

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2010**

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AND  
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**SEPTEMBER 30, 2010**

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**BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2010**

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## 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, 2010, 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, 2010, 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 May 31, 2011, 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)*

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

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 combining nonmajor fund statements are presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and Budget and Chapter 10.550, *Rules of the Auditor General* of the State of Florida is also not a required part of the basic financial statements. The combining nonmajor fund statements and the schedule of expenditures and federal awards and state financial assistance projects are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements and the schedule of federal awards and state financial assistance projects are fairly stated in all material respects in relation to the financial statements as a whole.

*Purvis, Gray and Company, LLP*

May 31, 2011  
Gainesville, Florida

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

### Financial Highlights

Total assets of the County exceeded total liabilities by \$64.2 million (net assets). Unrestricted net assets for Governmental Activities were \$11.7 million and restricted assets were \$12.6 million, with the remaining \$39.9 million invested in capital assets.

General Fund revenues increased by \$558,215 or 6.3% when compared to fiscal year 2009. General Fund expenditures decreased by \$321,293 or 7.6% during this same period. The Excess of Revenues Over Expenditures in the General Fund showed an excess of \$5,448,366. This represents 139.0% 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.

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

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

### **Government-wide Financial Statements** *(Concluded)*

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

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

### **Fund Financial Statements**

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

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

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

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

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

Net assets may serve over time as a useful indicator of a government's financial position. In the case of Bradford County, assets exceeded liabilities by \$64,181,461, which is an increase over the prior year of \$1,645,095. These net assets are composed or \$39,929,050 invested in Capital Assets, \$12,610,865 restricted for other uses, with \$11,641,546 being unrestricted. This unrestricted amount is available for use in future years to meet Bradford County's ongoing obligations to its' citizens and creditors.

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

***Fund Financial Analysis***

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

As of September 30, 2010, Bradford County’s governmental funds reported combined ending fund balances of \$22,739,469. This is an increase over the prior year of \$353,820. The breakout of the seven major funds and the remaining non-major funds is as follows.

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

General Fund	\$ 10,990,227
S.H.I.P.	0
Public Library	165,287
Transportation Trust	1,724,086
Fines and Forfeitures	596,948
Emergency Medical Services	555,879
Sheriff Operations	0
Other Government Funds (Combined 26 Non-major Funds)	<u>8,707,042</u>
<b>Total Fund Balances</b>	<b><u>\$ 22,739,469</u></b>

The County’s overall financial position is an increase as documented throughout this report, with an increase in total governmental fund balances of \$353,820 or 1.58%.

The County’s General Fund had an increase in Fund Balance of \$1,295,484 during the current fiscal year. S.H.I.P. had no change. The Public Library Fund had an increase of \$36,406. The Transportation Trust Fund showed an increase of \$402,301 in fund balance. The Fine and Forfeitures Fund decreased its fund balance by \$201,455. The Emergency Medical Services Fund showed a decrease in fund balance of \$267,662. The Sheriff Operations Fund had no change, which was the expected amount. This accounts for all the major funds. The remaining twenty-six non-major funds had a combined decrease in fund balance of \$ 911,254. T he County has had a positive year financially considering the economic difficulties the State of Florida and the Nation have been facing.

***General Fund Budgetary Highlights***

There were a few differences between the General Fund’s final amended budget and the actual revenue and expenditures. The revenues were \$916,044 less than the final budgeted amount, and the expenditures were \$2,038,188 less than final budgeted amounts. This resulted in actual excess of revenues over expenditures being greater than budgeted revenues over budgeted expenditures by \$1,122,144.

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

***Capital Assets and Debt Management***

**Capital Assets**

The County’s investment in capital assets for its governmental activities as of September 30, 2010 exceeded \$40.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress, net of depreciation and disposals. Major capital asset events during the current fiscal year included the following increases before depreciation:

Net Increase in Infrastructure	\$	1,784,365
Net Increase in Machinery and Equipment	\$	1,146,373

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, 2010 consist of a \$620,025 for compensated absences and \$604,807 for landfill postclosure costs.

Three other substantial debts are:

Library Construction Note Payable	\$	430,871
Installment Purchase of Land and Building	\$	258,779
Other Postemployment Benefits	\$	190,484

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

Bradford County primarily relies on ad valorem taxes, a limited array of other taxes (sales, gasoline, etc.), state shared revenues (mainly from Florida’s sales tax collections) and fees (building permits, ambulance user charges, etc.) for its governmental activities. Property taxes were levied at 9.1769 mills. A Small County Surtax was also collected at the maximum 1%. The Bradford County unemployment rate for 2010 was 9.6%, which is up from the 2009 rate of 7.8%.

***Requests for Information***

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

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

**BRADFORD COUNTY, FLORIDA**  
**NET ASSETS**

	<b>FYE 2010</b>	<b>FYE 2009</b>
<b>Assets:</b>		
Current and Other Assets	\$ 26,335,621	\$ 27,257,708
Capital Assets	40,618,700	40,685,057
<b>Total Assets</b>	<u>66,954,321</u>	<u>67,942,765</u>
<b>Liabilities:</b>		
Current Liabilities	1,061,836	2,752,777
Non-current Liabilities	1,711,024	2,653,622
<b>Total Liabilities</b>	<u>2,772,860</u>	<u>5,406,399</u>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	39,929,050	38,600,254
Restricted	12,610,865	13,940,234
Unrestricted	11,641,546	9,995,878
<b>Total Net Assets</b>	<u>64,181,461</u>	<u>62,536,366</u>

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

**BRADFORD COUNTY, FLORIDA**  
**CHANGES IN NET ASSETS**

	<b>FYE 2010</b>	<b>FYE 2009</b>
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 5,312,984	\$ 5,774,834
Operating Grants and Contributions	3,101,392	2,869,663
Capital Grants and Contributions	1,298,444	1,043,556
General Revenues:		
Property Taxes	7,562,350	7,471,040
Other Taxes	5,908,790	5,535,303
Other	373,125	457,792
<b>Total Revenues</b>	<u>23,557,085</u>	<u>23,152,188</u>
<b>Expenses:</b>		
General Government	4,888,676	4,895,322
Public Safety	8,773,939	8,653,613
Physical Environment	1,251,557	1,258,293
Transportation	3,558,490	3,661,710
Economic Environment	670,107	601,222
Human Services	532,066	947,292
Culture and Recreation	781,198	738,819
Court Related	1,368,714	1,491,842
Interest and Fiscal Charges	87,243	118,189
<b>Total Expenses</b>	<u>21,911,990</u>	<u>22,366,302</u>
<b>Increase in Net Assets</b>	1,645,095	785,886
<b>Net Asset-Beginning of Year (As Restated)</b>	62,536,366	61,750,480
<b>Net Assets-End of Year</b>	<u>\$ 64,181,461</u>	<u>\$ 62,536,366</u>

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2010**  
**BRADFORD COUNTY, FLORIDA**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash Deposits	\$ 11,629,159
Investments	11,693,813
Accounts Receivable	500,729
Mortgages Receivable	927,568
Due from Other Governments	1,120,595
Prepaid items	68,349
<b>Total Current Assets</b>	<u>25,940,213</u>
<b>Restricted Assets</b>	
Cash Deposits - Landfill Closure	<u>395,408</u>
<b>Capital Assets</b>	
Land	7,420,860
Buildings and Improvements	16,650,151
Machinery and Equipment	11,254,409
Infrastructure	38,717,749
Construction in Progress	374,612
(Accumulated Depreciation)	(33,799,081)
<b>Total Capital Assets</b>	<u>40,618,700</u>
<b>Total Assets</b>	<u>66,954,321</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	581,319
Due to Other Governments	3,548
Accrued Interest	23,729
Unearned Revenue	59,298
Installment Purchase Obligation	30,761
Estimated Landfill Postclosure Costs	100,801
Notes Payable	262,380
<b>Total Current Liabilities</b>	<u>1,061,836</u>
<b>Noncurrent Liabilities</b>	
Installment Purchase Obligation	228,018
Estimated Landfill Postclosure Costs	504,006
Notes Payable	168,491
Compensated Absences	620,025
Other Postemployment Benefits	190,484
<b>Total Noncurrent Liabilities</b>	<u>1,711,024</u>
<b>Total Liabilities</b>	<u>2,772,860</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	39,929,050
Restricted for:	
Other Purposes	12,610,865
Unrestricted	11,641,546
<b>Total Net Assets</b>	<u>\$ 64,181,461</u>

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

**STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Change in Net Assets</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental Activities</b>					
General Government	\$ 4,888,676	\$ 1,135,316	\$ 19,241	\$ 0	\$ (3,734,119)
Public Safety	8,773,939	2,013,214	827,501	396,216	(5,537,008)
Physical Environment	1,251,557	887,620	347,891	0	(16,046)
Transportation	3,558,490	358,629	742,018	902,228	(1,555,615)
Economic Environment	670,107	535,951	152,821	0	18,665
Human Services	532,066	3,109	120,087	0	(408,870)
Culture and Recreation	781,198	12,816	264,215	0	(504,167)
Court Related	1,368,714	366,329	627,618	0	(374,767)
Interest and Fiscal Charges	87,243	0	0	0	(87,243)
<b>Total Governmental Activities</b>	<b>\$ 21,911,990</b>	<b>\$ 5,312,984</b>	<b>\$ 3,101,392</b>	<b>\$ 1,298,444</b>	<b>(12,199,170)</b>
 <b>General Revenues</b>					
Property Taxes					7,562,350
Discretionary Sales Surtax					1,561,425
Gasoline Taxes					742,997
Communication Service Tax					43,690
Tourist Development Tax					92,521
Sales Tax and Other State Shared Revenue					3,468,157
Interest Earnings					229,765
Miscellaneous					143,360
<b>Total General Revenues</b>					<b>13,844,265</b>
<b>Change in Net Assets</b>					<b>1,645,095</b>
<b>Net Assets, Beginning of Year (As Restated)</b>					<b>62,536,366</b>
<b>Net Assets, End of Year</b>					<b>\$ 64,181,461</b>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
<b>Assets</b>				
Cash Deposits	\$ 2,600,032	\$ 1,013,490	\$ 528,851	\$ 1,424,007
Investments	8,098,703	0	506,660	0
Accounts Receivable	91,353	0	0	31,252
Mortgages Receivable	0	927,568	0	0
Due from Other Funds	173,109	0	0	0
Due from Other Governments	263,040	0	0	359,637
Prepaid Expense	68,349	0	0	0
<b>Total Assets</b>	<u>11,294,586</u>	<u>1,941,058</u>	<u>1,035,511</u>	<u>1,814,896</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	181,400	855	9,165	90,810
Due to Other Funds	0	0	0	0
Due to Other Governments	2,677	0	0	0
Deferred Revenue	120,282	1,940,203	861,059	0
<b>Total Liabilities</b>	<u>304,359</u>	<u>1,941,058</u>	<u>870,224</u>	<u>90,810</u>
<b>Fund Balances</b>				
Reserved	379,471	0	0	1,724,086
Unreserved - Designated	0	0	0	0
Unreserved - Undesignated, General Fund	10,610,756	0	0	0
Unreserved - Undesignated, Special Revenue Funds	0	0	165,287	0
Unreserved - Undesignated, Debt Service Funds	0	0	0	0
<b>Total Fund Balances</b>	<u>10,990,227</u>	<u>0</u>	<u>165,287</u>	<u>1,724,086</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 11,294,586</u>	<u>\$ 1,941,058</u>	<u>\$ 1,035,511</u>	<u>\$ 1,814,896</u>

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

<b>Fines and Forfeitures</b>	<b>Emergency Medical Service</b>	<b>Sheriff Operations</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 347,937	\$ 315,257	\$ 338,973	\$ 5,456,020	\$ 12,024,567
0	0	0	3,088,450	11,693,813
0	333,805	0	44,319	500,729
0	0	0	0	927,568
234,735	0	8,342	11,353	427,539
43,224	21,600	27,330	384,959	1,099,790
0	0	0	0	68,349
<u>625,896</u>	<u>670,662</u>	<u>374,645</u>	<u>8,985,101</u>	<u>26,742,355</u>
28,948	27,786	146,300	96,055	581,319
0	0	228,345	178,389	406,734
0	0	0	871	3,548
0	86,997	0	2,744	3,011,285
<u>28,948</u>	<u>114,783</u>	<u>374,645</u>	<u>278,059</u>	<u>4,002,886</u>
210,682	195,310	0	2,429,225	4,938,774
0	0	0	1,334,702	1,334,702
0	0	0	0	10,610,756
386,266	360,569	0	3,912,325	4,824,447
0	0	0	1,030,790	1,030,790
<u>596,948</u>	<u>555,879</u>	<u>0</u>	<u>8,707,042</u>	<u>22,739,469</u>
<u>\$ 625,896</u>	<u>\$ 670,662</u>	<u>\$ 374,645</u>	<u>\$ 8,985,101</u>	<u>\$ 26,742,355</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, 2010  
BRADFORD COUNTY, FLORIDA**

<b>Fund Balances - Total Governmental Funds</b>	\$	22,739,469
 <b>Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		40,618,700
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(2,104,966)
Receivables that do not provide current financial resources are reported as deferred revenue in the governmental funds		2,951,987
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.		<u>(23,729)</u>
<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u>64,181,461</u></b>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**  
**BRADFORD COUNTY, FLORIDA**

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
<b>Revenues</b>				
Taxes	\$ 5,801,515	\$ 0	\$ 0	\$ 742,997
Licenses and Permits	115,398	0	0	0
Intergovernmental	3,032,871	455,951	227,897	1,644,247
Charges for Services	41,650	0	0	348,629
Fines and Forfeitures	176,675	0	0	0
Miscellaneous	200,682	4,949	23,951	12,691
<b>Total Revenues</b>	<u>9,368,791</u>	<u>460,900</u>	<u>251,848</u>	<u>2,748,564</u>
<b>Expenditures</b>				
Current:				
General Government	2,408,664	0	0	0
Public Safety	762,426	0	0	0
Physical Environment	219,135	0	0	0
Transportation	0	0	0	3,115,369
Economic Environment	64,850	534,981	0	0
Human Services	403,199	0	0	0
Culture and Recreation	0	0	677,574	0
Court-related	41,251	0	0	0
Debt Service:				
Principal Retirement	20,000	0	0	342,140
Interest	900	0	0	11,751
<b>(Total Expenditures)</b>	<u>(3,920,425)</u>	<u>(534,981)</u>	<u>(677,574)</u>	<u>(3,469,260)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>5,448,366</u>	<u>(74,081)</u>	<u>(425,726)</u>	<u>(720,696)</u>
<b>Other Financing</b>				
Transfers in	173,103	74,081	462,132	1,122,997
Transfers (out)	(4,325,985)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(4,152,882)</u>	<u>74,081</u>	<u>462,132</u>	<u>1,122,997</u>
<b>Net Change in Fund Balances</b>	1,295,484	0	36,406	402,301
<b>Fund Balances , Beginning of Year</b>	<u>9,694,743</u>	<u>0</u>	<u>128,881</u>	<u>1,321,785</u>
<b>Fund Balances, End of Year</b>	<u>\$ 10,990,227</u>	<u>\$ 0</u>	<u>\$ 165,287</u>	<u>\$ 1,724,086</u>

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

<b>Fines and Forfeitures</b>	<b>Emergency Medical Services</b>	<b>Sheriff Operations</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,667,186	\$ 137,339	\$ 0	\$ 1,653,946	\$ 10,002,983
0	0	0	0	115,398
463,825	471,381	466,416	1,473,983	8,236,571
185,740	1,765,327	0	1,227,058	3,568,404
61,059	0	0	114,711	352,445
11,081	1,367	3,383	895,234	1,153,338
<u>2,388,891</u>	<u>2,375,414</u>	<u>469,799</u>	<u>5,364,932</u>	<u>23,429,139</u>
0	0	0	2,046,953	4,455,617
306,833	2,819,625	5,097,804	161,824	9,148,512
0	0	0	1,255,210	1,474,345
0	0	0	100,267	3,215,636
0	0	0	69,494	669,325
0	0	104,756	0	507,955
0	0	0	75,483	753,057
526	0	182,130	1,168,298	1,392,205
0	0	0	1,001,596	1,363,736
0	0	0	82,280	94,931
<u>(307,359)</u>	<u>(2,819,625)</u>	<u>(5,384,690)</u>	<u>(5,961,405)</u>	<u>(23,075,319)</u>
<u>2,081,532</u>	<u>(444,211)</u>	<u>(4,914,891)</u>	<u>(596,473)</u>	<u>353,820</u>
2,637,416	176,549	5,013,917	2,937,622	12,597,817
<u>(4,920,403)</u>	<u>0</u>	<u>(99,026)</u>	<u>(3,252,403)</u>	<u>(12,597,817)</u>
<u>(2,282,987)</u>	<u>176,549</u>	<u>4,914,891</u>	<u>(314,781)</u>	<u>0</u>
(201,455)	(267,662)	0	(911,254)	353,820
<u>798,403</u>	<u>823,541</u>	<u>0</u>	<u>9,618,296</u>	<u>22,385,649</u>
<u>\$ 596,948</u>	<u>\$ 555,879</u>	<u>\$ 0</u>	<u>\$ 8,707,042</u>	<u>\$ 22,739,469</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, 2010  
BRADFORD COUNTY, FLORIDA**

**Net Change in Fund Balances - Total Governmental Funds** \$ 353,820

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

In the governmental funds, revenue cannot be recognized until it is available to liquidate liabilities of the current period. In the statement of activities, revenue is recognized as soon as it is earned regardless of its availability. 87,373

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. (19,902)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period. (46,455)

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. 1,270,259

**Change in Net Assets of Governmental Activities** \$ 1,645,095

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, 2010  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 6,969,438	\$ 6,969,438	\$ 5,801,515	\$ (1,167,923)
Licenses and Permits	118,350	118,350	115,398	(2,952)
Intergovernmental	2,586,472	2,872,497	3,032,871	160,374
Charges for Services	53,000	53,000	41,650	(11,350)
Fines and Forfeitures	195,400	195,400	176,675	(18,725)
Miscellaneous	76,150	76,150	200,682	124,532
<b>Total Revenues</b>	<u>9,998,810</u>	<u>10,284,835</u>	<u>9,368,791</u>	<u>(916,044)</u>
<b>Expenditures</b>				
Current:				
General Government	2,938,018	2,933,247	2,408,664	524,583
Public Safety	942,176	1,229,827	762,426	467,401
Physical Environment	265,323	268,468	219,135	49,333
Economic Environment	83,421	83,421	64,850	18,571
Human Services	1,205,750	1,205,750	403,199	802,551
Culture and Recreation	25,000	25,000	0	25,000
Court-related	192,000	192,000	41,251	150,749
Debt Service:				
Principal Retirement	20,000	20,000	20,000	0
Interest	900	900	900	0
<b>(Total Expenditures)</b>	<u>(5,672,588)</u>	<u>(5,958,613)</u>	<u>(3,920,425)</u>	<u>2,038,188</u>
<b>Excess of Revenues Over Expenditures</b>	<u>4,326,222</u>	<u>4,326,222</u>	<u>5,448,366</u>	<u>1,122,144</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	173,103	173,103
Transfers (out)	(4,326,222)	(4,326,222)	(4,325,985)	237
<b>Total Other Financing Sources (Uses)</b>	<u>(4,326,222)</u>	<u>(4,326,222)</u>	<u>(4,152,882)</u>	<u>173,340</u>
<b>Net Change in Fund Balance</b>	0	0	1,295,484	1,295,484
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>9,694,743</u>	<u>9,694,743</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,990,227</u>	<u>\$ 10,990,227</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, 2010  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 787,433	\$ 787,433	\$ 455,951	\$ (331,482)
Miscellaneous	3,000	3,000	4,949	1,949
<b>Total Revenues</b>	<u>790,433</u>	<u>790,433</u>	<u>460,900</u>	<u>(329,533)</u>
<b>Expenditures</b>				
Current:				
Economic Environment	864,514	864,514	534,981	329,533
<b>(Total Expenditures)</b>	<u>(864,514)</u>	<u>(864,514)</u>	<u>(534,981)</u>	<u>329,533</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(74,081)</u>	<u>(74,081)</u>	<u>(74,081)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	74,081	74,081	74,081	0
<b>Total Other Financing Sources</b>	<u>74,081</u>	<u>74,081</u>	<u>74,081</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
PUBLIC LIBRARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 924,947	\$ 924,947	\$ 227,897	\$ (697,050)
Miscellaneous	5,525	5,525	23,951	18,426
<b>Total Revenues</b>	<u>930,472</u>	<u>930,472</u>	<u>251,848</u>	<u>(678,624)</u>
<b>Expenditures</b>				
Current:				
Culture and Recreation	1,392,604	1,392,604	677,574	715,030
<b>(Total Expenditures)</b>	<u>(1,392,604)</u>	<u>(1,392,604)</u>	<u>(677,574)</u>	<u>715,030</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(462,132)</u>	<u>(462,132)</u>	<u>(425,726)</u>	<u>36,406</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	462,132	462,132	462,132	0
<b>Net Change in Fund Balance</b>	0	0	36,406	36,406
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>128,881</u>	<u>128,881</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 165,287</u>	<u>\$ 165,287</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, 2010  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 577,500	\$ 577,500	\$ 742,997	\$ 165,497
Intergovernmental	3,513,006	3,513,006	1,644,247	(1,868,759)
Charges for Services	264,050	264,050	348,629	84,579
Miscellaneous	1,500	1,500	12,691	11,191
<b>Total Revenues</b>	<u>4,356,056</u>	<u>4,356,056</u>	<u>2,748,564</u>	<u>(1,607,492)</u>
<b>Expenditures</b>				
Current:				
Transportation	5,377,677	5,422,877	3,115,369	2,307,508
Debt Service:				
Principal Retirement	337,390	342,190	342,140	50
Interest	20,000	20,000	11,751	8,249
Reserve for Contingency	50,000	0	0	0
<b>(Total Expenditures)</b>	<u>(5,785,067)</u>	<u>(5,785,067)</u>	<u>(3,469,260)</u>	<u>2,315,807</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(1,429,011)</u>	<u>(1,429,011)</u>	<u>(720,696)</u>	<u>708,315</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>1,429,011</u>	<u>1,429,011</u>	<u>1,122,997</u>	<u>(306,014)</u>
<b>Net Change in Fund Balance</b>	0	0	402,301	402,301
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>1,321,785</u>	<u>1,321,785</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,724,086</u>	<u>\$ 1,724,086</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, 2010  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,713,073	\$ 1,713,073	\$ 1,667,186	\$ (45,887)
Intergovernmental	896,240	896,240	463,825	(432,415)
Charges for Services	120,900	120,900	185,740	64,840
Fines and Forfeitures	18,800	18,800	61,059	42,259
Miscellaneous	3,250	3,250	11,081	7,831
<b>Total Revenues</b>	<u>2,752,263</u>	<u>2,752,263</u>	<u>2,388,891</u>	<u>(363,372)</u>
<b>Expenditures</b>				
Current:				
Public Safety	402,000	366,000	306,833	59,167
Court-related	750	750	526	224
<b>(Total Expenditures)</b>	<u>(402,750)</u>	<u>(366,750)</u>	<u>(307,359)</u>	<u>59,391</u>
<b>Excess of Revenues Over Expenditures</b>	<u>2,349,513</u>	<u>2,385,513</u>	<u>2,081,532</u>	<u>(303,981)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,538,390	2,538,390	2,637,416	99,026
Transfers (out)	<u>(4,887,903)</u>	<u>(4,923,903)</u>	<u>(4,920,403)</u>	<u>3,500</u>
<b>Total Other Financing (Uses)</b>	<u>(2,349,513)</u>	<u>(2,385,513)</u>	<u>(2,282,987)</u>	<u>102,526</u>
<b>Net Change in Fund Balance</b>	0	0	(201,455)	(201,455)
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>798,403</u>	<u>798,403</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 596,948</u>	<u>\$ 596,948</u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
EMERGENCY MEDICAL SERVICES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 141,071	\$ 141,071	\$ 137,339	\$ (3,732)
Intergovernmental	431,330	699,071	471,381	(227,690)
Charges for Services	1,852,637	1,907,648	1,765,327	(142,321)
Miscellaneous	1,800	1,800	1,367	(433)
<b>Total Revenues</b>	<u>2,426,838</u>	<u>2,749,590</u>	<u>2,375,414</u>	<u>(374,176)</u>
<b>Expenditures</b>				
Current:				
Public Safety	2,603,387	2,926,139	2,819,625	106,514
<b>(Total Expenditures)</b>	<u>(2,603,387)</u>	<u>(2,926,139)</u>	<u>(2,819,625)</u>	<u>106,514</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(176,549)</u>	<u>(176,549)</u>	<u>(444,211)</u>	<u>(267,662)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	176,549	176,549	176,549	0
<b>Total Other Financing (Uses)</b>	<u>176,549</u>	<u>176,549</u>	<u>176,549</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	0	(267,662)	(267,662)
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>823,541</u>	<u>823,541</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 555,879</u>	<u>\$ 555,879</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, 2010  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 0	\$ 455,653	\$ 466,416	\$ 10,763
Miscellaneous	0	3,383	3,383	0
<b>Total Revenues</b>	<u>0</u>	<u>459,036</u>	<u>469,799</u>	<u>10,763</u>
<b>Expenditures</b>				
Current:				
Public Safety	4,489,997	4,732,691	4,727,288	5,403
Human Services	122,014	104,645	104,756	(111)
Court Related	197,906	182,130	182,130	0
Capital Outlay	100,000	358,190	370,516	(12,326)
<b>(Total Expenditures)</b>	<u>(4,909,917)</u>	<u>(5,377,656)</u>	<u>(5,384,690)</u>	<u>(7,034)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(4,909,917)</u>	<u>(4,918,620)</u>	<u>(4,914,891)</u>	<u>3,729</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,909,917	5,013,917	5,013,917	0
Transfers (out)	0	(95,297)	(99,026)	(3,729)
<b>Total Other Financing Sources (Uses)</b>	<u>4,909,917</u>	<u>4,918,620</u>	<u>4,914,891</u>	<u>(3,729)</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2010**  
**BRADFORD COUNTY, FLORIDA**

	<b>Agency Funds</b>
<b>Assets</b>	
Cash Deposits	\$ 669,783
Due from Individuals	2,876
Due from Other Governments	1,578
<b>Total Assets</b>	<b>674,237</b>
 <b>Liabilities</b>	
Accounts Payable	76,650
Due to Other Funds	20,805
Due to Other Governments	394,116
Deposits	182,666
<b>Total Liabilities</b>	<b>\$ 674,237</b>

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. Prior to July 1, 2009, as a Fee Officer, the court-related operations of the Clerk were approved and funded from fees and charges authorized under Chapter 2004-265, Laws of Florida. Beginning July 1, 2009, the Clerk's court-related operations were funded from the State of Florida general appropriations, pursuant to Chapter 2009-204, Laws of Florida. The operations of the Property Appraiser are funded by the Board, the St. Johns River Water Management District, and the Suwannee River Water Management District. The Tax Collector operates as a fee officer, whereby fees, commissions, and charges for services are retained to pay operating expenses.

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

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

The Bradford County Health Facilities Authority (the Authority) is an entity (Part III, Chapter 154, Florida Statutes) established to assist health facilities within the County. For the 2009-2010 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 2009-2010, NRSWA collected and remitted \$212,452 to the County in solid waste assessments, and the County paid \$399,992 to NRSWA in tipping fees.

During fiscal year 2009-2010, NRSWA distributed \$347,692 to the County in revenue sharing monies.

The NRSWA's condensed financial information as of and for the year ended September 30, 2010, (the latest audit report), is hereafter presented:

Total Assets	\$ 42,246,830
Total Liabilities	14,103,417
Total Net Assets	28,143,413
Total Operating Revenues	7,017,486
Total Operating Expenses	5,798,797
Nonoperating Revenues/(Expenses)	(552,657)
Change in Net Assets	666,032

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.
- *Public Library Fund*—The Public Library Fund is used to account for grants and local funds to be used to support the County Library system.
- *Transportation Trust Fund*—The Transportation Fund is used to account for cost of road maintenance and the paving of new roads. Primarily funded by gas taxes.

**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)**

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

**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**

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, except for certain grant revenues for which the period was one hundred and twenty days. 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.

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.

**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**

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.

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 \$837,133.

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

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

**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.

**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, 2010, was 9.1769 mills.

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

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

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

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

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

**Compensated Absences**

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

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

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

**Compensated Absences (Concluded)**

Permanent full-time employees of the County are entitled to accrue personal leave time. Upon retirement or resignation in good standing, employees shall be paid up to a maximum number of hours based upon the employee's years of service at the employee's current rate of pay. Upon retirement, or resignation in good standing, Sheriff's employees are paid based upon years of service; in addition, Sheriff's employees that have compensatory leave time for approved holidays are to be paid for this leave time upon retirement or resignation at the employee's current rate of pay. Compensated absences are generally liquidated by the general fund, transportation fund and sheriff operations fund.

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

**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 9, 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. Encumbrance appropriations lapse at year end.

**Landfill Postclosure Costs**

The County has obtained engineering estimates of the costs to monitor the County's sanitary landfill site in accordance with state and federal guidelines. U.S. Environmental Protection Agency regulations and related GASB Statement No. 18 require that all local government solid waste landfill owners account for postclosure costs. A long-term liability of accrued landfill postclosure costs at September 30, 2010 has been reported as a noncurrent liability in the statement of net assets.

**Note 3 - Cash and Investments**

**Deposits with Financial Institutions**

The County maintains various checking and money market accounts which are held in banks that qualify as public depositories pursuant to Chapter 280, Florida Statutes. In addition, the County held four certificates of deposit in banks that qualify as public depositories at September 30, 2010.

Under Chapter 280, Florida Statutes, every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral for the depository. The State Treasurer, by rule, shall establish minimum required collateral pledging levels and shall notify each qualified public depository of its required pledging level. Each qualified public depository shall calculate the amount of its required collateral based upon

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

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

**Deposits with Financial Institutions (Concluded)**

certain formulas. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

The County's net carrying amount of cash deposits was \$12,691,215 and the bank balances were \$14,840,980 at September 30, 2010.

**Investments**

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

As of September 30, 2010, the County had the following in investments:

	<b>Carrying Amount</b>
Certificates of Deposits	\$ 1,763,225
Florida Local Government Investment Trust	9,930,588
<b>Total Investments</b>	<b>\$ 11,693,813</b>

The County's investments in various certificates of deposits have maturities greater than three months. The Florida Local Government Investment Trust (the Trust) is a joint venture between the Florida Association of Counties and the Florida Association of Court Clerks. The Trust is a local government investment pool established through s.163.01 F.S. (Florida Interlocal Cooperation Act) and is a statutory investment under s. 218.415 (15) Florida Statutes. The Trust is a variable Net Asset Value fund, and this as the NAV increases or decreases, the value of the shares purchased increases or decreases. The Trust is rated AA Af by Standard & Poors at September 30, 2010. The Trust is not insured against loss. As of September 30, 2010, the County had 428,310.616 shares in the Trust with an NAV of \$23.185484 per share.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of bank failure, or the failure of the counterparty, the government's deposits may not be returned to it, or the government may not be able to recover the value of its investments that are in the possession of an outside party.

**Note 4 - Restricted Assets**

Restricted assets of \$395,408 in the statement of net assets represent monies held in a separate account in accordance with the requirements of the Florida Department of Environmental Protection to fund future postclosure costs of the County's landfills.

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

**Note 5 - Capital Assets**

Capital asset activity for the year ended September 30, 2010, including the Sheriff, is as follows:

	<u>Balance</u> <u>10/1/09</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/10</u>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,287,060	\$ 500	\$ 0	\$ 1,287,560
Land Right-of-Way	6,133,300	0	0	6,133,300
Construction in Progress:				
Infrastructure	<u>1,357,472</u>	<u>1,084,328</u>	<u>(2,067,188)</u>	<u>374,612</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>8,777,832</u>	<u>1,084,828</u>	<u>(2,067,188)</u>	<u>7,795,472</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	16,523,641	145,430	(18,920)	16,650,151
Machinery and Equipment	10,108,036	1,610,619	(464,246)	11,254,409
Infrastructure	<u>36,933,384</u>	<u>1,784,365</u>	<u>0</u>	<u>38,717,749</u>
<b>Total Capital Assets Being Depreciated</b>	<u>63,565,061</u>	<u>3,540,414</u>	<u>(483,166)</u>	<u>66,622,309</u>
<b>Total Before Depreciation</b>	<u>72,342,893</u>	<u>4,625,242</u>	<u>(2,550,354)</u>	<u>74,417,781</u>
<b>Less Accumulated Depreciation</b>				
Buildings	(3,496,838)	(331,787)	1,390	(3,827,235)
Machinery and Equipment	(6,496,221)	(1,034,857)	437,524	(7,093,554)
Infrastructure	<u>(21,664,777)</u>	<u>(1,213,515)</u>	<u>0</u>	<u>(22,878,292)</u>
<b>Total Accumulated Depreciation</b>	<u>(31,657,836)</u>	<u>(2,580,159)</u>	<u>438,914</u>	<u>(33,799,081)</u>
<b>Total Being Depreciated, Net</b>	<u>31,907,225</u>	<u>960,255</u>	<u>(44,252)</u>	<u>32,823,228</u>
<b>Fixed Assets, Cost Less Depreciation</b>	<u>\$ 40,685,057</u>	<u>\$ 2,045,083</u>	<u>\$ (2,111,440)</u>	<u>\$ 40,618,700</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 549,580
Public Safety	591,310
Physical Environment	73,484
Transportation	1,299,121
Economic Environment	782
Human Services	24,111
Culture and Recreation	<u>41,771</u>
<b>Total Depreciation Expense</b>	<u>\$ 2,580,159</u>

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

The following is a summary of the changes in general long-term debt for the year ended September 30, 2010:

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

**Note 6 - General Long-term Debt (Concluded)**

	<u>Balance</u> <u>10/1/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/10</u>	<u>Due Within</u> <u>One Year</u>
<b>Long-term Debt Payable</b>					
Notes Payable	\$ 1,723,092	\$ 0	\$ (1,292,221)	\$ 430,871	\$ 262,380
Installment Obligations	330,294	0	(71,515)	258,779	30,761
Compensated Absences	523,181	96,844	0	620,025	0
Landfill Postclosure Costs	698,622	0	(93,815)	604,807	100,801
Other Postemployment Benefits	92,348	98,136	0	190,484	0
<b>Total Long-term Debt Payable</b>	<u>\$ 3,367,537</u>	<u>\$ 194,980</u>	<u>\$ (1,457,551)</u>	<u>\$ 2,104,966</u>	<u>\$ 393,942</u>

General long-term debt at September 30, 2010, is comprised of the following:

\$2,000,000 Construction Note, Dated October 25, 2006, Maturing on October 25, 2013, Secured by Non-Ad Valorem Revenue, Interest Rate 5.25%, Payable in Eleven Semiannual Payments of \$150,000 and One Final Payment of \$130,871	\$ 430,871
Installment Purchase of Land and Building, Due in 180 monthly Payments of \$2,767, Includes Interest at 4.10%	258,779
Estimated Landfill Postclosure Costs for County Landfill Site	604,807
Accumulated Compensated Absences Payable	620,025
Other Postemployment Benefits	190,484
<b>Total</b>	<u>\$ 2,104,966</u>

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2010:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2011	\$ 393,942	\$ 40,454	\$ 434,396
2012	300,411	7,585	307,996
2013	132,283	2,112	134,395
2014	132,651	1,745	134,396
2015	133,022	1,374	134,396
2016-2019	202,148	3,948	206,096
Compensated Absences	620,025	0	620,025
Other Postemployment Benefits	190,484	0	190,484
<b>Totals</b>	<u>\$ 2,104,966</u>	<u>\$ 57,218</u>	<u>\$ 2,162,184</u>

Interest expense during 2010 on general long-term debt totaled \$94,931, none of which was capitalized.

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

**Note 7 - Grants**

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

- State Aid to Libraries
- 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, 2010, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

**Note 8 - Interfund Balances and Transfers**

Interfund balances at September 30, 2010, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Major Funds</b>	<b>Other Governmental Funds</b>	
General Fund	Clerk - Operations	\$ 118,889
	Property Appraiser - Operations	39,302
	Tax Collector - Operations	14,912
	Landfill Closure Escrow	6
	<b>Agency Funds</b>	
Fines and Forfeitures	Sheriff - Individual Depositors	6,390
Sheriff Operations	Sheriff - Inmate Trust	8,342
	<b>Major Funds</b>	
Fines and Forfeitures	Sheriff Operations	228,345
<b>Other Governmental Funds</b>	<b>Other Governmental Funds</b>	
Clerk - Operations	Clerk - Fine and Forfeiture Fund	5,280
	<b>Agency Funds</b>	
Clerk - Operations	Clerk - Alimony and Support	2,000
Sheriff Inmate Welfare	Sheriff - Inmate Trust	4,073
<b>Total</b>		<u>\$ 427,539</u>

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.

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

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

<u>Fund Receiving Transfer</u>	<u>Amount</u>	<u>Fund Sending Transfer</u>
<b>Major Funds</b>		<b>Other Governmental Funds</b>
General Fund	\$ 39,302	Property Appraiser - Operations
General Fund	14,912	Tax Collector - Operations
General Fund	118,889	Clerk - Operations
Fines and Forfeitures	840,475	One-cent Sales Tax
Transportation Trust	225	Road Projects
Transportation Trust	1,000,000	Fiscally Constrained
<b>Major Funds</b>		<b>Major Funds</b>
Transportation Trust	122,772	General Fund
S.H.I.P.	74,081	General Fund
Fines and Forfeitures	1,697,915	General Fund
Public Library	462,132	General Fund
Emergency Medical Services	176,549	General Fund
Fines and Forfeitures	99,026	Sheriff Operations
Sheriff Operations	4,891,903	Fines and Forfeitures
Sheriff Operations	122,014	General Fund
<b>Other Governmental Funds</b>		<b>Other Governmental Funds</b>
Eighth Circuit Court	138,600	Court Facility
Library Project	300,000	One-cent Sales Tax
Library Project	800,000	Safety Complex
<b>Other Governmental Funds</b>		<b>Major Funds</b>
Eighth Circuit Court	102,713	General Fund
Mosquito Control	29,597	General Fund
Property Appraiser Operations	561,804	General Fund
Clerk of the Circuit Court Operations	625,000	General Fund
Supervisor of Elections Operations	326,408	General Fund
Tax Collector	20,000	General Fund
Sheriff - Education and Public	5,000	General Fund
Sheriff - Education and Public	<u>28,500</u>	Fines and Forfeitures
<b>Total</b>	<u>\$ 12,597,817</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 9 - Fund Equity**

The following funds had a portion of fund equity reserved at September 30, 2010:

**Major Funds**

General Fund:	
Reserved for Dori Slosberg Program	\$ 139,939
Reserved for Intergovernmental Communications	171,183
Reserved for Prepaid Expenses	68,349
Transportation Trust:	
Reserved for Transportation	1,724,086
Fines and Forfeitures:	
Reserved for Law Enforcement and Crime Prevention	210,682
Emergency Medical Service:	
Reserved for Wireless Activities	195,310

**Nonmajor Funds**

Tourist Development:	
Reserved for Tourist Development	121,049
Eighth Circuit Court:	
Reserved for Technology	19,056
Court Facility:	
Reserved for Court Facility	1,511
Impact Fee:	
Reserved for Capital Improvements	71,542
Records Modernization:	
Reserved for Records Modernization	134,151
Landfill Closure Escrow:	
Reserved for Landfill Postclosure	395,408
Library Project:	
Reserved for New Library Building	87,717
Fiscally Constrained:	
Reserved for Capital Projects	1,598,791

The following fund had a portion of fund equity designated at September 30, 2010:

**Nonmajor Fund**

Solid Waste:	
Designated for Solid Waste	\$ 1,334,708

**Note 10 - 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.

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

**Note 10 - Defined Benefit Pension Plan (Concluded)**

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, 13.12% for senior management, 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, 2010, 2009, and 2008, were \$1,176,515, \$1,094,306, and \$1,020,896, respectively, equal to the required contributions for each year.

**Note 11 - Other Postemployment Benefits (OPEB)**

**Plan Description**

Effective for the year ending September 30, 2009, the County implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other than Pensions*, for certain postemployment healthcare benefits provided by the County.

The requirements of this statement are being implemented prospectively, with the actuarially determined liability of \$753,182 at October 1, 2009, the date of the transition amortized over 30 years. Accordingly, for financial reporting purposes, no liability is reported for postemployment healthcare benefits liability at the date of transition.

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

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

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

**Note 11 - Other Postemployment Benefits (OPEB) *(Continued)***

**Funding Policy**

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

**Annual OPEB Cost and Net OPEB Obligation**

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

Normal Cost (Service Cost for One Year)	\$	87,887
Amortization of Unfunded Actuarial Accrued Liability (UAAL)		30,721
Interest on Normal Cost and Amortization		0
Adjustment for Timing		5,337
Annual Required Contribution (ARC)		123,945
Interest on Net OPEB Obligation		4,156
Adjustment to ARC		(3,936)
Annual OPEB Cost (Expense)		124,165
Employer Contributions Made		(26,029)
Increase in Net OPEB Obligation		98,136
<b>Net OPEB Obligation at Beginning of Year</b>		<b>92,348</b>
<b>Net OPEB Obligation at End of Year</b>	<b>\$</b>	<b>190,484</b>

The County's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB costs, and the net OPEB obligation for 2010 and 2009 were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions Toward the OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
09/30/2010	\$ 123,945	\$ 26,029	21%	\$ 190,484
09/30/2009	\$ 116,010	23,662	20.4%	\$ 92,348

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

**Note 11 - Other Postemployment Benefits (OPEB) (Concluded)**

**Funding Status and Funding Progress**—As of October 1, 2009, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$753,182 and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$753,182. The covered payroll (annual payroll of active employees covered by the plan) was \$8,020,808, and the ratio of the UAAL to the covered payroll was 9.4%.

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

**Actuarial Methods and Assumptions**

In any long-term Actuarial Valuation, certain demographic, economic, and behavioral assumptions are made concerning the population, the investment discount rates and the benefits provided. These Actuarial Assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided, and the contributions collected. Then the investment discount rate assumption is used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost. The actuarial assumptions also included a payroll growth rate of 3%, and an annual healthcare cost trend rate of 10% initially, reduced annually to an ultimate rate of 5% after 10 years. The remaining amortization period at September 30, 2010, was 29 years.

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

**Note 12 - 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.

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

**Note 12 - Postclosure Care Cost (Concluded)**

State and federal laws and regulations also require the County to perform certain maintenance and monitoring functions at the site for the next seven years. Although these postclosure care costs will be paid at future dates, the County has recorded a liability at September 30, 2010, for the entire estimated cost of these activities (in 2010 dollars).

Total current cost of remaining postclosure care at the State Road 100 landfill site is estimated to be \$100,801 annually, or \$604,807 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.

At September 30, 2010, \$395,408 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 13 - Other Disclosures**

**Budget Over-expenditure**

The Sheriff's Operation Fund, a major fund, reported total expenditures in excess of total appropriations of \$7,034. This resulted from the receipt of additional revenues and other sources which were expended but for which approved budget amendments were not prepared.

The Clerk's fine and forfeiture fund, a nonmajor special revenue fund, reported total expenditures in excess of total appropriations of \$3,943.

**Deficit Fund Balance**

The nonmajor special revenue Court Operations fund had a deficit fund balance of \$(23) at September 30, 2010. The nonmajor capital project road projects fund had a deficit fund balance of \$(6) at September 30, 2010.

**Restatement**

A restatement of beginning net assets was made to reduce beginning net assets by \$953,322 to correct the amount of mortgages receivable at the beginning of the year. This adjustment was made at the government-wide level only.

**Note 14 - 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.

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

**Note 15 - 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 16 - Commitments**

At September 30, 2010, the County had entered into agreements for the following road improvements:

<u>Project</u>	<u>Total Agreement</u>	<u>Amount Expended Through 9/30/10</u>
Resurfacing of County Road S.E. 144th Street	\$ 1,814,825	\$ 738,754
Resurfacing of County Road 100A Griffis Loop	733,120	647,993
Resurfacing of County Road 200A from 301 to CR 225	415,334	76,898

**Note 17 - 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 \$(46,455) difference are as follows:

Capital Outlay	\$ 2,533,704
Depreciation Expense	<u>(2,580,159)</u>
<b>Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Charges in Net Assets of Governmental Activities</b>	<b><u>\$ (46,455)</u></b>

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 \$1,270,259 difference are as follows:

Principal Retirement	\$ 1,363,736
Increase in Compensated Absences	(96,844)
Increase in OPEB Liability	(98,136)
Landfill Postclosure Costs	93,815
Decrease in Accrued Interest	<u>7,688</u>
<b>Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at changes in Net Assets of Governmental Activities</b>	<b><u>\$ 1,270,259</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

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

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

**ACCOMPANYING INFORMATION**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

**Board of County Commissioners Special Revenue Funds**

	<b>Tourist Development</b>	<b>One-Cent Sales Tax</b>	<b>Eighth Circuit Court</b>	<b>Mosquito Control</b>
<b>Assets</b>				
Cash Deposits	\$ 113,126	\$ 1,233,125	\$ 624,733	\$ 70,581
Investments	0	1,013,320	0	0
Accounts Receivable	1,498	0	0	0
Due from Other Funds	0	0	0	0
Due from Other Governments	6,425	281,014	20,802	0
<b>Total Assets</b>	<b>121,049</b>	<b>2,527,459</b>	<b>645,535</b>	<b>70,581</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	0	0	39,538	298
Due to Other Funds	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>39,538</b>	<b>298</b>
<b>Fund Balance</b>				
Reserved	121,049	0	19,056	0
Unreserved - Designated	0	0	0	0
Unreserved - Undesignated, Special Revenue Funds	0	2,527,459	586,941	70,283
Unreserved - Undesignated, Debt Service Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>121,049</b>	<b>2,527,459</b>	<b>605,997</b>	<b>70,283</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 121,049</b>	<b>\$ 2,527,459</b>	<b>\$ 645,535</b>	<b>\$ 70,581</b>

**Board of County Commissioners Special Revenue Funds**

<b>Solid Waste</b>	<b>Criminal Justice</b>	<b>Court Facility</b>	<b>Traffic Fines</b>	<b>Court Operations</b>	<b>Hurricane Housing Recovery</b>	<b>Impact Fee</b>
\$ 1,351,356	\$ 225,786	\$ 1,506	\$ 323,956	\$ 0	\$ 19	\$ 70,475
0	0	0	0	0	0	0
36,147	0	5	0	0	0	1,067
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>1,387,503</u>	<u>225,786</u>	<u>1,511</u>	<u>323,956</u>	<u>0</u>	<u>19</u>	<u>71,542</u>
52,795	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	23	0	0
0	0	0	0	0	0	0
<u>52,795</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23</u>	<u>0</u>	<u>0</u>
0	0	1,511	0	0	0	71,542
1,334,708	0	0	0	0	0	0
0	225,786	0	323,956	(23)	19	0
0	0	0	0	0	0	0
<u>1,334,708</u>	<u>225,786</u>	<u>1,511</u>	<u>323,956</u>	<u>(23)</u>	<u>19</u>	<u>71,542</u>
<u>\$ 1,387,503</u>	<u>\$ 225,786</u>	<u>\$ 1,511</u>	<u>\$ 323,956</u>	<u>\$ 0</u>	<u>\$ 19</u>	<u>\$ 71,542</u>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

	<b>Constitutional Officers Special Revenue Funds</b>			
	<b>Clerk of the Circuit Court Operations</b>	<b>Clerk of the Circuit Court Fine and Forfeitures</b>	<b>Clerk of the Circuit Court Records Modernization</b>	<b>Sheriff Education and Public Service</b>
<b>Assets</b>				
Cash Deposits	\$ 113,421	\$ 0	\$ 134,161	\$ 83,272
Investments	0	0	0	0
Accounts Receivable	0	0	0	0
Due from Other Funds	7,280	0	0	0
Due from Other Governments	78	14,224	0	0
<b>Total Assets</b>	<b>120,779</b>	<b>14,224</b>	<b>134,161</b>	<b>83,272</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	1,890	1,504	10	20
Due to Other Funds	118,889	5,280	0	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>120,779</b>	<b>6,784</b>	<b>10</b>	<b>20</b>
<b>Fund Balance</b>				
Reserved	0	0	134,151	0
Unreserved - Designated	0	0	0	0
Unreserved - Undesignated, Special Revenue Funds	0	7,440	0	83,252
Unreserved - Undesignated, Debt Service Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>0</b>	<b>7,440</b>	<b>134,151</b>	<b>83,252</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 120,779</b>	<b>\$ 14,224</b>	<b>\$ 134,161</b>	<b>\$ 83,272</b>

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
\$ 77,537	\$ 40,150	\$ 14,912	\$ 2,744	\$ 264,722	\$ 92,828	\$ 0
0	0	0	0	0	0	673,240
5,602	0	0	0	0	0	0
4,073	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>87,212</u>	<u>40,150</u>	<u>14,912</u>	<u>2,744</u>	<u>264,722</u>	<u>92,828</u>	<u>673,240</u>
0	0	0	0	0	0	0
0	39,302	14,912	0	0	0	0
0	848	0	0	0	0	0
0	0	0	2,744	0	0	0
<u>0</u>	<u>40,150</u>	<u>14,912</u>	<u>2,744</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
87,212	0	0	0	0	0	0
0	0	0	0	264,722	92,828	673,240
<u>87,212</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>264,722</u>	<u>92,828</u>	<u>673,240</u>
<u>\$ 87,212</u>	<u>\$ 40,150</u>	<u>\$ 14,912</u>	<u>\$ 2,744</u>	<u>\$ 264,722</u>	<u>\$ 92,828</u>	<u>\$ 673,240</u>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

**Board of County Commissioners Capital Projects Funds**

	<b>Landfill Closure Escrow</b>	<b>Road Projects</b>	<b>Library Project</b>	<b>Fiscally Constrained</b>	<b>Totals</b>
<b>Assets</b>					
Cash Deposits	\$ 6,838	\$ 0	\$ 87,717	\$ 523,055	\$ 5,456,020
Investments	388,570	0	0	1,013,320	3,088,450
Accounts Receivable	0	0	0	0	44,319
Due from Other Funds	0	0	0	0	11,353
Due from Other Governments	0	0	0	62,416	384,959
<b>Total Assets</b>	<b>395,408</b>	<b>0</b>	<b>87,717</b>	<b>1,598,791</b>	<b>8,985,101</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	0	0	0	0	96,055
Due to Other Funds	0	6	0	0	178,389
Due to Other Governments	0	0	0	0	871
Deferred Revenue	0	0	0	0	2,744
<b>Total Liabilities</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>278,059</b>
<b>Fund Balance</b>					
Reserved	395,408	0	87,717	1,598,791	2,429,225
Unreserved - Designated	0	(6)	0	0	1,334,702
Unreserved - Undesignated, Special Revenue Funds	0	0	0	0	3,912,325
Unreserved - Undesignated, Debt Service Funds	0	0	0	0	1,030,790
<b>Total Fund Balances</b>	<b>395,408</b>	<b>(6)</b>	<b>87,717</b>	<b>1,598,791</b>	<b>8,707,042</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 395,408</b>	<b>\$ 0</b>	<b>\$ 87,717</b>	<b>\$ 1,598,791</b>	<b>\$ 8,985,101</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

**Board of County Commissioners Special Revenue Funds**

	<b>Tourist Development</b>	<b>One-Cent Sales Tax</b>	<b>Eighth Circuit Court</b>	<b>Mosquito Control</b>
<b>Revenues</b>				
Taxes	\$ 92,521	\$ 1,561,425	\$ 0	\$ 0
Intergovernmental	0	0	0	37,683
Charges for Services	0	0	241,664	0
Fines and Forfeitures	0	0	0	0
Miscellaneous	35,969	21,967	2,595	291
<b>Total Revenues</b>	<b>128,490</b>	<b>1,583,392</b>	<b>244,259</b>	<b>37,974</b>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Physical Environment	0	0	0	65,414
Transportation	0	0	0	0
Economic Environment	69,494	0	0	0
Culture and Recreation	0	0	0	0
Court-related	0	0	380,042	0
Debt Service:				
Principal Retirement	30,265	0	0	0
Interest	3,611	0	0	0
<b>(Total Expenditures)</b>	<b>(103,370)</b>	<b>0</b>	<b>(380,042)</b>	<b>(65,414)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>25,120</b>	<b>1,583,392</b>	<b>(135,783)</b>	<b>(27,440)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	0	0	241,313	29,597
Transfers (out)	0	(1,140,475)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(1,140,475)</b>	<b>241,313</b>	<b>29,597</b>
<b>Net Change in Fund Balances</b>	<b>25,120</b>	<b>442,917</b>	<b>105,530</b>	<b>2,157</b>
<b>Fund Balances, Beginning of Year</b>	<b>95,929</b>	<b>2,084,542</b>	<b>500,467</b>	<b>68,126</b>
<b>Fund Balances, End of Year</b>	<b>\$ 121,049</b>	<b>\$ 2,527,459</b>	<b>\$ 605,997</b>	<b>\$ 70,283</b>

**Board of County Commissioners Special Revenue Funds**

<b>Solid Waste</b>	<b>Criminal Justice</b>	<b>Court Facility</b>	<b>Traffic Fines</b>	<b>Court Operation</b>	<b>Hurricane Housing Recovery</b>	<b>Impact Fee</b>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
78,787	0	0	0	0	0	0
215,999	0	0	0	0	0	0
0	0	0	0	0	0	0
721,216	1,057	383	1,110	0	19	0
<u>1,016,002</u>	<u>1,057</u>	<u>383</u>	<u>1,110</u>	<u>0</u>	<u>19</u>	<u>0</u>
0	0	0	0	0	0	27
0	0	0	0	0	0	0
1,189,786	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>(1,189,786)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27)</u>
<u>(173,784)</u>	<u>1,057</u>	<u>383</u>	<u>1,110</u>	<u>0</u>	<u>19</u>	<u>(27)</u>
0	0	0	0	0	0	0
0	0	(138,600)	0	0	0	0
<u>0</u>	<u>0</u>	<u>(138,600)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(173,784)	1,057	(138,217)	1,110	0	19	(27)
<u>1,508,492</u>	<u>224,729</u>	<u>139,728</u>	<u>322,846</u>	<u>(23)</u>	<u>0</u>	<u>71,569</u>
<u>\$ 1,334,708</u>	<u>\$ 225,786</u>	<u>\$ 1,511</u>	<u>\$ 323,956</u>	<u>\$ (23)</u>	<u>\$ 19</u>	<u>\$ 71,542</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA  
(Continued)**

	<b>Constitutional Officers Special Revenue Funds</b>			
	<b>Clerk of the Circuit Court Operations</b>	<b>Clerk of the Circuit Court Fines and Forfeitures</b>	<b>Clerk of the Circuit Court Records Modernization</b>	<b>Sheriff Education and Public Service</b>
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	627,296	322	0
Charges for Services	97,133	0	30,636	0
Fines and Forfeitures	0	0	114,711	0
Miscellaneous	1,645	0	0	15,808
<b>Total Revenues</b>	<u>98,778</u>	<u>627,296</u>	<u>145,669</u>	<u>15,808</u>
<b>Expenditures</b>				
Current:				
General Government	532,704	0	0	0
Public Safety	0	0	0	36,404
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Culture and Recreation	0	0	0	0
Court-related	72,185	607,363	108,708	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
<b>(Total Expenditures)</b>	<u>(604,889)</u>	<u>(607,363)</u>	<u>(108,708)</u>	<u>(36,404)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(506,111)</u>	<u>19,933</u>	<u>36,961</u>	<u>(20,596)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	625,000	0	0	33,500
Transfers (out)	(118,889)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>506,111</u>	<u>0</u>	<u>0</u>	<u>33,500</u>
<b>Net Change in Fund Balances</b>	0	19,933	36,961	12,904
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>(12,493)</u>	<u>97,190</u>	<u>70,348</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 7,440</u>	<u>\$ 134,151</u>	<u>\$ 83,252</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
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	5,241	0	0	0
0	12,524	629,102	0	0	0	0
0	0	0	0	0	0	0
40,230	3,893	9,397	0	1,055	0	12,401
40,230	16,417	638,499	5,241	1,055	0	12,401
0	538,919	643,587	331,649	0	67	0
9,504	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(9,504)	(538,919)	(643,587)	(331,649)	0	(67)	0
30,726	(522,502)	(5,088)	(326,408)	1,055	(67)	12,401
0	561,804	20,000	326,408	0	0	0
0	(39,302)	(14,912)	0	0	(800,000)	0
0	522,502	5,088	326,408	0	(800,000)	0
30,726	0	0	0	1,055	(800,067)	12,401
56,486	0	0	0	263,667	892,895	660,839
\$ 87,212	\$ 0	\$ 0	\$ 0	\$ 264,722	\$ 92,828	\$ 673,240

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA  
(Concluded)**

**Board of County Commissioners Capital Projects Funds**

	<b>Landfill Closure Escrow</b>	<b>Road Projects</b>	<b>Library Project</b>	<b>Fiscally Constrained</b>	<b>Totals</b>
<b>Revenues</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,653,946
Intergovernmental	0	0	0	724,654	1,473,983
Charges for Services	0	0	0	0	1,227,058
Fines and Forfeitures	0	0	0	0	114,711
Miscellaneous	2,592	1	917	22,688	895,234
<b>Total Revenues</b>	<b>2,592</b>	<b>1</b>	<b>917</b>	<b>747,342</b>	<b>5,364,932</b>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	2,046,953
Public Safety	0	0	0	115,916	161,824
Physical Environment	10	0	0	0	1,255,210
Transportation	0	0	0	100,267	100,267
Economic Environment	0	0	0	0	69,494
Culture and Recreation	0	0	75,483	0	75,483
Court-related	0	0	0	0	1,168,298
Debt Service:					
Principal Retirement	0	0	971,331	0	1,001,596
Interest	0	0	78,669	0	82,280
<b>(Total Expenditures)</b>	<b>(10)</b>	<b>0</b>	<b>(1,125,483)</b>	<b>(216,183)</b>	<b>(5,961,405)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,582</b>	<b>1</b>	<b>(1,124,566)</b>	<b>531,159</b>	<b>(596,473)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	0	0	1,100,000	0	2,937,622
Transfers (out)	0	(225)	0	(1,000,000)	(3,252,403)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(225)</b>	<b>1,100,000</b>	<b>(1,000,000)</b>	<b>(314,781)</b>
<b>Net Change in Fund Balances</b>	<b>2,582</b>	<b>(224)</b>	<b>(24,566)</b>	<b>(468,841)</b>	<b>(911,254)</b>
<b>Fund Balances, Beginning of Year</b>	<b>392,826</b>	<b>218</b>	<b>112,283</b>	<b>2,067,632</b>	<b>9,618,296</b>
<b>Fund Balances, End of Year</b>	<b>\$ 395,408</b>	<b>\$ (6)</b>	<b>\$ 87,717</b>	<b>\$ 1,598,791</b>	<b>\$ 8,707,042</b>

**COMBINING STATEMENT OF FIDUCIARY ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS  
SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

	<b>Clerk of the Circuit Court</b>				
	<b>Cash Bonds</b>	<b>Trust</b>	<b>Alimony and Support</b>	<b>Special Fine and Forfeiture</b>	<b>Registry of the Court</b>
<b>Assets</b>					
Cash Deposits	\$ 24,132	\$ 43,287	\$ 3,390	\$ 78,385	\$ 97,691
Due from Individuals	0	0	0	0	0
Due from Other Governments	0	1,578	0	0	0
<b>Total Assets</b>	<b>24,132</b>	<b>44,865</b>	<b>3,390</b>	<b>78,385</b>	<b>97,691</b>
<b>Liabilities</b>					
Accounts Payable	0	0	1,390	71,442	0
Due to Other Funds	0	0	2,000	0	0
Due to Other Governments	0	0	0	6,943	0
Deposits	24,132	44,865	0	0	97,691
<b>Total Liabilities</b>	<b>\$ 24,132</b>	<b>\$ 44,865</b>	<b>\$ 3,390</b>	<b>\$ 78,385</b>	<b>\$ 97,691</b>

<b>Tax Collector</b>	<b>Sheriff</b>			
<b>Taxes</b>	<b>Individual Depositors</b>	<b>Suspense</b>	<b>Inmate Trust</b>	<b>Total</b>
\$ 387,173	\$ 21,876	\$ 0	\$ 13,849	\$ 669,783
0	0	0	2,876	2,876
0	0	0	0	1,578
<u>387,173</u>	<u>21,876</u>	<u>0</u>	<u>16,725</u>	<u>674,237</u>
0	0	0	3,818	76,650
0	6,390	0	12,415	20,805
387,173	0	0	0	394,116
0	15,486	0	492	182,666
<u>\$ 387,173</u>	<u>\$ 21,876</u>	<u>\$ 0</u>	<u>\$ 16,725</u>	<u>\$ 674,237</u>

## **OTHER INFORMATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

Federal Grantor/Pass-Through Grantor/ Grant Program	CFDA Number	Grant ID Number	Expenditures
<b>Federal Awards</b>			
<b>U.S. Department of Justice</b>			
Bulletproof Vests	16.607		\$ 4,482
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.804	2009-SB-B9-0763	3,124
Passed Through State of Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-JAGS-BRAD-1-W2-004	64,548
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-JAGD-BRAD-2-4Y-094	5,050
<b>Subtotal Expenditures - CFDA No.16.738</b>			<b>69,598</b>
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	2010-ARRC-BRAD-1-W7-283	272,513
Passed Through State of Florida Office of the Attorney General:			
VOCA	16.575	V09237	30,633
<b>Total U.S. Department of Justice</b>			<b>380,350</b>
<b>Department of Transportation Passed through State Department of Transportation</b>			
Teen Traffic Safety Outreach	20.600	CP-10-04-17	9,923
<b>U.S. Election Assistance Commission Passed through Florida Department of State</b>			
Help America Vote Act Requirements Payments	90.401		4,440
<b>U.S. Department of Health and Human Services</b>			
Child Support Enforcement	93.563	CD304	77,322
Child Support Enforcement	93.563		3,617
<b>Subtotal Expenditures- CFDA No. 93.563</b>			<b>80,939</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>80,939</b>
<b>U.S. Department of Homeland Security</b>			
Assistance to Firefighters Grant	97.044	EMW-2008-FV-06402	238,925
Assistance to Firefighters Grant	97.044	EMW-2009-FV-06968	112,500
<b>Subtotal Expenditures - CFDA No. 97.044</b>			<b>351,425</b>
<b>U.S. Department of Homeland Security Passed through State of Florida Department of Community Affairs</b>			
Emergency Management Performance Grant	97.042		30,145
Emergency Management Performance Grant	97.042	09-D5-51-03-14-01-304	16,455
<b>Subtotal Expenditures - CFDA No. 97.042</b>			<b>46,600</b>
Homeland Security Grant Program	97.067	08-DS-60-03-14-01-168	10,000
<b>Total U. S. Department of Homeland Security</b>			<b>408,025</b>
<b>Total Federal Expenditures</b>			<b>\$ 883,677</b>

**Note to the Schedule of Expenditures of Federal Awards**

**Basis of Presentation**

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

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA**

<u>State Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Grantor Number</u>	<u>Expenditures</u>
<b>State Financial Assistance</b>			
<b>State of Florida Department of Environmental Protection</b>			
Small County Consolidated Grant - S/W Management Grant	37.012	002SC	\$ 78,787
<b>State of Florida Department of Agriculture and Consumer Services</b>			
Mosquito Control	42.003		37,683
<b>State of Florida Department of State and Secretary of State</b>			
State Aid to Libraries	45.030	09-ST-41	93,144
State Aid to Libraries	45.030	10-ST-41	120,692
<b>Subtotal Expenditures - CSFA No. 45.030</b>			<u>213,836</u>
<b>State of Florida Department of Community Affairs</b>			
Emergency Management Programs	52.008	10-BG-25-03-14-01-058	104,597
Emergency Management Projects	53.023	10-CP-04-03-14-01-142	1,624
<b>Total Florida Department of Community Affairs</b>			<u>106,221</u>
<b>Florida Housing Finance Corporation</b>			
State Housing Initiatives Partnership Program	52.901		534,981
<b>State of Florida Department of Transportation</b>			
County Incentive Grant Program - SE 144th St	55.008	417311-1-58-01	177,038
County Incentive Grant Program - CR 200-A	55.008	417311-1-58-01	76,898
<b>Subtotal Expenditures - CSFA No. 55.008</b>			<u>253,936</u>
Small County Road Assistance Program - SE 8th Ave	55.016	424164-1-58-01	5,192
Small County Road Assistance Program - 100A	55.016	424343-1-58-01	641,827
<b>Subtotal Expenditures - CSFA No. 55.016</b>			<u>647,019</u>
<b>Total Florida Department of Transportation</b>			<u>900,955</u>
<b>State of Florida Department of Health</b>			
County Grant Awards	64.005	C9004	92,941
County Matching Grant	64.003	R9020	78,000
<b>Total State of Florida Department of Health</b>			<u>170,941</u>
<b>State of Florida Department of Management Services</b>			
E911 Rural Grant Program	72.001		49,183
<b>Total State Financial Assistance</b>			<u>\$ 2,092,587</u>

**Note to the Schedule of Expenditures of State Financial Assistance**

**Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance is presented 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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 31, 2011. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We noted matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. These items have been disclosed in the reports of the Constitutional Officers.

**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

**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)**

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted matters involving the internal control over financial reporting and its operation that we consider to be significant deficiencies. These items have been disclosed in the reports of the Constitutional Officers.

**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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*. This item has been disclosed in the report of the Sheriff.

We noted certain matters that we have reported to management of the County in a separate letter dated May 31, 2011.

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

Pursuant to Chapter 119, Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards accepted in the United States of America requires us to indicate that 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*

May 31, 2011  
Gainesville, Florida

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL**

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

**Compliance**

We have audited the compliance of Bradford County, Florida (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the Florida Department of Financial Services, *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2010. The County's major federal programs and 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 federal programs and 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 federal program or state financial assistance 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 of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-1 and 2010-2.

**Certified Public Accountants**

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

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL  
(Concluded)**

**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 federal programs and state financial assistance 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 federal program and state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

The County's responses to the findings identified in our audit are described in the accompanying correction action plan. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

Pursuant to Chapter 119, Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards accepted in the United States of America requires us to indicate that this report is intended solely for the information and use of the Bradford County Board of County Commissioners, management, Constitutional Officers, 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.

  
May 31, 2011

Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
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. Significant deficiencies identified during the audit of the financial statements are reported in the report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* for the Bradford County Clerk of the Circuit Court, Sheriff, Tax Collector, and Property Appraiser, some of which are reported as material weaknesses.
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 federal programs or state financial assistance projects were disclosed.
5. The auditors' report on compliance for the major federal programs and state financial assistance projects for Bradford County, Florida expresses an unqualified opinion.
6. The audit disclosed findings that are required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.
7. The projects tested as major federal programs and state projects were as follows:

<b>Federal Program</b>	<b>CFDA No.</b>
Assistance to Firefighters Grant	97.044
Edward Byrne memorial Justice Grant - ARRA	16.803
<b>State Project</b>	<b>CSFA No.</b>
State Housing Initiatives Partnership Program (SHIP)	52.901
Small County Road Assistance Program	55.016

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

**PART B - FINDINGS - FINANCIAL STATEMENTS**

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY, FLORIDA  
(Concluded)**

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

**Finding  
Number**

**2010-1 Failure to File Performance Reports - Assistance to Firefighter Grant CFDA No. 97.044**

*Condition*—The six month semi-annual performance report and close-out report for assistance to Firefighters Grant was not filed during fiscal year 2010 as required.

*Effect*—The failure to file these performance reports could result in the County not being allowed to receive future grants under this federal program.

*Recommendation*—We recommend that the County file these performance reports as soon as possible to comply with the grant requirements.

**2010-2 Lack of Supporting Documentation for Purchase of Vehicles - Edward Justice Assistance Grant CFDA No. 16.803 ARRA**

*Condition*—Supporting documentation was not on file in the Sheriff’s Office to verify that vehicle purchases made from this grant could be traced to an approved state contract price.

*Effect*—Failure to maintain all supporting documentation for vehicle purchases to allow a comparison to the approved state contract prices resulted in not being able to verify that state contract prices were paid for these vehicles.

*Recommendation*—We recommend that all supporting documentation for vehicle purchases be maintained by the Sheriff’s office to document that amounts paid for vehicles agree with approved state contract prices.

**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. A Corrective Action Plan is required because there were 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, 2010, and have issued our report thereon dated May 31, 2011.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our report on internal control over financial reporting and compliance and other matters, report on compliance with requirements applicable to each major federal program and state project and on internal control over compliance, and schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated May 31, 2011, should be considered in conjunction with this management letter. This management letter applies to the County as a whole. Other management letter comments are described in the audit reports of the Constitutional Officers.

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

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. A prior year finding not addressed is reported below under the heading Prior Year Finding and Recommendation:
  - **Prior Finding and Recommendation**

**Condition**—The County provided funding to four volunteer fire departments and three municipal fire departments through its annual budget process to provide fire protection services within the unincorporated areas of the County.

**Criteria**—During fiscal year 2009-2010, there were no written agreements in effect that documented the responsibilities and requirements of the parties.

**Recommendation**—We recommend that written agreements be developed and adopted between the County and each fire department.
- 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.

**Certified Public Accountants**

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**MANAGEMENT LETTER**  
*(Continued)*

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

- **Documentation of Fuel Usage and Security**

- During our audit we became aware that fuel dispensed to all vehicles was not being reconciled to dipstick readings of fuel usage from the storage tanks. We recommend that fuel usage per dipstick readings from the storage tanks be reconciled periodically to fuel usage records maintained for all vehicles. This will help ensure that all fuel is being properly accounted for.

- We also noted that the gate to the transportation yard where the fuel pumps are located is not locked at night or on weekends. Although it takes an authorized key to access the fuel pumps, we recommend that the gate be kept locked at night or on weekends or some other control be considered such as a surveillance camera.

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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*, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse and (2) deficiencies in internal control that are not significant deficiencies. 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, 2010, 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, 2010. In connection with our audit, we determined that these two reports were in agreement.

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

**MANAGEMENT LETTER**  
*(Concluded)*

- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the County officials, 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*

May 31, 2011  
Gainesville, Florida



BOARD OF COUNTY COMMISSIONERS  
BRADFORD COUNTY, FLORIDA

**CORRECTION ACTION PLAN LETTER**

June 7, 2011

TO WHOM IT MAY CONCERN:

The following is the Bradford County Board of County Commissioner's response to the audit comments included in fiscal year ending September 30, 2010:

- Comment:** The performance report and close-out of the Firefighters Grant was not filed as required.

**Response:** The County is in the process of filing the performance report. As soon as it is reviewed, the grant will be closed out.
- Comment:** Supporting documentation not on file in the Sheriff's Office to verify vehicle purchases made from a grant could be traced to an approved state contract price.

**Response:** Subsequent to the audit period, documentation has been obtained to enable the process of verifying confirmation to state contract pricing.

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

Sincerely,

  
Ray Norman  
Clerk to the Board

RN:ms

Cc: File

Ross Chandler  
Vice-Chair  
District I

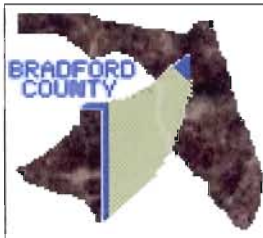
Doyle Thomas  
Commissioner  
District II

Lila Sellars  
Commissioner  
District III

Danny Riddick  
Commissioner  
District IV

Eddie Lewis  
Chairman  
District V

PO Drawer B  
Starke, Florida  
32091  
904-966-6327  
Fax: 904-368-3903



BOARD OF COUNTY COMMISSIONERS  
BRADFORD COUNTY, FLORIDA

June 7, 2011

Ross Chandler  
Vice-Chair  
District I

Doyle Thomas  
Commissioner  
District II

Lila Sellars  
Commissioner  
District III

Danny Riddick  
Commissioner  
District IV

Eddie Lewis  
Chairman  
District V

PO Drawer B  
Starke, Florida  
32091  
904-966-6327  
Fax: 904-368-3903

TO WHOM IT MAY CONCERN:

The following is the Bradford County Board of County Commissioner's response to the audit comments included in fiscal year ending September 30, 2010:

1. **Comment:** No written agreement between the County and each Volunteer Fire Department.

**Response:** The County Attorney is still in the process of drafting the agreements between the County and the various Volunteer Fire Departments.

2. **Comment:** Fuel dispensed to all vehicles was not being reconciled to dipstick readings to ensure that all fuel is properly accounted for.

Also noted was the gate to the transportation yard where the fuel pumps are located is not locked at night or on weekends.

**Response:** The Transportation Department is doing dipstick readings before and after each time the tanks are filled. They are in the process of ordering new clock gauges that should be more accurate than using the dipstick. These readings will be reconciled on a regular basis.

With regard to the gate being unlocked, this has been an ongoing problem with emergency vehicles saying they are called out and do not have time to stop and shut the gate. The Transportation Department is in the process of ordering surveillance cameras. Monitoring the fuel yard should help minimize the problem caused by the unlocked gate.

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

Sincerely,

  
Ray Norman  
Clerk to the Board

RN:ms

Cc: File



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

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

**SEPTEMBER 30, 2010**

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

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

**SEPTEMBER 30, 2010**

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## 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, 2010, 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, which practices differ from accounting principles generally accepted in the United States of America. The differences include the permitted omission of entity-wide, full-accrual financial statements and the management's discussion and analysis. In addition, the financial statements referred to above are intended to present the financial position and changes in financial position of only that portion 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 a whole as of September 30, 2010, 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, 2010, 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 the basis of accounting described in Note 1.

### Certified Public Accountants

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 31, 2011, 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.

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

This report 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.



May 31, 2011  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Fine and Forfeiture Fund</b>	<b>Public Records Fund</b>	
<b>Assets</b>				
Cash	\$ 113,421	\$ 0	\$ 134,161	\$ 247,582
Due from Other Governments	78	0	0	78
Due from State	0	14,224	0	14,224
Due from Other Funds	7,280	0	0	7,280
<b>Total Assets</b>	<u>120,779</u>	<u>14,224</u>	<u>134,161</u>	<u>269,164</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	1,890	1,504	10	3,404
Due to Board of County Commissioners	118,889	0	0	118,889
Due to Other Funds	0	5,280	0	5,280
<b>Total Liabilities</b>	<u>120,779</u>	<u>6,784</u>	<u>10</u>	<u>127,573</u>
<b>Fund Balances</b>				
Reserved for Records Modernization	0	0	134,151	134,151
Unreserved	0	7,440	0	7,440
<b>Total Fund Balance</b>	<u>0</u>	<u>7,440</u>	<u>134,151</u>	<u>141,591</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 120,779</u>	<u>\$ 14,224</u>	<u>\$ 134,161</u>	<u>\$ 269,164</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Fine and Forfeiture Fund</b>	<b>Public Records Fund</b>	
<b>Revenues</b>				
Intergovernmental Revenue	\$ 0	\$ 627,296	\$ 322	\$ 627,618
Charges for Services	97,133	0	30,636	127,769
Fines and Forfeitures	0	0	114,711	114,711
Miscellaneous	1,645	0	0	1,645
<b>Total Revenues</b>	<b>98,778</b>	<b>627,296</b>	<b>145,669</b>	<b>871,743</b>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	525,973	0	0	525,973
Operating Expenditures	3,195	0	0	3,195
Capital Outlay	3,536	0	0	3,536
Court-related:				
Personal Services	6,402	558,967	98,647	664,016
Operating Expenditures	62,423	25,005	4,427	91,855
Capital Outlay	3,360	23,391	5,634	32,385
<b>(Total Expenditures)</b>	<b>(604,889)</b>	<b>(607,363)</b>	<b>(108,708)</b>	<b>(1,320,960)</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(506,111)</b>	<b>19,933</b>	<b>36,961</b>	<b>(449,217)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners				
	625,000	0	0	625,000
Transfers (out) to Board of County Commissioners				
	(118,889)	0	0	(118,889)
<b>Total Other Financing Sources (Uses)</b>	<b>506,111</b>	<b>0</b>	<b>0</b>	<b>506,111</b>
<b>Net Change in Fund Balances</b>	<b>0</b>	<b>19,933</b>	<b>36,961</b>	<b>56,894</b>
<b>Fund Balances, Beginning of Year</b>	<b>0</b>	<b>(12,493)</b>	<b>97,190</b>	<b>84,697</b>
<b>Fund Balances, End of Year</b>	<b>\$ 0</b>	<b>\$ 7,440</b>	<b>\$ 134,151</b>	<b>\$ 141,591</b>

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, 2010  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<b>General Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for Services	\$ 85,600	\$ 85,600	\$ 97,133	\$ 11,533
Miscellaneous	100	100	1,645	1,545
<b>Total Revenues</b>	<u>85,700</u>	<u>85,700</u>	<u>98,778</u>	<u>13,078</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	576,246	576,246	525,973	50,273
Operating Expenditures	30,562	30,562	3,195	27,367
Capital Outlay	49,761	49,761	3,536	46,225
Court-related:				
Personal Services	0	0	6,402	(6,402)
Operating Expenditures	0	0	62,423	(62,423)
Capital Outlay	0	0	3,360	(3,360)
<b>(Total Expenditures)</b>	<u>(656,569)</u>	<u>(656,569)</u>	<u>(604,889)</u>	<u>51,680</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(570,869)</u>	<u>(570,869)</u>	<u>(506,111)</u>	<u>64,758</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	570,869	570,869	625,000	54,131
Transfers (out) to Board of County Commissioners	0	0	(118,889)	(118,889)
<b>Total Other Financing Sources (Uses)</b>	<u>570,869</u>	<u>570,869</u>	<u>506,111</u>	<u>(64,758)</u>
<b>Net Change in Fund Balances</b>	0	0	0	0
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT  
(Continued)**

	<b>Fine and Forfeiture Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental Revenue	\$ 47,900	\$ 603,420	\$ 627,296	\$ 23,876
Charges for Services	838,752	0	0	0
Fines and Forfeitures	107,605	0	0	0
Miscellaneous	1,404	0	0	0
<b>Total Revenues</b>	<u>995,661</u>	<u>603,420</u>	<u>627,296</u>	<u>23,876</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personal Services	708,036	595,280	558,967	36,313
Operating Expenditures	287,625	8,140	25,005	(16,865)
Capital Outlay	0	0	23,391	(23,391)
<b>(Total Expenditures)</b>	<u>(995,661)</u>	<u>(603,420)</u>	<u>(607,363)</u>	<u>(3,943)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>0</u>	<u>0</u>	<u>19,933</u>	<u>19,933</u>
<b>Other Financing Sources (Uses)</b>				
Excess Fees Distributed to Other Government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	0	0	19,933	19,933
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>(12,493)</u>	<u>(12,493)</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,440</u>	<u>\$ 7,440</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, 2010  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT  
(Concluded)**

	<b>Public Records Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental Revenue	\$ 0	\$ 0	\$ 322	\$ 322
Charges for Services	55,000	55,000	30,636	(24,364)
Fines and Forfeitures	35,000	145,000	114,711	(30,289)
Miscellaneous	2,500	2,500	0	(2,500)
<b>Total Revenues</b>	<u>92,500</u>	<u>202,500</u>	<u>145,669</u>	<u>(56,831)</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personnel Services	0	98,405	98,647	(242)
Operating Expenditures	65,000	68,960	4,427	64,533
Capital Outlay	27,500	35,135	5,634	29,501
<b>(Total Expenditures)</b>	<u>(92,500)</u>	<u>(202,500)</u>	<u>(108,708)</u>	<u>93,792</u>
<b>Excess of Revenues Over Expenditures</b>	<u>0</u>	<u>0</u>	<u>36,961</u>	<u>36,961</u>
<b>Net Change in Fund Balances</b>	0	0	36,961	36,961
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>97,190</u>	<u>97,190</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 134,151</u>	<u>\$ 134,151</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2010**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

**Assets**

Cash	\$ 246,885
Due from Other Governments	<u>1,578</u>

**Total Assets**

248,463

**Liabilities**

Accounts Payable	72,832
Due to Other Funds	2,000
Due to Other Governments	6,943
Deposits	<u>166,688</u>

**Total Liabilities**

\$ 248,463

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. Prior to July 1, 2009, as a Fee Officer, the court-related operations of the Clerk were approved and funded from fees and charges authorized under Chapter 2004-265, Laws of Florida. Beginning July 1, 2009, the Clerk's court-related operations were funded from the State of Florida general appropriations, pursuant to Chapter 2009-204, 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 court-related expenditures of the fine and forfeiture fund are remitted to the State of Florida at year-end.

#### **Basis of Presentation**

The accompanying financial statements include all the funds and accounts of the Clerk's office, but are not a complete presentation of the County as a whole. The accompanying financial statements are special purpose financial statements because they were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General—Local Governmental Audits*. Section 10.556(4), *Rules of the Auditor General—Local Governmental Entity Audits*, requires the Clerk to only present fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures, including a management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position of the Clerk as of September 30, 2010, and the changes in its financial position for the year then ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with U.S. generally accepted accounting principles (GAAP).

#### **Fund Accounting**

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

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

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

**Fund Accounting (Concluded)**

The Clerk utilizes the following fund types:

■ **Governmental Funds**

● **Major Funds**

- ▶ **General Fund**—The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.
  
- ▶ **Fine and Forfeiture Fund**—The fine and forfeiture fund was established pursuant to Chapter 2004-265, Laws of Florida, as amended by Chapter 2009-204, 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.

■ **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.

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

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

**Budgetary Requirement**

Government fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the general fund and the public records fund. All budget amounts presented in the accompanying 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.

**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.

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

**Note 2 - Cash**

At September 30, 2010, the carrying amount of the Clerk's deposits was \$494,241 and the bank balance was \$725,009. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Clerk are placed with qualified financial institutions which means they are insured or collateralized.

**Note 3 - Employee Benefits**

**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.

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 10.77% of the compensation for regular members, 14.57% for senior management, and 18.64% for County elected officials.

The Clerk's contributions to the System for the years ended September 30, 2010, 2009 and 2008, were \$97,584, \$96,627, and \$98,745, respectively, equal to the required contributions for each year.

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

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

Effective for the year ending September 30, 2009, the County implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

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

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

Currently the Clerk has 22 active employees and 1 retired employee who are considered participants in the plan for purposes of computing the OPEB obligation. The Clerk’s portion of the OPEB obligation for the year totaled \$2,398. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

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

The following is a summary of the changes in long-term debt of the Clerk for the year ended September 30, 2010:

	<b>Balance October 1, 2009</b>	<b>Net Additions (Deletions)</b>	<b>Balance September 30, 2010</b>
Accumulated Compensated Absences	\$ 64,622	\$ 10,622	\$ 75,244
Other Postemployment Benefit Obligations	<u>1,512</u>	<u>886</u>	<u>2,398</u>
<b>Total Long-term Debt</b>	<u>\$ 66,134</u>	<u>\$ 11,508</u>	<u>\$ 77,642</u>

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

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

**Note 6 - Other Disclosure**

The fine and forfeiture fund reported total expenditures in excess of total appropriations of \$3,943.

## **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, 2010  
BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

	<u>Cash Bond</u>	<u>Trust</u>	<u>Alimony and Support</u>	<u>Special Fine and Forfeiture</u>	<u>Registry of the Court</u>	<u>Total All Agency Funds</u>
<b>Assets</b>						
Cash	\$ 24,132	\$ 43,287	\$ 3,390	\$ 78,385	\$ 97,691	\$ 246,885
Due from Other Governments	0	1,578	0	0	0	1,578
<b>Total Assets</b>	<u>24,132</u>	<u>44,865</u>	<u>3,390</u>	<u>78,385</u>	<u>97,691</u>	<u>248,463</u>
<b>Liabilities</b>						
Accounts Payable	0	0	1,390	71,442	0	72,832
Due to Other Funds	0	0	2,000	0	0	2,000
Due to Other Governments	0	0	0	6,943	0	6,943
Deposits	24,132	44,865	0	0	97,691	166,688
<b>Total Liabilities</b>	<u>\$ 24,132</u>	<u>\$ 44,865</u>	<u>\$ 3,390</u>	<u>\$ 78,385</u>	<u>\$ 97,691</u>	<u>\$ 248,463</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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons. 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

*A deficiency in internal control* exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Clerk's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness.

**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

**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**

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

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

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

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a significant deficiency.

■ **Journal Entries**

*Condition*—Adjusting journal entries were not being reviewed by another individual before being entered into the accounting system.

*Effect*—Errors, misstatements, or fraud might not be caught on a timely basis without review and approval by another individual.

*Recommendation*—We recommend that adjusting journal entries be reviewed by another individual before they are entered into the accounting system.

**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 is described in the accompanying managements' response. We did not audit the Clerk's response and, accordingly, we express no opinion on it.

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*

May 31, 2011  
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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

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 May 31, 2011, 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. This letter includes the following information which is not included in the aforementioned auditors' reports:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations in the preceding annual financial 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. 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 or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 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*, provides that an auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. 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 the requirements of Section 28.35, and 28.36, Florida Statutes. In connection with our audit, we determined that the Clerk complied with such requirements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Clerk of the Circuit Court 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*

May 31, 2011  
Gainesville, Florida

# Ray Norman, Clerk of Courts

Bradford County

945 North Temple Avenue  
P.O. Drawer B Starke, FL 32091  
ray\_norman@bradford-co-fla.org



904-966-6280  
Fax: 904-966-6256  
www.bradfordclerk.com

June 7, 2011

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, 2010:

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

**Response:** Due to the limited number of available personnel, it was not always possible to adequately separate certain incompatible duties so that no one (1) employee has access to both the physical assets and the related accounting records, or to all phases of a transaction.

2. **Comment:** Journal entries not being reviewed by another individual before being entered into the accounting system.

**Response:** The Finance Director will pass the adjusting entries that he makes to a second employee to review and post to the accounting system.

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

Sincerely,

Ray Norman  
Clerk of the Circuit Court

RN:ms

Cc: File

SHERIFF

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

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

**SEPTEMBER 30, 2010**

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

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

**SEPTEMBER 30, 2010**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Gordon Smith  
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, 2010, 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 prescribed by the *Rules of the Auditor General*, State of Florida, which practices differ from accounting principles generally accepted in the United States of America. The differences include the permitted omission of entity-wide, full-accrual financial statements and the management's discussion and analysis. In addition, the financial statements referred to above are intended to present the financial position and changes in financial position of only that portion 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 a whole as of September 30, 2010, 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 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, 2010, 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 the basis of accounting described in Note 1.

### Certified Public Accountants

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The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 31, 2011, 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.

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

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*

May 31, 2011  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010  
BRADFORD COUNTY SHERIFF**

	<u>Major Fund General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash	\$ 338,973	\$ 160,809	\$ 499,782
Due from Other Governments	27,330	0	27,330
Due from Other Funds	8,342	4,073	12,415
Accounts Receivable	0	5,602	5,602
<b>Total Assets</b>	<u>374,645</u>	<u>170,484</u>	<u>545,129</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	146,300	20	146,320
Due to Board of County Commissioners	228,345	0	228,345
<b>Total Liabilities</b>	<u>374,645</u>	<u>20</u>	<u>374,665</u>
<b>Fund Balances</b>			
Unreserved	<u>0</u>	<u>170,464</u>	<u>170,464</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 374,645</u>	<u>\$ 170,484</u>	<u>\$ 545,129</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY SHERIFF**

	<u>Major Fund General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Intergovernmental Revenues	\$ 466,416	\$ 0	\$ 466,416
Miscellaneous	3,383	56,038	59,421
<b>Total Revenues</b>	<u>469,799</u>	<u>56,038</u>	<u>525,837</u>
<b>Expenditures</b>			
Current:			
Court-related:			
Salaries and Benefits	178,802	0	178,802
Operating Expenditures	3,328	45,908	49,236
Public Safety:			
Salaries and Benefits	3,792,282	0	3,792,282
Operating Expenditures	935,006	0	935,006
Human Services:			
Salaries and Benefits	81,214	0	81,214
Operating Expenditures	23,542	0	23,542
Capital Outlay	370,516	0	370,516
<b>(Total Expenditures)</b>	<u>(5,384,690)</u>	<u>(45,908)</u>	<u>(5,430,598)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(4,914,891)</u>	<u>10,130</u>	<u>(4,904,761)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in from Board of County Commissioners	5,013,917	33,500	5,047,417
Transfers (out) to Board of County Commissioners	(99,026)	0	(99,026)
<b>Total Other Financing Sources (Uses)</b>	<u>4,914,891</u>	<u>33,500</u>	<u>4,948,391</u>
<b>Net Change in Fund Balances</b>	0	43,630	43,630
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>126,834</u>	<u>126,834</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 170,464</u>	<u>\$ 170,464</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, 2010  
BRADFORD COUNTY SHERIFF**

	<b>General Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental Revenues	\$ 0	\$ 455,653	\$ 466,416	\$ 10,763
Miscellaneous	0	3,383	3,383	0
<b>Total Revenues</b>	<u>0</u>	<u>459,036</u>	<u>469,799</u>	<u>10,763</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personal Services	182,906	178,802	178,802	0
Operating Expenditures	15,000	3,328	3,328	0
Public Safety:				
Salaries and Benefits	3,460,347	3,792,474	3,792,282	192
Operating Expenditures	1,029,650	940,217	935,006	5,211
Human Services:				
Salaries and Benefits	99,514	81,214	81,214	0
Operating Expenditures	22,500	23,431	23,542	(111)
Capital Outlay	100,000	358,190	370,516	(12,326)
<b>(Total Expenditures)</b>	<u>(4,909,917)</u>	<u>(5,377,656)</u>	<u>(5,384,690)</u>	<u>(7,034)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(4,909,917)</u>	<u>(4,918,620)</u>	<u>(4,914,891)</u>	<u>3,729</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	4,909,917	5,013,917	5,013,917	0
Transfers (out) to Board of County Commissioners	0	(95,297)	(99,026)	(3,729)
<b>Total Other Financing Sources (Uses)</b>	<u>4,909,917</u>	<u>4,918,620</u>	<u>4,914,891</u>	<u>(3,729)</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2010**  
**BRADFORD COUNTY SHERIFF**

**Assets**

Cash	\$ 35,725
Accounts Receivable	<u>2,876</u>

<b>Total Assets</b>	<b>\$ <u>38,601</u></b>
---------------------	-------------------------

**Liabilities**

Accounts Payable	3,818
Due to Other Funds	12,415
Due to Board of County Commissioners	6,390
Deposits	<u>15,978</u>

<b>Total Liabilities</b>	<b>\$ <u>38,601</u></b>
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See accompanying notes to financial statements.

**NOTES TO 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**

The accompanying financial statements include all funds accounts of the Sheriff's office, but are not a complete presentation of the County as a whole. The accompanying financial statements are special purpose financial statements because they were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General - Local Governmental Entity Audits*.

Section 10.556(4), *Rules of the Auditor General-Local Governmental Entity Audits*, requires the Sheriff to only present fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures, including a management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position of the Sheriff as of September 30, 2010, and the changes in its financial position for the year then ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with U.S. generally accepted accounting principles (GAAP).

**Fund Accounting**

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

The Sheriff utilizes the following fund types:

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

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

**Fund Accounting (Concluded)**

■ **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.

■ **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.

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

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

**Budgetary Requirement**

Government fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the general fund. All budget amounts presented in the accompanying 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.

**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.

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

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

**Risk Management (Concluded)**

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

**Note 2 - Cash Deposits**

At September 30, 2010, the carrying amount of the Sheriff's deposits was \$535,507, and the bank balance was \$686,984. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Sheriff are placed with qualified financial institutions which mean they are insured or collateralized.

**Note 3 - Employee Benefits**

**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.

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

**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 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, 2010, 2009 and 2008, were \$510,722, \$450,968, and \$444,014, 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:

	<b>Balance October 1, 2009</b>	<b>Increase</b>	<b>(Decrease)</b>	<b>Balance September 30, 2010</b>
Buildings	\$ 11,345	\$ 0	\$ 0	\$ 11,345
Vehicles	1,010,395	207,841	0	1,218,236
Equipment	433,248	32,571	0	465,819
(Accumulated Depreciation)	(1,019,450)	(170,070)	0	(1,189,520)
Capital Assets, Net	<u>\$ 435,538</u>	<u>\$ 70,342</u>	<u>\$ 0</u>	<u>\$ 505,880</u>

Depreciation expense was charged to Public Safety of the Sheriff in the government-wide financial statements in the amount of \$170,070.

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

Effective for the year ending September 30, 2009, the County implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

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

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

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

**Note 5 - Postemployment Benefits Other Than Pensions (Concluded)**

Currently the Sheriff has 73 active employees and 3 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Sheriff's portion of the OPEB obligation for the year totaled \$112,438. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

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

The following is a summary of the changes in long-term debt of the Sheriff for the year ended September 30, 2010:

	<b>Balance October 1, 2009</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2010</b>
Accumulated Compensated Absences	\$ 171,694	\$ 152,692	\$ (130,379)	\$ 194,007
Other Postemployment Benefits	54,350	58,088	0	112,438
<b>Totals</b>	<u>\$ 226,044</u>	<u>\$ 210,780</u>	<u>\$ (130,379)</u>	<u>\$ 306,445</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 Sheriff's long-term debt is reported in the statement of net assets in the County's financial statements.

**Note 7 - Other Disclosures**

The general fund reported total expenditures in excess of total appropriations of \$7,034. This resulted from the receipt of additional revenues and other sources which were expended but for which approved budget amendments were not prepared.

**Note 8 - Interfund Receivables and Payables**

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 8,342	\$ 0
Special Revenue Funds:		
Inmate Welfare Fund	4,073	0
Fiduciary Funds:		
Inmate Trust Fund	0	12,415
<b>Totals</b>	<u>\$ 12,415</u>	<u>\$ 12,415</u>

**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, 2010**  
**BRADFORD COUNTY SHERIFF**

	<b>Education and Public Service</b>	<b>Inmate Welfare Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Cash	\$ 83,272	\$ 77,537	\$ 160,809
Accounts Receivable	0	5,602	5,602
Due from Inmate Trust Fund	0	4,073	4,073
<b>Total Assets</b>	<u>83,272</u>	<u>87,212</u>	<u>170,484</u>
 <b>Liabilities and Fund Balances</b>			
Accounts Payable	20	0	20
 <b>Fund Balances</b>			
Unreserved	83,252	87,212	170,464
<b>Total Liabilities and Fund Balances</b>	<u>\$ 83,272</u>	<u>\$ 87,212</u>	<u>\$ 170,484</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
ALL SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY SHERIFF**

	<u>Education and Public Service</u>	<u>Inmate Welfare Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>			
Miscellaneous	\$ 15,808	\$ 40,230	\$ 56,038
<b>Expenditures</b>			
Public Safety:			
Operating Expenditures	(36,404)	(9,504)	(45,908)
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(20,596)</u>	<u>30,726</u>	<u>10,130</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in from Board of County Commissioners	33,500	0	33,500
<b>Total Other Financing Sources (Uses)</b>	<u>33,500</u>	<u>0</u>	<u>33,500</u>
<b>Net Change in Fund Balances</b>	12,904	30,726	43,630
<b>Fund Balances, Beginning of Year</b>	<u>70,348</u>	<u>56,486</u>	<u>126,834</u>
<b>Fund Balances, End of Year</b>	<u>\$ 83,252</u>	<u>\$ 87,212</u>	<u>\$ 170,464</u>

## AGENCY FUNDS

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

**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, 2010**  
**BRADFORD COUNTY SHERIFF**

	<u>Individual Depositors</u>	<u>Suspense</u>	<u>Inmate Trust</u>	<u>Total All Agency Funds</u>
<b>Assets</b>				
Cash	\$ 21,876	\$ 0	\$ 13,849	\$ 35,725
Accounts Receivable	<u>0</u>	<u>0</u>	<u>2,876</u>	<u>2,876</u>
<b>Total Current Assets</b>	<u><u>21,876</u></u>	<u><u>0</u></u>	<u><u>16,725</u></u>	<u><u>38,601</u></u>
<b>Liabilities</b>				
Accounts Payable	0	0	3,818	3,818
Due to Inmate Welfare Fund	0	0	4,073	4,073
Due to General Fund	0	0	8,342	8,342
Due to Board of County Commissioners	6,390	0	0	6,390
Deposits	<u>15,486</u>	<u>0</u>	<u>492</u>	<u>15,978</u>
<b>Total Liabilities</b>	<u><u>\$ 21,876</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 16,725</u></u>	<u><u>\$ 38,601</u></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 Gordon Smith  
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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to basis of accounting required for state filing requirements, and for other reasons. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be a material weakness.

■ **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 Gordon Smith  
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  
(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 accounting duties be separated among employees where it is feasible to do so.

**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 the following instance of noncompliance that is required to be reported under *Government Auditing Standards*:

■ **Budget Amendments**

- *Condition*—Florida Statutes 129.06(2) permits the Sheriff at any time within a fiscal year to amend the budget for that year, and may within the first 60 days of a fiscal year amend the budget for the prior fiscal year. It was noted that the final budget amendment for fiscal year 2009-2010 was not submitted and approved until March 2011, which is outside of the allowable time period.
- *Effect*—The Sheriff did not amend his budget in accordance with the time period allowed under Florida Statute 129.06(2).
- *Recommendation*—We recommend that the Sheriff review his budget procedures to ensure all amendments are prepared and approved as required under Florida Statute 129.06(2).

We noted certain matters that we have reported to management of the Sheriff in a separate letter dated May 31, 2011.

The Sheriff's response to the findings identified in our audit is 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*

May 31, 2011  
Gainesville, Florida

## MANAGEMENT LETTER

The Honorable Gordon Smith  
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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and other reasons.

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 May 31, 2011, 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. This letter includes the following information; which is not included in the aforementioned auditors' reports.

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**

- **Cash Disbursements**—During our review of cash disbursements, we noted some invoices did not contain evidence of approval for payment. We recommend that authorized employees review invoices and sign all invoices documenting their approval prior to payment.
- **Approved Pay Rates**—During our review of payroll disbursements we noted that employee pay rates were not documented in the employees' personnel files. We recommend that all employee pay rates be documented in writing in the employees' personnel files.

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 Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

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

**Current Year Findings and Recommendations**

- **Agency Fund**—During our review of the Individual Depositor Fund we noted that certain balances totaling \$15,486 at September 30, 2010, had not been distributed to the appropriate parties. We recommend that this amount be identified and distributed to the appropriate parties.
- **Unclaimed Property**—During our review of bank reconciliations, we noted a significant number of outstanding checks over two years old in the inmate trust account and a few checks over one year old in the operating account. We recommend that efforts be made to return these stale-dated checks to the appropriate payees, or, if unsuccessful, we recommend that these monies be distributed as unclaimed funds.

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address any violations of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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*, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. 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 the 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of the Sheriff 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.



May 31, 2011  
Gainesville, Florida

SHERIFF



*Gordon Smith*

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

May 31, 2011

Purvis Gray & Company  
222 N.E. 1<sup>st</sup> Street  
Gainesville, FL 32602

Gentlemen;

After review of the Special Purpose Financial Statements and Independent Auditor's Report dated September 30, 2010, I have prepared the following response to the items of concern you noted:

**Page 16, Separation of Duties:**

We utilize an employee on a part-time basis to reconcile accounts of the sheriff's office. The reconciliation records are kept separate from the original accounting files.

**Page 17, Budget Amendments:**

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

**Page 18, Cash Disbursements:**

All invoices are now approved and signed by the Chief of Staff or in his absence the Administrative Lieutenant. They are authorized to review and sign all invoices for documentation of their approval prior to payment.

**Page 18, Approved Pay Rates:**

All employee pay rate and pay rate changes will be documented in the employee's personnel file.

**Page 19, Agency Fund:**

The majority of the Individual account has been distributed to the proper parties. The failure to distribute these funds occurred due to transferring of duties earlier in the 2010 fiscal year.

**Page 19, Unclaimed Property:**

Outstanding checks were identified in the Inmate Trust Account and the General Operating Account. We will monitor these accounts annually for stale-dated checks and make take all necessary steps to distribute to the payee and if still unclaimed distribute as unclaimed funds.

Sincerely,

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

Sheriff Gordon Smith

TAX COLLECTOR

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

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

**SEPTEMBER 30, 2010**

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

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

**SEPTEMBER 30, 2010**

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## 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 General Fund and the aggregate remaining fund information of the Bradford County, Florida Tax Collector (the Tax Collector), as of and for the year ended September 30, 2010, 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, which practices differ from accounting principles generally accepted in the United States of America. The differences include the permitted omission of entity-wide, full-accrual financial statements and the management's discussion and analysis. In addition, the financial statements referred to above are intended to present the financial position and changes in financial position of only that portion 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 a whole as of September 30, 2010, 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 and the aggregate remaining fund information of the Tax Collector at September 30, 2010, 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 the basis of accounting described in Note 1.

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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 May 31, 2011, 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.

*Purris, Gray and Company, LLP*

May 31, 2011  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2010  
BRADFORD COUNTY TAX COLLECTOR**

<b>Assets</b>	
Cash	\$ 14,912
<b>Total Assets</b>	<u>14,912</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Due to Board of County Commissioners	14,912
<b>Total Liabilities</b>	<u>14,912</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 14,912</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY TAX COLLECTOR**

<b>Revenues</b>	
Charges for Services	\$ 629,102
Miscellaneous	9,397
<b>Total Revenues</b>	638,499
<b>Expenditures</b>	
Current:	
General Government:	
Salaries and Benefits	582,435
Operating Expenditures	61,152
<b>(Total Expenditures)</b>	(643,587)
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(5,088)
<b>Other Financing Sources (Uses)</b>	
Transfers in from the Board of County Commissioners	20,000
Transfers (out) to Board of County Commissioners	(14,912)
<b>Total Other Financing Sources (Uses)</b>	5,088
<b>Net Change in Fund Balance</b>	0
<b>Fund Balance, Beginning of Year</b>	0
<b>Fund Balance, End of Year</b>	\$ 0

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY TAX COLLECTOR**

	<b>General Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for Services	\$ 654,520	\$ 654,520	\$ 629,102	\$ (25,418)
Miscellaneous	3,900	3,900	9,397	5,497
<b>Total Revenues</b>	<u>658,420</u>	<u>658,420</u>	<u>638,499</u>	<u>(19,921)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Salaries and Benefits	573,711	582,438	582,435	3
Operating Expenditures	52,033	64,213	61,152	3,061
<b>(Total Expenditures)</b>	<u>(625,744)</u>	<u>(646,651)</u>	<u>(643,587)</u>	<u>3,064</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>32,676</u>	<u>11,769</u>	<u>(5,088)</u>	<u>(16,857)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	0	0	20,000	20,000
Transfers (out) to Board of County Commissioners	(32,676)	(11,769)	(14,912)	(3,143)
<b>Total Other Financing Sources (Uses)</b>	<u>(32,676)</u>	<u>(11,769)</u>	<u>5,088</u>	<u>16,857</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2010**  
**BRADFORD COUNTY TAX COLLECTOR**

**Assets**

Cash	\$ 387,173
------	------------

**Liabilities**

Due to Other Governments	<u>387,173</u>
--------------------------	----------------

**Total Liabilities**

	<u>\$ 387,173</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 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**

The accompanying financial statements include all funds and accounts of the Tax Collector's office, but are not a complete presentation of the County as a whole. The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General—Local Governmental Entity Audits*.

These accompanying financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting requirements prescribed by the State of Florida Office of the Auditor General. As such, they omit entity-wide, full-accrual financial statements and related disclosures, and certain other required supplementary information to be in conformity with generally accepted accounting principles (GAAP) in the United States of America. Except for these omissions, they are otherwise in conformity with GAAP.

**Fund Accounting**

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

The Tax Collector utilizes the following fund types:

■ **Governmental Funds**

● **Major Fund**

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

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

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

**Fund Accounting *(Concluded)***

■ **Fiduciary Funds**

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

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures 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, 2010, the carrying amount of the Tax Collector's deposits was \$402,085 and the bank balance was \$564,921. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency.

When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Tax Collector are placed with qualified financial institutions which means, they are insured or collateralized.

**Note 3 - Employee Benefits**

**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 10.77% of the compensation for regular members, 14.57% for members of senior management, and 18.64% for County elected officials.

The Tax Collector's contributions to the System for the years ended September 30, 2010, 2009 and 2008, were \$47,607, \$46,197, and \$45,244, respectively, equal to the required contributions for each year.

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

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

Effective for the year ending September 30, 2009, the County implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

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

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

Currently, the Tax Collector has 8 active employees and 0 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Tax Collector’s portion of the OPEB obligation for the year totaled \$8,175. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 5 - 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, 2010:

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2010</u>
Accumulated Compensated Absences	\$ 56,067	\$ 38,886	\$ (38,133)	\$ 56,820
Other Postemployment Benefits	<u>3,942</u>	<u>4,238</u>	<u>(5)</u>	<u>8,175</u>
<b>Total Long-term Debt</b>	<u>\$ 60,009</u>	<u>\$ 43,124</u>	<u>\$ (38,138)</u>	<u>\$ 64,995</u>

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

The Tax Collector’s long-term debt is reported in the statement of net 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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting required for state filing requirements, and for other reasons. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Tax Collector's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

■ **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*)**

**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.

**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*

May 31, 2011  
Gainesville, Florida

## MANAGEMENT LETTER

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 fiscal year ended September 30, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

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 May 31, 2011, 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. This letter includes the following information, which is not included in the aforementioned auditors' reports.

- 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. 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 or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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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* provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this 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*

May 31, 2011  
Gainesville, Florida



**TEILA N. PEARSON**  
CERTIFIED TAX COLLECTOR  
BRADFORD COUNTY

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June 6, 2011

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, 2010, 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,

A handwritten signature in cursive script that reads "Teila N. Pearson".

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, 2010**

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

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

**SEPTEMBER 30, 2010**

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## 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 General Fund of Bradford County, Florida Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2010, 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, which practices differ from accounting principles generally accepted in the United States of America. The differences include the permitted omission of entity-wide, full-accrual financial statements and the management's discussion and analysis. In addition, the financial statements referred to above are intended to present the financial position and changes in financial position of only that portion 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 a whole, as of September 30, 2010, 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, 2010, 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 the basis of accounting described in Note 1.

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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 May 31, 2011, 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.

*Purris, Gray and Company, LLP*

May 31, 2011  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2010  
BRADFORD COUNTY PROPERTY APPRAISER**

<b>Assets</b>	
Cash	<u>\$ 40,150</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Due to Board of County Commissioners	39,302
Due to Other Governments	<u>848</u>
<b>Total Liabilities</b>	<u>40,150</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 40,150</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010  
 BRADFORD COUNTY PROPERTY APPRAISER**

<b>Revenues</b>	
Charges for Services	\$ 12,524
Miscellaneous	3,893
<b>Total Revenues</b>	16,417
<b>Expenditures</b>	
Current:	
General Government:	
Personal Services	428,542
Operating Expenditures	110,377
<b>(Total Expenditures)</b>	(538,919)
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(522,502)
<b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	561,804
Transfers (out) to Board of County Commissioners	(39,302)
<b>Total Other Financing Sources (Uses)</b>	522,502
<b>Net Change in Fund Balance</b>	0
<b>Fund Balance, Beginning of Year</b>	0
<b>Fund Balance, End of Year</b>	\$ 0

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
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>		
<b>Revenues</b>				
Charges for Services	\$ 13,372	\$ 13,372	\$ 12,524	\$ (848)
Miscellaneous	0	0	3,893	3,893
<b>Total Revenues</b>	<u>13,372</u>	<u>13,372</u>	<u>16,417</u>	<u>3,045</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	464,356	464,792	428,542	36,250
Operating Expenditures	108,818	110,384	110,377	7
Reserve for Contingency	2,000	0	0	0
<b>(Total Expenditures)</b>	<u>(575,174)</u>	<u>(575,176)</u>	<u>(538,919)</u>	<u>36,257</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(561,802)</u>	<u>(561,804)</u>	<u>(522,502)</u>	<u>39,302</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	561,802	561,804	561,804	0
Transfers (out) to Board of County Commissioners	0	0	(39,302)	(39,302)
<b>Total Other Financing Sources (Uses)</b>	<u>561,802</u>	<u>561,804</u>	<u>522,502</u>	<u>(39,302)</u>
<b>Net Change in Fund Balance</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**NOTES TO 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**

The accompanying financial statements include all funds and accounts of the Property Appraiser's office, but are not a complete presentation of the County as a whole. The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General—Local Governmental Entity Audits*.

These accompanying financial statements are fund financial statements that have been prepared in conformity with accounting practices and reporting requirements prescribed by the State of Florida Office of the Auditor General. As such, they omit entity-wide, full-accrual financial statements and related disclosures, and certain other required supplementary information to be in conformity with generally accepted accounting principles (GAAP) in the United States of America. Except for these omissions, they are otherwise in conformity with GAAP.

**Fund Accounting**

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

The Property Appraiser utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

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

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

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the 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.

**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.

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

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

**Risk Management**

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

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

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

**Note 2 - Cash**

At September 30, 2010, the carrying amount of the Property Appraiser's deposits was \$40,150 and the bank balance was \$44,918. 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, 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**  
*(Continued)*

**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% for County elected officials, and 10.91% for members in the DROP program.

The Property Appraiser's contributions to the System for the years ended September 30, 2010, 2009 and 2008, were \$39,330, \$35,305, and \$33,529, respectively, equal to the required contributions for each year.

**Note 4 - Other Postemployment Benefits (OPEB)**

Effective for the year ending September 30, 2009, the County implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

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

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

Currently the Property Appraiser has 2 active employees and 0 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Property Appraiser's portion of the OPEB obligation for the year totaled \$(220). This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

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

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2010:

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2010</u>
Accumulated Compensated Absences	\$ 23,146	\$ 19,340	\$ (18,414)	\$ 24,072
Other Postemployment Benefits	(94)	261	(387)	(220)
<b>Total Long-term Debt</b>	<u>\$ 23,052</u>	<u>\$ 19,601</u>	<u>\$ (18,801)</u>	<u>\$ 23,852</u>

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

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

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

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

## **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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting required for state filing requirements, and for other reasons. 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.

A *deficiency in internal control* exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Property Appraiser's financial statements will not be prevented, or detected and corrected on a timely basis.

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

■ **Separation of Duties**

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

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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 individuals where it is feasible to do so.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**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.



May 31, 2011  
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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and other reasons.

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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated May 31, 2011, 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. This letter includes the following information, which is not included in the aforementioned auditors' reports:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendation made in the preceding annual financial audit report.
- 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. 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 or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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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* provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this 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.



May 31, 2011  
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


June 6, 2011

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, 2010, 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' REPORT**

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

**SEPTEMBER 30, 2010**

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

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

**SEPTEMBER 30, 2010**

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## 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 General Fund of Bradford County, Florida Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2010, 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, which practices differ from accounting principles generally accepted in the United States of America. The differences include the permitted omission of entity-wide, full-accrual financial statements and the management's discussion and analysis. In addition, the financial statements referred to above are intended to present the financial position and changes in financial position of only that portion 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 a whole, as of September 30, 2010, 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, 2010, 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 the basis of accounting described in Note 1.

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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 May 31, 2011, 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*

May 31, 2011  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2010  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

<b>Assets</b>	
Cash in Bank	<u>\$ 2,744</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Deferred Revenue	<u>2,744</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 2,744</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

<b>Revenues</b>	
Intergovernmental Revenue	\$ 5,241
<b>Total Revenues</b>	<u>5,241</u>
<b>Expenditures</b>	
Current:	
General Government:	
Personal Services	211,700
Operating Expenditures	89,769
Capital Outlay	<u>30,180</u>
<b>(Total Expenditures)</b>	<u>(331,649)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(326,408)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	<u>326,408</u>
<b>Net Change in Fund Balance</b>	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 0</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental Revenue	\$ 0	\$ 0	\$ 5,241	\$ 5,241
<b>Total Revenues</b>	<u>0</u>	<u>0</u>	<u>5,241</u>	<u>5,241</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	220,665	211,778	211,700	78
Operating Expenditures	105,532	91,234	89,769	1,465
Capital Outlay	5,000	30,185	30,180	5
Reserve for Contingency	2,000	0	0	0
<b>(Total Expenditures)</b>	<u>(333,197)</u>	<u>(333,197)</u>	<u>(331,649)</u>	<u>1,548</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(333,197)</u>	<u>(333,197)</u>	<u>(326,408)</u>	<u>6,789</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	<u>333,197</u>	<u>333,197</u>	<u>326,408</u>	<u>(6,789)</u>
<b>Net Change in Fund Balance</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**NOTES TO 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**

The accompanying financial statements include all funds and accounts of the Supervisor of Elections office, but are not a complete presentation of the County as a whole. The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General—Local Governmental Entity Audits*.

These accompanying financial statements are fund financial statements that have been prepared in conformity with accounting practices and reporting requirements prescribed by the State of Florida Office of the Auditor General. As such, they omit entity-wide, full-accrual financial statements and related disclosures, and certain other required supplementary information to be in conformity with generally accepted accounting principles (GAAP) in the United States of America. Except for these omissions, they are otherwise in conformity with GAAP.

**Fund Accounting**

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

The Supervisor of Elections utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

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

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

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the 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.

**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.

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

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

**Risk Management**

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

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

**Note 2 - Cash Deposits**

At September 30, 2010, the carrying amount of the Supervisor of Elections' deposits was \$2,744, held as part of the Board's pooled checking account. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balances of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Supervisor of Elections are placed with qualified financial institutions which means, they are insured or collateralized.

**Note 3 - Employee Benefits**

**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, 2010, 2009 and 2008, were \$22,124, \$21,632, and \$21,018, respectively, equal to the required contributions for each year.

**Note 4 - Other Postemployment Benefits (OPEB)**

Effective for the year ending September 30, 2009, the County implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the County.

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

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

Currently the Supervisor of Elections has 3 active employees and 0 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Supervisor of Elections' portion of the OPEB obligation for the year totaled \$3,347. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

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

The following is a summary of the change in long-term debt of the Supervisor of Elections for the year ended September 30, 2010:

	<u>Balance October 1, 2009</u>	<u>Net Additions (Deletions)</u>	<u>Balance September 30, 2010</u>
Accumulated Compensated Absences	\$ 2,570	\$ 1,352	\$ 3,922
Other Postemployment Benefits	<u>1,623</u>	<u>1,724</u>	<u>3,347</u>
<b>Total Long-term Debt</b>	<u>\$ 4,193</u>	<u>\$ 3,076</u>	<u>\$ 7,269</u>

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

The Supervisor of Elections' 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 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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting required for state filing requirements, and for other reasons. 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 *deficiency in internal control* exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Supervisor of Elections's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

**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*.

**Certified Public Accountants**

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

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

**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 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.

*Purris, Gray and Company, LLP*

May 31, 2011  
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, 2010, and have issued our report thereon dated May 31, 2011, which was modified to refer to a basis of accounting, required for state filing requirements, and other reasons.

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 May 31, 2011, 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. This letter includes the following information, which is not included in the aforementioned auditors' reports:

- 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. 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 or grant agreements or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts 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* provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this 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*

May 31, 2011  
Gainesville, Florida