

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY, FLORIDA
STARKE, FLORIDA**

SEPTEMBER 30, 2007

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STARKE, FLORIDA**

SEPTEMBER 30, 2007

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet - Governmental Funds	11-12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14-15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - S.H.I.P. Fund	18
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Transportation Trust Fund	19
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fines and Forfeitures Fund	20
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sheriff Operations Fund	21
Statement of Fiduciary Assets and Liabilities - Agency Funds	22
Notes to Financial Statements	23-40

**FINANCIAL STATEMENTS
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**BRADFORD COUNTY, FLORIDA
STARKE, FLORIDA**

SEPTEMBER 30, 2007

**TABLE OF CONTENTS
(Concluded)**

Accompanying Information

Combining Balance Sheet - Nonmajor Governmental Funds	41-45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	46-50
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds	51-52

Other Information

Schedule of Expenditures of State Financial Assistance	53
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	54-55
Report on Compliance with Requirements Applicable to Each Major State Financial Assistance Project and on Internal Control Over Compliance in Accordance with the Florida Department of Financial Services, State Projects Compliance Supplement	56-57
Schedule of Findings and Questioned Costs - State Financial Assistance Projects	58-59
Management Letter	60-62
Management's Response	63
Affidavit	64

INDEPENDENT AUDITORS' REPORT

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

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, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2007, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the general fund and the major special revenue funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 25, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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
(Concluded)

Management's discussion and analysis on pages 3 through 8, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Rules of the Auditor General* of the State of Florida, and the combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

**Management's Discussion and Analysis
Bradford County, Florida
September 30, 2007**

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

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

Financial Highlights

Total assets of the County exceeded total liabilities by \$59.2 million (net assets). Unrestricted net assets for governmental activities were \$8.5 million and restricted assets were \$13.5 million, with the remaining \$37.2 million invested in capital assets.

General fund revenues increased by \$1,049,354 or 13.6% when compared to fiscal year 2006. General Fund expenditures decreased by \$126,956 or 3.7% during this same period. The excess of revenues over expenditures in the general fund showed an excess of \$5,417,870. This represents 163.16% of the total general fund expenditures for the year.

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 Assets* 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 assets*. 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.

Management's Discussion and Analysis
Bradford County, Florida
September 30, 2007
(Continued)

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 The County's basic services are considered to be governmental activities.

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

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

FUND FINANCIAL STATEMENTS

A fund consists of a group of related accounts used to control resources that have been segregated for the purpose of carrying on specific activities or attaining certain objectives. The County, as with other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. The 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 thirty-three 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 five major funds, the general Fund, S.H.I.P, Transportation Trust, Fines and Forfeitures, and Sheriff Operations. Data from the other twenty-eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor 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 five 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 understanding 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.

Management's Discussion and Analysis
Bradford County, Florida
September 30, 2007
(Continued)

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of The County, assets exceeded liabilities by \$59,203,477, which is an increase over the prior year of \$4,510,650. These net assets are composed of \$37,168,749 invested in capital assets, \$13,483,592 restricted for debt service or other uses, with \$8,551,136 being unrestricted. This unrestricted amount is available for use in future years to meet The County's ongoing obligations to its citizens and creditors.

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, 2007 The County's governmental funds reported combined ending fund balances of \$19,655,201. This is an increase over the prior year of \$2,329,114. The breakout of the five major funds and the remaining non-major funds is as follows.

Bradford County, Florida
Reserved and Unreserved Fund Balances

General Fund	\$	7,390,134
S.H.I.P.		0
Transportation Trust		1,944,747
Fines and Forfeitures		1,531,639
Sheriff Operations		0
Other Government Funds		
(Combined 28 Non-major Funds)		8,788,681
Total Fund Balances		\$ 19,655,201

The County's overall financial position is an increase as documented throughout this report, with an increase in total governmental fund balances of \$2,329,114 or 13.4%.

The County's General Fund had an increase in fund balance of \$1,496,651 during the current fiscal year. S.H.I.P. had no change. The Transportation Trust Fund showed a decrease of \$382,274 in fund balance. The Fine and Forfeitures Fund decreased its fund balance by \$156,606. The Sheriff Operations Fund had no change, which was the expected amount. This accounts for all the major funds. The remaining twenty-eight nonmajor funds had a combined increase in fund balance of \$1,371,343. The County has had a good year financially.

General Fund Budgetary Highlights

There were a few differences between the General Fund's final amended budget and the actual expenditures. The revenues were \$190,386 greater than the final budgeted amount, and the expenditures were \$1,234,726 less than budgeted. This resulted in actual revenues over expenditures being greater than budgeted revenues over expenditures by \$1,425,112.

Management's Discussion and Analysis
Bradford County, Florida
September 30, 2007
(Continued)

Capital Assets and Debt Management

Capital Assets

The County's investment in capital assets for its governmental activities as of September 30, 2007, exceeded \$40.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment and infrastructure, net of depreciation and disposals. Major capital asset events during the current fiscal year included the following:

Net increase in Machinery and Equipment of \$437,647
Net increase in Infrastructure of \$1,115,675
Net increase in Construction in Progress of \$3,247,853
Increase in Accumulated Depreciation of \$1,894,046

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, 2007, consists of a \$2,000,000 Construction Note used to finance the new library building. This note matures in October of 2013. It is payable in eleven semiannual payments of \$150,000 and one final payment of \$803,238.78. The note has an interest rate of 5.25%.

Three other substantial debts are:

Local Option Gas Tax Revenue Note of \$926,854
Estimated Landfill Postclosure Costs for County Landfill Site of \$859,138
Accumulated Employee Compensated Absences Payable of \$533,103

Economic Factors and Future Financial Condition

The County primarily relies on Ad Valorem taxes, a limited array of other taxes (sales, gasoline, etc.), state shared revenues (mainly from Florida's sales tax collections) and fees (building permits, ambulance user charges, etc.) for its governmental activities. Property taxes were levied at 9.3756 mills. A Small County Surtax was also collected at the maximum 1%. The unemployment rate for 2007 was 3.4%, which is up from the 2006 rate of 2.8%.

The taxable value of real and tangible property increased 20% in the 2007 fiscal year.

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
BRADFORD COUNTY, FLORIDA
SEPTMEBER 30, 2007
(Continued)

Bradford County, Florida
Net Assets

	<u>FYE 2007</u>	<u>FYE 2006</u>
Assets:		
Current and Other Assets	\$ 25,340,611	\$ 22,525,083
Capital Assets	40,689,704	37,787,028
Total Assets	<u>66,030,315</u>	<u>60,312,111</u>
Liabilities:		
Current Liabilities	2,545,834	2,820,000
Noncurrent Liabilities	4,281,004	2,799,284
Total Liabilities	<u>6,826,838</u>	<u>5,619,284</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	37,168,749	35,897,294
Restricted	13,483,592	11,647,096
Unrestricted	8,551,136	7,148,437
Total Net Assets	<u>\$ 59,203,477</u>	<u>\$ 54,692,827</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
BRADFORD COUNTY, FLORIDA
SEPTMEBER 30, 2007
(Concluded)

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

Bradford County, Florida
Changes in Net Assets

Revenues:	<u>FYE 2007</u>	<u>FYE 2006</u>
Program Revenues:		
Charges for Services	\$ 6,496,252	\$ 6,663,243
Operating Grants and Contributions	3,044,513	2,283,651
Capital Grants and Contributions	2,986,785	4,551,921
General Revenues:		
Property Taxes	7,298,066	6,148,058
Other Taxes	5,838,256	5,724,988
Other	1,386,390	1,529,362
Total Revenues	<u>27,050,262</u>	<u>26,901,223</u>
 Expenses:		
General Government	4,418,280	4,137,413
Public Safety	7,623,449	6,969,121
Physical Environment	1,454,776	1,450,462
Transportation	4,954,169	6,707,918
Economic Environment	1,067,561	777,452
Human Services	529,481	560,173
Culture and Recreation	607,574	354,601
Court Related	1,455,016	1,251,803
Intergovernmental	354,779	266,234
Interest and Fiscal Charges	74,527	78,575
Total Expenses	<u>22,539,612</u>	<u>22,553,752</u>
 Increase in Net Assets	4,510,650	4,347,471
Net Asset, Beginning of Year	54,692,827	50,345,356
Net Assets, End of Year	<u>\$ 59,203,477</u>	<u>\$ 54,692,827</u>

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA

	Governmental Activities
Assets	
Current Assets	
Cash Deposits	\$ 20,539,620
Accounts Receivable	459,445
Mortgages Receivable	2,250,275
Due from Other Governments	1,657,851
Prepaid items	71,365
Total Current Assets	24,978,556
Restricted Assets	
Cash Deposits - Landfill Closure	362,055
Capital Assets	
Land	7,407,510
Buildings and Improvements	12,625,045
Machinery and Equipment	8,101,142
Infrastructure	35,597,587
Construction in Progress	4,313,316
(Accumulated Depreciation)	(27,354,896)
Total Capital Assets	40,689,704
Total Assets	66,030,315
Liabilities	
Current Liabilities	
Accounts Payable	1,021,847
Due to Other Governments	17,778
Accrued Interest	28,976
Deferred Revenue	874,017
Installment Purchase Obligation	114,474
Estimated Landfill Postclosure Costs	95,460
Notes Payable	393,282
Total Current Liabilities	2,545,834
Noncurrent Liabilities	
Installment Purchase Obligation	450,651
Estimated Landfill Postclosure Costs	763,678
Notes Payable	2,533,572
Compensated Absences	533,103
Total Noncurrent Liabilities	4,281,004
Total Liabilities	6,826,838
Net Assets	
Invested in Capital Assets, Net of Related Debt	37,168,749
Restricted for:	
Debt Service	257,773
Other Purposes	13,225,819
Unrestricted	8,551,136
Total Net Assets	\$ 59,203,477

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

STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA

Functions/Programs	<u>Expenses</u>	Program Revenues			<u>Net (Expense) Revenue and Change in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities					
General Government	\$ 4,418,280	\$ 1,418,734	\$ 87,832	\$ 250,000	\$ (2,661,714)
Public Safety	7,623,449	2,221,188	342,081	405,449	(4,654,731)
Physical Environment	1,454,776	1,168,272	191,176		(95,328)
Transportation	4,954,169	355,445	774,859	2,031,336	(1,792,529)
Economic Environment	1,067,561	90,725	840,412		(136,424)
Human Services	529,481	30,270	41,142		(458,069)
Culture and Recreation	607,574	11,549	735,827	300,000	439,802
Court Related	1,455,016	1,200,069	31,184		(223,763)
Intergovernmental	354,779				(354,779)
Interest and Fiscal Charges	74,527				(74,527)
Total Governmental Activities	\$ 22,539,612	\$ 6,496,252	\$ 3,044,513	\$ 2,986,785	(10,012,062)

General Revenues

Property Taxes	7,298,066
Discretionary Sales Surtax	1,725,112
Gasoline Taxes	789,377
Communication Service Tax	43,738
Tourist Development Tax	81,762
Sales Tax and Other State Shared Revenue	3,198,267
Interest Earnings	898,602
Miscellaneous	487,788
Total General Revenues	14,522,712
Change in Net Assets	4,510,650
Net Assets, Beginning of Year	54,692,827
Net Assets, End of Year	\$ 59,203,477

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA**

	<u>General</u>	<u>S.H.I.P.</u>	<u>Transportation Trust</u>
Assets			
Cash Deposits	\$ 6,918,343	\$ 1,211,096	\$ 1,639,272
Accounts Receivable	136,625		31,152
Mortgages Receivable		1,270,505	
Due from Other Funds	176,455		
Due from Other Governments	281,861	175,000	502,242
Prepaid Expense	71,365		
Total Assets	<u>7,584,649</u>	<u>2,656,601</u>	<u>2,172,666</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	109,496	1,135	227,919
Due to Other Funds			
Due to Other Governments	2,327		
Deferred Revenue	82,692	2,655,466	
Total Liabilities	<u>194,515</u>	<u>2,656,601</u>	<u>227,919</u>
Fund Balances			
Reserved	308,378		1,944,747
Unreserved - Designated			
Unreserved - Undesignated, General Fund	7,081,756		
Unreserved - Undesignated, Special Revenue Funds			
Unreserved - Undesignated, Debt Service Funds			
Total Fund Balances	<u>7,390,134</u>	<u>0</u>	<u>1,944,747</u>
Total Liabilities and Fund Balances	<u>\$ 7,584,649</u>	<u>\$ 2,656,601</u>	<u>\$ 2,172,666</u>

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

Fines and Forfeitures	Sheriff Operations	Other Governmental Funds	Total Governmental Funds
\$ 1,516,909	\$ 36,851	\$ 9,579,204	\$ 20,901,675
42,791		248,877	459,445
			1,270,505
27,559	23,463	21,069	248,546
51,429	38,507	535,735	1,584,774
			71,365
<u>1,638,688</u>	<u>98,821</u>	<u>10,384,885</u>	<u>24,536,310</u>
107,049	84,409	491,839	1,021,847
	14,412	161,057	175,469
		15,451	17,778
		927,857	3,666,015
<u>107,049</u>	<u>98,821</u>	<u>1,596,204</u>	<u>4,881,109</u>
85,567		2,072,154	4,410,846
		1,547,539	1,547,539
			7,081,756
1,446,072		3,699,608	5,145,680
		1,469,380	1,469,380
<u>1,531,639</u>	<u>0</u>	<u>8,788,681</u>	<u>19,655,201</u>
<u>\$ 1,638,688</u>	<u>\$ 98,821</u>	<u>\$ 10,384,885</u>	<u>\$ 24,536,310</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 ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA**

Fund Balances - Total Governmental Funds	\$	19,655,201
 Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		40,689,704
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(4,884,220)
Mortgages receivable of the S.H.I.P. program are not financial resources in the current period and, therefore, are reported as deferred revenues in the governmental funds. This amount is the increase in net assets when recognized on the accrual basis.		953,322
Liabilities for earned but unavailable revenues are reported in the funds, but not in the statement of net assets.		2,818,446
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.		<u>(28,976)</u>
Net Assets of Governmental Activities	\$	<u>59,203,477</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, 2007
BRADFORD COUNTY, FLORIDA

	<u>General</u>	<u>S.H.I.P.</u>	<u>Transportation Trust</u>
Revenues			
Taxes	\$ 5,622,307		\$ 789,377
Licenses and Permits	371,552		
Intergovernmental	2,092,050	\$ 440,313	2,807,360
Charges for Services	31,270		321,089
Fines and Forfeitures	208,900		
Miscellaneous	412,467	36,462	127,722
Total Revenues	<u>8,738,546</u>	<u>476,775</u>	<u>4,045,548</u>
Expenditures			
Current:			
General Government	1,994,058		
Public Safety	681,232		
Physical Environment	147,371		
Transportation			5,043,936
Economic Environment	61,931	520,384	
Human Services	386,361		
Culture and Recreation	231		
Court-related	24,992		
Intergovernmental			
Debt Service:			
Principal Retirement	20,000		305,186
Interest	4,500		52,199
(Total Expenditures)	<u>(3,320,676)</u>	<u>(520,384)</u>	<u>(5,401,321)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,417,870</u>	<u>(43,609)</u>	<u>(1,355,773)</u>
Other Financing Sources (Uses)			
Proceeds from Installment Note			
Proceeds from Sale of Fixed Assets	32,100		
Transfers in	240,784	43,609	973,499
Transfers (out)	(4,194,103)		
Total Other Financing Sources (Uses)	<u>(3,921,219)</u>	<u>43,609</u>	<u>973,499</u>
Net Change in Fund Balances	1,496,651	0	(382,274)
Fund Balances (as Restated), Beginning of Year	5,893,483	0	2,327,021
Fund Balances, End of Year	<u>\$ 7,390,134</u>	<u>\$ 0</u>	<u>\$ 1,944,747</u>

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

Fines and Forfeitures	Sheriff Operations	Other Governmental Funds	Total Governmental Funds
\$ 1,574,631		\$ 1,951,740	\$ 9,938,055
			371,552
774,225	\$ 105,821	2,382,092	8,601,861
558,167		3,670,164	4,580,690
64,459		149,935	423,294
213,044	32,236	1,363,609	2,185,540
<u>3,184,526</u>	<u>138,057</u>	<u>9,517,540</u>	<u>26,100,992</u>
		2,286,744	4,280,802
505,471	4,419,214	1,828,343	7,434,260
		1,386,987	1,534,358
		197,568	5,241,504
		499,183	1,081,498
	127,989		514,350
		3,460,849	3,461,080
599	203,600	1,263,518	1,492,709
		354,779	354,779
	28,221	18,781	372,188
		14,419	71,118
<u>(506,070)</u>	<u>(4,779,024)</u>	<u>(11,311,171)</u>	<u>(25,838,646)</u>
<u>2,678,456</u>	<u>(4,640,967)</u>	<u>(1,793,631)</u>	<u>262,346</u>
		2,000,000	2,000,000
	34,668		66,768
1,673,700	4,607,701	2,739,871	10,279,164
(4,508,762)	(1,402)	(1,574,897)	(10,279,164)
<u>(2,835,062)</u>	<u>4,640,967</u>	<u>3,164,974</u>	<u>2,066,768</u>
(156,606)	0	1,371,343	2,329,114
1,688,245	0	7,417,338	17,326,087
<u>\$ 1,531,639</u>	<u>\$ 0</u>	<u>\$ 8,788,681</u>	<u>\$ 19,655,201</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, 2007
BRADFORD COUNTY, FLORIDA**

Net Change in Fund Balances - Total Governmental Funds	\$ 2,329,114
 Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
The governmental funds, recognize S.H.I.P. revenue when payments are received. In the statement of activities, revenue is recognized on the accrual basis. This amount is the decrease in net assets when recognized on the accrual basis.	(26,448)
In the governmental funds, revenue cannot be recognized until it is available to liquidate liabilities of the current period. In the statement of activities, revenue is recognized as soon as it is earned regardless of its availability.	927,857
The loss on disposal of general fixed assets is not reported in the governmental funds. The loss on disposal of general fixed assets is a decrease in net assets.	(28,232)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,930,908
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,622,549)
Change in Net Assets of Governmental Activities	\$ 4,510,650

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, 2007
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	\$ 5,731,738	\$ 5,731,738	\$ 5,622,307	\$ (109,431)
Licenses and Permits	250,800	250,800	371,552	120,752
Intergovernmental	1,898,364	2,083,827	2,092,050	8,223
Charges for Services	40,939	40,939	31,270	(9,669)
Fines and Forfeitures	142,875	142,875	208,900	66,025
Miscellaneous	257,966	297,981	412,467	114,486
Total Revenues	<u>8,322,682</u>	<u>8,548,160</u>	<u>8,738,546</u>	<u>190,386</u>
Expenditures				
Current:				
General Government	2,560,903	2,590,394	1,994,058	596,336
Public Safety	570,855	796,333	681,232	115,101
Physical Environment	258,295	258,970	147,371	111,599
Economic Environment	71,675	72,627	61,931	10,696
Human Services	721,250	726,146	386,361	339,785
Culture and Recreation	25,000	1,157	231	926
Court-related	85,275	85,275	24,992	60,283
Debt Service:				
Principal Retirement	20,000	20,000	20,000	0
Interest	4,500	4,500	4,500	0
(Total Expenditures)	<u>(4,317,753)</u>	<u>(4,555,402)</u>	<u>(3,320,676)</u>	<u>1,234,726</u>
Excess of Revenues Over Expenditures	<u>4,004,929</u>	<u>3,992,758</u>	<u>5,417,870</u>	<u>1,425,112</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Fixed Assets			32,100	32,100
Transfers in	100,000	100,000	240,784	140,784
Transfers (out)	(4,223,173)	(4,211,002)	(4,194,103)	16,899
Total Other Financing Sources (Uses)	<u>(4,123,173)</u>	<u>(4,111,002)</u>	<u>(3,921,219)</u>	<u>189,783</u>
Net Change in Fund Balance	(118,244)	(118,244)	1,496,651	1,614,895
Fund Balance, Beginning of Year	<u>118,244</u>	<u>118,244</u>	<u>5,893,483</u>	<u>5,775,239</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,390,134</u>	<u>\$ 7,390,134</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, 2007
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	\$ 464,497	\$ 464,497	\$ 440,313	\$ (24,184)
Miscellaneous			36,462	36,462
Total Revenues	<u>464,497</u>	<u>464,497</u>	<u>476,775</u>	<u>12,278</u>
Expenditures				
Current:				
Economic Environment	<u>(907,187)</u>	<u>(907,187)</u>	<u>(520,384)</u>	<u>386,803</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(442,690)</u>	<u>(442,690)</u>	<u>(43,609)</u>	<u>399,081</u>
Other Financing Sources (Uses)				
Transfers in	<u>43,609</u>	<u>43,609</u>	<u>43,609</u>	<u>0</u>
Net Change in Fund Balance	(399,081)	(399,081)	0	399,081
Fund Balance (as Restated), Beginning of Year	<u>399,081</u>	<u>399,081</u>	<u>0</u>	<u>(399,081)</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
TRANSPORTATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2007
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	\$ 677,000	\$ 677,000	\$ 789,377	\$ 112,377
Intergovernmental	2,525,653	2,987,947	2,807,360	(180,587)
Charges for Services	239,550	239,550	321,089	81,539
Miscellaneous	17,550	17,550	127,722	110,172
Total Revenues	<u>3,459,753</u>	<u>3,922,047</u>	<u>4,045,548</u>	<u>123,501</u>
Expenditures				
Current:				
Transportation	5,219,649	5,681,648	5,043,936	637,712
Debt Service:				
Principal Retirement	305,418	305,418	305,186	232
Interest	54,052	54,347	52,199	2,148
(Total Expenditures)	<u>(5,579,119)</u>	<u>(6,041,413)</u>	<u>(5,401,321)</u>	<u>640,092</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(2,119,366)</u>	<u>(2,119,366)</u>	<u>(1,355,773)</u>	<u>763,593</u>
Other Financing Sources (Uses)				
Proceeds from Installment Note				
Transfers in	973,499	973,499	973,499	0
Total Other Financing Sources (Uses)	<u>973,499</u>	<u>973,499</u>	<u>973,499</u>	<u>0</u>
Net Change in Fund Balance	(1,145,867)	(1,145,867)	(382,274)	763,593
Fund Balance, Beginning of Year	<u>1,145,867</u>	<u>1,145,867</u>	<u>2,327,021</u>	<u>1,181,154</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,944,747</u>	<u>\$ 1,944,747</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, 2007
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	\$ 1,607,871	\$ 1,607,871	\$ 1,574,631	\$ (33,240)
Intergovernmental	684,831	684,831	774,225	89,394
Charges for Services	1,244,340	1,244,340	558,167	(686,173)
Fines and Forfeitures	24,650	24,650	64,459	39,809
Miscellaneous	15,200	15,200	213,044	197,844
Total Revenues	<u>3,576,892</u>	<u>3,576,892</u>	<u>3,184,526</u>	<u>(392,366)</u>
Expenditures				
Current:				
Public Safety	401,000	574,710	505,471	69,239
Court-related	1,600	1,600	599	1,001
(Total Expenditures)	<u>(402,600)</u>	<u>(576,310)</u>	<u>(506,070)</u>	<u>70,240</u>
Excess of Revenues Over Expenditures	<u>3,174,292</u>	<u>3,000,582</u>	<u>2,678,456</u>	<u>(322,126)</u>
Other Financing Sources (Uses)				
Transfers in	1,672,298	1,672,298	1,673,700	1,402
Transfers (out)	<u>(4,933,745)</u>	<u>(4,760,035)</u>	<u>(4,508,762)</u>	<u>251,273</u>
Total Other Financing (Uses)	<u>(3,261,447)</u>	<u>(3,087,737)</u>	<u>(2,835,062)</u>	<u>252,675</u>
Net Change in Fund Balance	(87,155)	(87,155)	(156,606)	(69,451)
Fund Balance, Beginning of Year	<u>87,155</u>	<u>87,155</u>	<u>1,688,245</u>	<u>1,601,090</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,531,639</u>	<u>\$ 1,531,639</u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF OPERATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2007
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		\$ 105,821	\$ 105,821	\$ 0
Miscellaneous		32,236	32,236	0
Total Revenues	<u>\$ 0</u>	<u>138,057</u>	<u>138,057</u>	<u>0</u>
Expenditures				
Current:				
Public Safety	3,424,615	4,419,214	4,419,214	0
Human Services		127,989	127,989	0
Court Related	126,880	203,600	203,600	0
Debt Service:				
Principal Retirement		28,221	28,221	0
(Total Expenditures)	<u>(3,551,495)</u>	<u>(4,779,024)</u>	<u>(4,779,024)</u>	<u>0</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(3,551,495)</u>	<u>(4,640,967)</u>	<u>(4,640,967)</u>	<u>0</u>
Other Financing Sources (Uses)				
Proceeds from Installment Note				0
Proceeds from Sale of Fixed Assets		34,668	34,668	0
Transfers in	3,551,495	4,607,701	4,607,701	0
Transfers (out)		(1,402)	(1,402)	0
Total Other Financing Sources (Uses)	<u>3,551,495</u>	<u>4,640,967</u>	<u>4,640,967</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>

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA

	Agency Funds
Assets	
Cash Deposits	\$ 538,007
Due from Individuals	1,844
Due from Other Funds	12,699
Total Assets	552,550
 Liabilities	
Accounts Payable	5,136
Due to Other Funds	85,776
Due to Other Governments	356,106
Deposits	105,532
Total Liabilities	\$ 552,550

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. 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 2006-2007 fiscal year, the Authority had no financial activity. The Authority is the County's only component unit and is not included because it had no financial transactions.

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

Joint Venture

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

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

Note 1 - Reporting Entity (Concluded)

Joint Venture (Concluded)

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

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

During fiscal year 2006-2007, NRSWA collected and remitted \$450,329 to the County in solid waste assessments, and the County paid \$514,557 to NRSWA in tipping fees.

During fiscal year 2006-2007, NRSWA distributed \$175,000 to the County in revenue sharing monies.

The NRSWA's condensed financial information as of and for the year ended September 30, 2007, (the latest audit report), is hereafter presented:

Total Assets	\$ 34,295,310
Total Liabilities	6,806,166
Total Net Assets	27,489,144
Total Operating Revenues	7,107,223
Total Operating Expenses	4,707,080
Nonoperating Revenues/Expenses	59,021
Net Income	2,459,164

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.

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; and
- Notes to Financial Statements.

Government-wide financial statements (the statement of net assets and the statement of changes in net assets) 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.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

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

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

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.
- *S.H.I.P. Fund (State Housing Initiatives Partnership)*—The S.H.I.P. Fund is used to account for state grant funds to be used for housing assistance.
- *Transportation Trust Fund*—The Transportation Fund is used to account for cost of road maintenance and the paving of new roads. Primarily funded by gas taxes.
- *Fines and Forfeitures Fund*—The Fines and Forfeitures Fund is used to account for the Board of County Commissioners transfers to the Sheriff, including costs of the jail, and the cost of the County court system. Primarily funded by property taxes, various fines and fees and transfers from the General Fund.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Concluded)

■ **Governmental Major Funds (Concluded)**

- *Sheriff Operations Fund*—To account for the operations of Bradford County Sheriff. Primarily funded by transfers from the Board of County Commissioners.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

■ **Government-wide Financial Statements**

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

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

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

When both restricted and unrestricted resources are available for use, it is the County's policy to generally use restricted resources first, and then unrestricted resources, as they are needed for their intended purposes, however, this decision is frequently made on a case-by-case basis based upon facts and circumstances.

■ **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 of 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 assets 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.

■ **Capital Assets**

Capital assets, which include property, plant, 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.

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.

**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)**

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

Assets	Years
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 \$2,829,321.

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.

Deferred Revenue

Deferred revenue is reported as a liability when potential revenue does not meet both the criteria for revenue recognition in the current period. Deferred revenue may arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualified expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheets and revenue is recognized.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2007, was 9.3756 mills.

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

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

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

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

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

Compensated Absences

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

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 2 - Summary of Significant Accounting Policies (Concluded)

Reserves and Designations of Fund Equity

Reserves reported in the fund balance sheet indicate that portion of fund balance that is not available for appropriation or which is legally segregated for a specific future use. The purpose of each reserve is described in note 8, fund equity. Designated portions of fund equity represent management's tentative future spending plans. Such designations should be clearly distinguished from reserves, since managerial plans are subject to change and may never be legally authorized or result in actual expenditures.

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.

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. New 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, 2007, has been reported as a noncurrent liability in the statement of net assets.

Note 3 - Cash Deposits

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 four certificates of deposit at September 30, 2007.

Chapter 280, Florida Statutes, provides that qualified public depositories must maintain eligible collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the County agency's name, nor specify which collateral is held for the County agency's benefit. The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the County agency for any deposits not covered by depository insurance or collateral pledged by the depository as previously described.

Cash

The County's net carrying amount of cash deposits was \$21,439,681 and the bank balances were \$24,649,101 at September 30, 2007.

The above balances are considered to be fully insured for risk disclosure purposes.

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2007, including the Sheriff, is as follows:

	<u>Balance</u> <u>10/1/06</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/07</u>
Capital Assets Not Being Depreciated				
Land	\$ 1,278,663	\$ 0	\$ (4,453)	\$ 1,274,210
Land Right-of-Way	6,133,300	0	0	6,133,300
Construction in Progress:				
Infrastructure	578,323	1,433,856	(1,115,679)	896,500
Conference Center	124,114	11,123	0	135,237
Sally/Holding Cell Project	0	131,098	0	131,098
Library Building	<u>363,026</u>	<u>2,787,455</u>	<u>0</u>	<u>3,150,481</u>
Total Capital Assets Not Being Depreciated	<u>8,477,426</u>	<u>4,363,532</u>	<u>(1,120,132)</u>	<u>11,720,826</u>
Capital Assets Being Depreciated				
Buildings	12,625,045	0	0	12,625,045
Machinery and Equipment	7,663,495	894,914	(457,267)	8,101,142
Infrastructure	<u>34,481,912</u>	<u>1,115,675</u>	<u>0</u>	<u>35,597,587</u>
Total Capital Assets Being Depreciated	<u>54,770,452</u>	<u>2,010,589</u>	<u>(457,267)</u>	<u>56,323,774</u>
Total Before Depreciation	<u>63,247,878</u>	<u>6,374,121</u>	<u>(1,577,399)</u>	<u>68,044,600</u>
Less Accumulated Depreciation				
Buildings	(2,695,541)	(200,391)	0	(2,895,932)
Machinery and Equipment	(4,598,316)	(1,000,256)	433,488	(5,165,084)
Infrastructure	<u>(18,166,993)</u>	<u>(1,126,887)</u>	<u>0</u>	<u>(19,293,880)</u>
Total Accumulated Depreciation	<u>(25,460,850)</u>	<u>(2,327,534)</u>	<u>433,488</u>	<u>(27,354,896)</u>
Total Being Depreciated, Net	<u>29,309,602</u>	<u>(316,945)</u>	<u>(23,779)</u>	<u>28,968,878</u>
Fixed Assets, Cost Less Depreciation	<u>\$ 37,787,028</u>	<u>\$ 4,046,587</u>	<u>\$ (1,143,911)</u>	<u>\$ 40,689,704</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 473,587
Public Safety	544,426
Physical Environment	56,792
Transportation	1,228,448
Economic Environment	1,220
Human Services	15,131
Culture and Recreation	<u>7,930</u>
Total Depreciation Expense	<u>\$ 2,327,534</u>

Note 5 - General Long-term Debt

The following is a summary of the changes in general long-term debt for the year ended September 30, 2007:

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 5 - General Long-term Debt (Continued)

	<u>Notes Payable</u>	<u>Installment Obligations</u>	<u>Compensated Absences</u>	<u>Estimated Landfill Postclosure Costs</u>	<u>Total</u>
Long-term Debt Payable at October 1, 2006	\$ 1,210,790	\$ 653,377	\$ 474,119	\$ 926,794	\$ 3,265,080
Increase in Long-term Portion of Accrued Compensated Absences	0	0	58,984	0	58,984
(Decrease) in Long-term Portion of Estimated Landfill Postclosure Costs	0	0	0	(67,656)	(67,656)
Proceeds from Construction Loan	2,000,000	0	0	0	2,000,000
(Principal Retirements)	<u>(283,936)</u>	<u>(88,252)</u>	<u>0</u>	<u>0</u>	<u>(372,188)</u>
Total Long-term Debt Payable at September 30, 2007	<u>\$ 2,926,854</u>	<u>\$ 565,125</u>	<u>\$ 533,103</u>	<u>\$ 859,138</u>	<u>\$ 4,884,220</u>
Due Within One Year	<u>\$ 393,282</u>	<u>\$ 114,474</u>	<u>\$ 0</u>	<u>\$ 95,460</u>	<u>\$ 603,216</u>

General long-term debt at September 30, 2007, is comprised of the following:

\$2,000,000 Local Option Gas Tax Revenue Note, Series 2003, Dated June 2, 2003, Maturing on May 10, 2010, Secured by Six-cent Local Option Gas Tax Revenue, Interest Rate at 4.32%, Payable Semiannually	\$ 926,854
\$2,000,000 Construction Note, Dated October 25, 2006, Maturing on October 25, 2013, Secured by the One-cent Sales Surtax Revenue, Interest Rate 5.25%, Payable in Eleven Semiannual Payments of \$150,000 and One Final Payment of \$803,238.78	2,000,000
Installment Purchase of Land, Due in Eight Annual Principal Installments of \$20,000, Plus Interest at 4.5%	60,000
Installment Purchase of Land and Building, Due in 180 monthly Payments of \$2,767, Includes Interest at 4.10%	336,184
Installment Purchase of Equipment, Due in Four Annual Principal Installments of \$21,250, Plus Interest at 4.80%	63,750
Installment Purchase of Vehicles and Equipment, Due in Three Annual Installments of \$58,221, Includes Interest at 4.45%	105,191
Estimated Landfill Postclosure Costs for County Landfill Site	859,138
Accumulated Compensated Absences Payable	<u>533,103</u>
Total	<u>\$ 4,884,220</u>

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2007:

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 5 - General Long-term Debt (Concluded)

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2008	\$ 603,216	\$ 118,258	\$ 721,474
2009	719,909	143,126	863,035
2010	690,109	113,636	803,745
2011	340,989	88,722	429,711
2012	353,926	75,785	429,711
2013-2017	1,544,806	111,528	1,656,334
2018-2021	98,162	7,344	105,506
Compensated Absences	<u>533,103</u>	<u>0</u>	<u>533,103</u>
Totals	<u>\$ 4,884,220</u>	<u>\$ 658,399</u>	<u>\$ 5,542,619</u>

Interest expense during 2007 on general long-term debt totaled \$71,118, none of which was capitalized.

Local Option Gas Tax Revenue Note, Series 2003

On June 2, 2003, the County adopted Resolution No. 03-08 authorizing the issuance of the County's \$2,000,000 Local Option Gas Tax Revenue Note, Series 2003 (the Note). Per the Resolution, the proceeds of the Note were to be used to finance costs of road maintenance, replacement, improvement and construction of roadways in Bradford County, and refund the outstanding balance of Local Option Gas Tax Revenue Note, Series 1999.

Payment of principal and interest at 4.32% is due semiannually on November 1 and May 1 through May 1, 2010.

The Note is secured by a pledge of the County's six-cent local option gas tax revenues. The Note may be prepaid in whole or part without penalty or fee.

The Note resolution required the establishment of the following accounts:

- **The Project Account**—to receive the Note proceeds and pay the costs of the project.
- **The Sinking Fund**—to accumulate sufficient funds to meet current semiannual debt service requirements of the Note.

Local Option Gas Tax Revenue Note, Series 2003

The following schedule shows the gross debt service on the Note:

<u>Year Ending September 30</u>	<u>Principal Maturities</u>	<u>Interest Payment</u>	<u>Gross Debt Service</u>
2008	\$ 296,657	\$ 37,482	\$ 334,139
2009	309,887	24,253	334,140
2010	<u>320,310</u>	<u>10,531</u>	<u>330,841</u>
Totals	<u>\$ 926,854</u>	<u>\$ 72,266</u>	<u>\$ 999,120</u>

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 6 - Grants

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

- Small County Outreach Program
- Small County Road Assistance Program
- Department of Justice Grants
- State Housing Initiative Partnership (S.H.I.P.) Grants
- Hurricane Housing Recovery Program

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, 2007, 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 7 - Interfund Balances and Transfers

Interfund balances at September 30, 2007, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Funds	Other Governmental Funds	
General Fund	Clerk - Operations	\$ 88,609
	Property Appraiser - Operations	32,780
	Tax Collector - Operations	15,417
	Agency Funds	
	Clerk - Special Fine and Forfeiture	16,096
	Tax Collector - Taxes	23,553
Fine and Forfeitures	Clerk - Special Fine and Forfeiture	4,053
	Sheriff - Individual Depositors	2,700
	Sheriff - Suspense	24
	Tax Collector - Taxes	6,370
Major Funds	Major Funds	
Fines and Forfeitures	Sheriff Operations	14,412
	Other Governmental Funds	
Sheriff Operations	Sheriff - Inmate Welfare	23,463
Other Governmental Funds	Agency Funds	
Eighth Circuit Court	Clerk - Trust	3,162
Court Facility	Clerk - Special Fine and Forfeitures	14,691
Solid Waste	Tax Collector - Taxes	1,413
Sheriff Inmate Welfare	Sheriff - Inmate Trust	1,217
	Other Governmental Funds	
Emergency Medical Service	Tax Collector - Operations	586
Agency Funds	Agency Funds	
Clerk - Special Fine and Forfeiture	Clerk - Alimony and Support	12,699
Total		\$ 261,245

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 7 - Interfund Balances and Transfers (Concluded)

Sheriff Operations, Clerk of the Circuit Court Operations, Property Appraiser Operations and Tax Collector Operations payables represent those Constitutional Officer's 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.

<u>Fund Receiving Transfer</u>	<u>Amount</u>	<u>Fund Sending Transfer</u>
Major Funds		Other Governmental Funds
General Fund	\$ 100,000	One-cent Sales Tax
General Fund	32,780	Property Appraiser - Operations
General Fund	15,417	Tax Collector - Operations
General Fund		Clerk of the Circuit
	92,587	Court - Operations
Fines and Forfeitures	75,000	One-cent Sales Tax
Transportation Trust	909,825	One-cent Sales Tax
Transportation Trust	18,500	Road Projects
Major Funds		Major Funds
Transportation Trust	45,174	General Fund
S.H.I.P.	43,609	General Fund
Fines and Forfeitures	1,597,298	General Fund
Fines and Forfeitures	1,402	Sheriff Operations
Sheriff Operations	4,508,762	Fines and Forfeitures
Sheriff Operations	98,939	General Fund
Other Governmental Funds		Other Governmental Funds
Eighth Circuit Court	30,000	Court Facility
Library Project	300,000	One-cent Sales Tax
Other Governmental Funds		Major Funds
Public Library	407,095	General Fund
Eighth Circuit Court	346,562	General Fund
Emergency Medical Services	212,119	General Fund
Mosquito Control	29,597	General Fund
Property Appraiser Operations	524,896	General Fund
Clerk of the Circuit Court Operations	550,000	General Fund
Supervisor of Elections Operations	338,814	General Fund
		Other Governmental Funds
Solid Waste	788	Tax Collector - Operations
Total	<u>\$ 10,279,164</u>	

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

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 8 - Fund Equity

The following funds had a portion of fund equity reserved at September 30, 2007:

Major Funds

General Fund:	
Reserved for Dori Slosberg Program	\$ 88,091
Reserved for Intergovernmental Communications	148,922
Reserved for Prepaid Expenses	71,365
Transportation Trust:	
Reserved for Transportation	1,944,747
Fines and Forfeitures:	
Reserved for Law Enforcement	85,567

Nonmajor Funds

Tourist Development:	
Reserved for Tourist Development	26,371
Eighth Circuit Court:	
Reserved for Technology	58,237
Emergency Medical Service:	
Reserved for Wireless Activities	41,655
Court Facility:	
Reserved for Law Library	358,794
Court Operations:	
Reserved for Court Operations	112
Hurricane Housing Recovery:	
Reserved for Housing Assistance	170,883
Records Modernization:	
Reserved for Records Modernization	103,129
Supervisor of Elections:	
Reserved for Grants	4,287
Road Projects Sinking Reserve:	
Reserved for Debt Service	257,773
Landfill Closure Escrow:	
Reserved for Landfill Postclosure	362,055
Road Projects:	
Reserved for Capital Projects	22,235
Library Project:	
Reserved for New Library Building	18,940
Fiscally Constrained:	
Reserved for Capital Projects	647,683

The following fund had a portion of fund equity designated at September 30, 2007:

Nonmajor Fund

Solid Waste:	
Designated for Solid Waste	\$ 1,547,539

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 9 - Defined Benefit Pension Plan

All full-time employees of the County participate in the Florida Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the state of Florida. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

The Board of County Commissioners, Constitutional Officers, and all full-time employees are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 62, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the County are required to contribute 9.85 % of the compensation for regular members, 20.92% for special risk members, and 16.53 % for elected County officials.

The County's contributions to the System for the years ended September 30, 2007, 2006, and 2005, were \$968,920, \$801,181 and \$711,711, respectively, equal to the required contributions for each year.

Note 10 - 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 nine years. Although these postclosure care costs will be paid at future dates, the County has recorded a liability at September 30, 2007, for the entire estimated cost of these activities (in 2007 dollars).

Total current cost of remaining postclosure care at the State Road 100 landfill site is estimated to be \$95,460 annually, or \$859,138 total. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Furthermore, after five years, the County can petition FDEP for a reduction in the monitoring activities, which could reduce the future annual cost.

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

Note 10 - Postclosure Care Cost (Concluded)

At September 30, 2007, \$362,055 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 11 - 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 12 - 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 13 - Commitments

At September 30, 2007, the County had entered into agreements for the following road improvements:

<u>Project</u>	<u>Total Agreement</u>	<u>Amount Expended Through 9/30/07</u>
Resurfacing of County Road N.E. 17 th Avenue and N.W. 173 rd Street	\$ 400,800	\$ 45,227
Sally Port – Courthouse Addition	458,035	39,663
Construction of New Library Building	2,946,511	2,912,760

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Continued)

Note 14 - Restatement of Fund Balances

A new fund, the Hurricane Housing Recovery Fund (a nonmajor special revenue fund) was established during fiscal year 2007. Beginning fund balance of \$88,053 was transferred from the S.H.I.P. Fund (a major fund) to the Hurricane Housing Recovery Fund as of October 1, 2006.

Note 15 - Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances, total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds” report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as “depreciation expense.” The details of this \$2,930,908 difference are as follows:

Capital Outlay	\$ 5,258,442
Depreciation Expense	<u>(2,327,534)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 2,930,908</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The details of this (\$1,622,549) difference are as follows:

Principal Retirement	\$ 372,188
Installment Loan Proceeds	(2,000,000)
Increase in Compensated Absences	(58,984)
Landfill Postclosure Costs	67,656
Increase in Accrued Interest	<u>(3,409)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ (1,622,549)</u>

Note 16 - Subsequent Event

Constitutional Property Tax Reform Amendment

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 and \$75,000, except for

NOTES TO FINANCIAL STATEMENTS
BRADFORD COUNTY, FLORIDA
(Concluded)

Note 16 - Subsequent Event (Concluded)

Constitutional Property Tax Reform Amendment (Concluded)

school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to 3% or the percentage change in the Consumer Price Index, whichever is less.

With respect to nonhomestead property, Amendment 1 limits (caps) the annual increase in assessed value for nonhomestead property (businesses, industrial property, rental property, second homes, etc.) to 10%, except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1, as approved on January 29, 2008, became effective retroactively to January 1, 2008.

Based on information developed from the State of Florida Revenue Estimating Conference, the estimated annual loss of revenues for Bradford County from the impact of Amendment 1 is approximately \$813,000.

ACCOMPANYING INFORMATION

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA**

Board of County Commissioners Special Revenue Funds

	Tourist Development	One-Cent Sales Tax	CDBG	Public Library	Eighth Circuit Court
Assets					
Cash Deposits	\$ 20,583	\$ 1,504,673		\$ 748,966	\$ 209,983
Accounts Receivable					941
Due from Other Funds					3,162
Due from Other Governments	9,802	293,608			
Total Assets	30,385	1,798,281	\$ 0	748,966	214,086
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	4,014			30,973	37,472
Due to Other Funds					
Due to Other Governments					
Deferred Revenue				626,408	
Total Liabilities	4,014	0	0	657,381	37,472
Fund Balance					
Reserved	26,371				58,237
Unreserved - Designated					
Unreserved - Undesignated, Special Revenue Funds		1,798,281		91,585	118,377
Unreserved - Undesignated, Debt Service Funds					
Total Fund Balances	26,371	1,798,281	0	91,585	176,614
Total Liabilities and Fund Balances	\$ 30,385	\$ 1,798,281	\$ 0	\$ 748,966	\$ 214,086

Board of County Commissioners Special Revenue Funds

Emergency Medical Service	Mosquito Control	Solid Waste	Criminal Justice	Court Facility	Traffic Fines	Court Operations	Hurricane Housing Recovery
\$ 796,931	\$ 83,475	\$ 1,578,985	\$ 556,612	\$ 344,103	\$ 320,869	\$ 112	\$ 170,883
207,288		32,384					
586		1,413		14,691			
16,309							
<u>1,021,114</u>	<u>83,475</u>	<u>1,612,782</u>	<u>556,612</u>	<u>358,794</u>	<u>320,869</u>	<u>112</u>	<u>170,883</u>
9,266	8,655	65,243	44,092				
301,449							
<u>310,715</u>	<u>8,655</u>	<u>65,243</u>	<u>44,092</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
41,655				358,794		112	170,883
		1,547,539					
668,744	74,820		512,520		320,869		
<u>710,399</u>	<u>74,820</u>	<u>1,547,539</u>	<u>512,520</u>	<u>358,794</u>	<u>320,869</u>	<u>112</u>	<u>170,883</u>
<u>\$ 1,021,114</u>	<u>\$ 83,475</u>	<u>\$ 1,612,782</u>	<u>\$ 556,612</u>	<u>\$ 358,794</u>	<u>\$ 320,869</u>	<u>\$ 112</u>	<u>\$ 170,883</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA
(Continued)**

	Constitutional Officers Special Revenue Funds			
	Clerk of the Circuit Court Operations	Clerk of the Circuit Court Fine and Forfeiture	Clerk of the Circuit Court Records Modernization	Sheriff Education and Public Service
Assets				
Cash Deposits	\$ 93,638	\$ 7,449	\$ 103,129	\$ 27,740
Accounts Receivable		65		
Due from Other Funds				
Due from Other Governments		7,145		
Total Assets	<u>93,638</u>	<u>14,659</u>	<u>103,129</u>	<u>27,740</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	5,029			
Due to Other Funds	88,609			
Due to Other Governments		14,659		
Deferred Revenue				
Total Liabilities	<u>93,638</u>	<u>14,659</u>	<u>0</u>	<u>0</u>
Fund Balance				
Reserved			103,129	
Unreserved - Designated				
Unreserved - Undesignated, Special Revenue Funds				27,740
Unreserved - Undesignated, Debt Service Funds				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>103,129</u>	<u>27,740</u>
Total Liabilities and Fund Balances	<u>\$ 93,638</u>	<u>\$ 14,659</u>	<u>\$ 103,129</u>	<u>\$ 27,740</u>

Constitutional Officers Special Revenue Funds				Board of County Commissioners Debt Service Funds		
Sheriff Inmate Welfare	Property Appraiser Operations	Tax Collector Operations	Supervisor of Elections Operations	Road Projects Sinking Reserve	Public Safety Complex Sinking Reserve	Public Safety Complex Reserve
\$ 101,020 7,898 1,217	\$ 33,360	\$ 16,116 301	\$ 34,287	\$ 257,773	\$ 849,396	\$ 619,984
<u>110,135</u>	<u>33,360</u>	<u>16,417</u>	<u>\$ 34,287</u>	<u>257,773</u>	<u>849,396</u>	<u>619,984</u>
23,463	32,780 580	16,205 212	30,000	0	0	0
<u>23,463</u>	<u>33,360</u>	<u>16,417</u>	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
86,672	0	0	4,287	257,773	849,396	619,984
<u>86,672</u>	<u>0</u>	<u>0</u>	<u>4,287</u>	<u>257,773</u>	<u>849,396</u>	<u>619,984</u>
<u>\$ 110,135</u>	<u>\$ 33,360</u>	<u>\$ 16,417</u>	<u>\$ 34,287</u>	<u>\$ 257,773</u>	<u>\$ 849,396</u>	<u>\$ 619,984</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA
(Concluded)**

Board of County Commissioners Capital Projects Funds

	Landfill Closure Escrow	Road Projects	Library Project	Fiscally Constrained	Totals
Assets					
Cash Deposits	\$ 362,055	\$ 22,235	\$ 124,176	\$ 590,671	\$ 9,579,204
Accounts Receivable					248,877
Due from Other Funds					21,069
Due from Other Governments			150,000	58,871	535,735
Total Assets	362,055	22,235	274,176	649,542	10,384,885
Liabilities and Fund Balances					
Liabilities					
Accounts Payable			255,236	1,859	491,839
Due to Other Funds					161,057
Due to Other Governments					15,451
Deferred Revenue					927,857
Total Liabilities	0	0	255,236	1,859	1,596,204
Fund Balance					
Reserved	362,055	22,235	18,940	647,683	2,072,154
Unreserved - Designated					1,547,539
Unreserved - Undesignated, Special Revenue Funds					3,699,608
Unreserved - Undesignated, Debt Service Funds					1,469,380
Total Fund Balances	362,055	22,235	18,940	647,683	8,788,681
Total Liabilities and Fund Balances	\$ 362,055	\$ 22,235	\$ 274,176	\$ 649,542	\$ 10,384,885

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA**

	Board of County Commissioners Special Revenue Funds				
	Tourist Development	One-Cent Sales Tax	CDBG	Public Library	Eighth Circuit Court
Revenues					
Taxes	\$ 81,762	\$ 1,725,112			
Intergovernmental			\$ 111,309	\$ 109,419	
Charges for Services					\$ 49,672
Fines and Forfeitures					
Miscellaneous	28,740	25,433	160	50,313	15,995
Total Revenues	110,502	1,750,545	111,469	159,732	65,667
Expenditures					
Current:					
General Government					
Public Safety					
Physical Environment					
Transportation					
Economic Environment	56,097		111,469		
Culture and Recreation				536,038	
Court-related					415,132
Intergovernmental					
Debt Service:					
Principal Retirement	18,781				
Interest	14,419				
(Total Expenditures)	(89,297)	0	(111,469)	(536,038)	(415,132)
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,205	1,750,545	0	(376,306)	(349,465)
Other Financing Sources (Uses)					
Proceeds from Installment Note					
Transfers in				407,095	376,562
Transfers (out)		(1,384,825)			
Total Other Financing Sources (Uses)	0	(1,384,825)	0	407,095	376,562
Net Change in Fund Balances	21,205	365,720	0	30,789	27,097
Fund Balances (as Restated), Beginning of Year	5,166	1,432,561	0	60,796	149,517
Fund Balances, End of Year	\$ 26,371	\$ 1,798,281	\$ 0	\$ 91,585	\$ 176,614

Board of County Commissioners Special Revenue Funds

Emergency Medical Service	Mosquito Control	Solid Waste	Criminal Justice	Court Facility	Traffic Fines	Court Operation	Hurricane Housing Recovery
\$ 144,866							
190,592	\$ 37,000	\$ 191,176	\$ 250,000				\$ 405,963
1,326,842		457,910		\$ 199,919			
20,145	3,438	762,597	30,441	10,319	\$ 10,016	\$ 2	8,484
1,682,445	40,438	1,411,683	280,441	210,238	10,016	2	414,447
			290,440				
1,624,545	43,905	1,343,082					331,617
(1,624,545)	(43,905)	(1,343,082)	(290,440)	0	0	0	(331,617)
57,900	(3,467)	68,601	(9,999)	210,238	10,016	2	82,830
212,119	29,597	788		(30,000)			
212,119	29,597	788	0	(30,000)	0	0	0
270,019	26,130	69,389	(9,999)	180,238	10,016	2	82,830
440,380	48,690	1,478,150	522,519	178,556	310,853	110	88,053
\$ 710,399	\$ 74,820	\$ 1,547,539	\$ 512,520	\$ 358,794	\$ 320,869	\$ 112	\$ 170,883

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA
(Continued)**

	Constitutional Officers Special Revenue Funds			
	Clerk of the Circuit Court Operations	Clerk of the Circuit Court Fines and Forfeitures	Clerk of the Circuit Court Records Modernization	Sheriff Education and Public Service
Revenues				
Taxes				
Intergovernmental	\$ 83,545	\$ 31,184		
Charges for Services	178,291	778,099	\$ 63,042	
Fines and Forfeitures		149,935		
Miscellaneous	17,921	2,890	7,371	\$ 32,352
Total Revenues	<u>279,757</u>	<u>962,108</u>	<u>70,413</u>	<u>32,352</u>
Expenditures				
Current:				
General Government	541,101			
Public Safety				21,910
Physical Environment				
Transportation				
Economic Environment				
Culture and Recreation				
Court-related	196,069	607,329	44,988	
Intergovernmental		354,779		
Debt Service:				
Principal Retirement				
Interest				
(Total Expenditures)	<u>(737,170)</u>	<u>(962,108)</u>	<u>(44,988)</u>	<u>(21,910)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(457,413)</u>	<u>0</u>	<u>25,425</u>	<u>10,442</u>
Other Financing Sources (Uses)				
Proceeds from Installment Note				
Transfers in	550,000			
Transfers (out)	(92,587)			
Total Other Financing Sources (Uses)	<u>457,413</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	25,425	10,442
Fund Balances (as Restated), Beginning of Year	<u>0</u>	<u>0</u>	<u>77,704</u>	<u>17,298</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 103,129</u>	<u>\$ 27,740</u>

<u>Constitutional Officers Special Revenue Funds</u>				<u>Board of County Commissioners Debt Service Funds</u>		
<u>Sheriff Inmate Welfare</u>	<u>Property Appraiser Operations</u>	<u>Tax Collector Operations</u>	<u>Supervisor of Elections Operations</u>	<u>Road Projects Sinking Reserve</u>	<u>Public Safety Complex Sinking Reserve</u>	<u>Public Safety Complex Reserve</u>
			\$ 4,287			
	\$ 13,270	\$ 603,119				
\$ 90,389	14,481	9,608		\$ 6,899	\$ 50,750	\$ 39,970
90,389	27,751	612,727	4,287	6,899	50,750	39,970
	519,867	596,522	338,814			
181,888						
(181,888)	(519,867)	(596,522)	(338,814)	0	0	0
(91,499)	(492,116)	16,205	(334,527)	6,899	50,750	39,970
	524,896		338,814			
	(32,780)	(16,205)				
0	492,116	(16,205)	338,814	0	0	0
(91,499)	0	0	4,287	6,899	50,750	39,970
178,171	0	0	0	250,874	798,646	580,014
\$ 86,672	\$ 0	\$ 0	\$ 4,287	\$ 257,773	\$ 849,396	\$ 619,984

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA
(Concluded)**

Board of County Commissioners Capital Projects Funds

	<u>Landfill Closure Escrow</u>	<u>Road Projects</u>	<u>Library Project</u>	<u>Fiscally Constrained</u>	<u>Totals</u>
Revenues					
Taxes					\$ 1,951,740
Intergovernmental			\$ 300,000	\$ 667,617	2,382,092
Charges for Services					3,670,164
Fines and Forfeitures					149,935
Miscellaneous	\$ 18,837	\$ 330	91,154	14,574	1,363,609
Total Revenues	<u>18,837</u>	<u>330</u>	<u>391,154</u>	<u>682,191</u>	<u>9,517,540</u>
Expenditures					
Current:					
General Government					2,286,744
Public Safety					1,828,343
Physical Environment					1,386,987
Transportation				197,568	197,568
Economic Environment					499,183
Culture and Recreation			2,924,811		3,460,849
Court-related					1,263,518
Intergovernmental					354,779
Debt Service:					
Principal Retirement					18,781
Interest					14,419
(Total Expenditures)	<u>0</u>	<u>0</u>	<u>(2,924,811)</u>	<u>(197,568)</u>	<u>(11,311,171)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,837</u>	<u>330</u>	<u>(2,533,657)</u>	<u>484,623</u>	<u>(1,793,631)</u>
Other Financing Sources (Uses)					
Proceeds from Installment Note			2,000,000		2,000,000
Transfers in			300,000		2,739,871
Transfers (out)		(18,500)			(1,574,897)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(18,500)</u>	<u>2,300,000</u>	<u>0</u>	<u>3,164,974</u>
Net Change in Fund Balances	18,837	(18,170)	(233,657)	484,623	1,371,343
Fund Balances (as Restated), Beginning of Year	343,218	40,405	252,597	163,060	7,417,338
Fund Balances, End of Year	<u>\$ 362,055</u>	<u>\$ 22,235</u>	<u>\$ 18,940</u>	<u>\$ 647,683</u>	<u>\$ 8,788,681</u>

**COMBINING STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
SEPTEMBER 30, 2007
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	\$ 21,965	\$ 25,020	\$ 10,855	\$ 78,561	\$ 58,300
Due from Individuals			1,844		
Due from Other Funds				12,699	
Total Assets	<u>21,965</u>	<u>25,020</u>	<u>12,699</u>	<u>91,260</u>	<u>58,300</u>
Liabilities					
Accounts Payable					
Due to Other Funds		3,162	12,699	34,840	
Due to Other Governments		13,037		49,791	
Deposits	21,965	8,821		6,629	58,300
Total Liabilities	<u>\$ 21,965</u>	<u>\$ 25,020</u>	<u>\$ 12,699</u>	<u>\$ 91,260</u>	<u>\$ 58,300</u>

Tax Collector	Sheriff			
Taxes	Individual Depositors	Suspense	Inmate Trust	Total
\$ 324,412	\$ 2,910	\$ 24	\$ 15,960	\$ 538,007
				1,844
				12,699
<u>324,412</u>	<u>2,910</u>	<u>24</u>	<u>15,960</u>	<u>552,550</u>
			5,136	5,136
31,134	2,700	24	1,217	85,776
293,278				356,106
	210		9,607	105,532
<u>\$ 324,412</u>	<u>\$ 2,910</u>	<u>\$ 24</u>	<u>\$ 15,960</u>	<u>\$ 552,550</u>

OTHER INFORMATION

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA**

<u>State Grantor/Program Title</u>	<u>Number</u>	<u>CSFA Grantor Number</u>	<u>Expenditures</u>
State Financial Assistance			
State Courts System			
Small County Courthouse Facilities	22.004		\$ 250,000
State of Florida Department of Environmental Protection			
Small County Consolidated Grant	37.012	SC702	191,176
State of Florida Department of Agriculture and Consumer Services			
Mosquito Control	42.003		37,000
State of Florida Department of State			
Public Library Construction	45.020	06-PLC-01	300,000
State Aid to Libraries	45.030	07-ST-42	95,045
State of Florida Department of Community Affairs			
Emergency Management Preparedness	52.008	07-BG-04-03-14-01-204	102,959
Hazard Analysis	52.023	07-CP-11-03-14-01-039	1,422
Florida Housing Finance Corporation			
State Housing Initiatives Partnership	52.901		520,384
Hurricane Recovery	52.902		331,618
State of Florida Department of Transportation			
Small County Outreach Program	55.009	418643-5-58-01	178,210
Small County Outreach Program	55.009	406812-4-58-01	1,359,051
Small County Road Assistance Program	55.016	207978-2-58-01	278,512
Small County Road Assistance Program	55.016	413355-1-58-01	136,459
Small County Road Assistance Program	55.016	211471-3-58-01	54,917
Small County Road Assistance Program	55.016	211524-2-58-01	24,187
State of Florida Department of Health			
EMS Matching Grant	64.003	M5033	67,500
County Award	64.005	C5004	23,717
State of Florida Department of Management Services			
Wireless 911 Emergency Telephone	72.001		12,500
Wireless 911 Emergency Telephone	72.001		<u>24,000</u>
Total State Financial Assistance			<u>\$ 3,988,657</u>

The schedule of expenditures of state financial assistance was prepared on the modified accrual basis of accounting.

**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 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, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 01-07 to be a significant deficiency in internal control over financial reporting. Other significant deficiencies are described in the audit reports of the Clerk of the Circuit Court, Sheriff, Tax Collector and Property Appraiser.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Certified Public Accountants

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

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

**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*)

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

We noted certain matters that we have reported to management of the County in a separate letter dated April 25, 2008.

The County's response to the findings identified in our audit is described in the accompanying management's response. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Bradford County Board of County Commissioners, management, the Florida Auditor General, and specific legislative or regulatory bodies, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR STATE FINANCIAL ASSISTANCE PROJECT AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE FLORIDA
DEPARTMENT OF FINANCIAL SERVICES, STATE
PROJECTS COMPLIANCE SUPPLEMENT**

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

Compliance

We have audited the compliance of Bradford County, Florida (the County) with the types of compliance requirements described in the Florida Department of Financial Services, State Projects Compliance Supplement that is applicable to each of its major state projects for the year ended September 30, 2007. The County's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state projects is the responsibility of the County's management. Our responsibility is to express an opinion on County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Chapter 691-5, *Rules of the Florida Department of Financial Services* and Chapter 10.550, *Rules of the Auditor General*. Those standards and rules 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major state projects for the year ended September 30, 2007.

Internal Control Over Compliance

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

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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

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR STATE FINANCIAL ASSISTANCE PROJECT AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE FLORIDA
DEPARTMENT OF FINANCIAL SERVICES, STATE
PROJECTS COMPLIANCE SUPPLEMENT
(Concluded)**

Internal Control Over Compliance (Concluded)

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state project will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the Bradford County Board of County Commissioners, management, the Florida Auditor General, and specific legislative or regulatory bodies, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA**

PART A - SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the financial statements of Bradford County, Florida.
2. A significant deficiency in internal control was disclosed by the audit. The significant deficiency was considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of Bradford County, Florida were disclosed during the audit.
4. No significant deficiencies relating to internal control and compliance over major state financial assistance projects were disclosed.
5. The auditors' report on compliance for the major state financial assistance projects for Bradford County, Florida expresses an unqualified opinion.
6. No audit findings were disclosed relative to the major state financial assistance projects for Bradford County, Florida.
7. The projects tested as major state projects were as follows:
 - **State Projects**
 - State of Florida Department of Transportation:
 - ▶ Small County Outreach Program, CSFA No. 55.009
 - ▶ Florida Housing Finance Corporation:
 - State Housing Initiatives Partnership, CSFA No. 52.901
 - Hurricane Housing Recovery, CSFA No. 52.902
8. The threshold for distinguishing Type A and Type B projects was \$300,000 for major state financial assistance projects.
9. Low-risk auditee as that term is defined in OMB Circular A-133 does not apply.

PART B - FINDINGS - FINANCIAL STATEMENTS

**Finding
Number**

Board of County Commissioners

Finding

01-07 Emergency Medical Services Department

Condition: Because of a limited number of available personnel, it was not always possible to adequately segregate 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.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY, FLORIDA
(Concluded)**

PART B - FINDINGS - FINANCIAL STATEMENTS (Concluded)

**Finding
Number**

Board of County Commissioners

Finding

01-07 Emergency Medical Services Department (Concluded)

Criteria: Separation of incompatible duties provides increased assurance that errors or 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 for extended periods of time.

Recommendation: We recommend that incompatible duties be separated among employees where practicable.

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

1. Not applicable.

PART D - FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

1. No matters were reported.

PART E - OTHER ISSUES

1. No summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs or state projects.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.

MANAGEMENT LETTER

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

We have audited the financial statements of Bradford County, Florida (the County) as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated April 25, 2008.

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. We have issued our report on compliance and internal control over financial reporting, report on compliance and internal control over compliance applicable to each major state project, and the schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated April 25, 2008, 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 report of the Sheriff.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information:

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

Prior Year Finding and Recommendation

Emergency Medical Services Department

Condition—The outstanding accounts receivable balance for ambulance billings totaled \$3,035,392 at September 30, 2007. This amount includes receivable balances for the current year and several preceding years; \$1,405,429 of this balance was over two years old.

Criteria—A complete listing of inactive accounts receivable balances had not been prepared and submitted to the Board for further collection efforts or for write-off approval.

Certified Public Accountants

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MANAGEMENT LETTER
(Continued)

Prior Year Finding and Recommendation (Concluded)

Emergency Medical Services Department (Concluded)

Effect—The collection of inactive accounts receivable balances might be improved through the use of a collection agency.

Recommendation—We recommend that a complete listing of inactive accounts receivable balances over one year old be prepared and submitted to the Board for further collection effort and for write-off approval.

- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the County complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we report the following recommendations:

Journal Entries

Condition—One employee prepared and entered the majority of journal entries into the accounting system. Review and approval of journal entries by another employee was not required.

Effect—The requirement to have another employee review and approve journal entries before they are entered into the accounting system could identify improper or unauthorized journal entries.

Recommendation—We recommend having another employee review and approve journal entries prior to entering them into the accounting system.

Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting for Other Postemployment Benefits

Condition—The County will be required to implement the provisions of GASB Statement No. 45 no later than the year ended September 30, 2009, although earlier implementation is permitted. GASB Statement No. 45 requires recognition in the financial statements of the cost of certain postemployment benefits (OPEB) such as postemployment health insurance.

Effect—The County will recognize an annual expense related to current service for future (postemployment) benefits which will be based upon actuarial analysis. No actuarial analysis has been prepared to-date, therefore the County does not know the amount of the unfunded actuarial liability for postemployment benefits.

Recommendation—We recommend the County retain an actuary to perform calculations related to its OPEB liability.

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

MANAGEMENT LETTER
(Concluded)

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *Rules of the Auditor General*, requires, based upon professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial affect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial affect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The County was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units included with the County's financial statements.
- Section 10.554(1)(i)7.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the County for the fiscal year ended September 30, 2007, 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, 2007. In connection with our audit, we determined that these two reports were in agreement.
- Sections 10.554(1)(i)7.c. and 10.556(7), *Rules of the Auditor General*, require that we apply financial condition assessment procedures. In connection with our audit, 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.

This management letter is intended solely for the information and use of the County, management and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida



BOARD OF COUNTY COMMISSIONERS BRADFORD COUNTY, FLORIDA

May 5, 2008

Ross Chandler
Chairman
District I

John Cooper
Vice-Chairman
District III

Doyle Thomas
Commissioner
District II

John Wayne Hersey
Commissioner
District IV

Eddie J. Lewis
Commissioner
District V

To Whom It May Concern:

The following is the Bradford County Board of County Commissioners' response to the audit comments included in fiscal year ending September 30, 2007:

1. **Comment:** Lack of separation of duties within the Emergency Medical Services Department.

Response: Due to the limited number of personnel working within the Emergency Medical Services Department, certain duties are not adequately segregated. There is a continuing effort to improve checks and balances.

2. **Comment:** The outstanding accounts receivable balance for ambulance billings totaled \$3,035,392 at September 30, 2007. This amount includes receivable balances for the current year and several preceding years.

Response: Bradford County Emergency Services will develop a system and criteria to determine the accounts to be written-off not less than quarterly. In addition, we will continue to look at the option for a collection agency to assist in the collection of delinquent accounts.

3. **Comment:** One Employee prepared and entered the majority of journal entries into the accounting system.

Response: Bradford County is limited in the number of available personnel to perform duties. We will establish a policy for a second person to review and sign off on journal entries.

4. **Comment:** Bradford County will be required to implement GASB Statement No. 45 no later than September 30, 2009.

Response: Bradford County will retain an actuary to perform the calculations related to it OPEB liability.

Should you have any questions concerning these matters, please feel free to contact me at 904-966-6280.

Sincerely,

Ray Norman
Clerk to the Board

RN/jf

cc: File

BOARD OF COUNTY COMMISSIONERS BRADFORD COUNTY, FLORIDA

AFFIDAVIT

Ross Chandler
Chairman
District I

BEFORE ME, the undersigned authority, personally appeared Ray Norman, Bradford

County Clerk of Courts, who being duly sworn, deposes and says on oath that:

John Cooper
Vice-Chairman
District III


1. Bradford County is a political subdivision of the State of Florida; and
2. On May 17, 2007, Bradford County adopted Ordinance No. 07-15 implementing an impact fee to provide capital improvements to roads.
3. On May 17, 2007, Bradford County adopted Ordinance No. 07-16 implementing an impact fee to provide capital improvements for fire protection services.
4. On May 17, 2007, Bradford County adopted Ordinance No. 07-17 implementing an impact fee to provide capital improvements for law enforcement.
5. On May 17, 2007, Bradford County adopted Ordinance No. 07-18 implementing an impact fee to provide capital improvements to parks.
6. On May 17, 2008, Bradford County adopted Ordinance No. 07-19 implementing an impact fee to provide for public buildings.
7. On May 17, 2008, Bradford County adopted Ordinance No. 07-20 implementing an impact fee to provide capital improvements for Bradford County Emergency Medical Services.
8. On May 17, 2008, Bradford County adopted Ordinance No. 07-21 implementing an impact fee to provide capital improvements to library facilities.
9. Bradford County complied with Section 163.31801, F.S. Parts (3)(a) through (d) when adopting the ordinances.

Doyle Thomas
Commissioner
District II

John Wayne Hersey
Commissioner
District IV

Eddie J. Lewis
Commissioner
District V

FURTHER AFFIANT SAYETH NAUGHT.



 RAY NORMAN, CLERK TO THE BOARD

STATE OF FLORIDA
COUNTY OF BRADFORD

The foregoing instrument was acknowledged before me this 28th day of April 2008 by Ray Norman, who is personally known to me.



 NOTARY PUBLIC-STATE OF FLORIDA



Marlene K. Stafford
MY COMMISSION # DD415602 EXPIRES
April 6, 2009
BONDED THRU TROY FAIN INSURANCE, INC.

P. O. Drawer B ~ Starke, FL 32091 ~ Phone: (904) 966-6339 ~ Fax: (904) 966-6256
Email: bocc@bradford-co-fla.org

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

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

SEPTEMBER 30, 2007

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

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

SEPTEMBER 30, 2007

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Special Purpose Financial Statements	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Governmental Funds	5-7
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	8
Notes to Special Purpose Financial Statements	9-12
Other Financial Information	
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds.....	13
Other Reports	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14-16
Management Letter	17-18
Management's Response.....	19

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying special purpose 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, 2007, as listed in the table of contents. These special purpose financial statements are the responsibility of the Clerk's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

As discussed in note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Clerk and are intended to present each major fund and the aggregate remaining fund information of Bradford County, Florida, that is attributable to the transactions of the Clerk. They do not purport to, and do not present fairly the financial position of Bradford County, Florida, as of September 30, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Clerk at September 30, 2007, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 25, 2008, on our consideration of the Clerk's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Clerk, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Fine and Forfeiture Fund</u>	<u>Public Records Fund</u>	
Assets				
Cash	\$ 93,638	\$ 7,449	\$ 103,129	\$ 204,216
Due from State	0	7,145	0	7,145
Due from Individual	0	65	0	65
Total Assets	<u>93,638</u>	<u>14,659</u>	<u>103,129</u>	<u>211,426</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	5,029	0	0	5,029
Due to Board of County Commissioners	88,609	0	0	88,609
Due to State	0	14,659	0	14,659
Total Liabilities	<u>93,638</u>	<u>14,659</u>	<u>0</u>	<u>108,297</u>
 Fund Balances				
Reserved for Records Modernization	<u>0</u>	<u>0</u>	<u>103,129</u>	<u>103,129</u>
Total Liabilities and Fund Balances	<u>\$ 93,638</u>	<u>\$ 14,659</u>	<u>\$ 103,129</u>	<u>\$ 211,426</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	Major Funds			Total Governmental Funds
	General Fund	Fine and Forfeiture Fund	Public Records Fund	
Revenues				
Intergovernmental Revenue	\$ 83,545	\$ 31,184	\$ 0	\$ 114,729
Charges for Services	178,291	778,099	63,042	1,019,432
Fines and Forfeitures	0	149,935	0	149,935
Miscellaneous	17,921	2,890	7,371	28,182
Total Revenues	<u>279,757</u>	<u>962,108</u>	<u>70,413</u>	<u>1,312,278</u>
Expenditures				
Current:				
General Government:				
Personal Services	514,406	0	0	514,406
Operating Expenditures	8,024	0	0	8,024
Capital Outlay	18,671	0	0	18,671
Court-related:				
Personal Services	32,701	577,320	0	610,021
Operating Expenditures	157,913	30,009	26,753	214,675
Capital Outlay	5,455	0	18,235	23,690
(Total Expenditures)	<u>(737,170)</u>	<u>(607,329)</u>	<u>(44,988)</u>	<u>(1,389,487)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(457,413)</u>	<u>354,779</u>	<u>25,425</u>	<u>(77,209)</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners				
	550,000	0	0	550,000
Transfers (out) to Board of County Commissioners				
	(92,587)	0	0	(92,587)
Excess Fees Distributed to Other Government				
	0	(354,779)	0	(354,779)
Total Other Financing Sources (Uses)	<u>457,413</u>	<u>(354,779)</u>	<u>0</u>	<u>102,634</u>
Net Change in Fund Balances	0	0	25,425	25,425
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>77,704</u>	<u>77,704</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 103,129</u>	<u>\$ 103,129</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, 2007
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenue	0	83,545	83,545	0
Charges for Services	\$ 140,650	\$ 172,650	\$ 178,291	5,641
Miscellaneous	18,050	18,050	17,921	(129)
Total Revenues	<u>158,700</u>	<u>274,245</u>	<u>279,757</u>	<u>5,512</u>
Expenditures				
Current:				
General Government:				
Personal Services	497,750	497,750	514,406	(16,656)
Operating Expenditures	26,200	26,200	8,024	18,176
Capital Outlay	35,000	35,000	18,671	16,329
Court-related:				
Personal Services	0	32,705	32,701	4
Operating Expenditures	51,750	135,335	157,913	(22,578)
Capital Outlay	43,000	43,000	5,455	37,545
Reserve for Contingency	55,000	0	0	0
(Total Expenditures)	<u>(708,700)</u>	<u>(769,990)</u>	<u>(737,170)</u>	<u>32,820</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(550,000)</u>	<u>(495,745)</u>	<u>(457,413)</u>	<u>38,332</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	550,000	550,000	550,000	0
Transfers (out) to Board of County Commissioners	0	(54,255)	(92,587)	(38,332)
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>495,745</u>	<u>457,413</u>	<u>(38,332)</u>
Net Change in Fund Balances	0	0	0	0
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, 2007
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	\$ 32,064	\$ 32,064	\$ 31,184	\$ (880)
Charges for Services	681,810	681,810	778,099	96,289
Fines and Forfeitures	140,531	140,531	149,935	9,404
Miscellaneous	0	0	2,890	2,890
Total Revenues	<u>854,405</u>	<u>854,405</u>	<u>962,108</u>	<u>107,703</u>
Expenditures				
Current:				
Court-related:				
Personal Services	650,893	604,497	577,320	27,177
Operating Expenditures	5,413	3,712	30,009	(26,297)
(Total Expenditures)	<u>(656,306)</u>	<u>(608,209)</u>	<u>(607,329)</u>	<u>880</u>
Excess of Revenues Over Expenditures	<u>198,099</u>	<u>246,196</u>	<u>354,779</u>	<u>108,583</u>
Other Financing Sources (Uses)				
Excess Fees Distributed to Other Government	<u>(198,099)</u>	<u>(246,196)</u>	<u>(354,779)</u>	<u>(108,583)</u>
Net Change in Fund Balances	0	0	0	0
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, 2007
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	\$ 66,000	\$ 66,000	\$ 63,042	\$ (2,958)
Miscellaneous	0	0	7,371	7,371
Total Revenues	<u>66,000</u>	<u>66,000</u>	<u>70,413</u>	<u>4,413</u>
Expenditures				
Current:				
Court-related:				
Operating Expenditures	76,000	76,000	26,753	49,247
Capital Outlay	20,000	20,000	18,235	1,765
(Total Expenditures)	<u>(96,000)</u>	<u>(96,000)</u>	<u>(44,988)</u>	<u>51,012</u>
Excess of Revenues Over Expenditures	<u>(30,000)</u>	<u>(30,000)</u>	<u>25,425</u>	<u>55,425</u>
Net Change in Fund Balances	(30,000)	(30,000)	25,425	55,425
Fund Balances, Beginning of Year	<u>30,000</u>	<u>30,000</u>	<u>77,704</u>	<u>47,704</u>
Fund Balances, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 103,129</u></u>	<u><u>\$ 103,129</u></u>

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT

Assets

Cash	\$ 194,701
Due from Individuals	1,844
Due from Other Funds	<u>12,699</u>
Total Assets	<u><u>209,244</u></u>

Liabilities

Due to Other Funds	12,699
Due to Board of County Commissioners	38,002
Due to Other Governments	62,828
Deposits	<u>95,715</u>
Total Liabilities	<u><u>\$ 209,244</u></u>

See accompanying notes to financial statements.

**NOTES TO SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**NOTES TO SPECIAL PURPOSE 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 special purpose 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 special purpose financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

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, the operations of the Clerk are approved and funded from fees and charges authorized under Chapter 2004-265, Laws of Florida. The receipts from the Board 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 general fund are remitted to the Board at year-end. Any excess of revenues over expenditures of the fine and forfeiture fund are remitted to the state of Florida at year-end.

Basis of Presentation

These special purpose financial statements are financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Florida Auditor General. The basic financial statements for the County as a whole, which includes the funds of the Clerk, were prepared in conformity with GAAP. 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 pursuant to Chapter 2004-265, Laws of Florida, to account for court-related revenues and expenditures and are 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 specified purposes.

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

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

Basis of Presentation *(Concluded)*

■ **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 special purpose 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.

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 special purpose 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.

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

Note 1 - Summary of Significant Accounting Policies (Concluded)

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 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.

Reserved Fund Balance

The public records fund reserved fund balance is legally restricted for the public records system of the Clerk's office.

Note 2 - Cash

At September 30, 2007, the carrying amount of the Clerk's deposits was \$398,917 and the bank balance was \$678,109. 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 and are classified as category one credit risk, which means they are insured or collateralized.

Note 3 - Employee Benefits

Defined Benefit Pension Plan

All full-time employees of the Clerk participate in the Florida Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the state of Florida. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

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

Note 3 - Employee Benefits (Concluded)

Defined Benefit Pension Plan (Concluded)

The Clerk and all full-time employees are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 62, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Clerk, are required to contribute 9.85% of the compensation for regular members, 13.12% for senior management and 16.53% for County elected officials.

The Clerk's contributions to the System for the years ended September 30, 2007, 2006 and 2005, were \$88,672, \$70,702 and \$59,082, respectively, equal to the required contributions for each year.

Note 4 - Change in Accumulated Compensated Absences

The following is a summary of the changes in accumulated compensated absences of the Clerk for the year ended September 30, 2007:

	<u>Balance October 1, 2006</u>	<u>Net Additions (Deletions)</u>	<u>Balance September 30, 2007</u>
Accumulated Compensated Absences	\$ 60,191	\$ 2,937	\$ 63,128

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

The Clerk's accumulated compensated absences are reported in the statement of net assets in the County's financial statements.

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, 2007
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	\$ 21,965	\$ 25,020	\$ 10,855	\$ 78,561	\$ 58,300	\$ 194,701
Due from Individuals	0	0	1,844	0	0	1,844
Due from Other Funds	0	0	0	12,699	0	12,699
Total Assets	<u>21,965</u>	<u>25,020</u>	<u>12,699</u>	<u>91,260</u>	<u>58,300</u>	<u>209,244</u>
Liabilities						
Due to Other Funds	0	0	12,699	0	0	12,699
Due to Board of County Commissioners	0	3,162	0	34,840	0	38,002
Due to Other Governments	0	13,037	0	49,791	0	62,828
Deposits	21,965	8,821	0	6,629	58,300	95,715
Total Liabilities	<u>\$ 21,965</u>	<u>\$ 25,020</u>	<u>\$ 12,699</u>	<u>\$ 91,260</u>	<u>\$ 58,300</u>	<u>\$ 209,244</u>

OTHER REPORTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SPECIAL
PURPOSE 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 the special purpose financial statements of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk) as of and for the year ended September 30, 2007, and have issued our report thereon dated April 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Clerk's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Clerk's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Clerk's financial statements that is more than inconsequential will not be prevented or detected by the Clerk's internal control. We consider the deficiency listed below to be a significant deficiency in internal control over financial reporting:

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SPECIAL
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***
(Continued)

Internal Control Over Financial Reporting (*Concluded*)

■ **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.

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 employees where it is feasible to do so.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Clerk's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's special purpose 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*.

The Clerk's response to the findings identified in our audit are described in the accompanying Managements' Response. We did not audit the Clerk's response and, accordingly, we express no opinion on it.

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

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

This report is intended solely for the information and use of the Clerk, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

MANAGEMENT LETTER

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

We have audited the special purpose financial statements of the Bradford County, Florida, Clerk of Court (the Clerk) as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated April 25, 2008.

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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated April 25, 2008, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Clerk complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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

MANAGEMENT LETTER
(Concluded)

- Section 10.554(1)(i)5., *Rules of the Auditor General*, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., *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 special purpose 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.
- Section 10.554(1)(i)8., *Rules of the Auditor General*, requires a statement as to whether or not the Clerk complied with Section 28.35, Florida Statutes, regarding the budget and performance standards certified by the Florida Clerk of Courts Operations Corporation. In connection with our audit, we determined that the Clerk complied with the budget and performance standards pursuant to Section 28.35, Florida Statutes.

This management letter is intended solely for the information and use of the Clerk and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

Ray Norman, Clerk of Courts

Bradford County

945 North Temple Avenue
P.O. Drawer B Starke, FL 32091



904-966-6280
Fax: 904-966-6256

May 5, 2008

To Whom It May Concern:

The following is the Bradford County Clerk of the Circuit Court response to the audit comments included in fiscal year ending September 30, 2007:

1. **Comment:** Separation of duties.

Response: 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.

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

Sincerely,

A handwritten signature in cursive script that reads "Ray Norman".

Ray Norman
Clerk to the Board

RN/lh

cc: File

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

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

SEPTEMBER 30, 2007

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

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

SEPTEMBER 30, 2007

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Special Purpose Financial Statements	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Governmental Fund.....	5
Statement of Fiduciary Assets and Liabilities – Agency Funds	6
Notes to Special Purpose Financial Statements	7-11
Other Financial Information	
Combining Balance Sheet – Nonmajor Governmental Funds – All Special Revenue Funds	12
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – All Special Revenue Funds	13
Combining Statement of Fiduciary Assets and Liabilities – All Agency Funds.....	14
Other Reports	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
Management Letter	17-19
Management's Response	20-21

INDEPENDENT AUDITORS' REPORT

The Honorable Robert Milner
Bradford County Sheriff
Bradford County, Florida

We have audited the accompanying special purpose financial statements of the major fund and aggregate remaining fund information of the Bradford County, Florida, Sheriff (the Sheriff), as of and for the year ended September 30, 2007, as listed in the table of contents. These special purpose financial statements are the responsibility of the Sheriff's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

As discussed in note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Sheriff and are intended to present the major fund and the aggregate remaining fund information of Bradford County, Florida, that is attributable to the transactions of the Sheriff. They do not purport to, and do not present fairly the financial position of Bradford County, Florida, as of September 30, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2007, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for the major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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The Honorable Robert Milner
Bradford County Sheriff
Bradford County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

In accordance with *Government Auditing Standards*, we have also issued a report dated April 25, 2008, on our consideration of the Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Sheriff, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

**NOTES TO SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY SHERIFF**

	<u>Major Fund General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash	\$ 36,851	\$ 128,760	\$ 165,611
Due from Other Governments	38,507	0	38,507
Due from Other Funds	23,463	1,217	24,680
Accounts Receivable	0	7,898	7,898
Total Assets	<u>98,821</u>	<u>137,875</u>	<u>236,696</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	84,409	0	84,409
Due to Board of County Commissioners	14,412	0	14,412
Due to Other Funds	0	23,463	23,463
Total Liabilities	<u>98,821</u>	<u>23,463</u>	<u>122,284</u>
 Fund Balances			
Unreserved	<u>0</u>	<u>114,412</u>	<u>114,412</u>
Total Liabilities and Fund Balances	<u>\$ 98,821</u>	<u>\$ 137,875</u>	<u>\$ 236,696</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY SHERIFF**

	<u>Major Fund General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Intergovernmental Revenues	\$ 105,821	\$ 0	\$ 105,821
Miscellaneous	32,236	122,741	154,977
Total Revenues	<u>138,057</u>	<u>122,741</u>	<u>260,798</u>
Expenditures			
Current:			
Court-related:			
Salaries and Benefits	190,951	0	190,951
Operating Expenditures	12,649	0	12,649
Public Safety:			
Salaries and Benefits	3,318,420	0	3,318,420
Operating Expenditures	1,022,124	203,798	1,225,922
Human Services:			
Salaries and Benefits	60,480	0	60,480
Operating Expenditures	53,380	0	53,380
Capital Outlay	92,799	0	92,799
Debt Service	28,221	0	28,221
(Total Expenditures)	<u>(4,779,024)</u>	<u>(203,798)</u>	<u>(4,982,822)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(4,640,967)</u>	<u>(81,057)</u>	<u>(4,722,024)</u>
Other Financing Sources (Uses)			
Proceeds from Disposal of Fixed Assets	34,668	0	34,668
Transfers in from Board of County Commissioners	4,607,701	0	4,607,701
Transfers (out) to Board of County Commissioners	(1,402)	0	(1,402)
Total Other Financing Sources (Uses)	<u>4,640,967</u>	<u>0</u>	<u>4,640,967</u>
Net Change in Fund Balances	0	(81,057)	(81,057)
Fund Balances, Beginning of Year	<u>0</u>	<u>195,469</u>	<u>195,469</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 114,412</u>	<u>\$ 114,412</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, 2007
BRADFORD COUNTY SHERIFF**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 0	\$ 105,821	\$ 105,821	\$ 0
Miscellaneous	0	32,236	32,236	0
Total Revenues	<u>0</u>	<u>138,057</u>	<u>138,057</u>	<u>0</u>
Expenditures				
Current:				
Court-related:				
Personal Services	116,880	190,951	190,951	0
Operating Expenditures	10,000	12,649	12,649	0
Public Safety:				
Salaries and Benefits	2,869,615	3,318,420	3,318,420	0
Operating Expenditures	555,000	1,022,124	1,022,124	0
Human Services:				
Salaries and Benefits	0	60,480	60,480	0
Operating Expenditures	0	53,380	53,380	0
Capital Outlay	0	92,799	92,799	0
Debt Service	0	28,221	28,221	0
(Total Expenditures)	<u>(3,551,495)</u>	<u>(4,779,024)</u>	<u>(4,779,024)</u>	<u>0</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(3,551,495)</u>	<u>(4,640,967)</u>	<u>(4,640,967)</u>	<u>0</u>
Other Financing Sources (Uses)				
Proceeds from Disposal of Fixed Assets	0	34,668	34,668	0
Transfers in from Board of County				
Commissioners	3,551,495	4,607,701	4,607,701	0
Transfers (out) to Board of County				
Commissioners	0	(1,402)	(1,402)	0
Total Other Financing Sources (Uses)	<u>3,551,495</u>	<u>4,640,967</u>	<u>4,640,967</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, 2007
BRADFORD COUNTY SHERIFF

Assets

Cash	\$ 18,894
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Liabilities

Accounts Payable	5,136
Due to Other Funds	1,217
Due to Board of County Commissioners	2,724
Deposits	<u>9,817</u>

Total Liabilities	<u><u>\$ 18,894</u></u>
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See accompanying notes to financial statements.

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**NOTES TO SPECIAL PURPOSE 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 special purpose 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 special purpose financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

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 special purpose financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

Basis of Presentation

These special purpose financial statements are financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Sheriff, were prepared in conformity with GAAP. The Sheriff utilizes the following fund types:

■ **Governmental Fund**

● **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.

● **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 special purpose 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.

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

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

Basis of Presentation *(Concluded)*

■ **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 special purpose 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.

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 special purpose 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 assets as part of the basic financial statements of the County (statement of net assets). Capital assets acquired under capital leases are capitalized at cost in the statement of net assets at the time the assets are received. Donated and confiscated capital assets are recorded in the statement of net assets 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.

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

Note 1 - Summary of Significant Accounting Policies (Concluded)

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.

Risk Management

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

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

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

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

Note 2 - Cash Deposits

Cash Deposits

At September 30, 2007, the carrying amount of the Sheriff's deposits was \$184,504, and the bank balance was \$327,314. 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 and are classified as category one credit risk, which means they are insured or collateralized.

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

Note 3 - Employee Benefits

Defined Benefit Pension Plan

All full-time employees of the Sheriff participate in the Florida Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the state of Florida. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

The Sheriff and all full-time employees are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 62, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Sheriff, are required to contribute 9.85% of the compensation for regular members, 20.92% for special risk, and 16.53% for County officials. The Sheriff's contributions to the System for the years ended September 30, 2007, 2006 and 2005, were \$453,540, \$399,995 and \$346,029, respectively, equal to the required contributions for each year.

Note 4 - Capital Assets

The tangible personal property used by the Sheriff in its governmental fund operation is reported as capital assets in the statement of net assets 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:

	<u>Balance</u> <u>October 1,</u> <u>2006</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>September 30,</u> <u>2007</u>
Vehicles	\$ 780,338	\$ 48,124	\$ (93,420)	\$ 735,042
Equipment	313,436	35,775	0	349,211
(Accumulated Depreciation)	<u>(567,438)</u>	<u>(203,653)</u>	<u>78,966</u>	<u>(692,125)</u>
Capital Assets, Net	<u>\$ 526,336</u>	<u>\$ (119,754)</u>	<u>\$ (14,454)</u>	<u>\$ 392,128</u>

Depreciation expense was charged to Public Safety of the Sheriff in the government-wide financial statements in the amount of \$203,653.

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

Note 5 - 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, 2007:

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2007</u>
Accumulated Compensated Absences	\$ 159,344	\$ 13,186	\$ 0	\$ 172,530
Installment Purchase of Vehicles and Equipment; Due in Three Installments of \$58,221 Including Interest at 4.45%; Secured by Vehicles and Equipment	<u>133,412</u>	<u>0</u>	<u>(28,221)</u>	<u>105,191</u>
Totals	<u>\$ 292,756</u>	<u>\$ 13,186</u>	<u>\$ (28,221)</u>	<u>\$ 277,721</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.

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2007:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2008	\$ 50,047	\$ 8,174	\$ 58,221
2009	55,144	2,454	57,598
Compensated Absences	<u>172,530</u>	<u>0</u>	<u>172,530</u>
Totals	<u>\$ 277,721</u>	<u>\$ 10,628</u>	<u>\$ 288,349</u>

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

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.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - ALL SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2007
BRADFORD COUNTY SHERIFF

	Education and Public Service	Inmate Welfare	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 27,740	\$ 101,020	\$ 128,760
Accounts Receivable	0	7,898	7,898
Due From Inmate Trust Fund	0	1,217	1,217
Total Assets	<u>27,740</u>	<u>110,135</u>	<u>137,875</u>
 Liabilities and Fund Balances			
Due to General Fund	<u>0</u>	<u>23,463</u>	<u>23,463</u>
 Fund Balances			
Unreserved	<u>27,740</u>	<u>86,672</u>	<u>114,412</u>
 Total Liabilities and Fund Balances	<u>\$ 27,740</u>	<u>\$ 110,135</u>	<u>\$ 137,875</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY SHERIFF**

	Education and Public Service	Inmate Welfare	Total Nonmajor Governmental Funds
Revenues			
Miscellaneous	\$ 32,352	\$ 90,389	\$ 122,741
Expenditures			
Public Safety:			
Operating Expenditures	(21,910)	(181,888)	(203,798)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,442</u>	<u>(91,499)</u>	<u>(81,057)</u>
Net Change in Fund Balances	10,442	(91,499)	(81,057)
Fund Balances, Beginning of Year	<u>17,298</u>	<u>178,171</u>	<u>195,469</u>
Fund Balances, End of Year	<u><u>\$ 27,740</u></u>	<u><u>\$ 86,672</u></u>	<u><u>\$ 114,412</u></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 are also handled through this fund. On a monthly basis, these fees are deposited to the general fund of the Board.

Suspense—Accounts for the receipt and disbursement of funds received for various purposes such as faulty equipment for inspection and purge money for child support. Disbursement of these funds is made in accordance with the purpose of the receipt.

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, 2007
BRADFORD COUNTY SHERIFF**

	<u>Individual Depositors</u>	<u>Suspense</u>	<u>Inmate Trust</u>	<u>Total All Agency Funds</u>
Assets				
Cash	\$ 2,910	\$ 24	\$ 15,960	\$ 18,894
Liabilities				
Accounts Payable	0	0	5,136	5,136
Due to Inmate Welfare Fund	0	0	1,217	1,217
Due to Board of County Commissioners	2,700	24	0	2,724
Deposits	210	0	9,607	9,817
Total Liabilities	<u>\$ 2,910</u>	<u>\$ 24</u>	<u>\$ 15,960</u>	<u>\$ 18,894</u>

OTHER REPORTS

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

The Honorable Robert Milner
Bradford County Sheriff
Bradford County, Florida

We have audited the special purpose financial statements of the Bradford County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2007, and have issued our report thereon dated April 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the Sheriff's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Sheriff's internal control. We consider the deficiency listed below to be a significant deficiency in internal control over financial reporting:

■ **Separation of Duties**

Condition—The duties of preparing bank deposits, preparing checks, initiating bank transfers, reconciling bank statements, and posting transactions to the general ledger were performed by the same employee for a portion of the 2006-2007 fiscal year.

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 Robert Milner
Bradford County Sheriff
Bradford County, Florida

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SPECIAL
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***
(Continued)

Internal Control Over Financial Reporting *(Concluded)*

■ **Separation of Duties *(Concluded)***

Effect—The failure to separate incompatible duties could result in errors or irregularities that might go undetected.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sheriff's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's special purpose 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*.

We noted certain matters that we have reported to management of the Sheriff in a separate letter dated April 25, 2008.

The Sheriff's response to the findings identified in our audit are described in the accompanying Management's Response. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Sheriff, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

MANAGEMENT LETTER

The Honorable Robert Milner
Bradford County Sheriff
Bradford County, Florida

We have audited the special purpose financial statements of the Bradford County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated April 25, 2008.

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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated April 25, 2008, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except as noted below under the heading *Prior Year Findings and Recommendations*.
 - **Prior Year Findings and Recommendations**
The Sheriff's office did not have capital asset software to account for capital asset purchases, disposals, depreciation expense and accumulated depreciation. We recommend the Sheriff purchase capital asset software to account for capital assets and calculate depreciation expense and accumulated depreciation.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Sheriff complied with Section 218.415, Florida Statutes.

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The Honorable Robert Milner
Bradford County Sheriff
Bradford County, Florida

MANAGEMENT LETTER

(Continued)

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we report the following recommendations:

Several of the Sheriff's bank accounts were held in noninterest-bearing checking accounts. In order to maximize earnings on excess monies, we recommend that all checking accounts be placed in interest-bearing accounts.

During our review of cash disbursements, we noted that some invoices did not contain evidence of proper approval. We recommend that authorized employees review and sign all invoices evidencing approval prior to payment.

The Sheriff did not amend the final budget for the 2006-2007 fiscal year until January 2008. The failure to amend the budget in a timely manner could result in expenditures that exceed budgetary authority. We recommend that all budget amendments be made in a timely manner.

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *Rules of the Auditor General*, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., *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 special purpose 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.

This management letter is intended solely for the information and use of the Sheriff, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

The Honorable Robert Milner
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

April 25, 2008
Gainesville, Florida



BRADFORD COUNTY SHERIFF'S OFFICE

BOB MILNER
SHERIFF

Post Office Box 400 • Starke, Florida 32091

Ph: (904) 966-BCSO or (904) 966-2276

24 Hour Dispatch 964-6161 • FAX (904) 966-6160

April 25, 2008

Purvis, Gray and Company
POB 23999
Gainesville, Fl. 32602
Attn: Terry Kite
Re: Auditor's report of Bradford County Sheriff's Office

Dear Mr. Kite,

This letter will serve as the response to the recently completed independent audit of the Bradford County Sheriff's Office. We would like to specifically respond to the concerns pointed out in your Management letter.


- 1) Separation of Duties – Until August of 2007, this was not a problem. However, when the full time Comptroller left the Sheriff's Office in August, that only left one person with the training to assume her duties as well as reconciling the bank statements. That was corrected within months and we are back to having one employee process and pay the bills and another employee reconciling the bank statements. We have detected no problems or irregularities as a result.
- 2) Prior year Findings (lack of Capital Asset software management) – While we have not implemented a computerized software asset program, we have manual paper records for all purchases and have assigned property stickers with numbers on any equipment identified as a capital asset. We will make every effort to have the software installed and equipment accounted for prior to the end of this fiscal year. The problem is lack of personnel to inventory and input the data.
- 3) Non interest bearing bank Accounts – this has been remedied and the General Account of the Bradford County Sheriff's Office is now an interest bearing account.
- 4) Final Budget Amendment was late for fiscal year 2006-07 - This was partly a result of misunderstanding between the Clerk's Office, the outside Auditor and the Sheriff's Office. It was our understanding that the auditor and the county Finance Officer wanted the Sheriff's Office to delay the final amendment until certain "adjustments" had been made, which did not occur until January. The second ingredient is that the Bradford County Jail houses inmates for other government or private transport companies as a way to increase revenues to the jail and the Board of County Commissioners. Although the jail bills the appropriate entity within 15 days after the close of the month, we frequently do not receive payment until 60 days later. Both of these situations resulted in the final budget amendment not being completed until January. To the greatest extent possible, the Sheriff's Office will amend the budget prior to the close of the fiscal year.



5) Some invoices did not contain evidence of proper approval – Although approval had been granted for most every purchase, the appropriate Command Staff member did not initial all receipts or purchase orders. This has been corrected. No employee is authorized to make a purchase without the approval of a Captain or above and the appropriate Command Staff must also review and approve the receipt or bill prior to payment being authorized.

Please advise if further information/clarification is needed.

Respectfully,

A handwritten signature in black ink that reads "Bob Milner". The signature is written in a cursive, slightly slanted style.

Bob Milner,
Sheriff

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

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

SEPTEMBER 30, 2007

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

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

SEPTEMBER 30, 2007

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Special Purpose Financial Statements	
Balance Sheet - General Fund	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	6
Notes to Special Purpose Financial Statements	7-11
Other Reports	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12-13
Management Letter	14-15
Management's Response.....	16

INDEPENDENT AUDITORS' REPORT

The Honorable Teila Pearson
Bradford County Tax Collector
Bradford County, Florida

We have audited the accompanying special purpose financial statements of the major 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, 2007, as listed in the table of contents. These special purpose financial statements are the responsibility of the Tax Collector's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

As discussed in note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Tax Collector and are intended to present the major fund and the aggregate remaining fund information of Bradford County, Florida, that is attributable to the transactions of the Tax Collector. They do not purport to, and do not present fairly the financial position of Bradford County, Florida, as of September 30, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the major fund and the aggregate remaining fund information of the Tax Collector at September 30, 2007, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for the major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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The Honorable Teila Pearson
Bradford County Tax Collector
Bradford County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

In accordance with *Government Auditing Standards*, we have also issued a report dated April 25, 2008, on our consideration of the Tax Collector's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Tax Collector, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2007
BRADFORD COUNTY TAX COLLECTOR**

Assets	
Cash	\$ 16,116
Accounts Receivable	301
Total Assets	<u>16,417</u>
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	16,205
Due to Other Governments	212
Total Liabilities	<u>16,417</u>
Fund Balance	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 16,417</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2007
 BRADFORD COUNTY TAX COLLECTOR**

Revenues	
Charges for Services	\$ 603,119
Miscellaneous	9,608
Total Revenues	<u>612,727</u>
Expenditures	
Current:	
General Government:	
Salaries and Benefits	544,360
Operating Expenditures	50,963
Capital Outlay	1,199
(Total Expenditures)	<u>(596,522)</u>
Excess of Revenues Over Expenditures	16,205
Other Financing Sources (Uses)	
Transfers (out) to Board of County Commissioners	<u>(16,205)</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
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY TAX COLLECTOR**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for Services	\$ 636,010	\$ 636,010	\$ 603,119	\$ (32,891)
Miscellaneous	3,000	3,000	9,608	6,608
Total Revenues	<u>639,010</u>	<u>639,010</u>	<u>612,727</u>	<u>(26,283)</u>
Expenditures				
Current:				
General Government:				
Salaries and Benefits	551,113	547,325	544,360	2,965
Operating Expenditures	49,333	51,922	50,963	959
Capital Outlay	0	1,199	1,199	0
(Total Expenditures)	<u>(600,446)</u>	<u>(600,446)</u>	<u>(596,522)</u>	<u>3,924</u>
Excess of Revenues Over Expenditures	<u>38,564</u>	<u>38,564</u>	<u>16,205</u>	<u>(22,359)</u>
Other Financing Sources (Uses)				
Transfers (out) to Board of County Commissioners	<u>(38,564)</u>	<u>(38,564)</u>	<u>(16,205)</u>	<u>22,359</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, 2007
BRADFORD COUNTY TAX COLLECTOR

Assets

Cash	\$ 324,412
------	------------

Liabilities

Due to Bradford Board of County Commissioners	31,134
Due to Other Governments	<u>293,278</u>

Total Liabilities	<u><u>\$ 324,412</u></u>
--------------------------	--------------------------

See accompanying notes to financial statements.

**NOTES TO SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**NOTES TO SPECIAL PURPOSE 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 special purpose 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 Bradford County, Florida 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. Although 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 special purpose financial statements do not include the financial statements of the Board or the other Constitutional Officers of Bradford County, Florida.

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 Bradford County, Florida 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

These special purpose financial statements are financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for Bradford County, Florida as a whole, which includes the funds of the Tax Collector, were prepared in conformity with GAAP. 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.

■ **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.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

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

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the special purpose 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 special purpose financial statements for the general fund, where the Tax Collector has legally adopted an annual budget. All budget amounts presented in the accompanying special purpose 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.

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.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

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 SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Continued)

Note 2 - Cash

At September 30, 2007, the carrying amount of the Tax Collector's deposits was \$340,528 and the bank balance was \$423,616. 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 and are classified as category one credit risk, which means they are insured or collateralized.

Note 3 - Employee Benefits

Defined Benefit Pension Plan

All full-time employees of the Tax Collector participate in the Florida Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the state of Florida. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

The Tax Collector and all full-time employees are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 62, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Tax Collector, are required to contribute 9.85% of the compensation for regular members, 13.12% for members of senior management and 16.53% for County elected officials.

The Tax Collector's contributions to the System for the years ended September 30, 2007, 2006 and 2005, were \$50,727, \$36,305 and \$40,076, respectively, equal to the required contributions for each year.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY TAX COLLECTOR
(Concluded)

Note 4 - 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, 2007:

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2007</u>
Accumulated Compensated Absences	\$ 35,559	\$ 46,500	\$ (35,101)	\$ 46,958

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

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

OTHER REPORTS

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

The Honorable Teila Pearson
Bradford County Tax Collector
Bradford County, Florida

We have audited the special purpose financial statements of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2007, and have issued our report thereon dated April 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tax Collector's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiency described below to be a significant deficiency in internal control over financial reporting.

■ **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.

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The Honorable Teila Pearson
Bradford County Tax Collector
Bradford County, Florida

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

■ **Separation of Duties (*Concluded*)**

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 employees where it is feasible to do so.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's special purpose 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*.

The Tax Collector's response to the finding identified in our audit is described in the accompanying Management's Response. We did not audit the Tax Collector's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Tax Collector, management and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

MANAGEMENT LETTER

The Honorable Telia Pearson
Nassau County Tax Collector
Nassau County, Florida

We have audited the special purpose financial statements of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated April 25, 2008.

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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated April 25, 2008, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information:

- 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.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Tax Collector complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3, *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address any violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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

The Honorable Telia Pearson
Bradford County Tax Collector
Bradford County, Florida

MANAGEMENT LETTER
(Concluded)

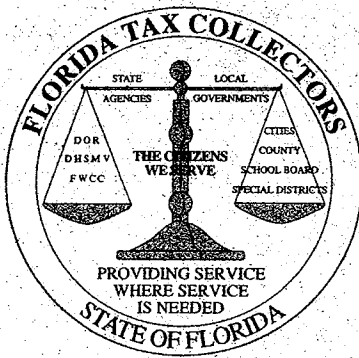
- Section 10.554(1)(i)5., *Rules of the Auditor General*, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., *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 special purpose 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.

This management letter is intended solely for the information and use of the Tax Collector and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida



TEILA N. PEARSON
CERTIFIED TAX COLLECTOR
BRADFORD COUNTY

P.O. BOX 969

945 NORTH TEMPLE AVENUE
STARKE, FLORIDA 32091

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TAXES and SPORTS LICENSE: (904) 966-6246

DRIVER LICENSE: 966-6235

SUNCOM: 838-6240

April 25, 2008

To Whom It May Concern:

I make the following response to the Report on Internal Control Structure, prepared by Purvis, Gray and Company, for the fiscal year ended September 30, 2007, which noted a reportable condition:

Internal Control Over Financial Reporting:

I have a limited number of employees in my office. It is not possible to segregate certain duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. If, in the future I hire additional personnel, I will reevaluate this condition and consider changes.

Sincerely,

Teila N. Pearson
Tax Collector

TNP/ljl

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2007

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

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

SEPTEMBER 30, 2007

TABLE CONTENTS

Independent Auditors' Report	1-2
Special Purpose Financial Statements	
Balance Sheet - General Fund	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	5
Notes to Special Purpose Financial Statements	6-9
Other Reports	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-11
Management Letter	12-13
Management's Response.....	14

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying special purpose financial statements of the Bradford County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2007, as listed in the table of contents. These special purpose financial statements are the responsibility of the Property Appraiser's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

As discussed in note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Property Appraiser and are intended to present the major fund information of Bradford County, Florida, that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not present fairly the financial position of Bradford County, Florida, as of September 30, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser at September 30, 2007, and the changes in financial position of its general fund and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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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
(Concluded)

In accordance with *Government Auditing Standards*, we have also issued a report dated April 25, 2008, on our consideration of the Property Appraiser's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Property Appraiser, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2007
BRADFORD COUNTY PROPERTY APPRAISER**

Assets	
Cash	<u>\$ 33,360</u>
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	32,780
Due to Other Governments	<u>580</u>
Total Liabilities	<u>33,360</u>
Fund Balance	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 33,360</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY PROPERTY APPRAISER**

Revenues	
Charges for Services	\$ 13,270
Miscellaneous	14,481
Total Revenues	<u>27,751</u>
Expenditures	
Current:	
General Government:	
Personal Services	393,697
Operating Expenditures	119,777
Capital Outlay	6,393
(Total Expenditures)	<u>(519,867)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(492,116)</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	524,896
Transfers (out) to Board of County Commissioners	(32,780)
Total Other Financing Sources (Uses)	<u>492,116</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
FOR THE YEAR ENDED SEPTEMBER 30, 2007
BRADFORD COUNTY PROPERTY APPRAISER**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 13,851	\$ 13,851	\$ 13,270	\$ (581)
Miscellaneous	0	0	14,481	14,481
Total Revenues	<u>13,851</u>	<u>13,851</u>	<u>27,751</u>	<u>13,900</u>
Expenditures				
Current:				
General Government:				
Personal Services	441,843	410,571	393,697	16,874
Operating Expenditures	88,206	119,783	119,777	6
Capital Outlay	3,000	6,393	6,393	0
Reserve for Contingency	2,000	2,000	0	2,000
(Total Expenditures)	<u>(535,049)</u>	<u>(538,747)</u>	<u>(519,867)</u>	<u>18,880</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(521,198)</u>	<u>(524,896)</u>	<u>(492,116)</u>	<u>32,780</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	521,198	524,896	524,896	0
Transfers (out) to Board of County Commissioners	0	0	(32,780)	(32,780)
Total Other Financing Sources (Uses)	<u>521,198</u>	<u>524,896</u>	<u>492,116</u>	<u>(32,780)</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 SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**NOTES TO SPECIAL PURPOSE 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 special purpose financial statements.

Reporting Entity

Bradford County, Florida 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 Bradford County, Florida 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 Bradford County, Florida. Although the Board and the Florida Department of Revenue approve the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's special purpose financial statements do not include the financial statements of the Board or the other Constitutional Officers of Bradford County, Florida.

The operations of the Property Appraiser are funded by the Board of County Commissioners, the St. Johns 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 special purpose financial statements.

Basis of Presentation

These special purpose financial statements are financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Property Appraiser, were prepared in conformity with GAAP in the United States. 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.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the special purpose general fund financial statements and 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.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

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

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 special purpose 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.

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:

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Risk Management (Concluded)

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

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

Note 2 - Cash

At September 30, 2007, the carrying amount of the Property Appraiser's deposits was \$33,360 and the bank balance was \$47,033. 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 financial institutions and are classified as category one credit risk, which means they are insured or collateralized.

Note 3 - Employee Benefits

Defined Benefit Pension Plan

All full-time employees of the Property Appraiser participate in the Florida Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the state of Florida. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

The Property Appraiser and all full-time employees are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 62, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY PROPERTY APPRAISER
(Concluded)

Note 3 - Employee Benefits (Concluded)

Defined Benefit Pension Plan (Concluded)

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Property Appraiser, are required to contribute 9.85% of the compensation for regular members, 16.53% County elected official, and 10.91% for member in the DROP program.

The Property Appraiser's contributions to the System for the years ended September 30, 2007, 2006 and 2005, were \$31,606, \$25,631 and \$28,499, respectively, equal to the required contributions for each year.

Note 4 - Change in Accumulated Compensated Absences

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2007:

	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2007</u>
Accumulated Compensated Absences	\$ 33,852	\$ 22,046	\$ (20,286)	\$ 35,612

Accumulated compensated absences represent the vested portion of accrued leave. See note 1 for a summary of the Property Appraiser's accumulated compensated absences policy.

The Property Appraiser's accumulated compensated absences are reported in the statement of net assets in the County's financial statements.

OTHER REPORTS

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

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

We have audited the special purpose financial statements of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2007, and have issued our report thereon dated April 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Property Appraiser's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiency described below to be a significant deficiency in internal control over financial reporting:

■ **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.

Certified Public Accountants

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

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

Internal Control Over Financial Reporting (*Concluded*)

■ **Separation of Duties (*Concluded*)**

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 employees where it is feasible to do so.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's special purpose 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*.

The Property Appraiser's response to the finding identified in our audit is described in the accompanying Management's Response. We did not audit the Property Appraiser's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Property Appraiser, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

MANAGEMENT LETTER

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

We have audited the special purpose financial statements of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated April 25, 2008. 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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated April 25, 2008, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information:

- 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.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Property Appraiser complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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 Jimmy Alvarez
Bradford County Property Appraiser
Bradford County, Florida

MANAGEMENT LETTER
(Concluded)

- Section 10.554(1)(i)5., *Rules of the Auditor General*, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; (3) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., *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 special purpose 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.

This management letter is intended solely for the information and use of the Property Appraiser and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

BRADFORD COUNTY
PROPERTY APPRAISER



JIMMY ALVAREZ
Certified Florida Appraiser

Post Office Box 250
Starke, Florida 32091-0250
(904) 966-6216
www.bradfordappraiser.com
Fax (904) 966-6167

April 25, 2008

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, 2007, 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

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

**BRADFORD COUNTY SUPERVISOR OF ELECTIONS
BRADFORD COUNTY, FLORIDA
STARKE, FLORIDA**

SEPTEMBER 30, 2007

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

**BRADFORD COUNTY SUPERVISOR OF ELECTIONS
BRADFORD COUNTY, FLORIDA
STARKE, FLORIDA**

SEPTEMBER 30, 2007

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Special Purpose Financial Statements	
Balance Sheet - General Fund	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	5
Notes to Special Purpose Financial Statements	6-9
Other Reports	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-11
Management Letter	12-13
Management's Response.....	14

INDEPENDENT AUDITORS' REPORT

The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

We have audited the accompanying special purpose financial statements of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2007, as listed in the table of contents. These special purpose financial statements are the responsibility of the Supervisor of Elections' management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

As discussed in note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Supervisor of Elections and are intended to present the nonmajor fund information of Bradford County, Florida, that is attributable to the transactions of 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, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Supervisor of Elections at September 30, 2007, and the changes in financial position of its general fund and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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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)

In accordance with *Government Auditing Standards*, we have also issued a report dated April 25, 2008, on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Supervisor of Elections, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2007
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

Assets

Cash in Bank	\$ 34,287
--------------	-----------

Liabilities and Fund Balance

Liabilities

Accounts Payable	30,000
------------------	--------

Fund Balance

Reserved for Grants	4,287
---------------------	-------

Total Liabilities and Fund Balance

\$ 34,287

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2007
 BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

Revenues	
Intergovernmental Revenue	<u>\$ 4,287</u>
Expenditures	
Current:	
General Government:	
Personal Services	197,557
Operating Expenditures	126,887
Capital Outlay	<u>14,370</u>
(Total Expenditures)	<u><u>(338,814)</u></u>
(Deficiency) of Revenues (Under) Expenditures	<u>(334,527)</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	<u>338,814</u>
Net Change in Fund Balance	4,287
Fund Balance, Beginning of Year	<u>0</u>
Fund Balance, End of Year	<u><u>\$ 4,287</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, 2007
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	\$ 4,287	\$ 4,287
Expenditures				
Current:				
General Government:				
Personal Services	214,960	198,725	197,557	1,168
Operating Expenditures	112,600	131,835	126,887	4,948
Capital Outlay	15,000	15,000	14,370	630
Reserve for Contingency	3,000	0	0	0
(Total Expenditures)	<u>(345,560)</u>	<u>(345,560)</u>	<u>(338,814)</u>	<u>6,746</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(345,560)</u>	<u>(345,560)</u>	<u>(334,527)</u>	<u>11,033</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	<u>345,560</u>	<u>345,560</u>	<u>338,814</u>	<u>(6,746)</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>4,287</u>	<u>4,287</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>\$ 4,287</u>	<u>\$ 4,287</u>

See accompanying notes to financial statements.

**NOTES TO SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**NOTES TO SPECIAL PURPOSE 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 special purpose financial statements.

Reporting Entity

Bradford County, Florida 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 Bradford County, Florida (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' special purpose financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

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' special purpose financial statements.

Basis of Presentation

These special purpose financial statements are financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Supervisor of Elections, were prepared in conformity with GAAP in the United States. The Supervisor of Elections utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the special purpose general fund financial statements and 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.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

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

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 special purpose 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.

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:

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Risk Management (Concluded)

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

Note 2 - Cash Deposits

At September 30, 2007, the carrying amount of the Supervisor of Elections' deposits was \$34,287, 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 place with the State Board of Administration securities which have a market value equal to 50% of the average daily balances for each month of all public deposits in excess of any applicable deposit insurance. 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 and are classified as category one credit risk, which means they are insured or collateralized.

Note 3 - Employee Benefits

Defined Benefit Pension Plan

All full-time employees of the Supervisor of Elections participate in the Florida Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the state of Florida. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

The Supervisor of Elections and all full-time employees are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 62, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost-of-living adjustments. Benefits are established by Florida Statute.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
BRADFORD COUNTY SUPERVISOR OF ELECTIONS
(Concluded)

Note 3 - Employee Benefits (Concluded)

Defined Benefit Pension Plan (Concluded)

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Supervisor of Elections, are required to contribute 9.85% of the compensation for regular members and 16.53% for County elected officials.

The Supervisor of Elections' contributions to the System for the years ended September 30, 2007, 2006 and 2005, were \$ 20,190, \$16,988, and \$15,414, respectively, equal to the required contributions for each year.

Note 4 - Change in Accumulated Compensated Absences

The following is a summary of the change in accumulated compensated absences of the Supervisor of Elections for the year ended September 30, 2007:

	Balance October 1, 2006	Net Additions (Deletions)	Balance September 30, 2007
Accumulated Compensated Absences	\$ 6,456	\$ (1,908)	\$ 4,548

Accumulated compensated absences represent the vested portion of personal leave (see note 1 for a summary of the Supervisor of Elections' compensated absences policy).

The Supervisor of Elections' accumulated compensated absences are reported in the statement of net assets in the County's financial statements.

Note 5 - Reserved Fund Balance

The Supervisor of Elections' fund balance is reserved for Voter Education and Poll Worker Recruitment/Training HAVA grants in the amount of \$2,858 and \$1,429, respectively.

OTHER REPORTS

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

The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

We have audited the special purpose financial statements of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2007, and have issued our report thereon dated April 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Supervisor of Elections' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Supervisor of Elections' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Supervisor of Elections' financial statements that is more than inconsequential will not be prevented or detected by the Supervisor of Elections' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Supervisor of Elections' internal control.

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

Certified Public Accountants

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The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SPECIAL
PURPOSE 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' special purpose 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*.

This report is intended solely for the information and use of the Supervisor of Elections and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida

MANAGEMENT LETTER

The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

We have audited the special purpose financial statements of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated April 25, 2008.

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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated April 25, 2008, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information:

- 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.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Supervisor of Elections complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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The Honorable Terry Vaughan
Bradford County Supervisor of Elections
Bradford County, Florida

MANAGEMENT LETTER
(Concluded)

- Section 10.554(1)(i)5., *Rules of the Auditor General*, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., *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 special purpose 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.

This management letter is intended solely for the information and use of the Supervisor of Elections and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Purvis, Gray and Company, LLP

April 25, 2008
Gainesville, Florida



"Freedom Rings With Every Vote"

Bradford County, Florida

Mr. Terry W. Kite
Audit Manager
Purvis Gray & Company
P.O. Box 23999
Gainesville, Fl. 32602
April 28, 2008

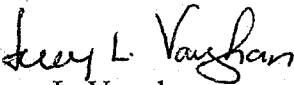
Dear Mr. Kite:

Thank you for delivering copies of the recently completed audit of the Supervisor of Election's Office.

Again, I am pleased to have received a positive audit with no findings, as in years past.

Thank you for your service.

Sincerely,


Terry L. Vaughan
Supervisor of Elections
Bradford County