<u>(59,808)</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements.

Basis of Presentation

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

Fund Accounting

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

The Supervisor of Elections utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

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

Basis of Accounting

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

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

Measurement Focus

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

Budgetary Requirement

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the General Fund.

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

Budget to actual comparisons are provided in the financial statements for the General Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Capital Assets

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

Accumulated Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Risk Management

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

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

New Accounting Standard

The Supervisor of Elections participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Supervisor of Elections implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), as required in 2015. GASB 68 requires employers participating in cost-sharing, multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - Cash Deposits

At September 30, 2015, the carrying amount of the Supervisor of Elections' deposits was \$6,046, held as part of the Board's pooled checking account. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balances of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Supervisor of Elections are placed with qualified financial institutions which means, they are insured or collateralized.

Note 3 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

Note 3 - Employee Retirement Plan (Continued)

General Information about the Florida Retirement System (FRS) (Concluded)

Essentially all regular employees of the Supervisor of Elections are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The Supervisor of Elections' contributions to the System for the years ended September 30, 2015, 2014, and 2013, were \$43,020, \$36,645, and \$17,106, respectively, equal to the required contributions for each year. The net pension liability for the Supervisor of Elections is not calculated separately but is reported as part of the County's total net pension liability and shown in the countywide statement of net position for Bradford County, Florida.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the Supervisor of Elections are as follows:

- *Regular Class*—Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Continued)

Plan Description. (Concluded)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

Note 3 - Employee Retirement Plan (Continued)

FRS Pension Plan (Concluded)

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-2015 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2016</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
DROP – Applicable to Members from All of the Above Classes	0.00	11.02	0.00	11.22

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statutes. The Supervisor of Elections contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

FRS – Defined Contribution Pension Plan

The Supervisor of Elections contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

Note 3 - Employee Retirement Plan (Concluded)

FRS – Defined Contribution Pension Plan (Concluded)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Supervisor of Elections employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions rates that are based on salary and membership class (Regular Class, Elected County Officer, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor of Elections.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Note 4 - Other Postemployment Benefits (OPEB)

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

Note 4 - Other Postemployment Benefits (OPEB) (Concluded)

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

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

Currently, the Supervisor of Elections has three active employees who are considered participants in the Plan for purposes of computing the OPEB obligation. The Supervisor of Elections’ portion of the OPEB obligation for the year totaled \$4,149. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 5 - Change in Long-term Debt

The following is a summary of the change in long-term debt of the Supervisor of Elections for the year ended September 30, 2015:

	Balance October 1, 2014	Additions	(Deletions)	Balance September 30, 2015	Due Within One Year
Accumulated Compensated Absences	\$ 6,164	\$ 0	\$ (2,930)	\$ 3,234	\$ 0
Other Postemployment Benefits	3,380	769	0	4,149	0
Capital Lease—Voting Equipment	16,173	0	(8,007)	8,166	8,166
Total Long-term Debt	\$ 25,717	\$ 769	\$ (10,937)	\$ 15,549	\$ 8,166

Accumulated compensated absences represent the vested portion of personal leave (see Note 1 for a summary of the Supervisor of Elections’ compensated absences policy).

Other postemployment benefits represent the portion of the liability based upon current and retired employees of the Supervisor of Elections’ office. See Note 4 for a description of other postemployment benefits.

The Supervisor of Elections has entered into a capital lease agreements as a lessee for 17 voting machines. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date in the County’s financial statements.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Concluded)

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

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2015:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2016	\$ 8,166	\$ 164	\$ 8,330
2017	0	0	0
Compensated Absences	3,234	0	3,234
Other Postemployment Benefits	4,149	0	4,149
Totals	<u>\$ 15,549</u>	<u>\$ 164</u>	<u>\$ 15,713</u>

Interest paid on the capital lease during the fiscal year totaled \$323.

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

The acquired assets under capital lease are as follows:

Voting Machines	\$ 40,048
(Accumulated Depreciation)	<u>(30,704)</u>
Total	<u>\$ 9,344</u>

OTHER REPORTS

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

The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2015, and the related notes to the basic financial statements, and have issued our report thereon dated June 1, 2016.

Internal Control Over Financial Reporting

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

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

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

Certified Public Accountants

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

The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Purvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

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

The Honorable Terry Vaughn
Bradford County Supervisor of Elections
Bradford County, Florida

We have examined Bradford County, Florida, Supervisor of Election's (the Supervisor of Elections) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

In our opinion, the Supervision of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

June 1, 2016
Gainesville, Florida

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MANAGEMENT LETTER

The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

Report on the Financial Statements

We have audited the financial statements of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 1, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 1, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Other Matters

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

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The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

MANAGEMENT LETTER
(Concluded)

Other Matters (Concluded)

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

Purpose of this Letter

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

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


June 1, 2016
Gainesville, Florida