

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

**SEPTEMBER 30, 2018**



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AND  
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**BRADFORD COUNTY, FLORIDA  
STARKE, FLORIDA**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bradford County, Florida (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

### Certified Public Accountants

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

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

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

**Opinion**

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, 2018, and the respective changes in financial position, thereof, and the respective budgetary comparison of the general fund and each major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining fund statements are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, is also not a required part of the basic financial statements.

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



June 20, 2019  
Gainesville, Florida



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

### Financial Highlights

Total assets and deferred outflows of the County exceeded total liabilities and deferred inflows by \$45.6 million (net position). Unrestricted net position for Governmental Activities was \$3.9 million and restricted net position was \$3.7 million, with the remaining \$37.9 million classified as net position invested in capital assets. The Net Position for the year declined from \$49.4 million to \$45.6 million. Looking back six years to fiscal year 2013, the Net Position has declined from \$64.4 million to \$45.6 million.

Looking at the Total Governmental Funds for the year, expenditures exceeded revenues by \$1,768,069. This has been the trend for the last six years. Over that last six year period, from fiscal years 2013 through 2018, expenditures have exceeded revenues by \$5.2 million.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### Government-wide Financial Statements

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### **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, and interest and fiscal charges.

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

### **Fund Financial Statements**

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

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except on a much more narrowly defined basis. The County maintains twenty individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the seven major funds, the General Fund, S.H.I.P, Public Library, Transportation Trust, Fines and Forfeitures, Emergency Medical Services, and Fiscally Constrained. Data from the other thirteen 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 six major funds. The seventh major fund is a capital projects fund and a budgetary comparison statement is not required.

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

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

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

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

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

Net position may serve over time as a useful indicator of a government's financial position. In the case of Bradford County, assets and deferred outflows exceeded liabilities and deferred inflows by \$45,570,660 which is a decrease over the prior year of \$3,870,953. Net position is composed of \$37,933,326 net investment in Capital Assets, \$3,712,559 restricted for other purposes, and \$3,924,775 being unrestricted. The unrestricted net position for the year declined by \$3,255,799. If we look back six years from fiscal year 2013 through 2018, the unrestricted net position has declined \$5,768,712. 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)

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

	<b>FYE 2018</b>	<b>FYE 2017</b>
<b>Assets</b>		
Current and Restricted Assets	\$ 24,174,052	\$ 25,391,640
Capital Assets	38,001,365	35,734,634
<b>Total Assets</b>	<u>62,175,417</u>	<u>61,126,274</u>
<b>Deferred Outflow of Resources</b>		
OPEB Related	50,839	58,102
Pension Related	7,588,430	7,806,593
<b>Total Deferred Outflow of Resources</b>	<u>7,639,269</u>	<u>7,864,695</u>
<b>Liabilities</b>		
Current Liabilities	3,603,414	3,007,048
Non-current Liabilities	18,785,455	18,601,864
<b>Total Liabilities</b>	<u>22,388,869</u>	<u>21,608,912</u>
<b>Deferred Inflow of Resources</b>		
OPEB Related	56,461	0
Pension Related	1,798,696	940,444
	<u>1,855,157</u>	<u>940,444</u>
Net Investment in Capital Assets	37,933,326	38,616,171
Restricted	3,712,559	3,644,868
Unrestricted	3,924,775	7,180,574
<b>Total Net Position</b>	<u>\$ 45,570,660</u>	<u>\$ 49,441,613</u>

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

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

	<b>FYE 2018</b>	<b>FYE 2017</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 6,731,346	\$ 6,058,015
Operating Grants and Contributions	3,937,110	3,917,331
Capital Grants and Contributions	1,011,979	1,475,559
General Revenues:		
Property Taxes	7,826,420	7,669,110
Other Taxes	6,948,494	6,728,200
Other	479,708	546,403
<b>Total Revenues</b>	<u>26,935,057</u>	<u>26,394,618</u>
<b>Expenses</b>		
General Government	5,779,191	5,718,381
Public Safety	13,546,482	12,453,296
Physical Environment	2,203,000	1,543,620
Transportation	4,954,033	3,629,457
Economic Environment	638,858	1,304,511
Human Services	983,755	981,993
Culture and Recreation	993,892	1,032,323
Court Related	1,706,005	1,984,953
Interest and Fiscal Charges	794	960
<b>Total Expenses</b>	<u>30,806,010</u>	<u>28,649,494</u>
<b>Change in Net Position</b>	(3,870,953)	(2,254,876)
<b>Net Position-Beginning of Year</b>	<u>49,441,613</u>	<u>51,696,489</u>
<b>Net Position-End of Year</b>	<u>\$ 45,570,660</u>	<u>\$ 49,441,613</u>

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

**Fund Financial Statements (Concluded)**

***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, 2018, Bradford County's governmental funds reported combined ending fund balances of \$20,222,071. This is a decrease over the prior year of \$1,768,069. The breakout of the seven major funds and the remaining non-major funds is as follows.

**Bradford County, Florida**  
**Schedule of Fund Balances**

General Fund	\$ 6,846,918
S.H.I.P.	0
Public Library	279,425
Transportation Trust	1,260,367
Fines and Forfeitures	2,981,982
Emergency Medical Service	1,185,101
Fiscally Constrained	4,229,101
Other Governmental Funds (Combined 13 Non-major Funds)	<u>3,439,177</u>
<b>Total Fund Balances</b>	<b><u>\$ 20,222,071</u></b>

The County's overall financial position reported a decrease in total governmental fund balances of \$1,768,069, or 8.04% during fiscal year 2018.

The County's General Fund had a decrease in Fund Balance of \$1,649,164 during the current fiscal year. S.H.I.P. had no change, the Public Library Fund had an increase of \$9,188. The Transportation Trust Fund showed a decrease of \$754,965 in fund balance. The Fines and Forfeitures Fund increased its fund balance by \$268,143. The Emergency Medical Services Fund showed an increase in fund balance of \$98,225. The Fiscally Constrained Fund showed an increase in fund balance of \$224,042. This accounts for all the major funds. The remaining thirteen non-major funds had a combined increase in fund balance of \$36,462. Combining the changes in all fund balances the County incurred a decrease in total fund balance of \$1,768,069..

***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 \$115,185 more than the final budgeted amount, and the expenditures were \$1,497,289 less than the final budgeted amounts.

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

***Capital Assets and Debt Management***

**Capital Assets**

The County’s capital assets for the year ended September 30, 2018, including the Sheriff exceeded \$38.0 million (net of accumulated depreciation). This investment in capital assets includes land, land right-of-way, buildings, machinery and equipment, infrastructure, and construction in progress, net of depreciation and disposals. Major capital asset events during the current fiscal year included the following increases before depreciation:

Net Increase in Buildings	\$	45,019
Net Increase in Machinery & Equipment	\$	898,035
Net Increase in Infrastructure	\$	125,078

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

**Long-term Debt**

The General long-term debt totaled \$18,840,105. The primary debt for the fiscal year ended September 30, 2018, consists of \$17,411,339 for Net Pension Liability, \$747,622 for Compensated Absences, and \$604,463 for Other Postemployment Benefits.

***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 9.1104 mills. A Small County Surtax was also collected at the maximum 1%. The Bradford County average unemployment rate for 2018 is 3.3% compared with the rate for the State of Florida in Sept. 2018 which is 3.3%. This looks like Bradford residents are right in line with the rest of the State of Florida as a whole.

***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.

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash Deposits	\$ 11,837,446
Investments	9,542,652
Accounts Receivable	451,761
Mortgages Receivable	212,104
Due from Other Governments	2,099,260
Inventory	30,829
Capital Assets Not Being Depreciated:	
Land	8,404,783
Construction in Progress	472,171
Depreciable Capital Assets, Net	29,124,411
<b>Total Assets</b>	<u>62,175,417</u>
<b>Deferred Outflows of Resources</b>	
OPEB Related	50,839
Pension Related	7,588,430
<b>Total Deferred Outflows of Resources</b>	<u>7,639,269</u>
<b>Liabilities</b>	
Accounts Payable	1,351,871
Deposits	175,964
Due to Other Governments	17,518
Unearned Revenues	2,003,411
Noncurrent Liabilities:	
Due Within One Year:	
Installment Purchase Obligation	23,977
Clerk Child Support Grant Repayment	8,642
Lease Purchase Agreement	22,031
Due in More Than One Year:	
Lease Purchase Agreement	22,031
Compensated Absences	747,622
Other Postemployment Benefits Liability	604,463
Net Pension Liability	17,411,339
<b>Total Liabilities</b>	<u>22,388,869</u>
<b>Deferred Inflows of Resources</b>	
OPEB Related	56,461
Pension Related	1,798,696
<b>Total Deferred Inflows of Resources</b>	<u>1,855,157</u>
<b>Net Position</b>	
Net Investment in Capital Assets	37,933,326
Restricted for:	
Other Purposes	3,712,559
Unrestricted	3,924,775
<b>Total Net Position</b>	<u>\$ 45,570,660</u>

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

**STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2018**  
**BRADFORD COUNTY, FLORIDA**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities</b>					
General Government	\$ 5,779,191	\$ 1,225,193	\$ 957,540	\$ 6,180	\$ (3,590,278)
Public Safety	13,546,482	2,792,348	358,290	0	(10,395,844)
Physical Environment	2,203,000	1,122,261	527,784	0	(552,955)
Transportation	4,954,033	447,122	781,178	1,005,799	(2,719,934)
Economic Environment	638,858	92,000	499,071	0	(47,787)
Human Services	983,755	9,576	219,057	0	(755,122)
Culture and Recreation	993,892	8,971	430,878	0	(554,043)
Court Related	1,706,005	1,033,875	163,312	0	(508,818)
Interest and Fiscal Charges	794	0	0	0	(794)
<b>Total Governmental Activities</b>	<b>\$ 30,806,010</b>	<b>\$ 6,731,346</b>	<b>\$ 3,937,110</b>	<b>\$ 1,011,979</b>	<b>(19,125,575)</b>

**General Revenues**

Property Taxes	7,826,420
Discretionary Sales Surtax	2,426,612
Gasoline Taxes	736,662
Communication Service Taxes	36,429
Tourist Development Tax	179,277
Sales Tax and Other State Shared Revenue	3,569,514
Interest Earnings	142,076
Miscellaneous	337,632
<b>Total General Revenues</b>	<b>15,254,622</b>
<b>Change in Net Position</b>	<b>(3,870,953)</b>
<b>Net Position, Beginning of Year</b>	<b>49,441,613</b>
<b>Net Position, End of Year</b>	<b>\$ 45,570,660</b>

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



**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
<b>Assets</b>				
Cash Deposits	\$ 3,134,426	\$ 604,454	\$ 247,165	\$ 1,038,137
Investments	3,481,555	0	1,427,036	0
Accounts Receivable	3,241	0	2,578	8,662
Mortgages Receivable	0	212,104	0	0
Due from Other Funds	853,058	0	0	0
Due from Other Governments	1,372,369	0	0	451,614
Inventory	0	0	0	30,829
<b>Total Assets</b>	<u>8,844,649</u>	<u>816,558</u>	<u>1,676,779</u>	<u>1,529,242</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	806,861	52,711	22,595	268,875
Deposits	137,365	0	0	0
Due to Other Funds	986,745	0	0	0
Due to Other Governments	16,481	0	0	0
Unearned Revenues	7,432	551,743	1,374,759	0
<b>Total Liabilities</b>	<u>1,954,884</u>	<u>604,454</u>	<u>1,397,354</u>	<u>268,875</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenues	42,847	212,104	0	0
<b>Fund Balances</b>				
Nonspendable	0	0	0	30,829
Restricted	273,366	0	0	1,229,538
Committed	0	0	0	0
Assigned	0	0	279,425	0
Unassigned	6,573,552	0	0	0
<b>Total Fund Balances</b>	<u>6,846,918</u>	<u>0</u>	<u>279,425</u>	<u>1,260,367</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 8,844,649</u>	<u>\$ 816,558</u>	<u>\$ 1,676,779</u>	<u>\$ 1,529,242</u>

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

<b>Fines and Forfeitures</b>	<b>Emergency Medical Service</b>	<b>Fiscally Constrained</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,432,933	\$ 926,107	\$ 704,619	\$ 3,749,605	\$ 11,837,446
1,129,273	0	3,504,788	0	9,542,652
0	421,430	0	15,850	451,761
0	0	0	0	212,104
996,523	0	0	15,587	1,865,168
64,527	11,321	60,092	72,003	2,031,926
0	0	0	0	30,829
<u>3,623,256</u>	<u>1,358,858</u>	<u>4,269,499</u>	<u>3,853,045</u>	<u>25,971,886</u>
35,269	25,491	40,398	99,671	1,351,871
0	0	0	38,599	175,964
606,005	0	0	205,084	1,797,834
0	0	0	1,037	17,518
0	0	0	69,477	2,003,411
<u>641,274</u>	<u>25,491</u>	<u>40,398</u>	<u>413,868</u>	<u>5,346,598</u>
0	148,266	0	0	403,217
0	0	0	0	30,829
415,937	0	0	1,793,718	3,712,559
1,852,557	0	0	869,323	2,721,880
713,488	1,185,101	4,229,101	776,136	7,183,251
0	0	0	0	6,573,552
<u>2,981,982</u>	<u>1,185,101</u>	<u>4,229,101</u>	<u>3,439,177</u>	<u>20,222,071</u>
<u>\$ 3,623,256</u>	<u>\$ 1,358,858</u>	<u>\$ 4,269,499</u>	<u>\$ 3,853,045</u>	<u>\$ 25,971,886</u>

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

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

<b>Fund Balances - Total Governmental Funds</b>		\$ 20,222,071
 <b>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		38,001,365
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Net Pension Liability	\$ (17,411,339)	
Clerk Child Support Grant Repayment	(8,642)	
Installment Purchase Obligation	(23,977)	
Lease Purchase Agreement	(44,062)	
Compensated Absences	(747,622)	
Other Postemployment Benefits Liability	<u>(604,463)</u>	(18,840,105)
Deferred inflows and outflows related to Other Postemployment Benefits are amortized in future periods and are, therefore, not reported in the governmental funds:		
Deferred Outflows Related to Other Postemployment Benefits		50,839
Deferred Inflows Related to Other Post Employment Benefits		(56,461)
Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:		
Deferred Outflows Related to Pensions		7,588,430
Deferred Inflows Related to Pensions		(1,798,696)
Receivables that do not provide current financial resources are reported as unearned revenue in the governmental funds.		<u>403,217</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ 45,570,660</u></u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**BRADFORD COUNTY, FLORIDA**

	<u>General</u>	<u>S.H.I.P.</u>	<u>Public Library</u>	<u>Transportation Trust</u>
<b>Revenues</b>				
Taxes	\$ 8,408,019	\$ 0	\$ 0	\$ 736,663
Licenses and Permits	220,178	0	0	0
Intergovernmental	3,700,596	429,363	410,907	1,786,967
Charges for Services	978,664	0	0	387,620
Fines and Forfeitures	138,441	0	0	0
Miscellaneous	196,813	6,144	16,143	4,443
<b>Total Revenues</b>	<u>13,642,711</u>	<u>435,507</u>	<u>427,050</u>	<u>2,915,693</u>
<b>Expenditures</b>				
Current:				
General Government	5,236,868	0	0	0
Public Safety	7,622,579	0	0	0
Physical Environment	878,462	0	0	0
Transportation	0	0	0	3,920,658
Economic Environment	73,389	500,507	0	0
Human Services	926,924	0	0	0
Culture and Recreation	103,214	0	879,994	0
Court-related	256,417	0	0	0
Debt Service:				
Principal Retirement	22,031	0	0	0
Interest	0	0	0	0
<b>(Total Expenditures)</b>	<u>(15,119,884)</u>	<u>(500,507)</u>	<u>(879,994)</u>	<u>(3,920,658)</u>
<b>(Deficiency) Excess of Revenues (Under)</b>				
<b>Over Expenditures</b>	<u>(1,477,173)</u>	<u>(65,000)</u>	<u>(452,944)</u>	<u>(1,004,965)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,633,117	65,000	462,132	250,000
Transfers (out)	(6,805,108)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(171,991)</u>	<u>65,000</u>	<u>462,132</u>	<u>250,000</u>
<b>Net Change in Fund Balances</b>	(1,649,164)	0	9,188	(754,965)
<b>Fund Balances, Beginning of Year</b>	<u>8,496,082</u>	<u>0</u>	<u>270,237</u>	<u>2,015,332</u>
<b>Fund Balances, End of Year</b>	<u>\$ 6,846,918</u>	<u>\$ 0</u>	<u>\$ 279,425</u>	<u>\$ 1,260,367</u>

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

<b>Fines and Forfeitures</b>	<b>Emergency Medical Services</b>	<b>Fiscally Constrained</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,738,293	\$ 143,148	\$ 0	\$ 179,277	\$ 11,205,400
0	0	0	675,007	895,185
834,266	93,283	723,411	762,909	8,741,702
1,096,112	1,725,273	0	1,042,957	5,230,626
28,192	0	0	233,640	400,273
21,443	143	15,742	241,568	502,439
<u>3,718,306</u>	<u>1,961,847</u>	<u>739,153</u>	<u>3,135,358</u>	<u>26,975,625</u>
0	0	0	0	5,236,868
1,241,103	3,398,724	364,620	247,783	12,874,809
0	0	0	1,251,521	2,129,983
0	0	284,894	0	4,205,552
0	0	0	62,691	636,587
0	0	0	0	926,924
0	0	0	0	983,208
0	0	0	1,438,761	1,695,178
0	0	0	31,760	53,791
0	0	0	794	794
<u>(1,241,103)</u>	<u>(3,398,724)</u>	<u>(649,514)</u>	<u>(3,033,310)</u>	<u>(28,743,694)</u>
<u>2,477,203</u>	<u>(1,436,877)</u>	<u>89,639</u>	<u>102,048</u>	<u>(1,768,069)</u>
4,223,760	1,535,102	134,403	134,711	13,438,225
<u>(6,432,820)</u>	<u>0</u>	<u>0</u>	<u>(200,297)</u>	<u>(13,438,225)</u>
<u>(2,209,060)</u>	<u>1,535,102</u>	<u>134,403</u>	<u>(65,586)</u>	<u>0</u>
268,143	98,225	224,042	36,462	(1,768,069)
<u>2,713,839</u>	<u>1,086,876</u>	<u>4,005,059</u>	<u>3,402,715</u>	<u>21,990,140</u>
<u>\$ 2,981,982</u>	<u>\$ 1,185,101</u>	<u>\$ 4,229,101</u>	<u>\$ 3,439,177</u>	<u>\$ 20,222,071</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, 2018  
BRADFORD COUNTY, FLORIDA**

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,768,069)

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

Governmental funds report capital purchases as expenditures.  
However, in the statement of activities, the costs of those assets  
is depreciated over their estimated useful lives and reported as  
depreciation expense:

Expenditures for Capital Assets	\$	1,805,700	
(Current Year Depreciation)		(2,433,545)	
(Loss) on Disposal of Capital Assets		<u>(114,970)</u>	
			(742,815)

Certain revenues reported in the statement of activities are not  
considered current financial resources and, therefore, are not  
reported as revenue in the governmental funds. (40,568)

Repayment of long-term principal is an expenditure in the  
governmental funds, but the repayment reduces long-term  
liabilities in the statement of net position. 53,791

The changes in Other Postemployment Benefits related to  
expenses and deferred outflows and inflows of resources  
result in an adjustment to Other Postemployment Benefits  
expense in the statement of activities, but not in the  
governmental fund statements. (61,492)

The changes in net pension liability and pension related deferred  
outflows and inflows of resources result in an adjustment to  
pension expense in the statement of activities, but not in the  
governmental fund statements. (1,365,791)

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

Change in Clerk - Child Support Grant		28,470	
Change in Accrued Compensated Absences		<u>25,521</u>	
			<u>53,991</u>

**Change in Net Position of Governmental Activities** **\$ (3,870,953)**

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, 2018  
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	\$ 8,394,100	\$ 8,394,100	\$ 8,408,019	\$ 13,919
Licenses and Permits	86,300	86,300	220,178	133,878
Intergovernmental	3,075,526	3,839,376	3,700,596	(138,780)
Charges for Services	847,362	944,183	978,664	34,481
Fines and Forfeitures	102,000	102,000	138,441	36,441
Miscellaneous	115,704	161,567	196,813	35,246
<b>Total Revenues</b>	<u>12,620,992</u>	<u>13,527,526</u>	<u>13,642,711</u>	<u>115,185</u>
<b>Expenditures</b>				
Current:				
General Government	6,148,102	6,150,260	5,236,868	913,392
Public Safety	6,391,530	7,774,411	7,622,579	151,832
Physical Environment	354,539	1,014,124	878,462	135,662
Economic Environment	95,225	95,225	73,389	21,836
Human Services	971,106	966,116	926,924	39,192
Culture and Recreation	218,299	219,399	103,214	116,185
Court-related	328,966	310,543	256,417	54,126
Reserve for Contingency	551,596	64,095	0	64,095
Debt Service:				
Principal Retirement	23,000	23,000	22,031	969
<b>(Total Expenditures)</b>	<u>(15,082,363)</u>	<u>(16,617,173)</u>	<u>(15,119,884)</u>	<u>1,497,289</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(2,461,371)</u>	<u>(3,089,647)</u>	<u>(1,477,173)</u>	<u>1,612,474</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	7,920,020	8,732,710	6,633,117	(2,099,593)
Transfers (out)	(8,980,334)	(9,164,748)	(6,805,108)	2,359,640
<b>Total Other Financing Sources (Uses)</b>	<u>(1,060,314)</u>	<u>(432,038)</u>	<u>(171,991)</u>	<u>260,047</u>
<b>Net Change in Fund Balance</b>	(3,521,685)	(3,521,685)	(1,649,164)	1,872,521
<b>Fund Balance, Beginning of Year</b>	<u>3,521,685</u>	<u>3,521,685</u>	<u>8,496,082</u>	<u>4,974,397</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,846,918</u>	<u>\$ 6,846,918</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, 2018  
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	\$ 740,000	\$ 740,000	\$ 429,363	\$ (310,637)
Miscellaneous	2,075	2,075	6,144	4,069
<b>Total Revenues</b>	<u>742,075</u>	<u>742,075</u>	<u>435,507</u>	<u>(306,568)</u>
<b>Expenditures</b>				
Current:				
Economic Environment	865,986	865,986	500,507	365,479
<b>(Total Expenditures)</b>	<u>(865,986)</u>	<u>(865,986)</u>	<u>(500,507)</u>	<u>365,479</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(123,911)</u>	<u>(123,911)</u>	<u>(65,000)</u>	<u>58,911</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	65,000	65,000	65,000	0
<b>Total Other Financing Sources</b>	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	(58,911)	(58,911)	0	58,911
<b>Fund Balance, Beginning of Year</b>	<u>58,911</u>	<u>58,911</u>	<u>0</u>	<u>(58,911)</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, 2018  
BRADFORD COUNTY, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 366,344	\$ 366,344	\$ 410,907	\$ 44,563
Miscellaneous	21,080	21,080	16,143	(4,937)
<b>Total Revenues</b>	<u>387,424</u>	<u>387,424</u>	<u>427,050</u>	<u>39,626</u>
<b>Expenditures</b>				
Current:				
Culture and Recreation	2,493,526	2,493,526	879,994	1,613,532
<b>(Total Expenditures)</b>	<u>(2,493,526)</u>	<u>(2,493,526)</u>	<u>(879,994)</u>	<u>1,613,532</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(2,106,102)</u>	<u>(2,106,102)</u>	<u>(452,944)</u>	<u>1,653,158</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	462,132	462,132	462,132	0
<b>Net Change in Fund Balance</b>	(1,643,970)	(1,643,970)	9,188	1,653,158
<b>Fund Balance, Beginning of Year</b>	<u>1,643,970</u>	<u>1,643,970</u>	<u>270,237</u>	<u>(1,373,733)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 279,425</u>	<u>\$ 279,425</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, 2018  
BRADFORD COUNTY, FLORIDA**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 736,663	\$ 736,663
Intergovernmental	6,239,858	6,824,519	1,786,967	(5,037,552)
Charges for Services	309,975	309,975	387,620	77,645
Miscellaneous	1,500	1,500	4,443	2,943
<b>Total Revenues</b>	<u>6,551,333</u>	<u>7,135,994</u>	<u>2,915,693</u>	<u>(4,220,301)</u>
<b>Expenditures</b>				
Current:				
Transportation	7,774,066	8,274,216	3,920,658	4,353,558
<b>(Total Expenditures)</b>	<u>(7,774,066)</u>	<u>(8,274,216)</u>	<u>(3,920,658)</u>	<u>4,353,558</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,222,733)</u>	<u>(1,138,222)</u>	<u>(1,004,965)</u>	<u>133,257</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	250,000	250,000	250,000	0
<b>Net Change in Fund Balance</b>	(972,733)	(888,222)	(754,965)	133,257
<b>Fund Balance, Beginning of Year</b>	972,733	888,222	2,015,332	1,127,110
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,260,367</u>	<u>\$ 1,260,367</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, 2018  
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	\$ 1,771,462	\$ 1,771,462	\$ 1,738,293	\$ (33,169)
Intergovernmental	806,000	806,000	834,266	28,266
Charges for Services	131,700	131,700	1,096,112	964,412
Fines and Forfeitures	21,700	21,700	28,192	6,492
Miscellaneous	1,600	1,600	21,443	19,843
<b>Total Revenues</b>	<u>2,732,462</u>	<u>2,732,462</u>	<u>3,718,306</u>	<u>985,844</u>
<b>Expenditures</b>				
Current:				
Public Safety	2,850,174	2,850,174	1,241,103	1,609,071
<b>(Total Expenditures)</b>	<u>(2,850,174)</u>	<u>(2,850,174)</u>	<u>(1,241,103)</u>	<u>1,609,071</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(117,712)</u>	<u>(117,712)</u>	<u>2,477,203</u>	<u>2,594,915</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,204,699	4,204,699	4,223,760	19,061
Transfers (out)	(5,826,814)	(5,826,814)	(6,432,820)	(606,006)
<b>Total Other Financing (Uses)</b>	<u>(1,622,115)</u>	<u>(1,622,115)</u>	<u>(2,209,060)</u>	<u>(586,945)</u>
<b>Net Change in Fund Balance</b>	(1,739,827)	(1,739,827)	268,143	2,007,970
<b>Fund Balance, Beginning of Year</b>	<u>1,739,827</u>	<u>1,739,827</u>	<u>2,713,839</u>	<u>974,012</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,981,982</u>	<u>\$ 2,981,982</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, 2018  
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	\$ 145,880	\$ 145,880	\$ 143,148	\$ (2,732)
Intergovernmental	20,000	92,900	93,283	383
Charges for Services	1,560,206	1,677,537	1,725,273	47,736
Miscellaneous	0	0	143	143
<b>Total Revenues</b>	<u>1,726,086</u>	<u>1,916,317</u>	<u>1,961,847</u>	<u>45,530</u>
<b>Expenditures</b>				
Current:				
Public Safety	3,261,188	3,451,419	3,398,724	52,695
<b>(Total Expenditures)</b>	<u>(3,261,188)</u>	<u>(3,451,419)</u>	<u>(3,398,724)</u>	<u>52,695</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(1,535,102)</u>	<u>(1,535,102)</u>	<u>(1,436,877)</u>	<u>98,225</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,535,102	1,535,102	1,535,102	0
<b>Total Other Financing (Uses)</b>	<u>1,535,102</u>	<u>1,535,102</u>	<u>1,535,102</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	0	98,225	98,225
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>1,086,876</u>	<u>1,086,876</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,185,101</u>	<u>\$ 1,185,101</u>

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

**STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 SEPTEMBER 30, 2018  
 BRADFORD COUNTY, FLORIDA**

	<u>Agency Funds</u>
<b>Assets</b>	
Cash Deposits	\$ 563,336
<b>Total Assets</b>	<u>563,336</u>
<b>Liabilities</b>	
Accounts Payable	13,989
Due to Others	29,882
Due to Other Funds	67,334
Due to Other Governments	421,673
Deposits	<u>30,458</u>
<b>Total Liabilities</b>	<u>\$ 563,336</u>

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

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

**Note 1 - Reporting Entity**

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

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

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

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

The Bradford County Health Facilities Authority (the Authority) is an entity (Part III, Chapter 154, Florida Statutes) established to assist health facilities within the County. For the 2017-2018 fiscal year, the Authority had no financial activity. The Authority is the County's only component unit and is not included because it had no financial transactions.

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

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

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

**Joint Venture**

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

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

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

During fiscal year 2017-2018, NRSWA collected and remitted \$217,254 to the County in solid waste assessments, and the County paid \$432,999 to NRSWA in fees.

During fiscal year 2017-2018, NRSWA distributed \$230,000 to the County in revenue sharing monies.

The NRSWA's condensed financial information, as of and for the year ended September 30, 2018, (the latest audit report available), is hereafter presented:

Total Assets	\$ 57,270,766
Total Deferred Outflows of Resources	386,090
Total Liabilities	15,988,063
Total Deferred Inflows of Resources	52,693
Total Net Assets	41,616,100
Total Operating Revenues	9,187,651
Total Operating Expenses	623,533
Nonoperating Revenues/(Expenses)	(584,899)
Change in Net Assets	7,979,219

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

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

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

**Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

■ **Fund Financial Statements**

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

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

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

■ **Governmental Major Funds**

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



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

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

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

■ **Governmental Major Funds (Concluded)**

- *Transportation Trust Fund*—The Transportation Trust Fund is used to account for costs of road maintenance and the paving of new roads. Primarily funded by gas taxes.
- *Fines and Forfeitures Fund*—The Fines and Forfeitures Fund is used to account for the Board of County Commissioners transfers to the Sheriff, including costs of the jail, and the cost of the County court system. Primarily funded by property taxes, various fines and fees, and transfers from the General Fund.
- *Emergency Medical Service Fund*—The Emergency Medical Service Fund is used to account for grants and charges received for providing emergency transport and medical services within the County.
- *Fiscally Constrained Fund*—The Fiscally Constrained Fund is used to account for state revenues appropriated by the legislature to offset reductions in property tax revenue that occurred as a result of a constitutional amendment approved on January 29, 2008. This revenue is provided to fiscally constrained counties.

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

■ **Government-wide Financial Statements**

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

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

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

■ **Governmental Fund Financial Statements**

Governmental fund financial statements are reported using *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available

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

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

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

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

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

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

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

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

■ **Assets**

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

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

■ **Inventories**

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

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

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.

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

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

**Receivables**

Receivables are shown at their net realizable value and reduced by an allowance for uncollectible accounts of \$280,953.

**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 Inflows/Outflows of Resources**

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

***Pension Related***—Pension Related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension liability, and the differences between expected and actual earnings on pension plan investments, and changes in the County’s proportionate share of pension contributions. These amounts are reported as deferred inflows or outflows of resources, to be recognized in expense over time. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 8 for more information on Pension Related Deferred Inflows and Outflows.

***OPEB Related***—OPEB Related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors, and changes to assumptions in the measurement of total other postemployment benefits liability. These amounts are reported as deferred inflows or outflows of resources, to be recognized in expense over time. See Note 9 for more information on OPEB Related Deferred Inflows and Outflows.

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

**Long-term Obligations**

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

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

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

**Property Taxes**

Under the laws of the State of Florida, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The tax levy rate for general operations of the County for the year ended September 30, 2018, was 9.1104 mills.

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

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

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

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

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

**Compensated Absences**

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

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

Upon retirement, or resignation in good standing, Sheriff'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.

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

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

**Fund Balance**

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

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

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

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

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

**Recent GASB Accounting Standards**

The County is currently evaluating the effects that the following GASB Statements, which will be implemented in future financial statements, will have on its financial statements for subsequent fiscal years:

- GASB Statement No. 83, “*Certain Asset Retirement Obligations (AROs)*.” This Statement addresses accounting and financial reporting for certain AROs. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
- GASB Statement No. 87, “*Leases*.” This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

**Note 3 - Cash and Investments**

**Deposits with Financial Institutions**

The County maintains various checking and money market accounts which are held in banks that qualify as public depositories pursuant to Chapter 280, Florida Statutes. In addition, the County held two certificates of deposit in banks that qualify as public depositories at September 30, 2018.

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

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

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

**Deposits with Financial Institutions (Concluded)**

The County's net carrying amount of cash deposits was \$12,400,782, and the bank balances were \$13,426,061 at September 30, 2018.

**Investments**

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

As of September 30, 2018, the County had the following in investments:

	<b>Fair Value Amount</b>
Florida Local Government Investment Trust	\$ 9,542,652
<b>Total Investments</b>	<b>\$ 9,542,652</b>

Reported in accompanying financial statements as follows:

Investments	\$ 9,542,652
<b>Total</b>	<b>\$ 9,542,652</b>

The Florida Local Government Investment Trust (the Trust) is a joint venture between the Florida Association of Counties and the Florida Association of Court Clerks. The Trust is a local government investment pool established through Section 163.01, Florida Statutes (*Florida Interlocal Cooperation Act*) and is a statutory investment under Section 218.415(15), Florida Statutes. The Trust reports all share information at Net Asset Value (NAV) and reflects its share value at fair value in accordance with GASB Statement No. 72. At September 30, 2018, the Trust was invested in corporate bonds, government related securities, asset-backed securities, agency discount notes, and treasury notes. This investment type is subject to some market risk due to fluctuating prices and liquidity risk due to advance redemption notification requirements. However, it has a professional investment advisor and an investment advisory board. The Trust is rated AAAf by Standard & Poor's at September 30, 2018. The Trust is not insured against loss. As of September 30, 2018, the County had \$9,542,652 invested with the Trust.

	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<b>Investments at Net Asset Value (NAV)</b>				
Local Government Investment Trust:				
Short-term Bond Fund	\$ 9,542,652	\$ 0	None	3 Business Days



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

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

**Interest Rate Risk**

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The dollar weighted-average days to maturity (WAM) of the Florida Local Government Investment Trust - Short-term Bond Fund at September 30, 2018, is 2.56 years.

**Credit Risk**

The risk that an issuer or other counter party to an investment will not fulfill its obligations. The Florida Local Government Investment Trust is rated by Standard & Poor's and has a credit rating at September 30, 2018, of AA+ for the Short-term Bond Fund.

**Concentration of Credit Risk**

The County does not have a policy that limits the amount that may be invested in any type of investment. More than 5% of the County's investments are in the Florida Local Government Investment - Trust-Short-term Bond Fund. At September 30, 2018, all of the County's investments are with the Florida Local Government Investment Trust. The Trust had no exposure of 5% or more to any single issuer.

**Custodial Credit Risk**

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

**Fair Value Measurements**

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted market prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The Florida Local Government Investment Trust (Short-term Bond Fund) uses net asset (NAV) to value investments.

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

**Note 4 - Capital Assets**

Capital asset activity for the year ended September 30, 2018, including the Sheriff, is as follows:

	<u>Balance</u> <u>10/1/17</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/18</u>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,408,125	\$ 6,180	\$ 0	\$ 1,414,305
Land Right-of-Way	6,990,478	0	0	6,990,478
Construction in Progress:				
Infrastructure	<u>356,584</u>	<u>620,310</u>	<u>(504,723)</u>	<u>472,171</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>8,755,187</u>	<u>626,490</u>	<u>(504,723)</u>	<u>8,876,954</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	17,707,357	45,019	0	17,752,376
Machinery and Equipment	17,243,399	1,637,217	(739,182)	18,141,434
Infrastructure	<u>44,835,502</u>	<u>9,491</u>	<u>0</u>	<u>44,844,993</u>
<b>Total Capital Assets Being Depreciated</b>	<u>79,786,258</u>	<u>1,691,727</u>	<u>(739,182)</u>	<u>80,738,803</u>
<b>Total Before Depreciation</b>	<u>88,541,445</u>	<u>2,318,217</u>	<u>(1,243,905)</u>	<u>89,615,757</u>
<b>Less Accumulated Depreciation</b>				
Buildings	(6,404,248)	(391,295)	0	(6,795,543)
Machinery and Equipment	(12,173,907)	(1,309,820)	625,964	(12,857,763)
Infrastructure	<u>(31,228,656)</u>	<u>(732,430)</u>	<u>0</u>	<u>(31,961,086)</u>
<b>Total Accumulated Depreciation</b>	<u>(49,806,811)</u>	<u>(2,433,545)</u>	<u>625,964</u>	<u>(51,614,392)</u>
<b>Total Being Depreciated, Net</b>	<u>29,979,447</u>	<u>(741,818)</u>	<u>(113,218)</u>	<u>29,124,411</u>
<b>Fixed Assets, Cost Less Depreciation</b>	<u>\$ 38,734,634</u>	<u>\$ (115,328)</u>	<u>\$ (617,941)</u>	<u>\$ 38,001,365</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 596,661
Public Safety	760,043
Physical Environment	78,143
Transportation	843,580
Economic Environment	840
Human Services	29,944
Culture and Recreation	<u>124,334</u>
<b>Total Depreciation Expense</b>	<u>\$ 2,433,545</u>

**Note 5 - General Long-term Debt**

The following is a summary of the changes in general long-term debt for the year ended September 30, 2018:

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

**Note 5 - General Long-term Debt (Concluded)**

	<u>Balance</u> <u>10/1/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/18</u>	<u>Due Within</u> <u>One Year</u>
<b>Long-term Debt Payable</b>					
Installment Obligations	\$ 52,369	\$ 0	\$ (28,392)	\$ 23,977	\$ 23,977
Clerk - Child Support Grant	37,112	0	(28,470)	8,642	8,642
Lease Purchase Agreement	66,094	0	(22,032)	44,062	22,031
Compensated Absences	773,143	0	(25,521)	747,622	0
Other Postemployment Benefits	606,695	0	(2,232)	604,463	0
Net Pension Liability	<u>17,121,964</u>	<u>289,375</u>	<u>0</u>	<u>17,411,339</u>	<u>0</u>
<b>Total Long-term Debt Payable</b>	<u>\$18,657,377</u>	<u>\$ 289,375</u>	<u>\$ (106,647)</u>	<u>\$ 18,840,105</u>	<u>\$ 54,650</u>

General long-term debt at September 30, 2018, is comprised of the following:

Installment Purchase of Land and Building, Due in 180 Monthly Payments of \$2,767, Includes Interest at 4.10%	\$ 23,977
Clerk - Child Support Grant	8,642
Lease Purchase Agreement—Voting Equipment, Due in 4 Yearly Payments of \$22,031	44,062
Accumulated Compensated Absences Payable	747,622
Other Postemployment Benefits	604,463
Net Pension Liability	<u>17,411,339</u>
<b>Total</b>	<u>\$ 18,840,105</u>

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2018:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2019	\$ 54,650	\$ 133	\$ 54,783
2020	22,031	0	22,031
Net Pension Liability	17,411,339	0	17,411,339
Compensated Absences	747,622	0	747,622
Other Postemployment Benefits	604,463	0	604,463
<b>Totals</b>	<u>\$ 18,840,105</u>	<u>\$ 133</u>	<u>\$ 18,840,238</u>

Interest expense during 2018 on general long-term debt totaled \$794, none of which was capitalized.

**Note 6 - Operating Leases**

The County leased three motor graders effective June 2017 with annual lease payments \$68,340 for a period of five years. During fiscal year 2018, the lease payment of \$68,340 was made. Future minimum lease payments are noted below:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2019	\$ 68,340
2020	68,340
2021	68,340
<b>Total</b>	<u>\$ 205,020</u>

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

**Note 6 - Operating Leases (Concluded)**

The Sheriff's office leased vehicles with enterprise rental car with terms ranging from seven to twenty-four months that extend through fiscal year 2019. These leases do not meet the criteria for classification as a capital lease and are therefore considered operating leases. The Sheriff made lease payments of \$7,875 during fiscal year 2018. The future minimum rental payments, excluding any potential mileage overages, are as follows:

<b>Year Ending September 30,</b>	<b>Amount</b>
2019	\$ 4,079

**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
- Department of Justice Grants
- Small County Outreach Program
- State Housing Initiative Partnership (S.H.I.P.) Grants
- Small County Road Assistance 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, 2018, 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, 2018, were as follows:

<b>Receivable Fund</b>	<b>Pavable Fund</b>	<b>Amount</b>
<b>Major Funds</b>	<b>Major Funds</b>	
Sheriff General Fund	Fines and Forfeitures	\$ 606,005
Fines and Forfeitures	Sheriff General Fund	984,502
	<b>Other Governmental Funds</b>	
Sheriff General Fund	Sheriff E - 911	151,220
Sheriff General Fund	Sheriff – Inmate Welfare	53,864
Solid Waste Fund	Tax Collector General Fund	2,243
	<b>Agency Funds</b>	
General Fund	Tax Collector – Taxes	711
General Fund	Clerk – Special Fine and Forfeiture	8,801
Clerk General Fund	Clerk – Alimony and Support	2,000
Fines and Forfeitures	Clerk – Special Fine and Forfeiture	2,081
Fines and Forfeitures	Sheriff – Individual Depositor	9,940
General Fund	Sheriff – Individual Depositor	5,793
Sheriff General Fund	Sheriff – Inmate Trust	24,664
<b>Other Governmental Funds</b>	<b>Agency Funds</b>	
Eighth Judicial Court	Clerk – Trust	2,438
Eighth Judicial Court	Clerk – Special Fine and Forfeiture	10,906
<b>Total</b>		<b>\$ 1,865,168</b>

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

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

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

<u>Fund Receiving Transfer</u>	<u>Amount</u>	<u>Fund Sending Transfer</u>
<b>Major Funds</b>		<b>Other Governmental Funds</b>
Sheriff General Fund	\$ 146,433	Sheriff E-911 Fund
Sheriff General Fund	53,864	Sheriff Inmate Welfare
		<b>Major Funds</b>
Fines and Forfeiture Fund	4,204,699	General Fund
Fines and Forfeiture Fund	19,061	Sheriff-General Fund
S.H.I.P.	65,000	General Fund
Emergency Medical Services Fund	1,535,102	General Fund
Public Library	462,132	General Fund
Transportation Trust Fund	250,000	General Fund
Fiscally Constrained Fund	134,403	General Fund
Sheriff General Fund	6,432,820	Fines and Forfeitures Fund
<b>Other Governmental Funds</b>		<b>Major Funds</b>
Eighth Judicial Circuit Fund	100,000	General Fund
Mosquito Control Fund	32,468	General Fund
Solid Waste Fund	<u>2,243</u>	Tax Collector General Fund
<b>Total</b>	<u>\$ 13,438,225</u>	

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

**Note 9 - Employee Retirement Plans**

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

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

**Note 9 - Employee Retirement Plans (Continued)**

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2018, were as follows:

	<b>FRS</b>	<b>HIS</b>
Regular Class	6.60%	1.66%
Special Risk Class	22.40%	1.66%
Senior Management Service Class	21.05%	1.66%
Elected Officials	47.04%	1.66%
DROP from FRS	12.37%	1.66%

The County's contributions for the year ended September 30, 2018, were \$1,372,454 to the FRS Pension Plan and \$169,174 to the HIS Program.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2018, the County reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2018. The County's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

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

**Note 9 - Employee Retirement Plans (Continued)**

**Pension Liabilities and Pension Expense (Concluded)**

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net Pension Liability	\$ 14,108,887	\$ 3,302,452	\$ 17,411,339
Proportion at:			
Current Measurement Date	0.0468%	0.03120%	
Prior Measurement Date	0.0468%	0.03052%	
Pension Expense	\$ 2,623,833	\$ 278,826	\$ 2,902,659

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>FRS</u>		<u>HIS</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 383,478	\$ 0	\$ 45,190	\$ 0	\$ 428,668	\$ 0
Difference Between Expected and Actual Experience	1,195,235	43,381	50,559	5,611	1,245,794	48,992
Change of Assumptions	4,610,098	0	367,273	349,163	4,977,371	349,163
Changes of Proportion and Difference Between County Contributions and Proportionate Share of Contributions	693,832	210,326	240,772	100,131	934,604	310,457
Net Difference Between Projected and Actual Earnings on Pension Investments	0	1,090,084	1,993	0	1,993	1,090,084
<b>Total</b>	<u>\$ 6,882,643</u>	<u>\$ 1,343,791</u>	<u>\$ 705,787</u>	<u>\$ 454,905</u>	<u>\$ 7,588,430</u>	<u>\$ 1,798,696</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2019. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>FRS Amount</u>	<u>HIS Amount</u>
2019	\$ 2,014,234	\$ 78,534
2020	1,403,147	78,366
2021	265,797	60,710
2022	844,456	27,881
2023	546,176	(31,406)
Thereafter	81,563	(8,392)
<b>Total</b>	<u>\$ 5,155,373</u>	<u>\$ 205,693</u>

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

**Note 9 - Employee Retirement Plans (Continued)**

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2018. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2018. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2018.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<b>FRS</b>	<b>HIS</b>
Inflation	2.60%	2.60%
Salary Increases	3.25%	3.25%
Investment Rate of Return	7.00%	N/A
Discount Rate	7.00%	3.87%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

<b>Asset Class</b>	<b>Annual Target Allocation (1)</b>	<b>Annual Arithmetic Return</b>	<b>(Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	2.9%	2.9%	1.8%
Fixed Income	18.0%	4.4%	4.3%	4.0%
Global Equity	54.0%	7.6%	6.3%	17.0%
Real Estate (Property)	11.0%	6.6%	6.0%	11.3%
Private Equity	10.0%	10.7%	7.8%	26.5%
Strategic Investments	6.0%	6.0%	5.7%	8.6%
Assumed Inflation – Mean		2.6%		1.9%

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

**Discount Rate.** The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



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

**Note 9 - Employee Retirement Plans (Continued)**

**Actuarial Assumptions (Concluded)**

*Discount Rate. (Concluded)*

The discount rate used to measure the total pension liability for the HIS Pension Plan was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

*Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate.* The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

*FRS – County:*

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability	\$ 25,749,311	\$ 14,108,887	\$ 4,440,827

*HIS – County:*

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
County's Proportionate Share of the Net Pension Liability	\$ 3,761,299	\$ 3,302,452	\$ 2,919,976

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

**FRS – Defined Contribution Pension Plan**

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

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

**Note 9 - Employee Retirement Plans (Concluded)**

**FRS – Defined Contribution Pension Plan (Concluded)**

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member’s accounts during the 2017-18 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

The County’s Investment Plan pension expense totaled \$177,813 for the fiscal year ended September 30, 2018.

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

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

**Plan Description**

The OPEB Plan is a single-employer defined 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.

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 Plan does not issue a stand-alone report.

Participant data as of the most recent actuarial valuation date is shown below:

	<b>September 30, 2018</b>
Retiree and Beneficiaries Currently Receiving Benefits	4
Active Employees	236
<b>Total</b>	240

**Funding Policy**

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

**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.

Actuarial Assumptions:

Inflation	2.60%
Salary Increases	3.25% Payroll growth, based on FRS June 30, 2016 Valuation
Discount Rate	4.15%
Investment Rate of Return	0.0%
Healthcare cost trend rates	8.5% for 2018, then decreasing by 0.5% annually until an ultimate rate of 5.0% in 2026+.

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

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

**Actuarial Methods and Assumptions *(Concluded)***

Mortality rates were based on the RPH-2017 Total Dataset Headcount-weighted Mortality Table using Scale MP-2017.

The discount rate as of the actuarial measurement date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AAA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 4.15% as of September 30, 2018. The discount rate is updated annually to reflect market conditions as of the Measurement Date.

The results presented as of the actuarial valuation date have been derived using the entry age normal level % of salary method. Under this method, service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.

**Total OPEB Liability**

The County's total OPEB liability was measured as of September 30, 2018, and was determined by an actuarial valuation as of September 30, 2018. The census information used in the September 30, 2018 valuation, was based on information provided by the County in December of 2017.

Changes in the Total OPEB Liability:

	<b>Total OPEB Liability</b>
<b>Balance at September 30, 2017</b>	\$ 606,695
<b>Changes for the Year</b>	
Service Cost	71,791
Interest	23,813
Changes in Assumptions	(25,889)
Benefit Payments	(34,317)
Difference in Experience	(37,630)
<b>Net Changes</b>	<b>(2,232)</b>
<b>Balance at September 30, 2018</b>	<b>\$ 604,463</b>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.15%) or 1-percentage-point higher (5.15%) than the current discount rate:

	<b>1% Decrease (3.15%)</b>	<b>Discount Rate (4.15%)</b>	<b>1% Increase (5.15%)</b>
<b>Total OPEB Liability</b>	\$ 652,291	\$ 604,463	\$ 560,097

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

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

**Total OPEB Liability (Concluded)**

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates:

The following presents the total OPEB liability for the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower (7.5% decreasing to 4.0%) or 1-percentage-point higher (9.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	<b>1% Decrease (7.5% Decreasing to 4.0%)</b>	<b>Healthcare Cost Trend Rates (8.5% Decreasing to 5.0%)</b>	<b>1% Increase (9.5% Decreasing to 6.0%)</b>
<b>Total OPEB Liability</b>	<u>\$ 528,342</u>	<u>\$ 604,463</u>	<u>\$ 696,836</u>

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended September 30, 2018 the County recognized OPEB expense of \$95,809. At September 30, 2018, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 42,586	\$ 33,449
Changes in Assumptions	<u>8,253</u>	<u>23,012</u>
<b>Total</b>	<u>\$ 50,839</u>	<u>\$ 56,461</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending</b>	<b>Amount</b>
2019	\$ 205
2020	205
2021	205
2022	205
2023	205
Thereafter	<u>(6,647)</u>
<b>Total</b>	<u>\$ (5,622)</u>

**Funding Status and Funding Progress**

As of September 30, 2018, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits was \$604,463 and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$604,463. The covered payroll (annual payroll of active employees covered by the Plan) was \$8,676,944 and the ratio of the UAAL to the covered payroll was 7.0%.

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

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

**Funding Status and Funding Progress (Concluded)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, termination, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future.

**Note 11 - Other Disclosures**

**Fund Balance Classifications**

The following is a summary of the County's fund balance classifications and the purpose of each as of September 30, 2018:

**Nonspendable Fund Balance**

Inventories	\$ 30,829
<b>Total Nonspendable Fund Balance</b>	<b>\$ 30,829</b>

**Restricted Fund Balance**

Transportation	\$ 1,229,538
Doris Slosberg	68,574
Vessel Fees	76,574
IGCF	128,218
Sheriff Forfeitures	229,984
Law Enforcement Education	46,250
Crime Prevention Programs	139,703
Tourist Development	282,758
Court Operations	578,751
Mosquito Control	131,631
Public Records Modernization	165,464
Inmate Welfare	476,840
E-911	158,274
<b>Total Restricted Fund Balance</b>	<b>\$ 3,712,559</b>

**Committed Fund Balance**

Inmate Fees Set-aside	\$ 1,852,557
Solid Waste	869,323
<b>Total Committed Fund Balance</b>	<b>\$ 2,721,880</b>

**Assigned Fund Balance**

Public Library	\$ 279,425
Public Safety	1,898,589
Court Operations	352,423
Education and Public Service	6,842
Landfill	416,871
Capital Projects	4,229,101
<b>Total Assigned Fund Balance</b>	<b>\$ 7,183,251</b>

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

**Note 12 - Risk Management**

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

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

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

**Note 13 - 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.

**REQUIRED SUPPLEMENTARY INFORMATION**



**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**BRADFORD COUNTY, FLORIDA**

<b>Total OPEB Liability</b>	<b>September 30, 2018</b>	<b>September 30, 2017</b>
<b>Total OPEB Liability - Beginning of Year</b>	\$ 606,695	\$ 467,192
Service Cost	71,791	67,635
Interest	23,813	14,362
Changes in Benefit Terms	0	0
Changes in Assumptions	(25,889)	10,611
Difference in Experience	(37,630)	54,754
Benefit Payments	(34,317)	(7,859)
Net change in total OPEB Liability	<u>(2,232)</u>	<u>139,503</u>
<b>Total OPEB Liability - End of Year</b>	<u><u>604,463</u></u>	<u><u>606,695</u></u>
 <b>Plan Fiduciary Net Position</b>		
Plan Fiduciary Net Position - Beginning of Year	0	0
Contributions - Employer	34,317	7,859
Contributions - Active Employees	0	0
Net Investment Income	0	0
Benefit Payments	(34,317)	(7,859)
Trust Administrative Expenses	<u>0</u>	<u>0</u>
Net Change in Plan Fiduciary Net Position	<u>0</u>	<u>0</u>
Total Plan Fiduciary Net Position - End of Year	<u>0</u>	<u>0</u>
<b>Net OPEB Liability - End of Year</b>	<u><u>\$ 604,463</u></u>	<u><u>\$ 606,695</u></u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0%	0%
Covered-employee Payroll	\$ 8,676,944	\$ 8,457,060
Net OPEB Liability as a Percentage of Payroll	7.0%	7.2%

**Notes to the Schedule**

- (1) This schedule is prepared to satisfy the requirement to show information regarding the Net OPEB Liability and Related Ratios for 10 years.
- (2) No assets are being accumulated in a trust to pay for the plan benefits.

**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS  
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>	<b>September 30, 2015</b>
County's Proportion of the FRS Net Pension Liability	0.046841448%	0.047214911%	0.047214911%	0.043694640%
County's Proportion Share of the FRS Net Pension Liability	\$ 14,108,887	\$ 13,858,844	\$ 11,921,802	\$ 5,643,749
County's Covered Payroll	\$ 10,083,294	\$ 9,840,966	\$ 9,505,260	\$ 9,193,154
County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	139.92%	140.83%	125.42%	61.39%
<b>FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>84.26%</b>	<b>83.89%</b>	<b>84.88%</b>	<b>92.00%</b>

**Notes to Schedule:**

The amounts presented for the Net Pension Liability were determined using a measurement date of June 30.

The Covered-Employee Payroll is for the fiscal year shown.

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

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>	<b>September 30, 2015</b>
County's Proportion of the HIS Net Pension Liability	0.031201974%	0.030397670%	0.030397670%	0.029808429%
County's Proportion Share of the HIS Net Pension Liability	\$ 3,302,452	\$ 3,263,120	\$ 3,542,723	\$ 3,039,991
County's Covered Payroll	\$ 10,083,294	\$ 9,840,966	\$ 9,505,260	\$ 9,193,154
County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered-Employee Payroll	32.75%	33.16%	37.27%	33.07%
<b>HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>2.15%</b>	<b>1.64%</b>	<b>0.97%</b>	<b>0.50%</b>

**Notes to Schedule:**

The amounts presented for the Net Pension Liability were determined using a measurement date of June 30.

The Covered-Employee Payroll is for the fiscal year shown.

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

**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS  
SCHEDULE OF COUNTY'S CONTRIBUTIONS  
SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Contractually Required Contribution	\$ 1,372,454	\$ 1,216,282	\$ 1,199,815	\$ 1,087,557
FRS Contribution in Relation to the Contractually Required Contribution	<u>(1,372,454)</u>	<u>(1,216,282)</u>	<u>(1,199,815)</u>	<u>(1,087,557)</u>
FRS Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County's Covered Payroll (FYE 9/30)	\$ 10,208,833	\$ 9,840,966	\$ 9,505,260	\$ 9,193,154
<b>FRS Contributions as a Percentage of Covered-Employee Payroll</b>	13.44%	12.36%	12.62%	11.83%

**Note to Schedule:**

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

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Contractually Required Contribution	\$ 169,174	\$ 165,876	\$ 157,274	\$ 125,017
HIS Contribution in Relation to the Contractually Required Contribution	<u>(169,174)</u>	<u>(165,876)</u>	<u>(157,274)</u>	<u>(125,017)</u>
HIS Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
County's Covered Payroll (FYE 9/30)	\$ 10,208,833	\$ 9,840,966	\$ 9,505,260	\$ 9,193,154
<b>HIS Contributions as a Percentage of Covered-Employee Payroll</b>	1.66%	1.69%	1.65%	1.36%

**Note to Schedule:**

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

## **COMBINING FUND STATEMENTS**

**COMBINING BALANCE SHEET  
GENERAL FUNDS  
SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

	<b>BOCC General</b>	<b>One-Cent Sales Tax</b>	<b>Clerk Operating</b>	<b>Sheriff Operating</b>	<b>Property Appraiser Operating</b>	<b>Tax Collector Operating</b>	<b>Supervisor of Elections Operating</b>	<b>Interfund Eliminations</b>	<b>Total General Funds</b>
<b>Assets</b>									
Cash Deposits	\$ 2,142,212	\$ 333,490	\$ 242,552	\$ 148,054	\$ 153,822	\$ 50,354	\$ 63,942	\$ 0	\$ 3,134,426
Investments	1,136,193	2,345,362	0	0	0	0	0	0	3,481,555
Accounts Receivable	3,241	0	0	0	0	0	0	0	3,241
Due from Other Funds	409,068	0	2,000	835,753	0	0	0	(393,763)	853,058
Due from Other Governments	730,316	453,850	77	188,126	0	0	0	0	1,372,369
<b>Total Assets</b>	<b>4,421,030</b>	<b>3,132,702</b>	<b>244,629</b>	<b>1,171,933</b>	<b>153,822</b>	<b>50,354</b>	<b>63,942</b>	<b>(393,763)</b>	<b>8,844,649</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities</b>									
Accounts Payable	553,552	0	7,461	187,431	2,677	0	55,740	0	806,861
Deposits	137,365	0	0	0	0	0	0	0	137,365
Due to Other Funds	0	0	205,790	984,502	147,783	42,433	0	(393,763)	986,745
Due to Other Governments	4,428	0	0	0	3,362	489	8,202	0	16,481
Unearned Revenue	0	0	0	0	0	7,432	0	0	7,432
<b>Total Liabilities</b>	<b>695,345</b>	<b>0</b>	<b>213,251</b>	<b>1,171,933</b>	<b>153,822</b>	<b>50,354</b>	<b>63,942</b>	<b>(393,763)</b>	<b>1,954,884</b>
<b>Deferred Inflows of Resources</b>	<b>42,847</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,847</b>
<b>Fund Balances</b>									
Restricted	273,366	0	0	0	0	0	0	0	273,366
Unassigned	3,409,472	3,132,702	31,378	0	0	0	0	0	6,573,552
<b>Total Fund Balances</b>	<b>3,682,838</b>	<b>3,132,702</b>	<b>31,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,846,918</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,421,030</b>	<b>\$ 3,132,702</b>	<b>\$ 244,629</b>	<b>\$ 1,171,933</b>	<b>\$ 153,822</b>	<b>\$ 50,354</b>	<b>\$ 63,942</b>	<b>\$ (393,763)</b>	<b>\$ 8,844,649</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GENERAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

	<b>BOCC General</b>	<b>One-Cent Sales Tax</b>	<b>Clerk Operating</b>	<b>Sheriff Operating</b>	<b>Property Appraiser Operating</b>	<b>Tax Collector Operating</b>	<b>Supervisor of Elections Operating</b>	<b>Interfund Eliminations</b>	<b>Total General Funds</b>
<b>Revenues</b>									
Taxes	\$ 5,981,408	\$ 2,426,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,408,019
Licenses and Permits	220,178	0	0	0	0	0	0	0	220,178
Intergovernmental	3,532,366	0	0	72,734	0	0	95,496	0	3,700,596
Charges for Services	49,038	0	125,735	59,500	11,660	732,731	0	0	978,664
Fines and Forfeitures	138,441	0	0	0	0	0	0	0	138,441
Miscellaneous	131,425	12,392	143	46,015	850	5,205	783	0	196,813
<b>Total Revenues</b>	<b>10,052,856</b>	<b>2,439,003</b>	<b>125,878</b>	<b>178,249</b>	<b>12,510</b>	<b>737,936</b>	<b>96,279</b>	<b>0</b>	<b>13,642,711</b>
<b>Expenditures</b>									
Current:									
General Government	2,909,991	0	613,248	0	521,307	695,503	496,819	0	5,236,868
Public Safety	970,817	0	0	6,651,762	0	0	0	0	7,622,579
Physical Environment	878,462	0	0	0	0	0	0	0	878,462
Economic Environment	73,389	0	0	0	0	0	0	0	73,389
Human Services	815,866	0	0	111,058	0	0	0	0	926,924
Court-related		0	110,884	145,533	0	0	0	0	256,417
Culture and Recreation	103,214	0	0	0	0	0	0	0	103,214
Debt Service:									
Principal	0	0	0	0	0	0	22,031	0	22,031
<b>(Total Expenditures)</b>	<b>(5,751,739)</b>	<b>0</b>	<b>(724,132)</b>	<b>(6,908,353)</b>	<b>(521,307)</b>	<b>(695,503)</b>	<b>(518,850)</b>	<b>0</b>	<b>(15,119,884)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>4,301,117</b>	<b>2,439,003</b>	<b>(598,254)</b>	<b>(6,730,104)</b>	<b>(508,797)</b>	<b>42,433</b>	<b>(422,571)</b>	<b>0</b>	<b>(1,477,173)</b>
<b>Other Financing</b>									
Transfers in	393,762	0	804,044	6,749,165	656,580	0	422,571	(2,393,005)	6,633,117
Transfers (out)	(6,341,096)	(2,441,950)	(205,790)	(19,061)	(147,783)	(42,433)	0	2,393,005	(6,805,108)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,947,334)</b>	<b>(2,441,950)</b>	<b>598,254</b>	<b>6,730,104</b>	<b>508,797</b>	<b>(42,433)</b>	<b>422,571</b>	<b>0</b>	<b>(171,991)</b>
<b>Net Change in Fund Balances</b>	<b>(1,646,217)</b>	<b>(2,947)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,649,164)</b>
<b>Fund Balances, Beginning of Year</b>	<b>5,329,055</b>	<b>3,135,649</b>	<b>31,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,496,082</b>
<b>Fund Balances, End of Year</b>	<b>\$ 3,682,838</b>	<b>\$ 3,132,702</b>	<b>\$ 31,378</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,846,918</b>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

**Board of County Commissioners  
Special Revenue Funds**

	<b>Tourist Development</b>	<b>CDBG</b>	<b>Eighth Circuit Court</b>	<b>Mosquito Control</b>	<b>Solid Waste</b>	<b>Criminal Justice</b>	<b>Traffic Fines</b>
<b>Assets</b>							
Cash Deposits	\$ 270,589	\$ 5,000	\$ 495,360	\$ 142,727	\$ 883,384	\$ 462,611	\$ 166
Accounts Receivable	0	0	0	0	0	0	0
Due from Other Funds	0	0	13,344	0	2,243	0	0
Due from Other Governments	13,744	0	100	0	34,963	0	0
<b>Total Assets</b>	<b>284,333</b>	<b>5,000</b>	<b>508,804</b>	<b>142,727</b>	<b>920,590</b>	<b>462,611</b>	<b>166</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable	1,575	5,000	39,609	789	51,267	0	0
Deposits	0	0	0	0	0	0	0
Due to Other Funds	0	0	0	0	0	0	0
Due to Other Governments	0	0	798	0	0	0	0
Unearned Revenues	0	0	0	10,307	0	0	0
<b>Total Liabilities</b>	<b>1,575</b>	<b>5,000</b>	<b>40,407</b>	<b>11,096</b>	<b>51,267</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>							
Restricted	282,758	0	116,140	131,631	0	462,611	0
Committed	0	0	0	0	869,323	0	0
Assigned	0	0	352,257	0	0	0	166
<b>Total Fund Balances</b>	<b>282,758</b>	<b>0</b>	<b>468,397</b>	<b>131,631</b>	<b>869,323</b>	<b>462,611</b>	<b>166</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 284,333</b>	<b>\$ 5,000</b>	<b>\$ 508,804</b>	<b>\$ 142,727</b>	<b>\$ 920,590</b>	<b>\$ 462,611</b>	<b>\$ 166</b>

Constitutional Officers Special Revenue Funds					Board of County Commissioners Capital Projects Fund	
Clerk of the Circuit Court Fine and Forfeitures	Clerk of the Circuit Court Public Records	Sheriff Education and Public Service	Sheriff Inmate Welfare	Sheriff E-911 Fund	Landfill Closure Escrow	Totals
\$ 37,364	\$ 165,475	\$ 45,471	\$ 514,854	\$ 309,733	\$ 416,871	\$ 3,749,605
0	0	0	15,850	0	0	15,850
0	0	0	0	0	0	15,587
23,196	0	0	0	0	0	72,003
<u>60,560</u>	<u>165,475</u>	<u>45,471</u>	<u>530,704</u>	<u>309,733</u>	<u>416,871</u>	<u>3,853,045</u>
1,390	11	30	0	0	0	99,671
0	0	38,599	0	0	0	38,599
0	0	0	53,864	151,220	0	205,084
0	0	0	0	239	0	1,037
59,170	0	0	0	0	0	69,477
<u>60,560</u>	<u>11</u>	<u>38,629</u>	<u>53,864</u>	<u>151,459</u>	<u>0</u>	<u>413,868</u>
0	165,464	0	476,840	158,274	0	1,793,718
0	0	0	0	0	0	869,323
0	0	6,842	0	0	416,871	776,136
<u>0</u>	<u>165,464</u>	<u>6,842</u>	<u>476,840</u>	<u>158,274</u>	<u>416,871</u>	<u>3,439,177</u>
<u>\$ 60,560</u>	<u>\$ 165,475</u>	<u>\$ 45,471</u>	<u>\$ 530,704</u>	<u>\$ 309,733</u>	<u>\$ 416,871</u>	<u>\$ 3,853,045</u>



**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

**Board of County Commissioners  
Special Revenue Funds**

	<b>Tourist Development</b>	<b>CDBG</b>	<b>Eighth Circuit Court</b>	<b>Mosquito Control</b>	<b>Solid Waste</b>	<b>Criminal Justice</b>	<b>Traffic Fines</b>
<b>Revenues</b>							
Taxes	\$ 179,277	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0	675,007	0	0
Intergovernmental	0	5,000	0	32,468	320,909	0	0
Charges for Services	0	0	191,798	0	217,255	0	0
Fines and Forfeitures	0	0	0	0	0	0	0
Miscellaneous	104	0	0	18	46,635	0	4
<b>Total Revenues</b>	<b>179,381</b>	<b>5,000</b>	<b>191,798</b>	<b>32,486</b>	<b>1,259,806</b>	<b>0</b>	<b>4</b>
<b>Expenditures</b>							
Current:							
Public Safety	0	0	0	0	0	0	0
Physical Environment	0	0	0	58,444	1,193,077	0	0
Economic Environment	57,691	5,000	0	0	0	0	0
Court-related	0	0	408,263	0	0	0	0
Debt Service:							
Principal Retirement	28,392	0	0	0	0	0	0
Interest	794	0	0	0	0	0	0
<b>(Total Expenditures)</b>	<b>(86,877)</b>	<b>(5,000)</b>	<b>(408,263)</b>	<b>(58,444)</b>	<b>(1,193,077)</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>92,504</b>	<b>0</b>	<b>(216,465)</b>	<b>(25,958)</b>	<b>66,729</b>	<b>0</b>	<b>4</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	0	0	100,000	32,468	2,243	0	0
Transfers (out)	0	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>32,468</b>	<b>2,243</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>92,504</b>	<b>0</b>	<b>(116,465)</b>	<b>6,510</b>	<b>68,972</b>	<b>0</b>	<b>4</b>
<b>Fund Balances, Beginning of Year</b>	<b>190,254</b>	<b>0</b>	<b>584,862</b>	<b>125,121</b>	<b>800,351</b>	<b>462,611</b>	<b>162</b>
<b>Fund Balances, End of Year</b>	<b>\$ 282,758</b>	<b>\$ 0</b>	<b>\$ 468,397</b>	<b>\$ 131,631</b>	<b>\$ 869,323</b>	<b>\$ 462,611</b>	<b>\$ 166</b>

Constitutional Officers Special Revenue Funds					Board of County Commissioners Capital Projects Fund	Totals
Clerk of the Circuit Court Fines and Forfeitures	Clerk of the Circuit Court Public Records	Sheriff Education and Public Service	Sheriff Inmate Welfare	Sheriff E-911 Fund	Landfill Closure Escrow	Totals
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 179,277
0	0	0	0	0	0	675,007
130,940	32,372	0	0	241,220	0	762,909
596,310	37,594	0	0	0	0	1,042,957
233,622	18	0	0	0	0	233,640
2,985	0	50,254	126,857	9,000	5,711	241,568
963,857	69,984	50,254	126,857	250,220	5,711	3,135,358
0	0	70,963	63,048	113,772	0	247,783
0	0	0	0	0	0	1,251,521
0	0	0	0	0	0	62,691
960,489	70,009	0	0	0	0	1,438,761
3,368	0	0	0	0	0	31,760
0	0	0	0	0	0	794
(963,857)	(70,009)	(70,963)	(63,048)	(113,772)	0	(3,033,310)
0	(25)	(20,709)	63,809	136,448	5,711	102,048
0	0	0	0	0	0	134,711
0	0	0	(53,864)	(146,433)	0	(200,297)
0	0	0	(53,864)	(146,433)	0	(65,586)
0	(25)	(20,709)	9,945	(9,985)	5,711	36,462
0	165,489	27,551	466,895	168,259	411,160	3,402,715
\$ 0	\$ 165,464	\$ 6,842	\$ 476,840	\$ 158,274	\$ 416,871	\$ 3,439,177

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
ALL AGENCY FUNDS  
SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

	Clerk of the Circuit Court				
	Cash Bonds	Trust	Alimony and Support	Special Fine and Forfeiture	Registry of the Court
<b>Assets</b>					
Cash Deposits	\$ 8,250	\$ 47,861	\$ 4,752	\$ 46,840	\$ 10,103
<b>Total Assets</b>	8,250	47,861	4,752	46,840	10,103
<b>Liabilities</b>					
Accounts Payable	0	0	0	0	0
Due to Others	0	464	50	24,357	0
Due to Other Funds	0	2,438	2,000	21,788	0
Due to Other Governments	0	43,271	2,702	695	0
Deposits	8,250	1,688	0	0	10,103
<b>Total Liabilities</b>	\$ 8,250	\$ 47,861	\$ 4,752	\$ 46,840	\$ 10,103

<b>Tax Collector</b>	<b>Sheriff</b>		
<b>Taxes</b>	<b>Individual Depositors</b>	<b>Inmate Trust</b>	<b>Total</b>
\$ 375,716	\$ 20,719	\$ 49,095	\$ 563,336
<u>375,716</u>	<u>20,719</u>	<u>49,095</u>	<u>563,336</u>
0	0	13,989	13,989
0	4,986	25	29,882
711	15,733	24,664	67,334
375,005	0	0	421,673
0	0	10,417	30,458
<u>\$ 375,716</u>	<u>\$ 20,719</u>	<u>\$ 49,095</u>	<u>\$ 563,336</u>

## **OTHER INFORMATION**

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA**

Federal Grantor/Pass-through Grantor/ Grant Program	CFDA/CSFA Number	Grant ID Number	Expenditures
<b>Federal Awards</b>			
<b>U.S. Department of Agriculture</b>			
Emergency Watershed Protection	10.923	NR184209XXXXC023	\$ 635,330
<b>Total U.S. Department of Agriculture</b>			<u>635,330</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through State of Florida Department of Economic Opportunity: CDBG-Community Development Block Grant	14.228	18DB-OM-03-14-01-H-09	5,000
<b>Total U.S. Department of Housing and Urban Development</b>			<u>5,000</u>
<b>U.S. Department of Justice</b>			
Passed through State of Florida Office of the Attorney General: Victims of Crime Act (VOCA)	16.575	VOCA-2017-Bradford County	28,489
Passed through State of Florida Department of Law Enforcement: Edward Byrne Memorial Justice Assistance Grant	16.738	2017-JACG-BRAD-1-F9-016	25,652
Direct: Bulletproof Vest Partnership Program	16.607		7,099
<b>Total U.S. Department of Justice</b>			<u>61,240</u>
<b>U.S. Department of Transportation</b>			
Passed through State of Florida Department of Transportation: CR 225 Sidewalk	20.205	433991-2-38-02	300
<b>Total U.S. Department of Transportation</b>			<u>300</u>
<b>U.S. Election Assistance Commission</b>			
Passed through State of Florida Department of State: Voting System Assistance Grant	90.401	10/1/17 to 09/30/18	22,031
Federal Election Security Grant	90.401	07/01/18 to 12/15/2018	60,012
Albert Network Monitoring Grant	90.401	07/01/2018 to 06/30/2019	13,452
<b>Subtotal Expenditures - CFDA No. 90.401</b>			<u>95,495</u>
<b>Total U.S. Election Assistance Commission</b>			<u>95,495</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through State of Florida Department of Revenue: Child Support Enforcement	93.563	COCO4 1901FLCSES	130,940
<b>Total U.S. Department of Health and Human Services</b>			<u>130,940</u>
<b>U.S. Department of Homeland Security</b>			
Passed through State of Florida Division of Emergency Management: Federal Disaster Assistance	97.036	Hurricane Matthew DR 4283	7,783
Passed through State of Florida Executive Office of the Governor: Emergency Management Performance Grant	97.042	18-FG-7A-03-14-01-056	35,256
Emergency Management Performance Grant	97.042	19-FG-AF-03-14-01-070	4,364
<b>Subtotal Expenditures- CSFA No. 97.042</b>			<u>39,620</u>
<b>Total U.S. Department of Homeland Security</b>			<u>47,403</u>
<b>Total Federal Expenditures</b>			<u><u>975,708</u></u>

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA  
(Continued)**

Federal Grantor/Pass-through Grantor/ Grant Program	CFDA/CSFA Number	Grant ID Number	Expenditures
<b>State Financial Assistance</b>			
<b>Office of the Governor</b>			
Emergency Management Programs	31.063	18-BG-W9-03-14-01-057	\$ 62,771
Emergency Management Programs	31.063	19-BG-21-03-14-01-040	7,130
<b>Subtotal Expenditures - CSFA No. 31.063</b>			<u>69,901</u>
Emergency Management Programs	31.067	18-CP-11-03-14-01-317	1,216
<b>Total Office of the Governor</b>			<u>71,117</u>
<b>State of Florida Department of Environmental Protection</b>			
Small County Consolidated Grant - S/W Management Grant	37.012	SC802	90,909
Florida Recreation Development Assistance Program	37.017	A17009	19,971
<b>Total State of Florida Department of Environmental Protection</b>			<u>110,880</u>
<b>Florida Housing Finance Corporation</b>			
State Housing Initiative Partnership (SHIP) Program	40.901		363,106
<b>State of Florida Department of Agriculture and Consumer Services</b>			
Mosquito Control	42.003	10/1/17-09/30/18	32,468
<b>State of Florida Department of State</b>			
State Aid to Libraries	45.030	14ST-41	288,226
State Aid to Libraries	45.030	15ST-41	108,681
<b>Subtotal Expenditures - CSFA No. 45.030</b>			<u>396,907</u>
<b>Total State of Florida Department of State</b>			<u>396,907</u>
<b>State of Florida Department of Transportation</b>			
Small County Outreach Program - SE CR 325	55.009	GOJ90	236,747
Small County Outreach Program - SE 150th Street	55.009	G0A12	107,157
<b>Subtotal Expenditures - CSFA No. 55.009</b>			<u>343,904</u>
Small County Road Assistance Program - Georgia Street	55.016	G0913	201,349
Small County Road Assistance Program - Weldon Street	55.016	G0910	171,397
Small County Road Assistance Program - Grand Street	55.016	G0912	168,895
Small County Road Assistance Program - McMahon Street	55.016	G0911	102,217
Small County Road Assistance Program - NE 173rd Street	55.016	GOK55	6,713
Small County Road Assistance Program - NW CR 251	55.016	GOU16	20,126
<b>Subtotal Expenditures - CSFA No. 55.016</b>			<u>670,697</u>
<b>Total State of Florida Department of Transportation</b>			<u>1,014,601</u>

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY, FLORIDA  
(Concluded)**

Federal Grantor/Pass-through Grantor/ Grant Program	CFDA/CSFA Number	Grant ID Number	Expenditures
<b>State Financial Assistance (Concluded)</b>			
<b>State of Florida Department of Health</b>			
County Matching Grant Award	64.003	M5040	\$ 72,900
County Grant Award	64.005	C6004	20,383
<b>Total State of Florida Department of Health</b>			<u>93,283</u>
<b>State of Florida Department of Management Services</b>			
E911 Rural Grant Program	72.001	17-11-02	68,560
E911 Rural Grant Program	72.001	18-05-03	36,212
<b>Subtotal Expenditures - CSFA No. 72.001</b>			<u>104,772</u>
<b>Total State of Florida Department of Management Services</b>			<u>104,772</u>
<b>Total State Expenditures</b>			<u>2,187,134</u>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<u>\$ 3,162,842</u>

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

**Basis of Presentation**

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



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018  
 BRADFORD COUNTY, FLORIDA**

**PART A - SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Bradford County, Florida.
2. There was a significant deficiency identified during the audit of the financial statements reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards* for the individual report of one of the Constitutional Officers.
3. There was an instance of noncompliance identified during the audit of the financial statements reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards* for the individual report of one of the Constitutional Officers.
4. The audit disclosed no significant deficiencies or material weaknesses relating to internal control and compliance over major federal programs or state projects that are required to be reported in the schedule of findings and questioned costs.
5. The auditors' report on compliance for the major federal programs and state projects for Bradford County, Florida expresses an unmodified opinion.
6. The audit disclosed no findings that are required to be reported in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.
7. The programs tested as major federal programs and state projects were as follows:

<b>Federal Programs</b>	<b>CFDA No.</b>
Emergency Watershed Protection	10.923
<b>State Projects</b>	<b>CSEA No.</b>
State Aid to Libraries	45.030
Small County Outreach Program	55.009
Small County Road Assistance Program	55.016

8. The threshold for distinguishing Type A and Type B projects was \$750,000 for federal programs and \$300,000 for state projects.
9. The County did not qualify as a low risk auditee for federal grant programs.

**PART B - FINDINGS - FINANCIAL STATEMENTS**

Financial statement findings, if any, 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, 2018  
BRADFORD COUNTY, FLORIDA  
(Concluded)**

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

1. No matters were reported.

**PART D - OTHER ISSUES**

1. There were no prior year audit findings required to be reported in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Uniform Guidance or Chapter 10.550, *Rules of the Auditor General*.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bradford County, Florida (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 20, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Certified Public Accountants**

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



June 20, 2019  
Gainesville, Florida

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

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

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

We have audited the Bradford County, Florida (the County), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and in the Florida Department of Financial Services', *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2018. 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.

**Management's Responsibility**

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

**Certified Public Accountants**

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

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

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2018.

**Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of 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 and state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

  
June 20, 2019  
Gainesville, Florida

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

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

We have examined Bradford County, Florida's, (the County) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*  
June 20, 2019  
Gainesville, Florida

**Certified Public Accountants**

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

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

We have examined Bradford County, Florida's, (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee* and Section 365.173(2)(d) Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2018. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide legal determination of the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

**Certified Public Accountants**

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



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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of Bradford County, Florida (the County), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 20, 2019.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 20, 2019, should be considered in conjunction with this management letter. This management letter applies to the County as a whole. Other management letter comments, if any, are described in the audit reports of the Constitutional Officers.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

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

**MANAGEMENT LETTER**  
*(Concluded)*

**Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. 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 review of financial information provided by same.

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

**Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Additional Matters**

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

**Purpose of this Letter**

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



June 20, 2019  
Gainesville, Florida



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and aggregate remaining fund information of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2018, and the respective changes in financial position, and budgetary comparison for each major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2018, and the changes in its financial position, and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Matters**

*Other Financial Information*

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

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

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

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

  
June 20, 2019  
Gainesville, Florida

## **FINANCIAL STATEMENTS**



**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018  
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	\$ 242,552	\$ 37,364	\$ 165,475	\$ 445,391
Due from Other Governments	77	23,196	0	23,273
Due from Other Funds	2,000	0	0	2,000
<b>Total Assets</b>	<u>244,629</u>	<u>60,560</u>	<u>165,475</u>	<u>470,664</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	7,461	1,390	11	8,862
Unearned Revenue	0	59,170	0	59,170
Due to Board of County Commissioners	205,790	0	0	205,790
<b>Total Liabilities</b>	<u>213,251</u>	<u>60,560</u>	<u>11</u>	<u>273,822</u>
<b>Fund Balances</b>				
Restricted:				
Records Modernization	0	0	165,464	165,464
Unassigned	31,378	0	0	31,378
<b>Total Fund Balances</b>	<u>31,378</u>	<u>0</u>	<u>165,464</u>	<u>196,842</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 244,629</u>	<u>\$ 60,560</u>	<u>\$ 165,475</u>	<u>\$ 470,664</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
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	\$ 130,940	\$ 32,372	\$ 163,312
Charges for Services	125,735	596,310	37,594	759,639
Fines and Forfeitures	0	233,622	18	233,640
Miscellaneous	143	2,985	0	3,128
<b>Total Revenues</b>	<u>125,878</u>	<u>963,857</u>	<u>69,984</u>	<u>1,159,719</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	607,387	0	0	607,387
Operating Expenditures	5,861	0	0	5,861
Court-related:				
Personal Services	67,592	729,762	9,903	807,257
Operating Expenditures	40,260	17,665	38,311	96,236
Capital Outlay	3,032	0	21,795	24,827
Debt Service	0	3,368	0	3,368
<b>(Total Expenditures)</b>	<u>(724,132)</u>	<u>(750,795)</u>	<u>(70,009)</u>	<u>(1,544,936)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(598,254)</u>	<u>213,062</u>	<u>(25)</u>	<u>(385,217)</u>
<b>Other Financing Sources (Uses)</b>				
Reversion to Clerk of Court Trust Fund	0	(213,062)	0	(213,062)
Transfers in from Board of County Commissioners	804,044	0	0	804,044
Transfers (out) to Board of County Commissioners	(205,790)	0	0	(205,790)
<b>Total Other Financing Sources (Uses)</b>	<u>598,254</u>	<u>(213,062)</u>	<u>0</u>	<u>385,192</u>
<b>Net Change in Fund Balances</b>	0	0	(25)	(25)
<b>Fund Balances, Beginning of Year</b>	<u>31,378</u>	<u>0</u>	<u>165,489</u>	<u>196,867</u>
<b>Fund Balances, End of Year</b>	<u>\$ 31,378</u>	<u>\$ 0</u>	<u>\$ 165,464</u>	<u>\$ 196,842</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, 2018  
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	\$ 88,290	\$ 125,611	\$ 125,735	\$ 124
Miscellaneous	690	538	143	(395)
<b>Total Revenues</b>	<u>88,980</u>	<u>126,149</u>	<u>125,878</u>	<u>(271)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	602,347	607,391	607,387	4
Operating Expenditures	58,000	5,684	5,861	(177)
Capital Outlay	52,000	0	0	0
Court-related:				
Personal Services	91,273	67,596	67,592	4
Operating Expenditures	500	39,899	40,260	(361)
Capital Outlay	0	3,032	3,032	0
<b>(Total Expenditures)</b>	<u>(804,120)</u>	<u>(723,602)</u>	<u>(724,132)</u>	<u>(530)</u>
<b>(Deficiency) of Expenditures (Under)</b>				
<b>Revenues</b>	<u>(715,140)</u>	<u>(597,453)</u>	<u>(598,254)</u>	<u>(801)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	804,044	804,044	804,044	0
Transfers (out) to Board of County Commissioners	(88,904)	(206,591)	(205,790)	801
<b>Total Other Financing Sources (Uses)</b>	<u>715,140</u>	<u>597,453</u>	<u>598,254</u>	<u>801</u>
<b>Net Change in Fund Balances</b>	0	0	0	0
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>31,378</u>	<u>31,378</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,378</u>	<u>\$ 31,378</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
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	\$ 122,827	\$ 122,827	\$ 130,940	\$ 8,113
Charges for Services	526,336	645,363	596,310	(49,053)
Fines and Forfeitures	191,819	191,819	233,622	41,803
Miscellaneous	28,070	28,070	2,985	(25,085)
<b>Total Revenues</b>	<u>869,052</u>	<u>988,079</u>	<u>963,857</u>	<u>(24,222)</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personal Services	734,195	758,869	729,762	29,107
Operating Expenditures	29,260	32,234	17,665	14,569
Debt Service	0	0	3,368	(3,368)
<b>(Total Expenditures)</b>	<u>(763,455)</u>	<u>(791,103)</u>	<u>(750,795)</u>	<u>40,308</u>
<b>Excess of Expenditures Over Revenues</b>	<u>105,597</u>	<u>196,976</u>	<u>213,062</u>	<u>16,086</u>
<b>Other Financing Sources (Uses)</b>				
Reversion to Clerk of Court Trust Fund	<u>(105,597)</u>	<u>(196,976)</u>	<u>(213,062)</u>	<u>(16,086)</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, 2018  
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	\$ 20,773	\$ 20,773	\$ 32,372	\$ 11,599
Charges for Services	35,000	35,000	37,594	2,594
Fines and Forfeitures	0	0	18	18
<b>Total Revenues</b>	<u>55,773</u>	<u>55,773</u>	<u>69,984</u>	<u>14,211</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personal Services	10,113	10,113	9,903	210
Operating Expenditures	85,360	108,445	38,311	70,134
Capital Outlay	104,300	81,215	21,795	59,420
<b>(Total Expenditures)</b>	<u>(199,773)</u>	<u>(199,773)</u>	<u>(70,009)</u>	<u>129,764</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(144,000)</u>	<u>(144,000)</u>	<u>(25)</u>	<u>143,975</u>
<b>Net Change in Fund Balances</b>	(144,000)	(144,000)	(25)	143,975
<b>Fund Balances, Beginning of Year</b>	<u>144,000</u>	<u>144,000</u>	<u>165,489</u>	<u>21,489</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 165,464</u>	<u>\$ 165,464</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2018**  
**BRADFORD COUNTY CLERK OF THE CIRCUIT COURT**

**Assets**

Cash	\$ 117,806
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<b>Total Assets</b>	<u><u>117,806</u></u>
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**Liabilities**

Due to Others	24,871
Due to Other Funds	2,000
Due to Board of County Commissioners	24,226
Due to Other Governments	46,668
Deposits	<u>20,041</u>

<b>Total Liabilities</b>	<u><u>\$ 117,806</u></u>
--------------------------	--------------------------

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

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

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

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

**Reporting Entity**

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

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

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

**Basis of Presentation**

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

**Fund Accounting**

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



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

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

**Fund Accounting (Concluded)**

The Clerk utilizes the following fund types:

■ **Governmental Funds**

● **Major Funds**

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

■ **Fiduciary Funds**

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

**Basis of Accounting**

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

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

**Measurement Focus**

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

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

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

**Budgetary Requirement**

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

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

**Capital Assets**

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

**Unearned Revenue**

In accordance with requirements of the Clerk of Court Operations Corporation (CCOC), the Clerk reported unearned revenue in a liability account for court related fines and fees collected in September of 2018. This unearned revenue will be used for services provided in the following fiscal year.

**Accumulated Compensated Absences**

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

**Risk Management**

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

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

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

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

**Note 2 - Cash**

At September 30, 2018, the carrying amount of the Clerk’s deposits was \$563,197, and the bank balance was \$724,845. 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 - Pension and Postemployment Benefits Other Than Pension**

**Florida Retirement System (FRS) Pension Benefits**

The Clerk participates in the Florida Retirement System to provide pension benefits to his employees. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

**Postemployment Benefits Other Than Pensions**

The Clerk participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to employees and retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Clerk is included in the financial statements of the County.

**Note 4 - Liabilities for Compensated Absences and Grant Funds Overpaid**

The following is a summary of the changes in long term liabilities of the Clerk for the year ended September 30, 2018:

	<b>Balance October 1, 2017</b>	<b>Net Additions (Deletions)</b>	<b>Balance September 30, 2018</b>
Accumulated Compensated Absences	\$ 110,056	\$ (14,162)	\$ 95,894
Due to Other Government - Grant	37,112	(28,470)	8,642
<b>Long-term Liabilities</b>	<b>\$ 147,168</b>	<b>\$ (42,632)</b>	<b>\$ 104,536</b>

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).

See Note 8 for a description of the Due to Other Government - Grant which relates to excess reimbursements received from a child support grant.

The above liabilities are reported in the County’s government-wide financial statements.

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

**Note 5 - Fund Balance Reporting**

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

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

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

**Note 6 - Unassigned Fund Balance**

The Clerk held \$31,378 in unassigned fund balance at September 30, 2018. These monies are available to budget and spend for authorized purposes at the discretion of the Clerk.

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

**Note 7 - Interfund Receivables and Payables**

Interfund receivables and payables consist of the following at September 30, 2018:

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

**Note 8 - Commitments**

During 2017, the Bradford County Clerk’s office was notified by the Florida Department of Revenue (FDOR) that the indirect cost rate that was used by the Clerk’s office in computing reimbursement of child support costs under the Child Support Enforcement grant for the last two fiscal years was required to be adjusted. The Clerk was using a provisional indirect cost rate provided by FDOR during that time period. The indirect cost rate for each Clerk in the State of Florida is computed by a third party consultant who is retained by FDOR. As a result, the Clerk’s office received excess reimbursements from FDOR during the fiscal years ended September 30, 2017 and 2018. FDOR estimated the excess reimbursements paid to the Clerk’s office to be \$87,893, of which the Clerk repaid \$50,871 in fiscal year 2016-2017. As of October 1, 2017, the FDOR adjusted the excess reimbursements received by the Clerk to \$12,010. During fiscal year 2017-2018 the Clerk paid \$3,368, leaving a balance owed to FDOR of \$8,652 as of September 30, 2018. This amount will be repaid to FDOR during the fiscal year 2018-2019, in the form of amounts withheld from future reimbursements. This liability has been recorded in the County’s government-wide financial statements.

**Note 9 - Other Disclosures**

The Clerk’s General Fund reported expenditures of \$530 in excess of appropriations. The budget was not amended to address this issue.

## **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 NET POSITION  
ALL AGENCY FUNDS  
SEPTEMBER 30, 2018  
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	\$ 8,250	\$ 47,861	\$ 4,752	\$ 46,840	\$ 10,103	\$ 117,806
<b>Total Assets</b>	<u>8,250</u>	<u>47,861</u>	<u>4,752</u>	<u>46,840</u>	<u>10,103</u>	<u>117,806</u>
<b>Liabilities</b>						
Due to Others	0	464	50	24,357	0	24,871
Due to Other Funds	0	0	2,000	0	0	2,000
Due to Board of County Commissioners	0	2,438	0	21,788	0	24,226
Due to Other Governments	0	43,271	2,702	695	0	46,668
Deposits	8,250	1,688	0	0	10,103	20,041
<b>Total Liabilities</b>	<u>\$ 8,250</u>	<u>\$ 47,861</u>	<u>\$ 4,752</u>	<u>\$ 46,840</u>	<u>\$ 10,103</u>	<u>\$ 117,806</u>



## **OTHER REPORTS**

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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2018, and the related notes to the financial statements and have issued our report thereon dated June 20, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Certified Public Accountants**

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

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

**Compliance and Other Matters**

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

We noted certain matters that we have reported to the management of the Clerk in a separate letter dated June 20, 2019.

**Purpose of this Report**

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



June 20, 2019  
Gainesville, Florida

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

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

We have examined Bradford County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

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

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

We have examined Bradford County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Sections 28.35 and 28.36, Florida Statutes, as of and the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

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

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

We have examined Bradford County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 61.181, Florida Statutes, as of and for the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Bradford County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 20, 2019.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountants' Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 20, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The 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.

#### Certified Public Accountants

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

**MANAGEMENT LETTER**  
*(Concluded)*

**Financial Management**

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

▪ **ML 2018-01 Payroll Timesheet Approvals**

During our testing of payroll documentation for Board of County Commission employees several instances were noted in which timesheets submitted for employees had not been signed by the department supervisor evidencing approval. We recommend that all timesheets submitted for employees contain documentation of the department supervisor's review and approval such as initials and date.

▪ **ML 2018-02 Payroll Pay Rate**

During our testing of payroll one instance was noted in which the pay rate used to pay an employee did not match the authorized pay rate in the employee's personnel file. This appears to have been an error that was made in entering the payroll information into the system. We recommend that employee pay rates used to compute each employee's payroll check be compared to each employee's authorized rate of pay.


**Additional Matters**

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

**Purpose of this Letter**

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

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



June 20, 2019  
Gainesville, Florida





# Bradford County Board of County Commissioners

District I  
Ross Chandler

District II  
Kenny Thompson

District III  
Chris Dougherty  
Vice-Chairman

District IV  
Danny Riddick

District V  
Frank Durrance  
Chairman

June 18, 2019

Terry Kite  
Purvis Gray Company, LLP  
222 N.E. 1st Street  
Gainesville, Florida 32601

RE: Response – Bradford County Audit Report – FY 2017/2018

Dear Mr. Kite:

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

ML-2018-01 Payroll Timesheet Approvals

"During our testing of payroll documentation for Board of County Commission employees several instances were noted in which timesheets submitted for employees had not been signed by the department supervisor evidencing approval. We recommend that all timesheets submitted for employees contain documentation of the supervisor's review and approval such as initials and date."

Response:

The Board of County Commissioners has over 200 employees, the vast majority of whom submit timesheets for payroll on a biweekly basis. It is the established practice and procedure for all Board of County Commissioners departments that employee timesheets be reviewed and approved by supervisors and/or department heads so as to ensure that they are complete and correct. This will continue to be the practice moving forward.

Notwithstanding the foregoing, through the cooperative efforts of the Finance Department and the County Manager's Office, additional procedural safeguards will be implemented to ensure that this does not occur again.

Bradford County, Florida  
Letter to T. Kite – 2017-2018 Audit  
Response to Management Letter  
June 18, 2019  
Page 2 of 2

ML-2018-02 Payroll Pay Rate

During our testing of payroll one instance was noted in which the pay rate used to pay an employee did not match the authorized pay rate in the employee's personnel file. This appears to have been an error that was made in entering the payroll information into the system. We recommend that employee pay rates used to compute each employee's payroll check be compared to each employee's authorized rate of pay."

Response:

As stated above, the Finance Department and the County Manager's Office have cooperated to implement additional, procedural safeguards which will be implemented so as to make a concerted effort to prevent such an oversight in the future.

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

Sincerely,



Ray Norman  
Clerk to the Board

cc: Board of County Commissioners  
Brad Carter, County Manager  
William E. Sexton, County Attorney



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of Bradford County, Florida, Sheriff (the Sheriff), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

### Certified Public Accountants

P.O. Box 141270 • 222 N.E 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872  
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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 Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2018, and the respective changes in financial position thereof, and the budgetary comparison for the major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2018, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Matters**

*Other Financial Information*

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

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

**Other Reporting Required by Government Auditing Standards**

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

## **FINANCIAL STATEMENTS**



**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018  
BRADFORD COUNTY SHERIFF**

	<u>Major Fund General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash	\$ 148,054	\$ 870,058	\$ 1,018,112
Due from Other Governments	188,126	0	188,126
Due from Other Funds	229,748	0	229,748
Due from Board of County Commissioners	606,005		606,005
Accounts Receivable	0	15,850	15,850
<b>Total Assets</b>	<u>1,171,933</u>	<u>885,908</u>	<u>2,057,841</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	187,431	269	187,700
Due to Other Funds	0	205,084	205,084
Deposits	0	38,599	38,599
Due to Board of County Commissioners	984,502	0	984,502
<b>Total Liabilities</b>	<u>1,171,933</u>	<u>243,952</u>	<u>1,415,885</u>
 <b>Fund Balances</b>			
Restricted:			
Inmate Welfare Fund	0	476,840	476,840
E-911 Fund	0	158,274	158,274
Assigned:			
Education and Public Service	0	6,842	6,842
<b>Total Fund Balances</b>	<u>0</u>	<u>641,956</u>	<u>641,956</u>
 <b>Total Liabilities and Fund Balances</b>	 <u>\$ 1,171,933</u>	 <u>\$ 885,908</u>	 <u>\$ 2,057,841</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY SHERIFF**

	<u>Major Fund General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Intergovernmental Revenues	\$ 72,734	\$ 291,474	\$ 364,208
Charges for Services	59,500	0	59,500
Miscellaneous	46,015	135,857	181,872
<b>Total Revenues</b>	<u>178,249</u>	<u>427,331</u>	<u>605,580</u>
<b>Expenditures</b>			
Current:			
Court-related:			
Personal Services	134,774	0	134,774
Operating Expenditures	10,759	0	10,759
Public Safety:			
Personal Services	4,518,512	0	4,518,512
Operating Expenditures	1,675,723	207,656	1,883,379
Capital Outlay	457,526	40,127	497,653
Human Services:			
Personal Services	82,162	0	82,162
Operating Expenditures	28,896	0	28,896
<b>(Total Expenditures)</b>	<u>(6,908,352)</u>	<u>(247,783)</u>	<u>(7,156,135)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(6,730,103)</u>	<u>179,548</u>	<u>(6,550,555)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in from Board of County Commissioners	6,548,867	0	6,548,867
Transfers (out) to Board of County Commissioners	(19,061)	0	(19,061)
Interfund Transfers in	200,297	0	200,297
Interfund Transfers (out)	0	(200,297)	(200,297)
<b>Total Other Financing Sources (Uses)</b>	<u>6,730,103</u>	<u>(200,297)</u>	<u>6,529,806</u>
<b>Net Change in Fund Balances</b>	0	(20,749)	(20,749)
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>662,705</u>	<u>662,705</u>
<b>Fund Balances, End of Year</b>	<u>\$ 0</u>	<u>\$ 641,956</u>	<u>\$ 641,956</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, 2018  
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	\$ 72,734	\$ 72,734	\$ 0
Charges for Services	0	59,500	59,500	0
Miscellaneous	0	46,015	46,015	0
<b>Total Revenues</b>	<u>0</u>	<u>178,249</u>	<u>178,249</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Court-related:				
Personal Services	167,710	134,774	134,774	0
Operating Expenditures	15,000	10,759	10,759	0
Public Safety:				
Personal Services	4,336,054	4,518,512	4,518,512	0
Operating Expenditures	1,138,050	1,675,723	1,675,723	0
Capital Outlay	170,000	457,526	457,526	0
Human Services:				
Personal Services	87,048	82,162	82,162	0
Operating Expenditures	29,000	28,896	28,896	0
<b>(Total Expenditures)</b>	<u>(5,942,862)</u>	<u>(6,908,352)</u>	<u>(6,908,352)</u>	<u>0</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(5,942,862)</u>	<u>(6,730,103)</u>	<u>(6,730,103)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	5,942,862	6,548,867	6,548,867	0
Transfers (out) to Board of County Commissioners	0	(19,061)	(19,061)	0
Transfers in from Other Funds	0	200,297	200,297	0
<b>Total Other Financing Sources (Uses)</b>	<u>5,942,862</u>	<u>6,730,103</u>	<u>6,730,103</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>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2018**  
**BRADFORD COUNTY SHERIFF**

**Assets**

Cash	\$ 69,814
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<b>Total Assets</b>	<u>69,814</u>
---------------------	---------------

**Liabilities**

Accounts Payable	13,989
Other Liabilities	5,011
Due to Other Funds	24,664
Due to Board of County Commissioners	15,733
Deposits	<u>10,417</u>

<b>Total Liabilities</b>	<u>\$ 69,814</u>
--------------------------	------------------

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY SHERIFF**

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

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

**Reporting Entity**

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

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

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

**Basis of Presentation**

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

**Fund Accounting**

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

The Sheriff utilizes the following fund types:

■ **Governmental Funds**

● **Major Fund**

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

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

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

**Fund Accounting (Concluded)**

■ **Governmental Funds (Concluded)**

● **Other Governmental Funds**

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

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

■ **Fiduciary Funds**

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

**Basis of Accounting**

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

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

**Measurement Focus**

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

**Budgetary Requirement**

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

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

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

**Budgetary Requirement (Concluded)**

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

**Capital Assets**

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

**Accumulated Compensated Absences**

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

**Group Health Insurance**

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

**Risk Management**

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

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

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

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.



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

**Note 2 - Cash Deposits**

At September 30, 2018, the carrying amount of the Sheriff's deposits was \$1,087,926, and the bank balance was \$1,149,042. 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 means they are insured or collateralized.

**Note 3 - Pension and Postemployment Benefits Other Than Pension**

**Florida Retirement System (FRS) Pension Benefits**

The Sheriff participates in the Florida Retirement System to provide pension benefits to its employees. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

**Postemployment Benefits Other than Pensions**

The Sheriff participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to employees and retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Sheriff is included in the financial statement of the County.

**Note 4 - Capital Assets**

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

	<b>Balance October 1, 2017</b>	<b>Increase</b>	<b>(Decrease)</b>	<b>Balance September 30, 2018</b>
Buildings	\$ 11,345	\$ 0	\$ 0	\$ 11,345
Vehicles	2,144,903	345,126	0	2,490,029
Equipment	2,409,775	290,986	0	2,700,761
(Accumulated Depreciation)	(3,428,866)	(381,631)	0	(3,810,497)
<b>Capital Assets, Net</b>	<b>\$ 1,137,157</b>	<b>\$ 254,481*</b>	<b>\$ 0</b>	<b>\$ 1,391,638</b>

\* Note – transfers of E-911 fixed assets from the Board to the Sheriff are included in the increases column. The net book value transferred over was \$100,557.

Depreciation expense was charged to Public Safety of the Sheriff in the government-wide financial statements in the amount of \$381,630.

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

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

The following is a summary of the changes in long-term debt of the Sheriff for the year ended September 30, 2018:

	<b>Balance October 1, 2017</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2018</b>
Accumulated Compensated Absences	\$ 236,486	\$ 210,600	\$ (171,364)	\$ 275,722

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

Postemployment benefits represent the portion of the liability based upon current and retired employees of the Sheriff's office. See Note 3 for a description of postemployment benefits.

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

The Sheriff's long-term debt is recorded in the County's government-wide financial statements.

**Note 6 - Interfund Receivables and Payables**

Interfund receivables and payables consist of the following at September 30, 2018:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
Major Fund:		
General Fund	\$ 229,748	\$ 0
Special Revenue Funds:		
E-911 Fund	0	151,220
Inmate Welfare Fund	0	53,864
Agency Funds:		
Inmate Trust	0	24,664
<b>Totals</b>	<b>\$ 229,748</b>	<b>\$ 229,748</b>

The amounts shown as due from the E-911 fund and Inmate Welfare Fund to the General Fund, are for services provided by the General Fund to these funds in fiscal year 2017-2018. These amounts were paid after September 30, 2018. The amount shown as due from the Inmate Trust Fund to the General Fund, represents fees and charges collected from inmates that are required to be paid to the General Fund. This amount was paid after September 30, 2018.

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

**Note 7 - Interfund Transfers**

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

In the year ended September 30, 2018, the E-911 Fund and Inmate Welfare Fund transferred \$53,864 and \$146,433 respectively, to the General Fund to cover expenditures paid for by the General Fund on behalf of the E-911 Fund and the Inmate Welfare Fund.

**Note 8 - Fund Balance Reporting**

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

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

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

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

**Note 9 - Operating Leases**

During the year, the Sheriff's office entered into several short-term leases with Enterprise Rent-A-Car. These leases vary from 7 to 24 months. These leases do not meet the criteria for classification as a capital lease, and are therefore considered operating leases. The future minimum rental payments, excluding any potential mileage overages, are reported below:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2019	\$ 4,079
<b>Total</b>	<u><u>\$ 4,079</u></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.

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

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - ALL SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2018**  
**BRADFORD COUNTY SHERIFF**

	<u>Education and Public Service Fund</u>	<u>Inmate Welfare Fund</u>	<u>E-911 Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 45,471	\$ 514,854	\$ 309,733	\$ 870,058
Accounts Receivable	0	15,850	0	15,850
<b>Total Assets</b>	<u>45,471</u>	<u>530,704</u>	<u>309,733</u>	<u>885,908</u>
<b>Liabilities and Fund Balances</b>				
Accounts Payable	30	0	239	269
Deposits	38,599	0	0	38,599
Due to Other Funds	0	53,864	151,220	205,084
<b>Total Liabilities</b>	<u>38,629</u>	<u>53,864</u>	<u>151,459</u>	<u>243,952</u>
<b>Fund Balances</b>				
Restricted:				
Inmate Welfare Fund	0	476,840	0	476,840
E-911 Fund	0	0	158,274	158,274
Assigned:				
Education and Public Service	6,842	0	0	6,842
<b>Total Fund Balances</b>	<u>6,842</u>	<u>476,840</u>	<u>158,274</u>	<u>641,956</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 45,471</u>	<u>\$ 530,704</u>	<u>\$ 309,733</u>	<u>\$ 885,908</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
ALL SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY SHERIFF**

	<b>Education and Public Service Fund</b>	<b>Inmate Welfare Fund</b>	<b>E-911 Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>				
Intergovernmental Revenues	\$ 50,254	\$ 0	\$ 241,220	\$ 291,474
Miscellaneous	0	126,857	9,000	135,857
<b>Total Revenues</b>	<u>50,254</u>	<u>126,857</u>	<u>250,220</u>	<u>427,331</u>
<b>Expenditures</b>				
Public Safety:				
Operating Expenditures	(70,963)	(22,921)	(113,772)	(207,656)
Capital Outlay	0	(40,127)	0	(40,127)
Total Expenditures	<u>(70,963)</u>	<u>(63,048)</u>	<u>(113,772)</u>	<u>(247,783)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(20,709)</u>	<u>63,809</u>	<u>136,448</u>	<u>179,548</u>
<b>Other Financing Sources (Uses)</b>				
Interfund Transfers (out)	0	(53,864)	(146,433)	(200,297)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(53,864)</u>	<u>(146,433)</u>	<u>(200,297)</u>
<b>Net Change in Fund Balances</b>	(20,709)	9,945	(9,985)	(20,749)
<b>Fund Balances, Beginning of Year</b>	<u>27,551</u>	<u>466,895</u>	<u>168,259</u>	<u>662,705</u>
<b>Fund Balances, End of Year</b>	<u>\$ 6,842</u>	<u>\$ 476,840</u>	<u>\$ 158,274</u>	<u>\$ 641,956</u>



## **AGENCY FUNDS**

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

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

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
ALL AGENCY FUNDS  
SEPTEMBER 30, 2018  
BRADFORD COUNTY SHERIFF**

	<u>Individual Depositors</u>	<u>Inmate Trust</u>	<u>Total All Agency Funds</u>
<b>Assets</b>			
Cash	\$ 20,719	\$ 49,095	\$ 69,814
<b>Total Current Assets</b>	<u>20,719</u>	<u>49,095</u>	<u>69,814</u>
<b>Liabilities</b>			
Accounts Payable	0	13,989	13,989
Other Liabilities	4,986	25	5,011
Due to Other Fund	0	24,664	24,664
Due to Board of County Commissioners	15,733	0	15,733
Deposits	<u>0</u>	<u>10,417</u>	<u>10,417</u>
<b>Total Liabilities</b>	<u>\$ 20,719</u>	<u>\$ 49,095</u>	<u>\$ 69,814</u>

## **OTHER REPORTS**

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

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund, and the aggregate remaining fund information of the Bradford County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 20, 2019.

**Internal Control Over Financial Reporting**

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

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

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

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

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

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

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

■ **2018-01**

**Significant Audit Adjustments**

**Condition**—At the beginning of audit fieldwork, it was noted that the preliminary working trial balance for the General Fund did not include the required closing entries, including but not limited to the accrual and reversal of balance sheet accounts. Several significant audit adjusting entries were provided to the Sheriff's staff to post to the accounting records of the General Fund for the fiscal year ended September 30, 2018. Under generally accepted standards for internal controls, the Sheriff's Office should have procedures in place to make these year-end adjusting and closing entries.

**Effect**—Auditors are prohibited from acting as a segment of the Sheriff's internal control over financial reporting. If the audit adjustments had not been made to record these closing and correcting entries the financial statements may have been materially misstated.

**Recommendation**—Although no system of internal control can guarantee accurate financial reporting at all times, we recommend the Sheriff's Office review the causes of the audit adjustments proposed and determine what changes should be made to its system of internal control over financial reporting. We recommend the Sheriff consider an accountant position in his budget or provide additional accounting education and training for his existing staff.

**Compliance and Other Matters**

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

■ **2018-02**

**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 the fiscal year 2017-2018 was not submitted to the Board of County Commissioners until June 2019.

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

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

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

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

■ **2018-02 (Concluded)**

**Budget Amendments (Concluded)**

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

We noted certain matters that we reported to management in a separate letter dated June 20, 2019.

**Sheriff's Response to Findings**

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

**Purpose of this Report**

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

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

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

We have examined Bradford County, Florida, Sheriff's (the Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

**Certified Public Accountants**

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## MANAGEMENT LETTER

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

### Report on the Financial Statements

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Bradford County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 20, 2019.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 20, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The prior findings were resolved except for findings 2015-01 and 2015-02.

### Prior Year Findings and Recommendations

#### ■ ML 2015-01 Inmate Welfare Fund

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

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The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Continued)*

**Prior Year Findings and Recommendations (Concluded)**

■ **ML 2015-01 Inmate Welfare Fund (Concluded)**

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

**Fiscal Year 2018 Update:** The fund still has a large accumulated fund balance of \$476,840. Management is considering several potential ways to spend the accumulated reserves. In addition, management is considering the establishment of a jail committee.

■ **ML 2015-02 Evidence Deposits**

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

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

**Fiscal Year 2018 Update:** During the fiscal year 2017 and 2018 audits, it was noted that the Sheriff's office now attaches a copy of a judge's order to document the release of any confiscated funds. However, there is a fiscal year 2015 accumulated balance of unidentified funds which needs to be reviewed in order to determine if the monies are part of the Sheriff's available funds or are due to another party.

**Official Title and Legal Authority**

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

**Financial Management**

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have no recommendations.

**Additional Matters**

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

The Honorable Gordon Smith  
Bradford County Sheriff  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**Purpose of this Letter**

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

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

SHERIFF



*Gordon Smith*

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

June 20, 2019

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

Gentlemen;

After review of the Special Purpose Financial Statements and Independent Auditor's Report dated September 30, 2018, I have prepared the following response to the items of concern you noted:

**ML 2015-01 Inmate Welfare Fund**

In Fiscal Year 2015, there were excess funds in the Inmate Welfare Fund that amounted to over \$459,000. It was recommended that this fund be drawn down over time and used in accordance with Section 951.23(9)(d) F.S.S., for welfare and education of the inmate population, Since this time an Inmate Welfare Committee has been created with the Jail Chaplain as a member. This committee meets as needed to purchase items such as publications, games, cable television subscriptions, drug and alcohol counseling, vocational programs, etc. Plus, we have purchased a body scanner and in the process of purchasing more equipment.

**ML 2015-02 Evidence Deposits**

In Fiscal Year 2015, there were evidence monies deposited into the Sheriff's Office bank account for safekeeping. Some of these monies were not documented as to the case or disposition of the said monies. Since this occurrence, no monies come out of evidence unless the case number and disposition are known and documented at the time of deposit. We still continue to properly track these monies and are doing the what we can to identify these.

Sincerely,

Sheriff Gordon Smith

SHERIFF



*Gordon Smith*

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

June 20, 2019

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

Gentlemen;

After review of the Special Purpose Financial Statements and Independent Auditor's Report dated September 30, 2018, I have prepared the following response to the items of concern you noted:

**Page 18      2018-01 Significant Audit Adjustments**

There were unforeseen circumstances that delayed the closing entries being made during the aforementioned budget year. The Chief Financial officer normally is present for the initial field visit by the auditors. Unfortunately, they were absent for several months, due to multiple family illnesses and deaths.

**Page 18      2018-02 Budget Amendments**

In Fiscal Year 2018, again the Chief Financial Officer was excessively absent and not present during the initial field visit from the auditor. The closing entries have been generally agreed upon with the auditor during this visit and have been submitted in a timely fashion and within the required timetable.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gordon Smith".

Sheriff Gordon Smith



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

### Certified Public Accountants

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information for the Tax Collector as of September 30, 2018, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Bradford County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2018, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2018  
BRADFORD COUNTY TAX COLLECTOR**

<b>Assets</b>	
Cash	\$ 50,354
<b>Total Assets</b>	<u>50,354</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Due to Board of County Commissioners	42,433
Due to Other Governments	489
Unearned Revenue	7,432
<b>Total Liabilities</b>	<u>50,354</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 50,354</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY TAX COLLECTOR**

<b>Revenues</b>	
Charges for Services	\$ 732,731
Miscellaneous	5,205
<b>Total Revenues</b>	<u>737,936</u>
 <b>Expenditures</b>	
Current:	
General Government:	
Personal Services	640,907
Operating Expenditures	54,596
<b>(Total Expenditures)</b>	<u>(695,503)</u>
 <b>Excess of Revenues Over Expenditures</b>	 42,433
 <b>Other Financing Sources</b>	
Transfers (out) to Board of County Commissioners	<u>(42,433)</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, 2018  
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	\$ 703,850	\$ 703,850	\$ 732,731	\$ 28,881
Miscellaneous	4,830	4,830	5,205	375
<b>Total Revenues</b>	<u>708,680</u>	<u>708,680</u>	<u>737,936</u>	<u>29,256</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	699,010	699,010	640,907	58,103
Operating Expenditures	62,097	62,097	54,596	7,501
<b>(Total Expenditures)</b>	<u>(761,107)</u>	<u>(761,107)</u>	<u>(695,503)</u>	<u>65,604</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(52,427)</u>	<u>(52,427)</u>	<u>42,433</u>	<u>94,860</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	52,427	52,427	0	(52,427)
Transfers (out) to Board of County Commissioners	0	0	(42,433)	(42,433)
<b>Total Other Financing Sources (Uses)</b>	<u>52,427</u>	<u>52,427</u>	<u>(42,433)</u>	<u>(94,860)</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 NET POSITION**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2018**  
**BRADFORD COUNTY TAX COLLECTOR**

<b>Assets</b>	
Cash	\$ 375,716
<b>Total Assets</b>	<u>375,716</u>
<b>Liabilities</b>	
Due to Board of County Commissioners	711
Due to Other Governments	375,005
<b>Total Liabilities</b>	<u>\$ 375,716</u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

**Reporting Entity**

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

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

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

**Basis of Presentation**

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

**Fund Accounting**

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

The Tax Collector utilizes the following fund types:

■ **Governmental Funds**

● **Major Fund**

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



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

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

**Fund Accounting (Concluded)**

■ **Fiduciary Funds**

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

**Basis of Accounting**

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

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

**Measurement Focus**

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

**Budgetary Requirement**

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

Budgets are prepared on the modified accrual basis of accounting.

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

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

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

**Capital Assets**

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

**Accumulated Compensated Absences**

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

**Risk Management**

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

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

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

**Property Tax Collections**

Chapter 197, Florida Statutes, governs property tax collections.

■ **Current Taxes**

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

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

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

■ **Tax Deeds**

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

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

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

**Unearned Revenue**

Unearned revenue represents the portion of biennial service fees attributable to future years.

**Note 2 - Cash**

At September 30, 2018, the carrying amount of the Tax Collector's deposits was \$426,070 and the bank balance was \$525,367. 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, Florida Statutes, 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 - Pension and Postemployment Benefits Other Than Pension**

**Florida Retirement System (FRS) Pension Benefits**

The Tax Collector participates in the Florida Retirement System to provide pension benefits to its employees. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

**Postemployment Benefits Other than Pensions**

The Tax Collector participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to employees and retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Tax Collector is included in the financial statements of the County.

**Note 4 - Long-term Liability for Compensated Absences**

The Tax Collector's long-term liability for compensated absences is as follows:

	<b>Balance October 1, 2017</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2018</b>
Accumulated Compensated Absences	\$ 44,101	\$ 31,602	\$ (32,645)	\$ 43,058

Accumulated compensated absences represent the vested portion of accrued personal leave. The liability is not reported in the financial statements of the Tax Collector since it is not payable from available resources at September 30, 2018. The liability is reported on the statement of net position in the County-wide financial statements.

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

**Note 5 - Operating Lease**

The Tax Collector's Office entered into a lease agreement for lease of a mail processor and scale. The lease provides for 16 quarterly payments of \$225. The lease is for 48 months, ending November 2018. Total lease payments of \$900 were made during the fiscal year ended September 30, 2018.

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

<u>September 30,</u>	<u>Year Ending</u> <u>Amount</u>
2019	\$ 225
<b>Total</b>	<u>\$ 225</u>

## **OTHER REPORTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated June 20, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Certified Public Accountants**

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

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

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

We have examined Bradford County, Florida, Tax Collector's (the Tax Collector) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

**Certified Public Accountants**

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Bradford County, Florida, Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 20, 2019.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 20, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The 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.

### Financial Management

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

#### Certified Public Accountants

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

**MANAGEMENT LETTER**  
*(Concluded)*

**Additional Matters**

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

**Purpose of this Letter**

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

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



June 20, 2019  
Gainesville, Florida



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Thomas K. Clark  
Bradford County Property Appraiser  
Bradford County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

### 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 Thomas K. Clark  
Bradford County Property Appraiser  
Bradford County, Florida

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2018, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund, only for that portion of the major funds of Bradford County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2018, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

## **FINANCIAL STATEMENTS**



**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2018  
BRADFORD COUNTY PROPERTY APPRAISER**

<b>Assets</b>	
Cash	\$ 153,822
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	2,677
Due to Board of County Commissioners	147,783
Due to Other Governments	3,362
<b>Total Liabilities</b>	<u>153,822</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 153,822</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
SEPTEMBER 30, 2018  
BRADFORD COUNTY PROPERTY APPRAISER**

<b>Revenues</b>	
Charges for Services	\$ 11,660
Miscellaneous	850
<b>Total Revenues</b>	<u>12,510</u>
<b>Expenditures</b>	
Current:	
General Government:	
Personal Services	433,659
Operating Expenditures	87,648
<b>(Total Expenditures)</b>	<u>(521,307)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(508,797)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	656,580
Transfers (out) to Board of County Commissioners	(147,783)
<b>Total Other Financing Sources (Uses)</b>	<u>508,797</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  
SEPTEMBER 30, 2018  
BRADFORD COUNTY PROPERTY APPRAISER**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Charges for Services	\$ 15,022	\$ 15,022	\$ 11,660	\$ (3,362)
Miscellaneous	0	0	850	850
<b>Total Revenues</b>	<u>15,022</u>	<u>15,022</u>	<u>12,510</u>	<u>(2,512)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	556,167	563,404	433,659	129,745
Operating Expenditures	107,047	106,198	87,648	18,550
Reserve for Contingency	2,000	2,000	0	2,000
<b>(Total Expenditures)</b>	<u>(665,214)</u>	<u>(671,602)</u>	<u>(521,307)</u>	<u>150,295</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(650,192)</u>	<u>(656,580)</u>	<u>(508,797)</u>	<u>147,783</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	650,192	656,580	656,580	0
Transfers (out) to Board of County Commissioners	0	0	(147,783)	(147,783)
<b>Total Other Financing Sources (Uses)</b>	<u>650,192</u>	<u>656,580</u>	<u>508,797</u>	<u>(147,783)</u>
<b>Net Change in Fund Balance</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

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

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

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

**Reporting Entity**

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

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

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

**Basis of Presentation**

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

**Fund Accounting**

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

The Property Appraiser utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

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

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

**Basis of Accounting**

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

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

**Measurement Focus**

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

**Budgetary Requirement**

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

Budgets are prepared on the modified accrual basis of accounting.

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

**Capital Assets**

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

**Accumulated Compensated Absences**

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

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

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

**Risk Management**

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

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

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

**Note 2 - Cash**

At September 30, 2018, the carrying amount of the Property Appraiser's deposits was \$153,822 and the bank balance was \$165,906. 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 a qualified financial institution, which means they are insured or collateralized.

**Note 3 - Pension and Postemployment Benefits Other Than Pension**

**Florida Retirement System (FRS) Pension Benefits**

The Property Appraiser participates in the Florida Retirement System to provide pension benefits to its employees. A detailed plan description and any liability for employees of the Property Appraiser are included in the financial statements of the County.

**Postemployment Benefits Other than Pensions**

The Property Appraiser participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to employees and retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Property Appraiser is included in the financial statements of the County.

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

**Note 4 - Long-term Liability for Compensated Absences**

The long-term liability for compensated absences of the Property Appraiser for the year ended September 30, 2018 is as follows:

	<b>Balance October 1, 2017</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2018</b>
Accumulated Compensated Absences	\$ 15,158	\$ 17,844	\$ (15,413)	\$ 17,589

Accumulated compensated absences represent the vested portion of accrued leave. The liability is not reported in the financial statements of the Property Appraiser since it is not payable from available resources at September 30, 2018. The liability is reported on the statement of net position in the County-wide financial statements.



## **OTHER REPORTS**

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

The Honorable Thomas K. Clark  
Bradford County Property Appraiser  
Bradford County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated June 20, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Certified Public Accountants**

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The Honorable Thomas K. Clark  
Bradford County Property Appraiser  
Bradford County, Florida

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

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

The Honorable Thomas K. Clark  
Bradford County Property Appraiser  
Bradford County, Florida

We have examined Bradford County, Florida, Property Appraiser's (the Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Property Appraiser's compliance with specific requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

**Certified Public Accountants**

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## MANAGEMENT LETTER

The Honorable Thomas K. Clark  
Bradford County Property Appraiser  
Bradford County, Florida

### Report on the Financial Statements

We have audited the financial statements of the general fund of the Bradford County, Florida, Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 20, 2019.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 20, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

### Certified Public Accountants

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The Honorable Thomas K. Clark  
Bradford County Property Appraiser  
Bradford County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**Financial Management**

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

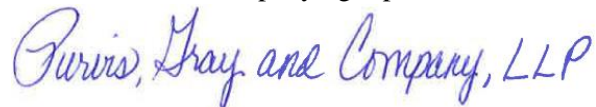
**Additional Matters**

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

**Purpose of this Letter**

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

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



June 20, 2019  
Gainesville, Florida



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

### Certified Public Accountants

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Supervisor of Elections as of September 30, 2018, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund, only for that portion of the major funds of Bradford County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Bradford County, Florida as of September 30, 2018, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2018  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

<b>Assets</b>	
Cash in Bank	\$     63,942
	<u>                    </u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	55,740
Due to State	8,202
<b>Total Liabilities</b>	<u>63,942</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$     63,942</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

<b>Revenues</b>	
Intergovernmental Revenue	\$ 95,496
Miscellaneous	783
<b>Total Revenues</b>	<u>96,279</u>
 <b>Expenditures</b>	
Current:	
General Government:	
Personal Services	327,814
Operating Expenditures	107,785
Capital Outlay	61,220
Debt Service	22,031
<b>(Total Expenditures)</b>	<u>(518,850)</u>
 <b>(Deficiency) of Revenues (Under) Expenditures</b>	 <u>(422,571)</u>
 <b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	422,571
<b>Total Other Financing Sources (Uses)</b>	<u>422,571</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, 2018  
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	\$ 22,031	\$ 103,697	\$ 95,496	\$ (8,201)
Miscellaneous	0	0	783	783
<b>Total Revenues</b>	<u>22,031</u>	<u>103,697</u>	<u>96,279</u>	<u>(7,418)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	307,726	329,427	327,814	1,613
Operating Expenditures	160,800	124,699	107,785	16,914
Debt Service	23,000	23,000	22,031	969
Capital Outlay	0	97,066	61,220	35,846
Reserve for Contingency	1,000	0	0	0
<b>(Total Expenditures)</b>	<u>(492,526)</u>	<u>(574,192)</u>	<u>(518,850)</u>	<u>55,342</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(470,495)</u>	<u>(470,495)</u>	<u>(422,571)</u>	<u>47,924</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	470,495	470,495	422,571	(47,924)
<b>Total Other Financing Sources (Uses)</b>	<u>470,495</u>	<u>470,495</u>	<u>422,571</u>	<u>(47,924)</u>
<b>Net Change in Fund Balance</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**



**NOTES TO FINANCIAL STATEMENTS  
BRADFORD COUNTY SUPERVISOR OF ELECTIONS**

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

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

**Reporting Entity**

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

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

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements.

**Basis of Presentation**

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

**Fund Accounting**

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

The Supervisor of Elections utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

**Basis of Accounting**

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

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

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

**Basis of Accounting (Concluded)**

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

**Measurement Focus**

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

**Budgetary Requirement**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the General Fund.

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

Budget to actual comparisons are provided in the financial statements for the General Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

**Capital Assets**

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

**Compensated Absences**

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

**Risk Management**

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

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

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

**Risk Management (Concluded)**

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

**Note 2 - Cash Deposits**

At September 30, 2018, the carrying amount of the Supervisor of Elections' deposits was \$63,942 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 - Pension and Postemployment Benefits Other Than Pension**

**Florida Retirement System (FRS) Pension Benefits**

The Supervisor of Elections participates in the Florida Retirement System to provide pension benefits to its employees. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

**Postemployment Benefits Other than Pensions**

The Supervisor of Elections participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to employees and retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Supervisor of Elections is included in the financial statements of the County.

**Note 4 - 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, 2018:

	<b>Balance October 1, 2017</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2018</b>	<b>Due Within One Year</b>
Accumulated Compensated Absences	\$ 4,321	\$ 0	\$ (1,474)	\$ 2,847	\$ 0
Capital Lease—Voting Equipment	66,095	0	(22,031)	44,064	22,031
<b>Total Long-term Debt</b>	<b>\$ 70,416</b>	<b>\$ 0</b>	<b>\$ (23,505)</b>	<b>\$ 46,911</b>	<b>\$ 22,031</b>

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

**Note 4 - Change in Long-term Debt (Concluded)**

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

The Supervisor of Elections has entered into a five-year capital lease agreement as a lessee for 20 voting machines and other equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The following is a summary of remaining debt service payments on all general long-term debt as of September 30, 2018:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2019	\$ 22,032	\$ 0	\$ 22,032
2020	22,032	0	22,032
Compensated Absences	2,846	0	2,846
<b>Totals</b>	<b>\$ 46,910</b>	<b>\$ 0</b>	<b>\$ 46,910</b>

Interest paid on the capital lease during the fiscal year totaled \$0.

The Supervisor of Elections' long-term debt is reported in the County's government-wide financial statements.

## **OTHER REPORTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2018, and the related notes to the basic financial statements, and have issued our report thereon dated June 20, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Certified Public Accountants**

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

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

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

We have examined Bradford County, Florida, Supervisor of Election's (the Supervisor of Elections) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor of Elections complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervision of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

*Purvis, Gray and Company, LLP*

June 20, 2019  
Gainesville, Florida

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the Bradford County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 20, 2019.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 20, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

### Financial Management

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

#### Certified Public Accountants

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

**MANAGEMENT LETTER**  
*(Concluded)*

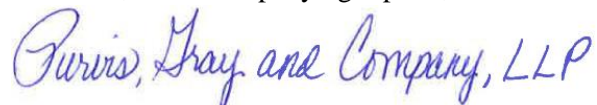
**Additional Matters**

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

**Purpose of this Letter**

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

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



June 20, 2019  
Gainesville, Florida