

HARDEE COUNTY, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020



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INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Hardee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hardee County, Florida (County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hardee County Industrial Development Authority (Authority), which represent 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors. 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 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 opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Transportation Trust Fund, Fire Control Fund, Grants Fund, Emergency Disaster Fund, and Economic Development Authority 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 on pages 4 to 15, information on other postemployment benefits on page 76, and information on pension benefits on pages 77 to 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance, 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, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, is also presented for the purposes of additional analysis and is not a required part of the basic financial statements.

Honorable Board of County Commissioners
Hardee County, Florida

The combining and individual fund financial statements and schedules 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 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 dated June 9, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.



CliftonLarsonAllen LLP

Sebring, Florida
June 9, 2021

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Hardee County Management hereby provides a narrative overview and analysis of Hardee County, Florida's (the County) financial activities for fiscal year ended September 30, 2020. This report provides comparative data for fiscal years 2020 and 2019.

Financial Highlights

Significant financial highlights for fiscal year 2020 are as follows:

- Total assets and deferred outflows of resources of the County exceeded total liabilities and deferred inflows of resources by \$67.25 million. Of this amount, \$65.08 million was invested in capital assets, net of related debt; \$17.99 million was restricted for various purposes; and unrestricted net deficit was \$15.82 million.
- The total net position was \$1.23 million more than the previous years' net position.
- The County's total liabilities increased by \$7.03 million or 16.6% from the previous year.
- As of September 30, 2020, the combined total governmental funds' fund balance reflected a balance of \$29.45 million, an increase of 19.3% from the previous year.
- The County's total unassigned fund balance was \$7.15 million.

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: government-wide financial statements; fund financial statements; and notes to the 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 are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The statements include the statement of net position and the statement of activities.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Both the statement of net position and the statement of activities distinguish between the functions that are supported by governmental activities and business-type activities. Governmental activities are primarily supported by property taxes, charges for services, fuel taxes, sales taxes, and grants. Business-type activities are supported by charges to the users of those activities, such as water and sewer service charges, and landfill tipping fees. The governmental activities of the County include general government, public safety, transportation, human services, culture and recreation, physical environment, and economic environment. The business-type activities of the County include water, wastewater, and solid waste.

The government-wide financial statements can be found on pages 16 to 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure compliance with finance-related legal requirements. Fund financial statements present financial information for governmental funds, proprietary funds, and fiduciary funds.

The ***Governmental Fund Financial Statements*** provide information on the current assets, deferred inflows of resources, and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. Governmental funds are used to account for the same functions as reported in the governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Hardee County has 17 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Transportation Trust Fund, Fire Control Fund, Grants Fund, Emergency Disaster Fund, and Economic Development Authority Fund. Data from the other governmental special revenue funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental special revenue funds is provided in the form of combining statements within the report. To demonstrate compliance with the Board of County Commissioners' adopted budget, a budgetary comparison statement has been provided for the general fund and other major governmental special revenue funds.

The basic governmental fund financial statements can be found on pages 18 to 27 of this report.

The ***Proprietary Funds Financial Statements*** provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. An enterprise fund is a type of proprietary fund. The County maintains three enterprise funds to account for its water, wastewater, and solid waste operations. Proprietary funds provide the same type of information as the government-wide financial statements for business-type activities, only in more detail.

The basic proprietary fund financial statement can be found on pages 28 to 31 of this report.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The ***Fiduciary Funds Financial Statements*** 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 statement because resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statement can be found on page 33 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. Those notes to the financial statements can be found on pages 34 to 75 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In our case, the County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67.25 million at the close of the most recent fiscal year. The following schedule provides a summary of assets, liabilities, and net position of the County.

Hardee County's Net Position

The largest portion of the County's net position (95.8%) reflects its investment in capital assets, (e.g., land, buildings, machinery equipment, and infrastructure) less any related debt used to acquire those assets that remain outstanding. These assets are used to provide services to citizens and are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Overall, the County's net position increased by \$1.23 million.

Hardee County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020
Current and Other Assets	\$ 28,017,575	\$ 32,405,653	\$ 5,465,258	\$ 6,330,086	\$ 33,482,833	\$ 38,735,739
Capital Assets	50,099,060	49,192,717	17,947,356	19,970,096	68,046,416	69,162,813
Total Assets	78,116,635	81,598,370	23,412,614	26,300,182	101,529,249	107,898,552
Deferred Outflows of Resources	8,960,526	10,182,425	206,855	257,635	9,167,381	10,440,060
Current Liabilities	2,283,173	2,003,657	473,360	1,218,549	2,756,533	3,222,206
Noncurrent Liabilities	30,718,606	37,252,544	8,845,861	8,872,574	39,564,467	46,125,118
Total Liabilities	33,001,779	39,256,201	9,319,221	10,091,123	42,321,000	49,347,324
Deferred Inflows of Resources	2,286,147	1,669,337	59,744	65,203	2,345,891	1,734,540
Net Position:						
Invested in Capital Assets						
Net of Related Debt	48,977,603	48,990,002	14,467,356	16,092,846	63,444,959	65,082,848
Restricted	17,909,065	17,994,375	-	-	17,909,065	17,994,375
Unrestricted	(15,097,433)	(16,129,120)	(226,852)	308,645	(15,324,285)	(15,820,475)
Total Net Position	\$ 51,789,235	\$ 50,855,257	\$ 14,240,504	\$ 16,401,491	\$ 66,029,739	\$ 67,256,748

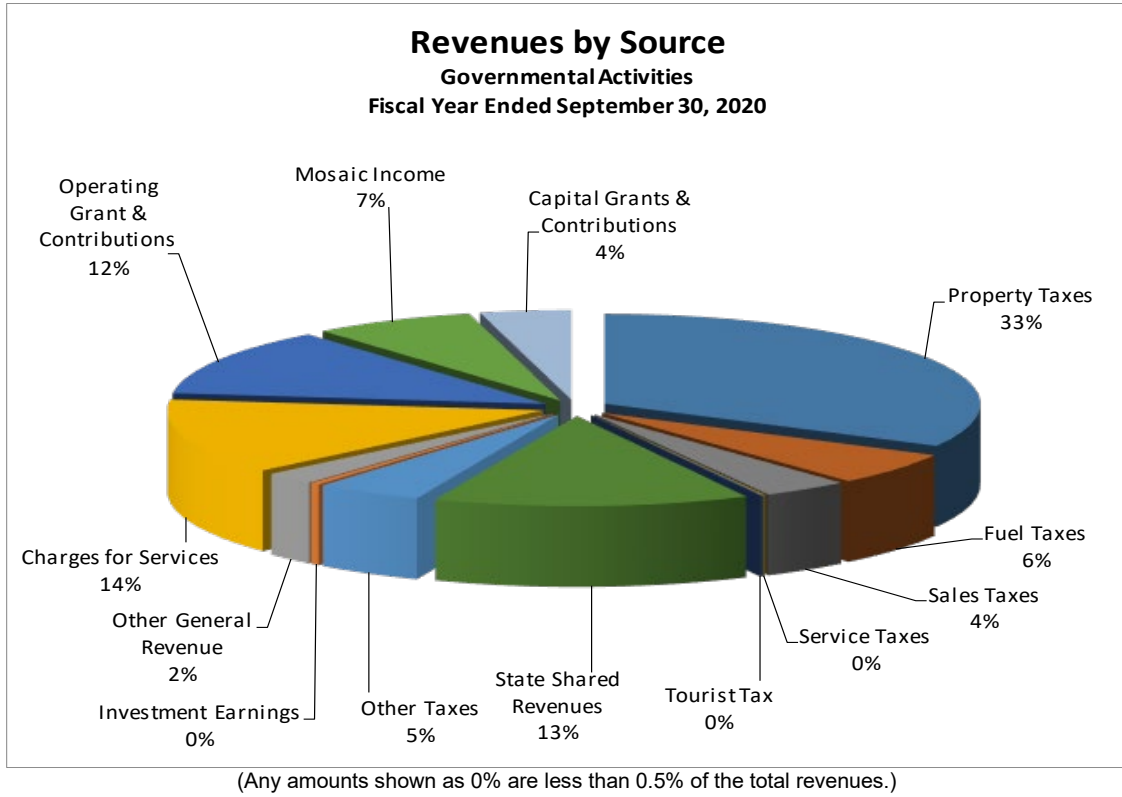
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Hardee County's Changes in Net Position

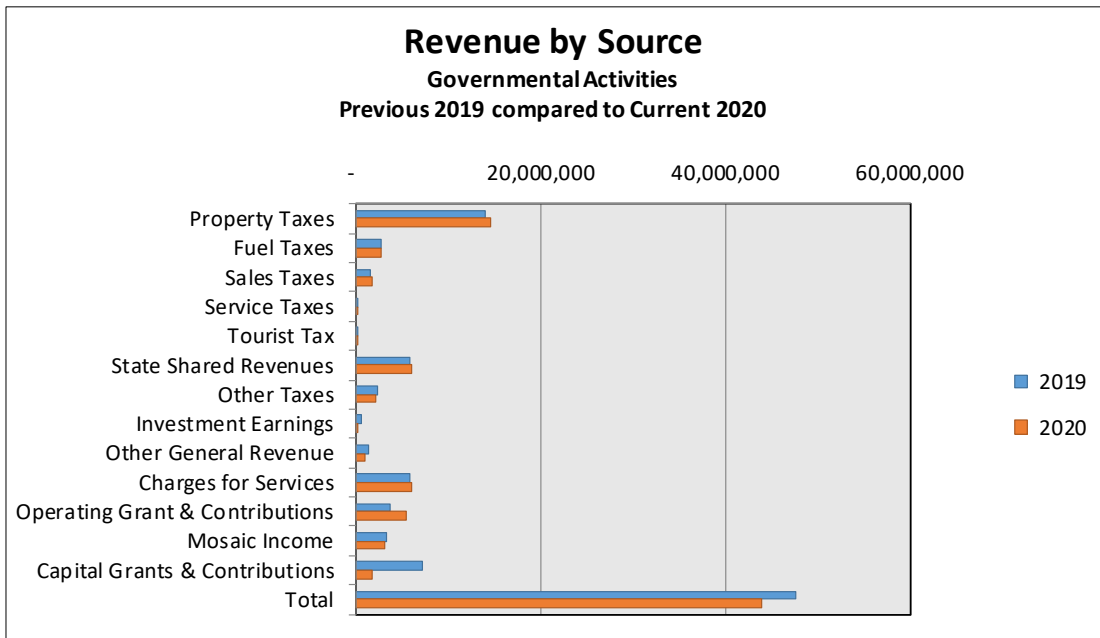
	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,734,535	\$ 5,957,413	\$ 2,881,792	\$ 3,086,305	\$ 8,616,327	\$ 9,043,718
Operating Grants and Contributions	3,618,488	5,361,218	107,194	106,888	3,725,682	5,468,106
Capital Grants and Contributions	7,120,425	1,721,726	734,360	2,946,517	7,854,785	4,668,243
General Revenues:						
Property Taxes	13,993,907	14,419,193	-	-	13,993,907	14,419,193
Other Taxes	6,557,817	6,345,366	-	-	6,557,817	6,345,366
State Shared Revenue	5,693,218	5,956,659	-	-	5,693,218	5,956,659
Mosaic Income	3,191,343	3,073,352	-	-	3,191,343	3,073,352
Other	1,709,228	1,155,667	187,148	147,089	1,896,376	1,302,756
Total Revenues	47,618,961	43,990,594	3,910,494	6,286,799	51,529,455	50,277,393
EXPENSES						
General Government	9,741,676	10,318,511	-	-	9,741,676	10,318,511
Public Safety	19,726,605	20,538,007	-	-	19,726,605	20,538,007
Physical Environment	501,326	466,720	-	-	501,326	466,720
Transportation	6,386,705	7,017,439	-	-	6,386,705	7,017,439
Economic Environment	1,033,199	2,435,369	-	-	1,033,199	2,435,369
Human Services	6,064,062	3,159,401	-	-	6,064,062	3,159,401
Culture and Recreation	1,336,371	1,205,317	-	-	1,336,371	1,205,317
Debt Service:						
Interest on Long-Term Debt	17,103	21,079	-	-	17,103	21,079
Solid Waste	-	-	1,974,893	2,110,742	1,974,893	2,110,742
Wauchula Hills Wastewater	-	-	1,606,379	1,653,220	1,606,379	1,653,220
Vandolah Wastewater	-	-	124,688	124,579	124,688	124,579
Total Expenses	44,807,047	45,161,843	3,705,960	3,888,541	48,513,007	49,050,384
Change in Net Position Before Transfers	2,811,914	(1,171,249)	204,534	2,398,258	3,016,448	1,227,009
Transfers	143,846	237,271	(143,846)	(237,271)	-	-
Change in Net Position	2,955,760	(933,978)	60,688	2,160,987	3,016,448	1,227,009
Net Position - Beginning of Year, as Previously Reported	49,039,862	51,789,235	14,179,816	14,240,504	63,219,678	66,029,739
Restatement	(206,387)	-	-	-	(206,387)	-
Net Position - Beginning of Year, as Restated	48,833,475	51,789,235	14,179,816	14,240,504	63,013,291	66,029,739
Net Position - End of Year	<u>\$ 51,789,235</u>	<u>\$ 50,855,257</u>	<u>\$ 14,240,504</u>	<u>\$ 16,401,491</u>	<u>\$ 66,029,739</u>	<u>\$ 67,256,748</u>

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The following chart depicts revenues of the governmental activities for the year.

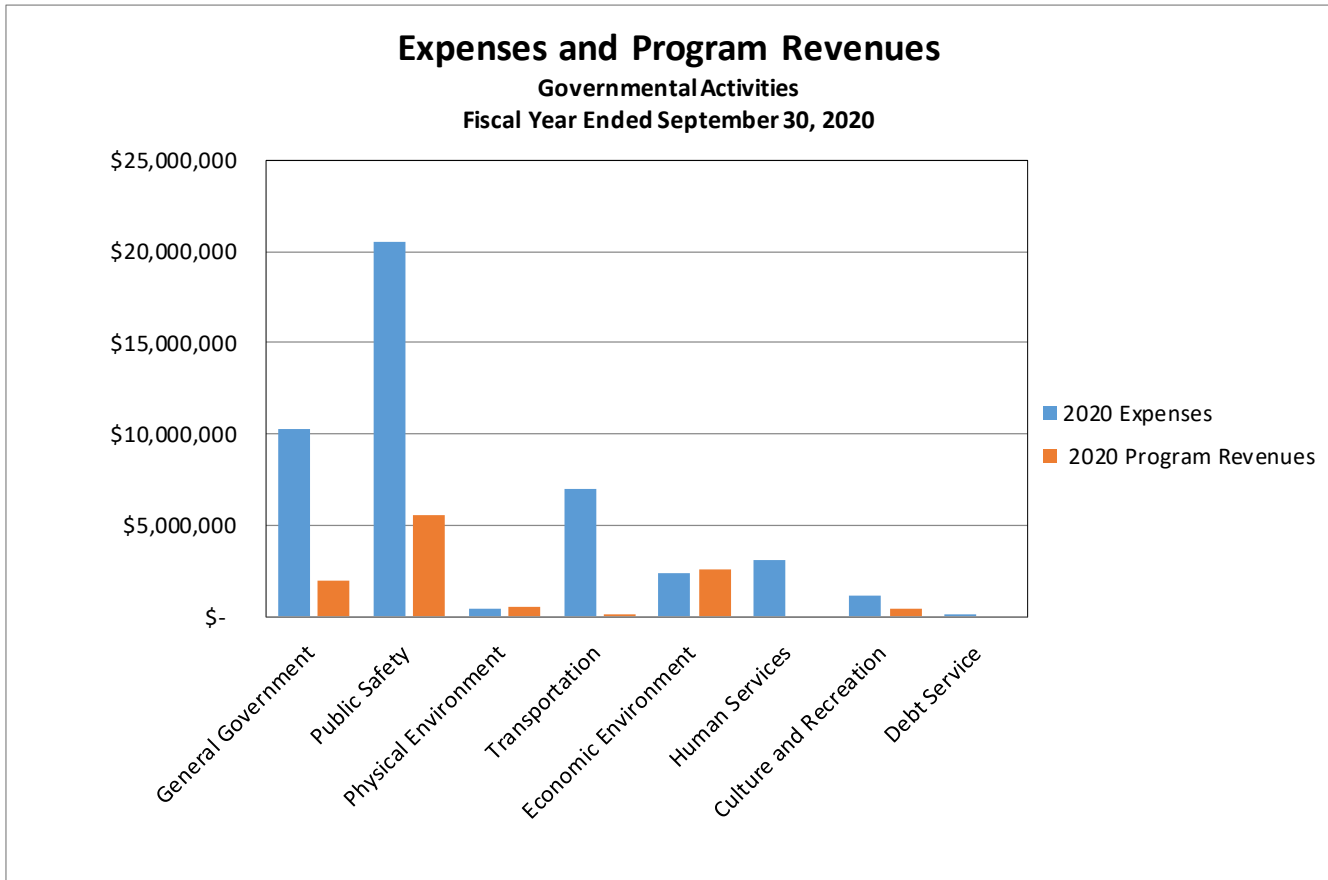


The following chart depicts the major revenue sources as a comparison of fiscal year revenues.



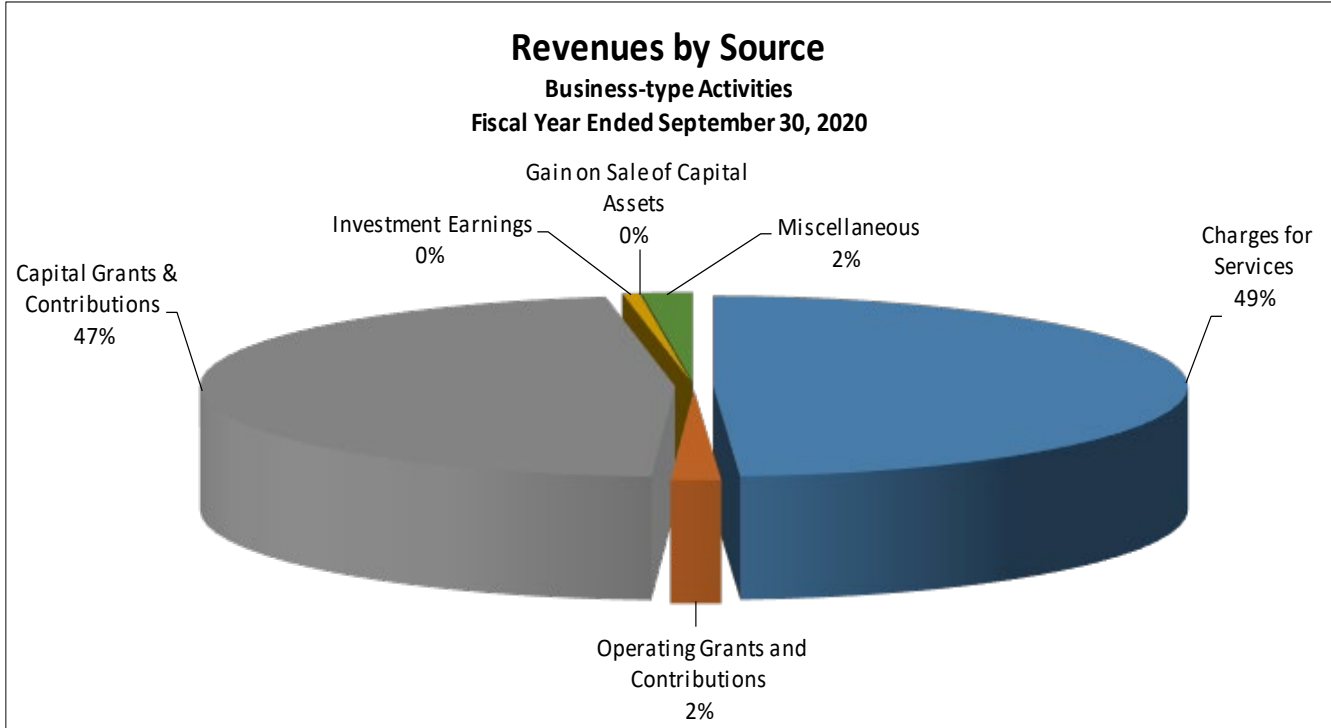
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The following chart depicts governmental activity expenses compared to program revenue (e.g., charges for services, operating grants, and contributions), which funded those activities for the fiscal year; the amounts not funded by program revenues were funded by general revenues (e.g., property taxes, state shared revenue, etc.). Capital Grants and Contributions are not included in Program Revenues.

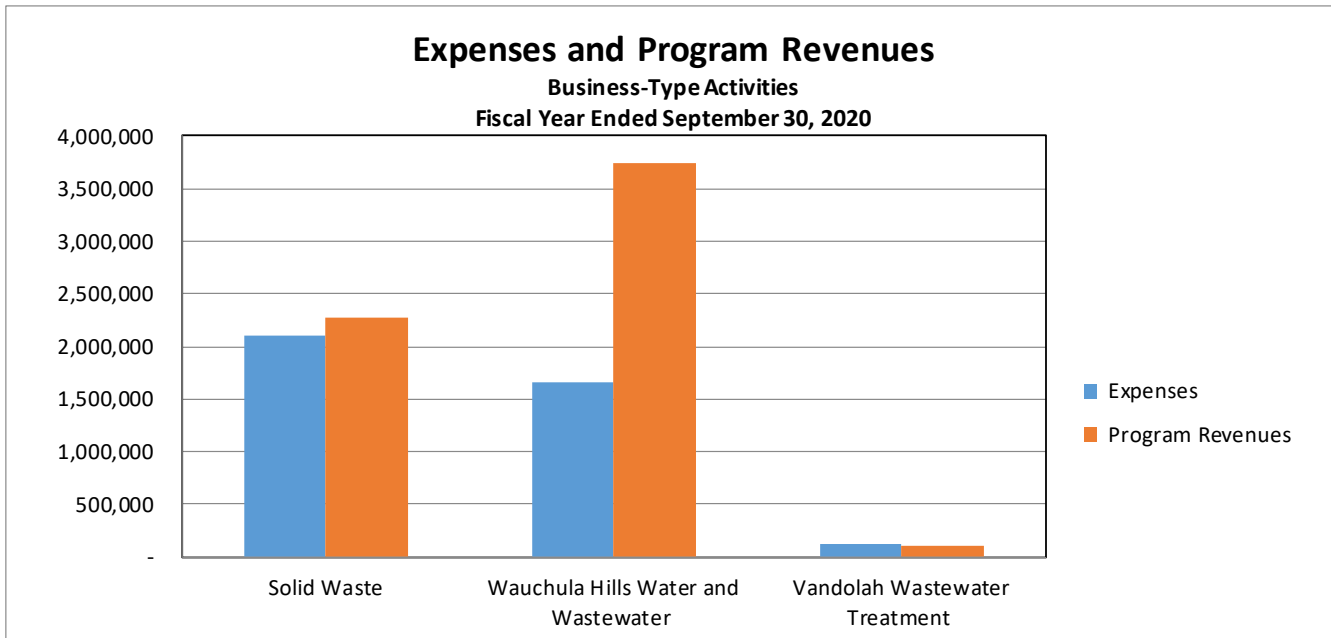


**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The following chart depicts revenues of the business-type activities for the year:



The following chart depicts business-type activities expenses compared to program revenue (e.g., charges for services, operating grants and contributions, capital grants and contributions, etc.), which funded those activities for the fiscal year.



**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

An analysis of the County's "Changes in Net Position" reflects that the overall revenues have decreased by \$1.25 million. Further analysis shows that the overall decrease is attributed to an \$3.63 million decrease in governmental type activities and a \$2.38 million increase in business-type activities. Major factors contributing to the increased revenues in the government type activities are as follows:

- A \$1.74 million increase in operating grants and contributions primarily related to Coronavirus Relief Fund financial assistance from the U.S. Treasury.
- A \$5.40 million decrease in capital grants and contributions primarily related to transportation projects.

The changes in revenues in the business-type activities are as follows:

- A \$2.21 million increase in capital grants and contributions primarily related to wastewater projects.

County expenses illustrate an overall increase of \$537 thousand. The overall increase was due to an increase in governmental activities of \$355 thousand and an increase in the business-type activities of \$182 thousand. The increase of the government type activities expenses are due to the following activities below:

- A \$2.90 million decrease in human services due to the Hardee County Economic Development Authority (EDA)'s contribution to a permanent endowment for scholarships within Hardee County of \$5.00 million in fiscal year 2019 compared to \$2.00 million in fiscal year 2020.
- A \$1.40 million increase in economic environment due to the EDA's increase in grant awards for economic development and various other grant projects.
- A \$811 thousand increase in public safety.
- A \$576 thousand increase in general government.

The increase in expenses of the business-type activities was reflective of the following:

- A \$135 thousand increase in Solid Waste due to operational costs changes.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Hardee County's governmental funds is to provide information on near-term inflows, outflows, and balances of accessible resources. Such information is useful in assessing the County's financing requirements; in particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$29.45 million. Approximately \$237 thousand of the fund balance is restricted within the General Fund, \$3.69 million within the Transportation Fund, \$344 thousand within the Grants Fund, \$12.25 million within the Economic Development Authority Fund, and \$1.53 million is restricted within the nonmajor governmental funds. Committed fund balances were \$1.82 million within the Fire Control Fund and \$102 thousand within the nonmajor governmental funds. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$7.27 million, which represents 25% of the total fund balance in the governmental funds. Unassigned fund balances are those dollars which are available for spending at the government's discretion. As a measure of the General Fund's liquidity, General Fund unassigned balance represents 35% of the total general fund expenditures.

Proprietary Funds

Hardee County's proprietary funds provide the same type of information found in the government-wide business-type activities financial statements, but in more detail. Solid waste program revenues increased by \$49 thousand. Net position of the solid waste department increased by \$139 thousand. The water/wastewater program revenues were a combined total increase of \$2.37 million and the net position increased by \$2.02 million.

Budgetary Highlights

Budget and actual comparison schedules are provided in the Basic Financial Statements for the General fund and all major special revenue funds. Budget and actual comparison schedules are also provided in the combining and individual fund statements and schedules for all nonmajor funds with annually appropriated budgets. The budget and actual comparison schedules show the original adopted budgets, the final revised budget, actual results, and variance between the final budget and actual results for the general and major special revenue funds. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues.

Difference between original and final amended budget for the General Fund was a \$193 thousand increase and included the following:

- The most significant impact to the changes in the budget was related to the COVID-19 Pandemic. Public Safety and capital outlay related expenditures were increased as grant and other COVID-19 related funding was awarded.
- There was a grant secured by the Supervisor of Elections which required an amended budget resulting in an increase to intergovernmental revenues and capital outlay.

Total revenues exceeded final budget by \$2.4 million. This was primarily due to: unbudgeted Coronavirus Relief Funds from the U.S. Treasury; unbudgeted charges for services provided by the Sheriff's office; various other intergovernmental revenues exceeding budget; and a phosphate mining fine that was not budgeted.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Total expenditures were \$1.4 million under budget, not including the \$748 thousand of reserves that is included in the total expenditures final budget amount. This was primarily due to various operating departments within General Government coming in under budget and capital outlay coming in under budget because of an ambulance not received as of fiscal year-end and building projects continuing into next fiscal year.

Capital Assets

The County's investments in capital assets for its governmental and business-type activities as of September 30, 2020 were \$69.16 million (net of accumulated depreciation).

**Hardee County's Capital Assets
(Net of Depreciation)**

CAPITAL ASSETS	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020
Land	\$ 3,691,552	\$ 3,691,552	\$ 962,625	\$ 962,625	\$ 4,654,177	\$ 4,654,177
Construction in Progress	159,109	923,280	199,878	3,256,412	358,987	4,179,692
Buildings and Improvements	13,496,553	13,064,898	7,587,351	7,571,810	21,083,904	20,636,708
Machinery and Equipment	6,262,259	6,552,962	1,377,632	1,276,500	7,639,891	7,829,462
Infrastructure	26,489,587	24,960,025	7,819,870	6,902,749	34,309,457	31,862,774
Total Capital Assets	<u>\$ 50,099,060</u>	<u>\$ 49,192,717</u>	<u>\$ 17,947,356</u>	<u>\$ 19,970,096</u>	<u>\$ 68,046,416</u>	<u>\$ 69,162,813</u>

Additional information on the County's capital assets can be found in Note 5 to the financial statements.

Debt Management

As of September 30, 2020, the County had total long-term liabilities outstanding of \$46.13 million. Of this amount, \$3.13 million is notes payable, \$770 thousand is capital leases, \$1.10 million is compensated absences, \$34.36 million is net pension liability, \$4.81 million is landfill closure and post closure obligations, and other postemployment benefits (OPEB) obligations consisted of \$1.96 million.

Hardee County's Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020
Notes Payable	\$ -	\$ -	\$ 3,480,000	\$ 3,130,000	\$ 3,480,000	\$ 3,130,000
Capital Leases	262,086	769,800	-	-	262,086	769,800
Compensated Absences	1,063,003	1,094,964	4,550	5,287	1,067,553	1,100,251
Landfill Closure/Post Closure	-	-	4,573,330	4,810,763	4,573,330	4,810,763
Net Pension Liability	26,815,284	33,513,324	677,474	842,505	27,492,758	34,355,829
OPEB Obligations	2,578,233	1,874,456	110,507	84,019	2,688,740	1,958,475
Total	<u>\$ 30,718,606</u>	<u>\$ 37,252,544</u>	<u>\$ 8,845,861</u>	<u>\$ 8,872,574</u>	<u>\$ 39,564,467</u>	<u>\$ 46,125,118</u>

Additional information on Hardee County's long-term debt can be found in Notes 6, 9, and 11 of this report.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Economic Factors and Next Year's Budgets and Rates

Local, national, and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by indicators such as employment growth, unemployment, new construction, assessed valuation, and tax base.

- As referenced from the United States Census, the total estimated population for Hardee County for 2020 is 27,443. As a comparison, the estimated population for Hardee County for 2019 was 27,385. This is an increase of 0.2%.
- As referenced by the State of Florida Labor Force Summary, the unemployment rate for Hardee County for 2020 is 6.9% which is an increase from prior year's 5.9% and is higher than the states average of 3.3%.
- The final taxable value for fiscal year 2020-21 increased by 5.5% over fiscal year 2019-20.
- The millage rate for fiscal year 2020-21 was set and adopted at 8.8038 mills; the roll-back millage rate, which indicates no increase in property taxes. This can be confusing, as the prior year's millage was 8.9900 mills but the Truth in Millage requires that each county determine the rate necessary to generate the same amount of taxes as prior year.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increased the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 and \$75,000), except for school district taxes. Since that additional \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to 3% or the percentage change in the Consumer Price Index, whichever is less.

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

Amendment 1 became effective on October 1, 2008, with the exception of the 10% assessment cap on non-homestead property which became effective on January 1, 2009.

The implementation of Article VII of the State Constitution approved in the special election held on January 29, 2008 resulted in significant reductions to Hardee County's ad valorem tax base. As a fiscally constrained county, pursuant to FS 218.12 each year the state sets aside an appropriation to offset the reduction in ad valorem tax revenue. In 2020 the total reduction in taxable value as a result of this amendment was \$147,634,000. In addition, a tax exemption for conservation lands was also introduced and the total loss in value resulting from this exemption was \$347,505. To offset the loss in revenues, the state's contribution in fiscal year 2020 was \$771,392.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Economic Factors and Next Year's Budgets and Rates (Continued)

In March of 2020, the World Health Organization declared a world-wide pandemic with the spread of Coronavirus Disease (COVID-19). The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the County has and continues to take appropriate actions to mitigate the negative impact. The full impact remains unknown as we continue to mitigate and identify all consequences.

Requests for Information

This financial report is designed to provide a general overview of Hardee County's finances. Questions concerning budgets, long-term financial planning, future debt issuances, or questions related to the management of the County operations should be addressed to the County Manager at:

County Commissioners Office
412 West Orange St., Rm. 103
Wauchula, FL 33873

If you have questions concerning the Basic Financial Statements or other accounting information in this report, please contact the Clerk of Courts at:

Clerk of Courts
P. O. Drawer 1749
Wauchula, FL 33873

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**HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
ASSETS				
Cash and Cash Equivalents	\$ 27,197,231	\$ 4,005,535	\$ 31,202,766	\$ 12,881,846
Investments	-	-	-	6,078,607
Deposits Held by Others	10,068	3,596	13,664	-
Accounts Receivable, Net	662,222	158,786	821,008	21,499
Note Receivable	-	-	-	242,741
Internal Balances	(2,159)	2,159	-	-
Due from Other Governmental Agencies	2,963,520	646,138	3,609,658	2,000
Prepaid Items	1,030,019	-	1,030,019	19,929
Inventory - Supplies	307,760	-	307,760	-
Inventory - Property Held for Resale	-	-	-	1,707,424
Restricted Assets:				
Cash and Cash Equivalents	236,992	1,513,872	1,750,864	-
Capital Assets, Not Being Depreciated	4,614,832	4,219,037	8,833,869	2,861,490
Capital Assets, Net of Accumulated Depreciation	44,577,885	15,751,059	60,328,944	8,421,383
Total Assets	81,598,370	26,300,182	107,898,552	32,236,919
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	10,035,816	251,063	10,286,879	-
Other Postemployment Benefits Related Items	146,609	6,572	153,181	-
Total Deferred Outflows of Resources	10,182,425	257,635	10,440,060	-
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,279,420	1,153,271	2,432,691	100,247
Due to Other Governmental Agencies	547,320	3,575	550,895	-
Deposits	-	53,095	53,095	-
Unearned Revenue	176,917	8,608	185,525	26,750
Noncurrent Liabilities:				
Due within One Year	1,255,313	519,433	1,774,746	-
Due in More than One Year	609,451	7,426,617	8,036,068	-
Net Pension Liability	33,513,324	842,505	34,355,829	-
Total Other Postemployment Benefits Liability	1,874,456	84,019	1,958,475	-
Total Liabilities	39,256,201	10,091,123	49,347,324	126,997
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	832,204	27,681	859,885	-
Other Postemployment Benefits Related Items	837,133	37,522	874,655	-
Total Deferred Inflows of Resources	1,669,337	65,203	1,734,540	-
NET POSITION				
Net Investment in Capital Assets	48,990,002	16,092,846	65,082,848	11,282,873
Restricted for:				
Court Innovations	455,131	-	455,131	-
Court Technology	18,364	-	18,364	-
E-911	509,367	-	509,367	-
Economic Development	9,251,317	-	9,251,317	17,873,948
Education	500,000	-	500,000	-
Grants	390,326	-	390,326	-
Inmate Welfare	65,071	-	65,071	-
Law Enforcement Education	31,008	-	31,008	-
Law Enforcement Trust	138,341	-	138,341	-
Official Records	149,930	-	149,930	-
Recreation	2,496,946	-	2,496,946	-
Tourist Development	179,785	-	179,785	-
Transportation	3,808,789	-	3,808,789	-
Total Restricted Net Position	17,994,375	-	17,994,375	17,873,948
Unrestricted (Deficit)	(16,129,120)	308,645	(15,820,475)	2,953,101
Total Net Position	\$ 50,855,257	\$ 16,401,491	\$ 67,256,748	\$ 32,109,922

See accompanying Notes to Financial Statements.

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**HARDEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
Primary Government								
Governmental Activities:								
General Government	\$ 10,318,511	\$ 1,689,488	\$ 353,267	\$ 79,565	\$ (8,196,191)	\$ -	\$ (8,196,191)	\$ -
Public Safety	20,538,007	3,394,181	2,174,374	491,749	(14,477,703)	-	(14,477,703)	-
Physical Environment	466,720	390,600	169,578	450,077	543,535	-	543,535	-
Transportation	7,017,439	112,272	-	541,035	(6,364,132)	-	(6,364,132)	-
Economic Environment	2,435,369	-	2,595,109	-	159,740	-	159,740	-
Human Services	3,159,401	-	-	159,300	(3,000,101)	-	(3,000,101)	-
Culture and Recreation	1,205,317	370,872	68,890	-	(765,555)	-	(765,555)	-
Debt Service:								
Interest and Fiscal Charges	21,079	-	-	-	(21,079)	-	(21,079)	-
Total Governmental Activities	45,161,843	5,957,413	5,361,218	1,721,726	(32,121,486)	-	(32,121,486)	-
Business-Type Activities:								
Solid Waste	2,110,742	2,174,295	106,888	-	-	170,441	170,441	-
Wauchula Hills Water and Wastewater	1,653,220	799,358	-	2,946,517	-	2,092,655	2,092,655	-
Vandolah Wastewater Treatment	124,579	112,652	-	-	-	(11,927)	(11,927)	-
Total Business-Type Activities	3,888,541	3,086,305	106,888	2,946,517	-	2,251,169	2,251,169	-
Total Primary Government	\$ 49,050,384	\$ 9,043,718	\$ 5,468,106	\$ 4,668,243	(32,121,486)	2,251,169	(29,870,317)	-
Component Unit:								
Industrial Development Authority	\$ 2,024,079	\$ 382,303	\$ 182,700	\$ 365,276	-	-	-	(1,093,800)
GENERAL REVENUES								
Taxes:								
Property Taxes					14,419,193	-	14,419,193	-
Fuel Taxes					2,582,270	-	2,582,270	-
Sales Tax					1,634,844	-	1,634,844	-
Communication Services Tax					44,699	-	44,699	-
Tourist Tax					52,700	-	52,700	-
Other Taxes					2,030,853	-	2,030,853	-
State Shared Revenues					5,956,659	-	5,956,659	-
Mosaic Income					3,073,352	-	3,073,352	5,500,000
Investment Earnings					174,936	36,451	211,387	42,372
Gain on Sale of Capital Assets					-	700	700	-
Miscellaneous					980,731	109,938	1,090,669	1,172
Transfers					237,271	(237,271)	-	-
Total General Revenues and Transfers					31,187,508	(90,182)	31,097,326	5,543,544
CHANGE IN NET POSITION					(933,978)	2,160,987	1,227,009	4,449,744
Net Position - Beginning					51,789,235	14,240,504	66,029,739	27,660,178
NET POSITION - END OF YEAR					\$ 50,855,257	\$ 16,401,491	\$ 67,256,748	\$ 32,109,922

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major					Nonmajor	Total Governmental Funds	
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Emergency Disaster	Economic Development Authority Fund		Other Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 5,714,096	\$ 3,495,595	\$ 1,623,188	\$ 503,543	\$ 477,308	\$ 13,614,985	\$ 1,768,516	\$ 27,197,231
Restricted Cash and Cash Equivalents	236,992	-	-	-	-	-	-	236,992
Deposits	5,753	4,315	-	-	-	-	-	10,068
Accounts Receivable, Net	644,242	-	-	-	-	-	17,980	662,222
Due from Other Funds	675,585	378	1,597	217	-	-	77,060	754,837
Due from Other Governments	2,044,676	489,236	254,318	55,024	68,025	-	52,241	2,963,520
Prepaid Items	570,119	-	455,689	-	-	-	4,211	1,030,019
Inventory of Supplies, at Cost	307,760	-	-	-	-	-	-	307,760
Total Assets	\$ 10,199,223	\$ 3,989,524	\$ 2,334,792	\$ 558,784	\$ 545,333	\$ 13,614,985	\$ 1,920,008	\$ 33,162,649

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	Major					Nonmajor	Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Emergency Disaster	Economic Development Authority Fund	
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 858,269	\$ 192,911	\$ 54,569	\$ 32,016	\$ 15,992	\$ 20,300	\$ 1,279,420
Due to Other Funds	29,646	74,230	-	165,051	349,357	-	756,996
Due to Other Governments	49,363	9,190	4,446	-	44	359,140	547,320
Unearned Revenue	-	-	-	1,391	173,926	-	176,917
Total Liabilities	937,278	276,331	59,015	198,458	539,319	379,440	2,760,653
Deferred Inflows of Resources:							
Unavailable Revenue							
Intergovernmental	371,458	27,980	-	16,194	-	-	441,872
Emergency Medical Services	507,638	-	-	-	-	-	507,638
Total Deferred Inflows of Resources	879,096	27,980	-	16,194	-	-	949,510
Fund Balances:							
Nonspendable	877,879	-	455,689	-	-	-	1,337,779
Restricted	236,992	3,685,213	-	344,132	-	12,248,263	18,047,694
Committed	-	-	1,820,088	-	-	-	1,922,254
Assigned	-	-	-	-	6,014	987,282	993,296
Unassigned (Deficit)	7,267,978	-	-	-	-	-	7,151,463
Total Fund Balances	8,382,849	3,685,213	2,275,777	344,132	6,014	13,235,545	29,452,486
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,199,223	\$ 3,989,524	\$ 2,334,792	\$ 558,784	\$ 545,333	\$ 13,614,985	\$ 1,920,008

Amounts reported for governmental activities in the statement of net position

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	49,192,717
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	949,510
Long-term liabilities, including capital leases, and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(1,864,764)
Net pension liability is not due and payable in the current period, therefore, the liabilities and the related deferred outflows and inflows of resources are not reported in the funds.	(24,309,712)
Total other postemployment benefits liability is not due and payable in the current period, therefore, the liabilities and the related deferred outflows and inflows of resources are not reported in the funds.	(2,564,980)
Net Position of Governmental Activities	\$ 50,855,257

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Major					Non-Major		Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Emergency Disaster	Economic Development Authority Fund	Other Governmental Funds	
REVENUES								
Taxes	\$ 16,098,736	\$ 1,422,423	\$ -	\$ -	\$ -	\$ -	\$ 52,700	\$ 17,573,859
Licenses and Permits	393,203	-	-	-	-	-	-	393,203
Intergovernmental	5,155,546	3,541,738	1,526,649	1,011,871	1,496,917	2,030,853	1,007,612	15,771,186
Charges for Services	2,130,234	112,272	14,766	-	-	-	923,444	3,180,716
Fines and Forfeitures	250,067	-	-	-	-	-	166,337	416,404
Assessments	-	-	1,860,977	-	-	-	-	1,860,977
Interest	53,034	20,100	5,640	3,327	320	82,893	8,149	173,463
Mosaic Income	-	-	-	-	-	3,073,352	-	3,073,352
Miscellaneous	585,721	226,087	-	3,912	13,255	-	64,485	893,460
Total Revenues	<u>24,666,541</u>	<u>5,322,620</u>	<u>3,408,032</u>	<u>1,019,110</u>	<u>1,510,492</u>	<u>5,187,098</u>	<u>2,222,727</u>	<u>43,336,620</u>
EXPENDITURES								
Current:								
General Government	7,078,838	-	-	-	-	-	1,371,706	8,450,544
Public Safety	14,057,595	-	2,500,182	49,212	-	-	200,292	16,807,281
Physical Environment	39,903	-	-	64,903	18,599	-	303,854	427,259
Transportation	-	4,059,315	-	-	-	-	-	4,059,315
Economic Environment	-	-	-	674,639	-	1,755,199	-	2,429,838
Human Services	914,499	-	-	223,349	-	2,000,000	-	3,137,848
Culture and Recreation	1,119,009	-	-	-	-	3,054	-	1,122,063
Capital Outlay	695,207	1,700,658	1,368	13,341	33,704	-	513,742	2,958,020
Debt Service:								
Principal Retirement	143,332	-	41,635	-	-	-	-	184,967
Interest	18,127	-	2,952	-	-	-	-	21,079
Total Expenditures	<u>24,066,510</u>	<u>5,759,973</u>	<u>2,546,137</u>	<u>1,025,444</u>	<u>52,303</u>	<u>3,758,253</u>	<u>2,389,594</u>	<u>39,598,214</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	600,031	(437,353)	861,895	(6,334)	1,458,189	1,428,845	(166,867)	3,738,406
OTHER FINANCING SOURCES (USES)								
Transfers In	1,341,318	130,613	230,457	5,385	-	-	979,757	2,687,530
Transfers Out	(559,236)	-	-	(24,103)	(1,131,862)	-	(735,058)	(2,450,259)
Issuance of Debt	236,992	-	455,689	-	-	-	-	692,681
Insurance Recoveries	-	-	91,487	-	-	-	-	91,487
Total Other Financing Sources (Uses)	<u>1,019,074</u>	<u>130,613</u>	<u>777,633</u>	<u>(18,718)</u>	<u>(1,131,862)</u>	<u>-</u>	<u>244,699</u>	<u>1,021,439</u>
NET CHANGE IN FUND BALANCES	1,619,105	(306,740)	1,639,528	(25,052)	326,327	1,428,845	77,832	4,759,845
Fund Balances (Deficits) - Beginning of Year	6,763,744	3,991,953	636,249	369,184	(320,313)	11,806,700	1,445,124	24,692,641
FUND BALANCES - END OF YEAR	<u>\$ 8,382,849</u>	<u>\$ 3,685,213</u>	<u>\$ 2,275,777</u>	<u>\$ 344,132</u>	<u>\$ 6,014</u>	<u>\$ 13,235,545</u>	<u>\$ 1,522,956</u>	<u>\$ 29,452,486</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$ 4,759,845
 Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period.	(906,343)
Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(539,675)
Some revenues reported in the statement of activities will not be collected for several months after the fiscal year-end and, therefore, are not reported as revenues in governmental funds.	(92,251)
Changes in net pension liability and related pension amounts reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(4,070,286)
Changes in total other postemployment benefits (OPEB) liability and related OPEB amounts reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(85,268)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (933,978)</u></u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 16,029,895	\$ 16,029,895	\$ 16,098,736	\$ 68,841
Licenses and Permits	217,600	217,600	393,203	175,603
Intergovernmental	3,925,836	4,063,049	5,155,546	1,092,497
Charges for Services	1,384,868	1,381,628	2,130,234	748,606
Fines and Forfeitures	2,462	2,462	250,067	247,605
Interest	58,650	59,769	53,034	(6,735)
Miscellaneous	467,710	471,270	585,721	114,451
Total Revenues	<u>22,087,021</u>	<u>22,225,673</u>	<u>24,666,541</u>	<u>2,440,868</u>
EXPENDITURES				
Current:				
General Government	7,750,857	7,657,503	7,078,838	578,665
Public Safety	14,117,215	14,211,007	14,057,595	153,412
Physical Environment	42,419	42,528	39,903	2,625
Human Services	980,823	984,707	914,499	70,208
Culture and Recreation	1,252,103	1,245,671	1,119,009	126,662
Capital Outlay	988,070	1,183,298	695,207	488,091
Debt Service:				
Principal Retirement	93,721	93,721	143,332	(49,611)
Interest	6,019	6,019	18,127	(12,108)
Other Expenditures	747,673	747,673	-	747,673
Total Expenditures	<u>25,978,900</u>	<u>26,172,127</u>	<u>24,066,510</u>	<u>2,105,617</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,891,879)	(3,946,454)	600,031	4,546,485
OTHER FINANCING SOURCES (USES)				
Transfers In	391,860	391,935	1,341,318	949,383
Transfers Out	(552,833)	(552,833)	(559,236)	(6,403)
Issuance of Debt	182,500	237,000	236,992	(8)
Total Other Financing Sources (Uses)	<u>21,527</u>	<u>76,102</u>	<u>1,019,074</u>	<u>942,972</u>
NET CHANGE IN FUND BALANCES	(3,870,352)	(3,870,352)	1,619,105	5,489,457
Fund Balances - Beginning of Year	<u>3,870,352</u>	<u>3,870,352</u>	<u>6,763,744</u>	<u>2,893,392</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,382,849</u></u>	<u><u>\$ 8,382,849</u></u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
TRANSPORTATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 1,294,707	\$ 1,294,707	\$ 1,422,423	\$ 127,716
Intergovernmental	3,441,667	8,371,272	3,541,738	(4,829,534)
Charges for Services	142,350	169,350	112,272	(57,078)
Interest	40,000	40,000	20,100	(19,900)
Miscellaneous	26,733	209,733	226,087	16,354
Total Revenues	<u>4,945,457</u>	<u>10,085,062</u>	<u>5,322,620</u>	<u>(4,762,442)</u>
EXPENDITURES				
Current:				
Transportation	4,947,764	5,157,764	4,059,315	1,098,449
Capital Outlay	1,906,606	6,851,211	1,700,658	5,150,553
Other Expenditures	2,507,219	2,507,219	-	2,507,219
Total Expenditures	<u>9,361,589</u>	<u>14,516,194</u>	<u>5,759,973</u>	<u>8,756,221</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,416,132)	(4,431,132)	(437,353)	3,993,779
OTHER FINANCING SOURCES				
Transfers In	41,700	56,700	130,613	73,913
NET CHANGE IN FUND BALANCES	(4,374,432)	(4,374,432)	(306,740)	4,067,692
Fund Balances - Beginning of Year	4,374,432	4,374,432	3,991,953	(382,479)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,685,213</u>	<u>\$ 3,685,213</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
FIRE CONTROL FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,526,649	\$ 1,526,649
Charges for Services	29,000	29,000	14,766	(14,234)
Assessments	1,885,251	1,885,251	1,860,977	(24,274)
Interest	15,200	15,200	5,640	(9,560)
Total Revenues	<u>1,929,451</u>	<u>1,929,451</u>	<u>3,408,032</u>	<u>1,478,581</u>
EXPENDITURES				
Current:				
Public Safety	2,794,274	2,885,761	2,500,182	385,579
Capital Outlay	595,400	595,400	1,368	594,032
Debt Service:				
Principal Retirement	228,303	228,303	41,635	186,668
Interest	11,713	11,713	2,952	8,761
Other Expenditures	265,465	265,465	-	265,465
Total Expenditures	<u>3,895,155</u>	<u>3,986,642</u>	<u>2,546,137</u>	<u>1,440,505</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,965,704)	(2,057,191)	861,895	2,919,086
OTHER FINANCING SOURCES (USES)				
Transfers In	228,755	228,755	230,457	1,702
Transfers Out	(121,688)	(121,688)	-	121,688
Issuance of Debt	560,000	560,000	455,689	(104,311)
Insurance Recoveries	-	91,487	91,487	-
Total Other Financing Sources (Uses)	<u>667,067</u>	<u>758,554</u>	<u>777,633</u>	<u>19,079</u>
NET CHANGE IN FUND BALANCES	(1,298,637)	(1,298,637)	1,639,528	2,938,165
Fund Balances - Beginning of Year	<u>1,298,637</u>	<u>1,298,637</u>	<u>636,249</u>	<u>(662,388)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,275,777</u></u>	<u><u>\$ 2,275,777</u></u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
GRANTS FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,573,389	\$ 1,807,807	\$ 1,011,871	\$ (795,936)
Interest	1,000	3,945	3,327	(618)
Miscellaneous	10,000	24,815	3,912	(20,903)
Total Revenues	<u>1,584,389</u>	<u>1,836,567</u>	<u>1,019,110</u>	<u>(817,457)</u>
EXPENDITURES				
Current:				
Public Safety	42,637	49,212	49,212	-
Physical Environment	275,818	275,818	64,903	210,915
Economic Environment	875,884	1,468,081	674,639	793,442
Human Services	233,101	234,001	223,349	10,652
Capital Outlay	160,000	173,341	13,341	160,000
Total Expenditures	<u>1,587,440</u>	<u>2,200,453</u>	<u>1,025,444</u>	<u>1,175,009</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,051)	(363,886)	(6,334)	357,552
OTHER FINANCING SOURCES (USES)				
Transfers In	5,385	5,385	5,385	-
Transfers Out	(2,334)	(24,490)	(24,103)	387
Total Other Financing Sources (Uses)	<u>3,051</u>	<u>(19,105)</u>	<u>(18,718)</u>	<u>387</u>
NET CHANGE IN FUND BALANCES	-	(382,991)	(25,052)	357,939
Fund Balances - Beginning of Year	-	382,991	369,184	(13,807)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,132</u>	<u>\$ 344,132</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
EMERGENCY DISASTER FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 1,587,237	\$ 1,496,917	\$ (90,320)
Interest	-	100	320	220
Miscellaneous Revenues	-	-	13,255	13,255
Total Revenues	-	1,587,337	1,510,492	(76,845)
EXPENDITURES				
Current:				
Physical Environment	-	1,167,767	18,599	1,149,168
Capital Outlay	-	419,570	33,704	385,866
Total Expenditures	-	1,587,337	52,303	1,535,034
EXCESS OF REVENUES OVER EXPENDITURES	-	-	1,458,189	1,458,189
OTHER FINANCING USES				
Transfers Out	-	-	(1,131,862)	(1,131,862)
NET CHANGE IN FUND BALANCE	-	-	326,327	326,327
Fund Balance (Deficit) - Beginning of Year	-	-	(320,313)	(320,313)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,014</u>	<u>\$ 6,014</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT AUTHORITY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,200,000	\$ 2,030,853	\$ 2,030,853	\$ -
Other Revenue:				
Mosaic Income	3,190,000	3,073,352	3,073,352	-
Interest	177,000	83,525	82,893	(632)
Total Revenues	<u>5,567,000</u>	<u>5,187,730</u>	<u>5,187,098</u>	<u>(632)</u>
EXPENDITURES				
Current:				
Economic Environment	2,356,658	9,048,084	1,755,199	7,292,885
Human Services	2,000,000	2,000,000	2,000,000	-
Recreation	-	2,316,969	3,054	2,313,915
Total Expenditures	<u>4,356,658</u>	<u>13,365,053</u>	<u>3,758,253</u>	<u>9,606,800</u>
NET CHANGE IN FUND BALANCES	1,210,342	(8,177,323)	1,428,845	9,606,168
Fund Balances - Beginning of Year	<u>9,716,512</u>	<u>9,716,249</u>	<u>11,806,700</u>	<u>2,090,451</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,926,854</u>	<u>\$ 1,538,926</u>	<u>\$ 13,235,545</u>	<u>\$ 11,696,619</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	Total Enterprise Funds
ASSETS				
CURRENT ASSETS				
Cash	\$ 2,822,320	\$ 1,050,835	\$ 132,380	\$ 4,005,535
Deposits	-	3,596	-	3,596
Accounts Receivable, Net	80,295	78,439	52	158,786
Due from Other Funds	2,159	-	-	2,159
Due from Other Governmental Agencies	-	646,138	-	646,138
Total Current Assets	<u>2,904,774</u>	<u>1,779,008</u>	<u>132,432</u>	<u>4,816,214</u>
NONCURRENT ASSETS				
Restricted Cash and Cash Equivalents	1,513,872	-	-	1,513,872
Capital Assets:				
Land	372,775	424,850	165,000	962,625
Construction in Progress	-	3,256,412	-	3,256,412
Buildings and Improvements	2,968,657	5,797,258	1,184,598	9,950,513
Equipment	2,961,802	613,364	8,961	3,584,127
Infrastructure	7,218,397	12,548,998	-	19,767,395
Less: Accumulated Depreciation	<u>(8,397,779)</u>	<u>(8,733,199)</u>	<u>(419,998)</u>	<u>(17,550,976)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,123,852</u>	<u>13,907,683</u>	<u>938,561</u>	<u>19,970,096</u>
Total Noncurrent Assets	<u>6,637,724</u>	<u>13,907,683</u>	<u>938,561</u>	<u>21,483,968</u>
Total Assets	<u>9,542,498</u>	<u>15,686,691</u>	<u>1,070,993</u>	<u>26,300,182</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	100,819	132,191	18,053	251,063
Other Postemployment Benefits Related Items	2,635	3,462	475	6,572
Total Deferred Outflows of Resources	<u>103,454</u>	<u>135,653</u>	<u>18,528</u>	<u>257,635</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			
	Wauchula			Total Enterprise Funds
	Solid Waste Fund	Hills	Vandolah	
		Water/ Wastewater Treatment Fund	Wastewater Treatment (Nonmajor Fund)	
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 391,363	\$ 759,199	\$ 2,709	\$ 1,153,271
Due to Other Governmental Agencies	3,300	-	275	3,575
Deposits	22,842	30,253	-	53,095
Unearned Revenue	-	8,608	-	8,608
Accrued Compensated Absences, Current Portion	1,856	-	-	1,856
Notes Payable, Current Portion	350,000	-	-	350,000
Landfill Closure and Postclosure Costs, Current Portion	167,577	-	-	167,577
Total Current Liabilities	<u>936,938</u>	<u>798,060</u>	<u>2,984</u>	<u>1,737,982</u>
NONCURRENT LIABILITIES				
Accrued Compensated Absences	3,431	-	-	3,431
Net Pension Liability	379,887	397,005	65,613	842,505
Other Postemployment Benefits	33,686	44,262	6,071	84,019
Notes Payable, Less Current Portion	2,780,000	-	-	2,780,000
Landfill Closure and Postclosure Costs	4,643,186	-	-	4,643,186
Total Noncurrent Liabilities	<u>7,840,190</u>	<u>441,267</u>	<u>71,684</u>	<u>8,353,141</u>
Total Liabilities	8,777,128	1,239,327	74,668	10,091,123
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	11,072	14,586	2,023	27,681
Other Postemployment Benefits Related Items	15,044	19,767	2,711	37,522
Total Deferred Inflows of Resources	<u>26,116</u>	<u>34,353</u>	<u>4,734</u>	<u>65,203</u>
NET POSITION				
Net Investment in Capital Assets	1,948,228	13,206,057	938,561	16,092,846
Unrestricted	<u>(1,105,520)</u>	<u>1,342,607</u>	<u>71,558</u>	<u>308,645</u>
Total Net Position	<u>\$ 842,708</u>	<u>\$ 14,548,664</u>	<u>\$ 1,010,119</u>	<u>\$ 16,401,491</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION —
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	Total Enterprise Funds
OPERATING REVENUES				
Sales and Charges for Services	\$ 1,098,815	\$ 799,358	\$ 112,652	\$ 2,010,825
Special Assessments	1,075,480	-	-	1,075,480
Total Operating Revenues	<u>2,174,295</u>	<u>799,358</u>	<u>112,652</u>	<u>3,086,305</u>
OPERATING EXPENSES				
Personal Services	423,695	552,937	76,226	1,052,858
General and Administrative	1,262,883	310,349	24,739	1,597,971
Depreciation	354,605	789,934	23,614	1,168,153
Total Operating Expenses	<u>2,041,183</u>	<u>1,653,220</u>	<u>124,579</u>	<u>3,818,982</u>
OPERATING INCOME (LOSS)	133,112	(853,862)	(11,927)	(732,677)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	106,888	-	-	106,888
Interest Income	28,952	6,641	858	36,451
Interest Expense	(69,559)	-	-	(69,559)
Gain on Sale of Capital Assets	700	-	-	700
Miscellaneous Revenue	7,018	102,920	-	109,938
Total Nonoperating Revenues (Expenses), Net	<u>73,999</u>	<u>109,561</u>	<u>858</u>	<u>184,418</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	207,111	(744,301)	(11,069)	(548,259)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	-	2,946,517	-	2,946,517
Transfers In	3,201	1,496	-	4,697
Transfers Out	(71,534)	(158,866)	(11,568)	(241,968)
Total Transfers	<u>(68,333)</u>	<u>2,789,147</u>	<u>(11,568)</u>	<u>2,709,246</u>
CHANGE IN NET POSITION	138,778	2,044,846	(22,637)	2,160,987
Net Position - Beginning of Year	<u>703,930</u>	<u>12,503,818</u>	<u>1,032,756</u>	<u>14,240,504</u>
NET POSITION - END OF YEAR	<u>\$ 842,708</u>	<u>\$ 14,548,664</u>	<u>\$ 1,010,119</u>	<u>\$ 16,401,491</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 2,162,328	\$ 803,803	\$ 112,704	\$ 3,078,835
Payments to Suppliers	(1,041,158)	(287,753)	(24,687)	(1,353,598)
Payments to Employees	(384,568)	(505,011)	(69,320)	(958,899)
Net Cash Provided by Operating Activities	<u>736,602</u>	<u>11,039</u>	<u>18,697</u>	<u>766,338</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental Grant	106,888	-	-	106,888
Other Nonoperating Revenue	9,027	102,920	-	111,947
Transfers to Other Fund	(70,193)	(157,370)	(11,568)	(239,131)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>45,722</u>	<u>(54,450)</u>	<u>(11,568)</u>	<u>(20,296)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants, State Shared Revenues, and Contributions	-	2,380,407	-	2,380,407
Acquisition and Construction of Capital Assets	(65,574)	(2,380,078)	-	(2,445,652)
Proceeds from Sale of Capital Assets	700	-	-	700
Principal Paid on Notes Payable	(350,000)	-	-	(350,000)
Interest Paid	(69,559)	-	-	(69,559)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(484,433)</u>	<u>329</u>	<u>-</u>	<u>(484,104)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>28,952</u>	<u>6,641</u>	<u>858</u>	<u>36,451</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	326,843	(36,441)	7,987	298,389
Cash and Cash Equivalents - Beginning of Year	<u>4,009,349</u>	<u>1,087,276</u>	<u>124,393</u>	<u>5,221,018</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,336,192</u>	<u>\$ 1,050,835</u>	<u>\$ 132,380</u>	<u>\$ 5,519,407</u>
CLASSIFIED AS				
Cash	\$ 2,822,320	\$ 1,050,835	\$ 132,380	\$ 4,005,535
Restricted Cash and Cash Equivalents	1,513,872	-	-	1,513,872
Total	<u>\$ 4,336,192</u>	<u>\$ 1,050,835</u>	<u>\$ 132,380</u>	<u>\$ 5,519,407</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	Solid Waste Fund	Wauchula Hills Water/Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 133,112	\$ (853,862)	\$ (11,927)	\$ (732,677)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	354,605	789,934	23,614	1,168,153
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(12,605)	(290)	52	(12,843)
(Increase) Decrease in Prepaid Items	14,374	-	-	14,374
(Increase) Decrease In Deferred Outflows - Pensions	(14,829)	(33,300)	(3,274)	(51,403)
(Increase) Decrease In Deferred Outflows - OPEB	464	109	50	623
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(33,382)	22,596	(223)	(11,009)
Increase (Decrease) in Due to Other Government Agencies	3,300	-	275	3,575
Increase (Decrease) in Deposits	638	4,500	-	5,138
Increase (Decrease) in Unearned Revenue	-	235	-	235
Increase (Decrease) in Accrued Compensated Absences	737	-	-	737
Increase (Decrease) in Net Pension Liability	66,281	86,944	11,806	165,031
Increase (Decrease) in Total OPEB Liability	(13,905)	(10,588)	(1,995)	(26,488)
Increase (Decrease) in Landfill Closure and Postclosure Costs	237,433	-	-	237,433
Increase (Decrease) In Deferred Inflows - Pensions	(13,385)	(13,531)	(2,175)	(29,091)
Increase (Decrease) In Deferred Inflows - OPEB	13,764	18,292	2,494	34,550
Net Cash Provided by Operating Activities	<u>\$ 736,602</u>	<u>\$ 11,039</u>	<u>\$ 18,697</u>	<u>\$ 766,338</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Assets Acquired through Retainage and Accounts Payable	<u>\$ 45,625</u>	<u>\$ 701,625</u>	<u>\$ -</u>	<u>\$ 747,250</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION — AGENCY FUNDS
SEPTEMBER 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 821,691</u>
LIABILITIES	
Due to Others	\$ 2,514
Due to Individuals	302,490
Due to Other Governments	236,866
Due to Indigent Health Care Special District	52
Deposit - Installment Taxes	<u>279,769</u>
Total Liabilities	<u>\$ 821,691</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hardee County (County) is a Non-charter County established under the Constitution and laws of the state of Florida. The six offices elected county wide are as follows: Board of County Commissioners (Board) composed of five members, Clerk of Circuit Court (Clerk), Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections.

The Board, as the legislative body for the County, budgets and provides the funding used by the separate constitutional officers with the exception of fees collected by the Tax Collector, Property Appraiser, and Clerk. The Clerk maintains the accounting system for the Board's operations. The Clerk, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections each maintain their own accounting system. The operations of the Board and each constitutional officer have been combined in these financial statements.

Accounting principles generally accepted in the United States require that each unit of government define a governmental reporting entity. The accompanying financial statements present the financial position and results of operations of the applicable funds of the County.

Accounting principles generally accepted in the United States require that these financial statements include all entities for which the County is considered to be financially accountable (component unit). The County is financially responsible if it appoints a voting majority of the organization's governing body and (a) is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. If a component unit is, in substance, part of the government's operations, it should be reported as a blended component unit. Otherwise, a component unit should be discretely presented. Based on the criteria, the County management determined that the County has one discretely presented component unit and one blended component unit.

Discretely Presented Component Unit

The Hardee County Industrial Development Authority (Authority), as authorized by Chapter 159.44-159.53 of the Florida Statutes, was created for the purpose of financing and refinancing projects for the public purposes in the manner provided by the Florida Industrial Development Financing Act and by Chapter 159.44-159.53 of the Florida Statutes and for the purpose of fostering economic development of Hardee County.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Unit (Continued)

The Authority is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The County entered into an agreement with a private entity which otherwise assumed to provide financial support to the Authority. Separate audited financial statements for the Hardee County Industrial Development Authority are available upon request at 107 East Main Street, Wauchula, Florida 33873.

Blended Component Unit

The Hardee County Economic Development Authority (EDA), established in accordance with Section 211.3103 of the Florida Statutes, was created to solicit, rank, and fund projects that provide economic development opportunities and infrastructure within the geographic boundaries of Hardee County and to otherwise maximize the use of federal, local, and private resources. The Board represents the majority of the voting members on the EDA. The Clerk maintains the accounting system for the EDA. The EDA is reported as a special revenue fund and as a major fund of the County.

Basis of Presentation, Basis of Accounting, and Measurement Focus

The accounting principles of the County conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant accounting principles and policies used in the preparation of these financial statements.

Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances or net position, revenues and expenditures or expenses, as appropriate. 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 spending activities are controlled.

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

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the cost of the function to be financed from the government's general revenues. Program revenues include charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. 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 expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid a "doubling-up" effect.

The County's fiduciary funds are presented in the fund financial statements by type (agency). Since these assets are being held for the benefit of a third party (other local governments) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are certain tax revenues, intergovernmental revenues, ambulance fees, and investment earnings. Major revenue sources not susceptible to accrual include charges for services (other than ambulance fees), fines and forfeitures, and miscellaneous revenue. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources 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 funds excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund 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 sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds

The County's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Proprietary fund's operating statements present increases (revenues) and decreases (expenses) in total net position.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as grants, investment earnings and miscellaneous other revenues result from nonexchange transactions or ancillary activities.

When both restricted and unrestricted resources are available for use, it is the County's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

Basis of Presentation

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of each fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB Statement No. 34 minimum criteria for major fund determination. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The County considers the Fire Control Fund and the Grants Fund important to financial statement users because of the public interest and is, therefore, reporting those governmental funds as major even though the quantitative criteria have not been met.

Governmental Major Funds

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

Transportation Trust Fund – The Transportation Trust Fund, a special revenue fund, accounts for the proceeds of local, state, and federal gas taxes which are restricted for use in the operation of the County's road and bridge department and equipment maintenance department.

Fire Control Fund – The Fire Control Fund, a special revenue fund, accounts for assessments committed to providing countywide fire protection services.

Grants Fund – The Grants Fund, a special revenue fund, was established to account for all community development enhancement projects that are funded through various restricted State, Federal, and Volunteer funding agencies.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Major Funds (Continued)

Emergency Disaster Fund – The Emergency Disaster Fund, a special revenue fund, accounts for FEMA and Coronavirus Relief Fund resources which are restricted to the use of recovering from declared local disasters and pandemics, respectively.

Economic Development Authority Fund – The Economic Development Authority Fund, a special revenue fund, was established to solicit, rank, and fund projects that provide economic development opportunities and infrastructure within the geographic boundaries of Hardee County.

Proprietary Major Funds

Solid Waste Fund – The Solid Waste Fund accounts for the fees imposed on users of the Hardee County Landfill; and for the closure and post-closure liability along with the restricted cash required by the Environmental Protection Agency.

Wauchula Hills Water/Wastewater Treatment Fund – The Wauchula Hills Water/Wastewater Treatment fund accounts for the operations of the Wauchula Hills Water and Wastewater utilities.

Other Funds

Agency Funds – The Agency Funds accounts for all assets held by the County in its capacity as custodian or agent for individuals, other governmental units, and nonpublic organizations. The Agency Funds are custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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 the governmental funds on a basis consistent with accounting principles generally accepted in the United States of America 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 fund basis, which is the legal level of control.

Final budget amounts reported are based upon the final amended budget.

Formal budgetary integration is employed as a management control device during the year for all governmental funds and proprietary funds except for Sheriff's Commissary Fund, Sheriff's Education Fund, and Sheriff's E-911 Fund.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable is shown at its net realizable value and reduced by an allowance for uncollectible accounts.

Interfund Transactions

Interfund transactions are accounted for in the following manner:

Transactions for services rendered are recorded as revenues in the receiving fund and as expenditures or expenses (as appropriate) in the disbursing fund.

Transactions to reimburse a fund for expenditures made by it for the benefit of another fund are recorded as expenditures or expenses (as appropriate) in the disbursing fund and as a reduction of expenditures or expenses (as appropriate) in the receiving fund; and transactions to shift revenues from the fund budgeted to receive them to the fund budgeted to expend them are recorded as transfers in and out, respectively.

Transfers are reported in the "Other Financing Sources (Uses)" section in the statement of revenues, expenditures, and changes in fund balances and in the "Transfers" section in the statement of revenues, expenses, and changes in fund Net position. As of fiscal year-end, any unpaid amounts related to these transactions are reported as due from/to other funds on the balance sheet. Assets acquired or constructed by resources of a governmental fund which are subsequently transferred to a proprietary fund are accounted for as expenditures within the governmental fund and as contributed capital in the proprietary fund.

Inventory of Supplies

Inventory shown in the General Fund consists of expendable supplies held for consumption and road materials valued at cost. Inventories are valued at the lower of cost (first-in, first-out) or market. Inventory is accounted for using the consumption method.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded using the consumption method of accounting. Under the consumption method, goods and services paid for in advance are reported as an asset until the period in which the goods and services are actually consumed.

Unearned Revenues

Unearned revenue at the government-wide level arises only when the County receives resources before it has legal claim to them. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Revenues in the proprietary funds which have not been earned are reported in accordance with the accrual basis of accounting as unearned revenue. The unearned revenue will be recognized as revenues in the fiscal year they are earned.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets which include: property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-way, and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Capital assets are defined by the County as real or personal property that have a value equal to or greater than the capitalization threshold for their respective asset class and have an estimated useful life greater than of one year. The cost of improvements and replacements which extend the useful lives and/or increase the capacity or efficiency of the asset are capitalized. Repairs and maintenance costs which do not improve or extend the useful life of the respective assets are charged to expense when incurred.

Capital assets are recorded as expenditures in the general and special revenue funds at the time of purchase. Machinery and equipment is recorded at historical cost or estimated historical cost if actual historical cost is not available. Land, buildings, improvements, and equipment are valued at historical cost or at estimated acquisition value for those assets contributed.

The Board holds legal title for the capital assets used in the operations of the Board, Clerk, Property Appraiser, Supervisor of Elections, and Tax Collector, and is accountable for them under Florida Law. Capital assets used by the governmental funds are reported in the financial statements of the County. Capital assets of the enterprise funds are reported in the Proprietary Funds financial statements.

The Sheriff is accountable for, and thus maintains, capital assets records pertaining only to equipment used in their operations. These assets have been combined with the Board's governmental activities' capital assets in the statement of net position.

Depreciation on capital assets is charged as an expense against operations which is closed to net position. Accumulated depreciation is reported on the proprietary funds statement of new position. Depreciation has been provided over the estimated useful lives using the straight-line method.

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, 2020 was 8.8990 mills.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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

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

All taxes become payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the 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.

Accumulated Unpaid Vacation and Sick Pay

The policies of the various County agencies allow employees to accumulate annual leave and sick leave. Various amounts of accumulated annual leave and sick leave may be paid upon separation or retirement. The County accrues annual and sick leave based on current employee compensation levels and the number of years of service in accordance with Generally Accepted Accounting Principles (GAAP).

In governmental funds, the cost of accumulated sick and annual leave is recognized when payments are made to employees. As accumulated sick and annual leave would not be liquidated with expendable available resources, a long-term liability of accrued sick and annual leave has been recorded in the government-wide statement of net position at September 30, 2020, representing the Board's commitment to fund such costs from future operations.

In enterprise funds, expense for compensated absences is recorded when earned by the employee. A long-term liability of accrued sick and annual leave has been recorded in the enterprise funds.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Certain funds of the County are classified as restricted assets on the balance sheet and 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, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is, at present, not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Landfill Closure and Post-Closure Costs

The Board has obtained engineering estimates of future costs to close and monitor the current sanitary landfill site in accordance with state and federal guidelines. U.S. Environmental Protection Agency regulations and related Governmental Accounting Standards Board Statement No. 18 require that all municipal solid waste landfill owners account for closure and post-closure costs. A long-term liability of accrued landfill closure and post-closure costs at September 30, 2020 has been recorded in the Solid Waste Fund representing the Board's estimated liabilities for such costs based upon the estimated capacity used to date. At September 30, 2020, estimated capacity used was 55.1%. In addition, the Board has established a landfill escrow account in the Solid Waste Fund to fund estimated closure costs as required by the Florida Department of Environmental Protection. At September 30, 2020, the Solid Waste Landfill Fund had unrestricted net position of (\$1,105,520) due to the partial closure to the landfill and because of a \$4,810,763 landfill closure and postclosure liability.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations (OPEB)

In the statement of net position, liabilities are recognized for the County's total OPEB liability as determined by an actuarial review of healthcare coverage purchased by retirees to continue participation in the County's health plans. OPEB expense is recognized immediately for change in the OPEB liability resulting from current year service cost, interest in the total OPEB liability, and change of benefit terms or actuarial assumptions.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance and Spending Policy

In accordance with GASB Statement No. 54, *Fund Balance Reporting, and Governmental Fund Type Definitions*, the Board classified fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – amounts that can be spent for specific purposes because of charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to grant funds awarded and passed by the Board, the County's highest level of decision-making authority.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the County's adopted policy, only the Board may assign amounts for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. Unassigned may also include deficit fund balance amounts within other governmental funds.

The Board has not formally adopted fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. When a fund expenditure is incurred, for which restricted, committed, assigned, or unassigned amounts are available to be used, the Board will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County can have multiple items that qualify for reporting in this category including differences between expected and actual experience, changes in actuarial assumptions, net difference between projected and actual earnings on pension plan investments, changes in the proportion and differences between the County's contributions and proportionate share of contributions, and the County's contributions subsequent to the measurement date, relating to the FRS Pension Plan, the HIS Program, and the County's OPEB Plan.

In addition to liabilities, the statement of net position and governmental funds balance sheet includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County can have multiple items that qualify for reporting in this category including differences between expected and actual experience, changes in actuarial assumptions, net difference between projected and actual earnings on pension plan investments, and changes in the proportion and differences between the County's contributions and proportionate share of contributions, relating to the FRS Pension Plan, the HIS Program, and the County's OPEB Plan.

The County also has several items, which arise only under a modified accrual basis of accounting that qualified for reporting in this category. Accordingly, the items are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues and charges for emergency medical services. The amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

"Total fund balances" of the County's governmental funds, \$29,452,486, differs from "net position" of governmental activities, \$50,855,257, reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

**Explanation of Differences Between the Governmental Fund Balance Sheet and the
Government-Wide Statement of Net Position (Continued)**

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the County as a whole.

Cost of Capital Assets	\$ 144,602,465
Accumulated Depreciation/Amortization	<u>(95,409,748)</u>
Total	<u>\$ 49,192,717</u>

Receivable Transactions

Certain receivables are not available to pay current period expenditures, and therefore are reported as deferred inflows of resources in the funds. Balances as of September 30, 2020 were:

Unavailable Revenue	<u>\$ 949,510</u>
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Long-Term Debt Transactions

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities (both current and long term) are reported in the statement of net position. Balances as of September 30, 2020 were:

Capital Lease Payable	\$ (769,800)
Compensated Absences	<u>(1,094,964)</u>
Total	<u>\$ (1,864,764)</u>

Pension Related Items

Net pension liability is not due and payable in the current period, therefore, the liabilities and related deferred outflows and inflows of resources are not reported in the funds. Balances as of September 30, 2020 were:

Net Pension Liability	\$ (33,513,324)
Deferred Outflows of Resources - Pension Related Items	10,035,816
Deferred Inflows of Resources - Pension Related Items	<u>(832,204)</u>
Total	<u>\$ (24,309,712)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position (Continued)

Other Postemployment Benefits Related Items

Total OPEB liability is not due and payable in the current period, therefore, the liabilities and the related deferred outflows and inflows of resources are not report in the funds. Balances as of September 30, 2020 were:

Total OPEB Liability	\$ (1,874,456)
Deferred Outflows of Resources - OPEB Related	146,609
Deferred Inflows of Resources - OPEB Related	(837,133)
Total	<u>\$ (2,564,980)</u>

Elimination of Interfund Receivables/Payables

Interfund receivables and payables in the amount of \$756,996 between governmental funds have been eliminated for the statement of net position.

Explanation of Differences Between the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to Changes in Net Position on the Statement of Activities

The “net change in fund balances” for governmental funds, \$4,759,845 differs from the “change in net position” for governmental activities, (\$933,978) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effects of the differences are illustrated below.

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation/amortization expense charged for the year.

Capital Outlay	\$ 2,883,385
Depreciation/Amortization Expense	(4,444,466)
Donated Capital Assets	654,738
Difference	<u>\$ (906,343)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

**Explanation of Differences Between the Governmental Statement of Revenues,
Expenditures, and Changes in Fund Balances to Changes in Net Position on the
Statement of Activities (Continued)**

Long-Term Debt Transactions

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Net Change in Compensated Absences	\$ (31,961)
Issuance of Capital Leases	(692,681)
Principal Repayment - Note Payable	184,967
Net Adjustment	<u><u>\$ (539,675)</u></u>

Revenue Transactions

Some revenue reported in the statement of activities will not be collected for several months after the fiscal year-end and, therefore, are not reported as revenues in governmental funds.

Intergovernmental Revenues	\$ (160,634)
Charges for Services	68,383
Total	<u><u>\$ (92,251)</u></u>

Pension Related Items

Changes in net pension liability and related pension amounts reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension Expense	<u><u>\$ (4,070,286)</u></u>
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Other Postemployment Benefits Related Items

Changes in total OPEB liability and related OPEB amounts reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

OPEB Expense	<u><u>\$ (85,268)</u></u>
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Reclassification and Eliminations

Transfers in and transfers out in the amount of \$2,450,259 between governmental funds are eliminated.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 CASH AND CASH EQUIVALENTS

At September 30, 2020, the bank balance of the County's deposits consisted of demand deposits of \$34,022,756.

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the County's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. Other than the preceding, the County has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

A reconciliation of deposits to amounts shown on the statement of net position and statement of fiduciary net position – agency funds is as follows:

Deposits	\$ 33,771,391
Petty Cash and Change Funds	3,930
Total	<u>\$ 33,775,321</u>

Statement of Net Position:

Cash and Cash Equivalents	\$ 31,202,766
Cash and Cash Equivalents - Restricted	1,750,864
Statement of Fiduciary Net Position - Agency Funds:	
Cash	821,691
Total	<u>\$ 33,775,321</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at September 30, 2020 for the governmental funds individual major funds and nonmajor funds:

	General Fund	Other Governmental Funds	Total Governmental Funds
Receivables:			
Emergency Medical Services	\$ 962,052	\$ -	\$ 962,052
Miscellaneous	35,359	17,980	53,339
Accounts Receivable, Gross	<u>997,411</u>	<u>17,980</u>	<u>1,015,391</u>
Less: Allowance for Uncollectible Accounts	(353,169)	-	(353,169)
Accounts Receivable, Net	<u><u>\$ 644,242</u></u>	<u><u>\$ 17,980</u></u>	<u><u>\$ 662,222</u></u>

Accounts receivable consist of the following at September 30, 2020 for the enterprise funds individual major funds and nonmajor fund:

	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment Fund (Nonmajor Fund)	Total Enterprise Funds
Receivables:				
Landfill Charges	\$ 80,295	\$ -	\$ -	\$ 80,295
Utility Charges	-	78,439	52	78,491
Accounts Receivable, Net	<u><u>\$ 80,295</u></u>	<u><u>\$ 78,439</u></u>	<u><u>\$ 52</u></u>	<u><u>\$ 158,786</u></u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 DETAIL OF CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2020 is as follows:

	Balance October 1, 2019	Additions	(Deletions)	Transfers	Balance September 30, 2020
GOVERNMENT ACTIVITIES					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 3,691,552	\$ -	\$ -	\$ -	\$ 3,691,552
Construction in Progress	159,109	795,732	-	(31,561)	923,280
Total Capital Assets, Not Being Depreciated	3,850,661	795,732	-	(31,561)	4,614,832
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	25,837,716	130,914	(4,029)	31,561	25,996,162
Equipment	20,475,921	1,756,934	(1,328,437)	8,722	20,913,140
Infrastructure	92,125,878	952,453	-	-	93,078,331
Total Capital Assets, Being Depreciated	138,439,515	2,840,301	(1,332,466)	40,283	139,987,633
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(12,341,163)	(594,130)	4,029	-	(12,931,264)
Equipment	(14,213,662)	(1,368,321)	1,228,518	(6,713)	(14,360,178)
Infrastructure	(65,636,291)	(2,482,015)	-	-	(68,118,306)
Total Accumulated Depreciation/Amortization	(92,191,116)	(4,444,466)	1,232,547	(6,713)	(95,409,748)
Total Capital Assets, Being Depreciated, Net	46,248,399	(1,604,165)	(99,919)	33,570	44,577,885
Governmental Activities Capital Assets, Net	<u>\$ 50,099,060</u>	<u>\$ (808,433)</u>	<u>\$ (99,919)</u>	<u>\$ 2,009</u>	<u>\$ 49,192,717</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 DETAIL OF CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2019	Additions	(Deletions)	Transfers	Balance September 30, 2020
BUSINESS-TYPE ACTIVITIES					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 962,625	\$ -	\$ -	\$ -	\$ 962,625
Construction in Progress	199,878	3,056,534	-	-	3,256,412
Total Capital Assets, Not Being Depreciated	1,162,503	3,056,534	-	-	4,219,037
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	9,884,737	65,776	-	-	9,950,513
Equipment	3,544,137	70,592	(21,880)	(8,722)	3,584,127
Infrastructure	19,767,395	-	-	-	19,767,395
Total Capital Assets, Being Depreciated	33,196,269	136,368	(21,880)	(8,722)	33,302,035
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(2,297,386)	(81,317)	-	-	(2,378,703)
Equipment	(2,166,505)	(169,715)	21,880	6,713	(2,307,627)
Infrastructure	(11,947,525)	(917,121)	-	-	(12,864,646)
Total Accumulated Depreciation/Amortization	(16,411,416)	(1,168,153)	21,880	6,713	(17,550,976)
Total Capital Assets, Being Depreciated, Net	16,784,853	(1,031,785)	-	(2,009)	15,751,059
Business-Type Activities Capital Assets, Net	<u>\$ 17,947,356</u>	<u>\$ 2,024,749</u>	<u>\$ -</u>	<u>\$ (2,009)</u>	<u>\$ 19,970,096</u>

Depreciation expense for the year ended September 30, 2020 was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 767,637
Public Safety	945,647
Physical Environment	7,257
Transportation	2,687,874
Human Services	21,553
Culture/Recreation	14,498
Total Depreciation/Amortization Expense	<u>\$ 4,444,466</u>

BUSINESS-TYPE ACTIVITIES

Solid Waste	\$ 354,605
Wauchula Hills Water/Wastewater Treatment	789,934
Vandolah Wastewater Treatment	23,614
Total Depreciation/Amortization Expense	<u>\$ 1,168,153</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended September 30, 2020 is as follows:

	Balance October 1, 2019	Additions	(Reductions)	Balance September 30, 2020	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Capital Lease	\$ 262,086	\$ 692,681	\$ (184,967)	\$ 769,800	\$ 218,533
Compensated Absences	1,063,003	31,961	-	1,094,964	1,036,780
Total Governmental Activities	<u>\$ 1,325,089</u>	<u>\$ 724,642</u>	<u>\$ (184,967)</u>	<u>\$ 1,864,764</u>	<u>\$ 1,255,313</u>
BUSINESS-TYPE ACTIVITIES					
Direct Borrowing:					
FLGFC Note	\$ 3,480,000	\$ -	\$ (350,000)	\$ 3,130,000	\$ 350,000
Compensated Absences	4,550	737	-	5,287	1,856
Landfill Closure and Postclosure Costs	4,573,330	-	237,433	4,810,763	167,577
Total Business-Type Activities	<u>\$ 8,057,880</u>	<u>\$ 737</u>	<u>\$ (112,567)</u>	<u>\$ 7,946,050</u>	<u>\$ 519,433</u>

Compensated Absences

Compensated absences represent the vested portion of leave credits. See Note 1 for a summary of the County's compensated absences policy. The liability for compensated absences is liquidated with resources of the General Fund, Transportation Trust Fund, Fire Control Fund, Grants Fund, Solid Waste Fund, Wauchula Hills Water/Wastewater Fund, and nonmajor governmental and enterprise funds.

Direct Borrowing – FLGFC Note

The Board issued a note payable to the Florida Local Government Finance Commission (FLGFC) for \$4,530,000 during the 2015-2016 fiscal year for the purposes of providing the Board with sufficient funds to refinance an existing loan previously made to the County under one of the FLGFC's other loan programs and to finance capital improvements to the public agency's Class I Landfill. Principal payments are due annually, beginning March 7, 2017. Interest payments are due monthly, based on the market rate of commercial paper. The note is payable from and secured by designated revenues of the Board. During the year, \$350,000 of principal and \$69,559 in interest and related fees were paid. The note contains a provision that in an event of default, all payments may become due and payable.

See Note 16 for information regarding refinancing of this note.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowing – FLGFC Note (Continued)

Maturity is as follows:

<u>Year Ending September 30,</u>	Business-Type Activities	
	Florida Local Government	
	Finance Commission	
	Principal	Interest
2021	\$ 350,000	\$ 49,702
2022	350,000	40,175
2023	350,000	34,716
2024	350,000	29,257
2025	350,000	23,798
Thereafter	1,380,000	8,968
Total	\$ 3,130,000	\$ 186,616

Capital Leases

The County has entered into several lease agreements as lessee for financing the acquisition of vehicles and radios for the County. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments, as of the inception date.

The capital assets acquired through capital leases are as follows:

	Governmental Activities
Capital Assets	
Equipment	\$ 223,653
Less: Accumulated Depreciation	(54,052)
Total	\$ 169,601

As of September 30, 2020, a fire truck is recognized as prepaid items in the Fire Control Fund for \$455,689, pending delivery in the next fiscal year.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 244,883
2022	165,078
2023	165,078
2024	165,078
2025	<u>100,776</u>
Total Minimum Lease Payments	840,893
Less: Amount Representing Interest	<u>(71,093)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 769,800</u></u>

NOTE 7 DUE TO/DUE FROM OTHER FUNDS

The balance of due from other funds and due to other funds are as follows at September 30, 2020:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General Fund	\$ 675,585	\$ 29,646
Transportation Trust	378	74,230
Fire Control Fund	1,597	-
Grants Fund	217	165,051
Emergency Disaster Fund	-	349,357
Solid Waste Fund	2,159	-
Nonmajor Governmental Funds	<u>77,060</u>	<u>138,712</u>
Total	<u><u>\$ 756,996</u></u>	<u><u>\$ 756,996</u></u>

Amounts due to and from other funds arise from timing differences as a result of transactions and cash transfers for operating purposes.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8 FUND BALANCES

The governmental funds are classified as follows:

Nonspendable				\$ 1,337,779
Restricted:				
Court Innovations	\$	455,131		
Court Technology		18,364		
Economic Development Authority:				
Economic Development		9,251,317		
Education		500,000		
Recreation		2,496,946		
E-911		732,456		
Grants		344,132		
Inmate Welfare		65,071		
Law Enforcement Education		31,008		
Law Enforcement Trust		138,341		
Records Modernization		149,930		
Tourist Development		179,785		
Transportation		3,685,213		
Total Restricted		18,047,694		18,047,694
Committed:				
Clerk Operational Needs		102,166		
Fire Control		1,820,088		
Total Committed		1,922,254		1,922,254
Assigned				
County Operations		6,014		
Economic Development		871,233		
Education		62,811		
Recreation		53,238		
Total Assigned		993,296		993,296
Unassigned				7,151,463
Total Fund Balances				\$ 29,452,486

Fund Balance Deficit

The following funds had deficit fund balances at September 30, 2020:

Mining Fund (\$25,672) – Mining fees will be increased in fiscal year 2021 to relieve any future deficits.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS

Florida Retirement System Pension Plan

Background

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

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

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2019, were applied to employee salaries as follows: regular employees 6.75%, special risk 23.76%, county elected officials 47.10%, senior management 23.69%, and DROP participants 12.94%. The County's contributions to the FRS Plan were \$2,223,991 for the year ended September 30, 2020.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2020, the County reported a liability of \$28,902,453 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2020, the County's proportion was 0.066685442%, which was a decrease of 0.001092915% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$6,169,704 for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,106,156	\$ -
Changes in Actuarial Assumptions	5,232,264	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,720,880	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	573,816	(453,094)
County Contributions Subsequent to the Measurement Date	614,693	-
Total	<u>\$ 9,247,809</u>	<u>\$ (453,094)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$614,693 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 1,740,687
2022	2,607,682
2023	2,179,754
2024	1,319,200
2025	332,699
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

FRS Actuarial Assumptions

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.80%

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0 %	2.2 %	2.2 %	1.2 %
Fixed Income	19.0	3.0	2.9	3.5
Global Equity	54.2	8.0	6.7	17.1
Real Estate	10.3	6.4	5.8	11.7
Private Equity	11.1	10.8	8.1	25.7
Strategic Investments	4.4	5.5	5.3	6.9
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.7 %

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the FRS Plan, which was a 0.10% decrease from the 6.90% rate as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension 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.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	5.80%	6.80%	7.80%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 46,152,361	\$ 28,902,453	\$ 14,495,256

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the plan fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the plan fiscal year ended June 30, 2020, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County's contributions to the HIS Plan were \$257,563 for the year ended September 30, 2020.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs

At September 30, 2020, the County reported a liability of \$5,453,376 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportion of the net pension liability was based on the County's contributions received by HIS during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all participating employers. At June 30, 2020, the County's proportion was 0.044663786%, which was an increase of 0.000838630% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$467,333 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 223,076	\$ (4,207)
Changes in Actuarial Assumptions	586,393	(317,093)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,354	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	155,690	(85,491)
County Contributions Subsequent to the Measurement Date	69,557	-
Total	<u>\$ 1,039,070</u>	<u>\$ (406,791)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

\$69,557 reported as deferred outflows of resources related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 153,085
2022	112,050
2023	37,509
2024	69,531
2025	99,364
Thereafter	91,183

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

HIS Actuarial Assumptions

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.21%

Mortality rates were based on the Generational PUB-2020 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 2.21% for the HIS Plan, which was a 1.29% decrease from the 3.50% rate as of June 30, 2019. 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan Discount Rate	1.21%	2.21%	3.21%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 6,303,859	\$ 5,453,376	\$ 4,757,257

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Summary

The aggregate amount of net pension liability, related deferred inflows of resources, and deferred outflows of resources, and pension expense for the County's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual funds in which the employee's costs are associated.

	<u>FRS Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net Pension Liability	\$ 28,902,453	\$ 5,453,376	\$ 34,355,829
Deferred Outflows of Resources	9,247,809	1,039,070	10,286,879
Deferred Inflows of Resources	453,094	406,791	859,885
Pension Expense	6,169,704	467,333	6,637,037

NOTE 10 DEFINED CONTRIBUTION PLAN

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 10 DEFINED CONTRIBUTION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Plan members.

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. For the plan fiscal year ended June 30, 2020, 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 \$288,077 for the year ended September 30, 2020. Employee contributions to the Investment Plan totaled \$55,149 for the year ended September 30, 2020.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County administers a single-employer defined benefit healthcare plan entitled County Group Health Plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the County may continue to participate in the County Group Health Plan on the same basis (i.e., single or family coverage) that they were covered immediately before their retirement provided they make a satisfactory agreement for payment and pay 100% of the premium before the beginning of each month of coverage. The County subsidizes the premium rates paid by retirees by allowing them to participate in the plan at a reduced or blended group (implicitly subsidized) premium rate for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The plan does not issue a publicly available report.

The County's total OPEB liability was \$1,958,475, OPEB related deferred outflows of resources was \$153,181, deferred inflows of resources was \$874,665, and OPEB expense was \$187,969.

Funding Policy

Contribution requirements of the County are established and may be amended through the County. The plan is currently being funded on a pay-as-you-go basis. No trust fund has been established for the plan

Employees Covered by Benefit Terms

At September 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Active Plan Members	<u>339</u>
Total	<u><u>348</u></u>

Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020 with no adjustments to get to the September 30, 2020 measurement date. The following table shows the County's total OPEB liability for the year ended September 30, 2020.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

	Total OPEB Liability
Balances - October 1, 2019	\$ 2,688,740
Changes for the Year:	
Service Cost	191,082
Interest	101,430
Changes in Assumptions	(543,367)
Differences Between Expected and Actual Experience	(385,394)
Benefit Payments	(94,016)
Net Changes	(730,265)
Balances - September 30, 2020	\$ 1,958,475

Discount Rate Sensitivity

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 or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	1.41 %	2.41 %	3.41 %
Total OPEB Liability	\$ 2,052,233	\$ 1,958,475	\$ 1,856,338

Healthcare Trend Rate Sensitivity

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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Health Care Cost Rate	7.00 %	8.00 %	9.00 %
Total OPEB Liability	\$ 1,718,642	\$ 1,958,475	\$ 2,244,410

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the County recognized OPEB expense of \$187,969. In addition, the County reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 65,790	\$ (399,209)
Changes of Assumptions	87,391	(475,446)
Total	\$ 153,181	\$ (874,655)

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Continued)

Amounts reported as deferred outflows and inflows of resources related to OPEB will be amortized over future fiscal years as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ (104,543)
2022	(104,543)
2023	(104,543)
2024	(104,543)
2025	(104,543)
Thereafter	(198,759)

Actuarial Assumptions

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate used was 2.60%.

The current health care trend rate starts at an initial rate of 8.00% decreasing to an ultimate rate of 4.50%.

The actuarial cost method used was Entry Age Normal Level % of Salary.

Mortality rates were based on the SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019 for special risk employees and SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 for all other employees.

The discount rate used to measure the total OPEB liability was 2.41%, based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of September 30, 2020 (measurement date). The prior measurement date used 3.58%.

For Sheriff's office retirees that are receiving an explicit subsidy, retiree contributions are assumed to increase by 1.00% per year. For all other retirees, retiree contributions are assumed to increase according to health care trend rates.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

Since the most recent GASB 75 valuation, the following changes have been made:

- The discount rate as of the measurement date is 2.41%. The prior measurement used 3.58%.
- On December 20, 2019, the Further Consolidated Appropriations Act of 2020 was passed in the US Senate. This bill included a repeal of the excise tax on high cost employer sponsored health coverage (also known as the Cadillac tax). For this reason, the impact of the tax on GASB 74/75 OPEB liabilities has been removed. This resulted in a decrease in the County's liabilities

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; and natural disasters.

The County, with the exception of the Sheriff, is a member of Public Risk Management of Florida (PRM), a local government risk management pool. The PRM program is structured under a self-insured retention insurance program, whereby PRM pays claims up to a specified amount annually for property and general liability, public officials' liability, automobile liability and workers' compensation. PRM purchases excess insurance or stop loss insurance from commercial carriers to cover losses above the self-insured retention amounts.

PRM assesses each member it's pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. PRM requires a one-year advance notice for nonrenewal.

The Sheriff participates in the Florida Sheriffs Risk Management Fund (FSRMF) which is a public entity risk pool that permits the Sheriff to cover the following types of risk:

- Law Enforcement Liability
- Public Officials' Liability
- Automobile Physical Damage and Liability
- And others

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 12 RISK MANAGEMENT (CONTINUED)

The funding agreements provide that the self-insurance funds 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 \$10,000,000 for law enforcement liability and \$10,000,000 for public officials' liability. Coverage limits for automobile risk are \$200,000 each person/\$300,000 each accident for bodily injury and property damage.

The Sheriff also participates in FSRMF for workers' compensation coverage.

There is no significant reduction in insurance coverage from the prior year. The insurance settlements have not exceeded the County's insurance coverage in any of the prior three fiscal years.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Contracts

The County has entered into various contracts for design, construction, and other services as of September 30, 2020.

<u>Project</u>	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Commitment</u>
Wauchula Hills Phase 5	\$ 2,138,629	\$ 1,704,133	\$ 434,496
Wauchula Hills Phase 6	1,921,990	1,183,744	738,246

Landfill Closure Commitments

Hardee County has completed two 6-acre expansions (Phase II) of their original 12 acre Class I Landfill (Phase I). This brings the total footprint up to 24.8 acres. Phase I was at capacity in 2010 and received a partial final closure in January of 2012. Phase II is separated into two sections (Sections I and II). Section I became operational in May 2008 and last received waste in November 2019. Section II became operational in May 2019 and has an expected life of 25 years.

To minimize the threat to public health and the environment, Solid Waste Financial Assurance requirements were adopted by the state in 1984 to secure the proper closing of solid waste management facilities operating in the state of Florida. When demonstrating proof of financial assurance, Hardee County uses a secured escrow account to deposit annual prorated amounts for the total cost of final closure. These estimates are tied directly to a set of approved cost closure and long-term care estimates that are prepared by professional engineers every two years and updated with an inflation factor every two years. These estimates are approved by the State of Florida's Department of Environmental Protection and audited annually by independent auditors. Long-term care is for the post-closure care cost for the landfill site for 30 years after closure and the County is not required to escrow those estimated amounts.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Landfill Closure Commitments (Continued)

Although closure and postclosure care costs are paid only near or after the date the landfill stops accepting waste, the County reports as a liability a portion of closure and postclosure care costs based on landfill capacity used as of the balance sheet date. At September 30, 2020, the County estimates that the cost of permanently closing and caring for the landfill in accordance with current regulations will be \$8,741,461. The landfill closure and post-closure care liability was \$4,810,763 at September 30, 2020; and represents the cumulative amount reported to date based on an average use of 55.13% of the total estimated capacity available as of September 30, 2020. The County will recognize the remaining \$3,930,698 will be recognized as the remaining estimated capacity is filled. There was an increase in the liability due to the decrease in available capacity and current year inflation. The increase in the liability caused the general and administrative expenses to be increased by \$237,433 as of September 30, 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulation to make annual contributions to a landfill management escrow account to finance only the closure portion of the estimates. That portion was \$100,000 at September 30, 2020. The County is in compliance with these requirements at September 30, 2020. At September 30, 2020, \$1,513,872 is held in a separate cash account to fund the estimated closure costs of the regional landfill, materials recovery facility, and waste tire facility. The County expects that future inflation costs will be paid from future contributions and interest earnings on these contributions. In the event closure escrow and interest earnings prove inadequate due to higher than expected inflation changes in technology or changes in laws and regulations, these costs may need to be financed by future landfill uses or future tax revenue. The County intends to fund these costs annually through its solid waste special assessment.

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 Hardee County, Florida.

The County participates in a number of federal and state grant programs. 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, 2020, 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 14 TRANSFERS

Transfers are used to 1) move revenues from the fund that state law required to collect them to the fund that state law requires to expend them 2) provide matching funds for grants, 3) use unrestricted fund revenues to finance activities which must be accounted for in another fund.

Transfers during the year ended September 30, 2020 consisted of the following:

Transfers to the General Fund from:

Grants Fund	\$ 24,103
Emergency Disaster Fund	1,015,377
Nonmajor Governmental Funds	75,494
Solid Waste Fund	57,406
Wauchula Hills Water/Wastewater Treatment Fund	158,866
Nonmajor Enterprise Fund	10,072
Total	<u><u>\$ 1,341,318</u></u>

Transfers to the Transportation Trust Fund from:

Emergency Disaster Fund	\$ 116,485
Solid Waste Fund	14,128
Total	<u><u>\$ 130,613</u></u>

Transfers to the Fire Control Fund from:

General Fund	<u><u>\$ 230,457</u></u>
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Transfers to the Grants Fund from:

General Fund	<u><u>\$ 5,385</u></u>
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Transfers to the Nonmajor Governmental Funds from:

General Fund	\$ 320,193
Nonmajor Governmental Funds	659,564
Total	<u><u>\$ 979,757</u></u>

Transfers to the Solid Waste Fund from:

General Fund	<u><u>\$ 3,201</u></u>
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Transfers to the Wauchula Hills Water/Wastewater Treatment Fund from:

Nonmajor Enterprise Fund	<u><u>\$ 1,496</u></u>
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**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 15 STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP)

The State Housing Initiative Program Trust Fund (SHIP) is included in the Grants fund. Separate financial information for this program is reported below

**Balance Sheet
September 30, 2020**

ASSETS	
Cash	<u>\$ 374,611</u>
 LIABILITIES	
Accounts Payable and Accrued Liabilities	\$ 5,500
 FUND BALANCE	
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 369,111</u> <u>\$ 374,611</u>

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended September 30, 2020**

REVENUES	
Intergovernmental	\$ 350,000
Interest	3,252
Miscellaneous	3,912
Total Revenues	<u>357,164</u>
 EXPENDITURES	
Economic Environment	<u>371,021</u>
 NET CHANGE IN FUND BALANCE	
	(13,857)
Fund Balances - Beginning of Year	<u>382,968</u>
 FUND BALANCES - END OF YEAR	
	<u>\$ 369,111</u>

NOTE 16 SUBSEQUENT EVENTS

Subsequent to year-end, the County refinanced the existing Florida Local Government Finance Commission note, which had a balloon payment coming due March 2, 2021, for five more years through March 3, 2026. The County made a payment on March 2, 2021 of \$350,000 thus reducing the \$3,130,000 balance at September 30, 2020 to \$2,780,000, which is the amount refinanced.

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REQUIRED SUPPLEMENTARY INFORMATION

**HARDEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEN
LIABILITY AND RELATED RATIOS – COUNTY GROUP HEALTH PLAN
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 191,082	\$ 161,402	\$ 167,907
Interest	101,430	100,833	85,298
Changes of Assumptions	(543,367)	112,359	-
Differences Between Expected and Actual Experience	(385,394)	84,588	(92,982)
Benefit Payments	<u>(94,016)</u>	<u>(76,725)</u>	<u>(71,042)</u>
Net Change in Total OPEB Liability	(730,265)	382,457	89,181
Total OPEB Liability - Beginning	<u>2,688,740</u>	<u>2,306,283</u>	<u>2,217,102</u>
Total OPEB Liability - Ending	<u>\$ 1,958,475</u>	<u>\$ 2,688,740</u>	<u>\$ 2,306,283</u>
Covered Employee Payroll	\$ 14,940,598	\$ 14,915,824	\$ 14,094,511
Total OPEB Liability as a percentage of the Covered Employee Payroll	13.11%	18.03%	16.36%

Notes to Schedule:

Covered Employee Payroll: The OPEB plan is not administered through a trust.

On December 20, 2019, the Further Consolidated Appropriations Act of 2020 was passed in the US Senate.

This bill included a repeal of the excise tax on high cost employer sponsored health coverage (also known as the Cadillac tax). For this reason, the impact of the tax on GASB 74/75 OPEB liabilities has been removed. This resulted in a decrease in the County's liabilities.

Changes of assumptions: The following assumptions have been updated in accordance with GASB 75.

- Discount rate as of the 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 AA/Aa or higher (or equivalent quality on another rating scale. The current full valuation uses a discount rate of 2.41% as of September 30, 2020 and 3.58% as of October 1, 2019.
- The retirement rate assumption has been updated based on the Florida Retirement System actuarial valuation as of July 1, 2019.
- The termination rate assumption has been updated based on the Florida Retirement System actuarial valuation as of July 1, 2019.
- The salary scale assumption has been updated based on the Florida Retirement System actuarial valuation as of July 1, 2019.
- Mortality table has been updated from the SOA RPH-2018 Total Dataset Mortality fully generational using Scale MP-2019 to the following:
 - Special Risk Employees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - Other Employees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019
- Health care trend rates have been reset to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available

**HARDEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY —
FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
LAST TEN MEASUREMENT PERIODS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's Proportion of the Net Pension Liability	0.066685442%	0.065592527%	0.066277420%	0.068142507%	0.067373223%	0.064108020%	0.061994926%
County's Proportionate Share of the Net Pension Liability	\$ 28,902,453	\$ 22,589,162	\$ 19,963,112	\$ 20,156,103	\$ 17,011,793	\$ 8,280,411	\$ 3,782,602
County's Covered Payroll	\$ 15,351,492	\$ 14,621,730	\$ 14,194,202	\$ 14,224,013	\$ 13,473,315	\$ 14,257,015	\$ 13,402,755
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	188.27 %	154.49 %	140.64 %	141.70 %	126.26 %	58.08 %	28.22 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85 %	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

* The amount presented for each fiscal year were determined as of June 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**HARDEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY CONTRIBUTIONS —
FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,223,991	\$ 2,097,771	\$ 1,914,809	\$ 1,790,358	\$ 1,764,185	\$ 1,575,522	\$ 1,695,399
Contributions in Relation to the Contractually Required Contribution	<u>(2,223,991)</u>	<u>(2,097,771)</u>	<u>(1,914,809)</u>	<u>(1,790,358)</u>	<u>(1,764,185)</u>	<u>(1,575,522)</u>	<u>(1,695,399)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 15,423,083	\$ 14,915,824	\$ 14,097,511	\$ 14,288,767	\$ 14,029,458	\$ 14,257,015	\$ 13,402,755
Contributions as a Percentage of Covered Payroll	14.42 %	14.06 %	13.58 %	12.53 %	12.57 %	11.05 %	12.65 %

* The amount presented for each fiscal year were determined as of September 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**HARDEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY PROPORTIONATE SHARE OF THE NET PENSION LIABILITY —
HEALTH INSURANCE SUBSIDIARY PENSION PLAN¹
LAST TEN MEASUREMENT PERIODS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's Proportion of the Net Pension Liability	0.044663786%	0.043825156%	0.043720469%	0.044410650%	0.043992580%	0.044020471%	0.043481289%
County's Proportionate Share of the Net Pension Liability	\$ 5,453,376	\$ 4,903,596	\$ 4,627,423	\$ 4,748,636	\$ 5,127,153	\$ 4,489,399	\$ 4,065,607
County's Covered Payroll	\$ 15,351,492	\$ 14,621,730	\$ 14,194,202	\$ 14,224,013	\$ 13,473,315	\$ 14,257,015	\$ 13,402,755
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	35.52 %	33.54 %	32.60 %	33.38 %	38.05 %	31.49 %	30.33 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00 %	2.63 %	2.15 %	1.64 %	0.97 %	0.50 %	0.99 %

* The amount presented for each fiscal year were determined as of June 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**HARDEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY CONTRIBUTIONS —
HEALTH INSURANCE SUBSIDIARY PENSION PLAN¹
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 257,563	\$ 248,696	\$ 235,677	\$ 238,909	\$ 234,651	\$ 180,890	\$ 182,277
Contributions in Relation to the Contractually Required Contribution	<u>(257,563)</u>	<u>(248,696)</u>	<u>(235,677)</u>	<u>(238,909)</u>	<u>(234,651)</u>	<u>(180,890)</u>	<u>(182,277)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 15,423,083	\$ 14,915,824	\$ 14,097,511	\$ 14,288,767	\$ 14,029,458	\$ 14,257,015	\$ 13,402,755
Contributions as a Percentage of Covered Payroll	1.67%	1.67%	1.67%	1.67%	1.67%	1.27%	1.36%

* The amount presented for each fiscal year were determined as of September 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**HARDEE COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION
YEAR ENDED SEPTEMBER 30, 2020**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Following are descriptions of each special revenue fund.

Fines and Forfeitures Fund – Pursuant to Florida Statute 142.01, the Fines and Forfeiture Fund accounts for all fines and forfeitures collected in the County under the penal laws of the state. The fund is used to pay for criminal expenses, fees, and costs where the crime was committed in the County and to support the administrative operations of the Clerk and the Sheriff.

Law Enforcement Trust Fund – The Law Enforcement Trust Fund accounts for proceeds received pursuant to Florida Statute 932.7055 and are used for law enforcement related purposes as defined in the statute.

Clerk's Fine and Forfeiture Fund – The Clerk's Fine and Forfeiture Fund is established in accordance with Sections 28.35 and 28.37, Florida Statutes. It is used to account for court fines, fees, service charges, liabilities, and costs.

E-911 Fund – The E-911 Fund accounts for proceeds received from 911 fees and grants related to providing E-911 services within the County.

Mining Fund – The Mining Fund accounts for mining fees and mining reimbursements related to mining activities within the County.

Tourist Development Fund – The Tourist Development Fund is a special revenue fund that accounts for the restricted dollars generated from the tourist development tax to be used for items listed and approved by the tourist development board and in accordance with Florida Statute 125.0104.

Clerk's Public Records Modernization Trust Fund – The Clerk's Records Modernization Fund is established in accordance with Florida Statutes. It is used to account for court technology and public records modernization pursuant to Section 28.24, Florida Statutes.

Clerk's Child Support IV-D Fund – The Clerk's Child Support IV-D Fund is used to account for the child support enforcement grant and related expenditures. In addition, amounts that exceed operating costs of running the child support depository program are to be used for Clerk related functions as directed by the Board.

Sheriff's Commissary Fund – The Sheriff's Commissary fund accounts for commissions earned by providing goods and services to the inmates. These resources are restricted by Section 951.23, Florida Statutes.

Sheriff's Education Fund – The Sheriff's Education Fund accounts for an assessment added to certain fines under Section 938.15, Florida Statutes. These monies are restricted for criminal justice education degree programs and training courses.

Sheriff's E-911 Fund – The Sheriff's E-911 Fund accounts for E-911 fees under Sections 365.171 and 365.172, Florida Statutes, and E-911 grants related to providing E-911 services within the County. These monies are restricted for maintenance and upgrade of the E-911 system.

**HARDEE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

Special Revenue Funds

	Fines and Forfeitures	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining	Tourist Development
ASSETS						
Cash and Cash Equivalents	\$ 376,115	\$ 138,341	\$ 179,361	\$ 433,451	\$ 92,291	\$ 175,127
Accounts Receivable, Net	-	-	10	-	17,970	-
Due from Other Funds	14,388	-	6	37,753	-	-
Due from Other Governments	-	-	70	38,163	-	4,658
Prepaid Items	-	-	4,211	-	-	-
Total Assets	<u>\$ 390,503</u>	<u>\$ 138,341</u>	<u>\$ 183,658</u>	<u>\$ 509,367</u>	<u>\$ 110,261</u>	<u>\$ 179,785</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 12,050	\$ -	\$ 46,181	\$ -	\$ 43,337	\$ -
Due to Other Funds	5,148	-	15,805	-	80,000	-
Due to Other Governments	4,806	-	120,072	-	259	-
Unearned Revenue	-	-	1,600	-	-	-
Total Liabilities	<u>22,004</u>	<u>-</u>	<u>183,658</u>	<u>-</u>	<u>123,596</u>	<u>-</u>
Deferred Inflows of Resources:						
Unavailable Revenue - Intergovernmental	-	-	-	13,903	12,337	-
Fund Balances (Deficits):						
Nonspendable	-	-	4,211	-	-	-
Restricted	455,131	138,341	-	495,464	-	179,785
Committed	-	-	-	-	-	-
Unassigned (Deficit)	(86,632)	-	(4,211)	-	(25,672)	-
Total Fund Balances (Deficits)	<u>368,499</u>	<u>138,341</u>	<u>-</u>	<u>495,464</u>	<u>(25,672)</u>	<u>179,785</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 390,503</u>	<u>\$ 138,341</u>	<u>\$ 183,658</u>	<u>\$ 509,367</u>	<u>\$ 110,261</u>	<u>\$ 179,785</u>

**HARDEE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Special Revenue Funds					Total Other Nonmajor Governmental Funds
	Clerk's Public Records Modernization Trust	Clerk's Child Support IV-D	Sheriff's Commissary	Sheriff's Education	Sheriff's E-911	
ASSETS						
Cash and Cash Equivalents	\$ 149,715	\$ 89,424	\$ 65,930	\$ 31,008	\$ 37,753	\$ 1,768,516
Accounts Receivable, Net	-	-	-	-	-	17,980
Due from Other Funds	20,173	4,740	-	-	-	77,060
Due from Other Governments	-	9,350	-	-	-	52,241
Prepaid Items	-	-	-	-	-	4,211
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 169,888</u>	<u>\$ 103,514</u>	<u>\$ 65,930</u>	<u>\$ 31,008</u>	<u>\$ 37,753</u>	<u>\$ 1,920,008</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 1,588	\$ 1,348	\$ 859	\$ -	\$ -	\$ 105,363
Due to Other Funds	6	-	-	-	37,753	138,712
Due to Other Governments	-	-	-	-	-	125,137
Unearned Revenue	-	-	-	-	-	1,600
Total Liabilities	<u>1,594</u>	<u>1,348</u>	<u>859</u>	<u>-</u>	<u>37,753</u>	<u>370,812</u>
Deferred Inflows of Resources						
Unavailable Revenue	-	-	-	-	-	26,240
Fund Balances (Deficits):						
Nonspendable	-	-	-	-	-	4,211
Restricted	168,294	-	65,071	31,008	-	1,533,094
Committed	-	102,166	-	-	-	102,166
Unassigned (Deficit)	-	-	-	-	-	(116,515)
Total Fund Balances	<u>168,294</u>	<u>102,166</u>	<u>65,071</u>	<u>31,008</u>	<u>-</u>	<u>1,522,956</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 169,888</u>	<u>\$ 103,514</u>	<u>\$ 65,930</u>	<u>\$ 31,008</u>	<u>\$ 37,753</u>	<u>\$ 1,920,008</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds					
	Fines and Forfeitures	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining	Tourist Development
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 291,669	\$ 647,433	\$ -	\$ -
Charges for Services	26,133	-	469,507	-	394,220	-
Fines and Forfeitures	163,365	-	-	-	-	-
Taxes	-	-	-	-	-	52,700
Interest	2,035	812	1,849	1,815	721	917
Miscellaneous	-	29,678	1,344	-	-	-
Total Revenues	<u>191,533</u>	<u>30,490</u>	<u>764,369</u>	<u>649,248</u>	<u>394,941</u>	<u>53,617</u>
EXPENDITURES						
Current:						
General Government	498,040	-	764,369	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	303,854	-
Capital Outlay	55,547	-	-	-	-	-
Total Expenditures	<u>553,587</u>	<u>-</u>	<u>764,369</u>	<u>-</u>	<u>303,854</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(362,054)	30,490	-	649,248	91,087	53,617
OTHER FINANCING SOURCES (USES)						
Transfers In	320,193	-	-	37,753	-	-
Transfers Out	-	(34,000)	-	(621,811)	(41,494)	-
Total Other Financing Sources (Uses)	<u>320,193</u>	<u>(34,000)</u>	<u>-</u>	<u>(584,058)</u>	<u>(41,494)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(41,861)	(3,510)	-	65,190	49,593	53,617
Fund Balances (Deficits) - Beginning of Year	<u>410,360</u>	<u>141,851</u>	<u>-</u>	<u>430,274</u>	<u>(75,265)</u>	<u>126,168</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 368,499</u>	<u>\$ 138,341</u>	<u>\$ -</u>	<u>\$ 495,464</u>	<u>\$ (25,672)</u>	<u>\$ 179,785</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds					Total Other Nonmajor Governmental Funds
	Clerk's Public Records Modernization Trust	Clerk's Child Support IV-D	Sheriff's Commissary	Sheriff's Education	Sheriff's E-911	
REVENUES						
Intergovernmental	\$ -	\$ 68,510	\$ -	\$ -	\$ -	\$ 1,007,612
Charges for Services	33,584	-	-	-	-	923,444
Fines and Forfeitures	-	-	-	2,972	-	166,337
Taxes	-	-	-	-	-	52,700
Interest	-	-	-	-	-	8,149
Miscellaneous	790	683	31,990	-	-	64,485
Total Revenues	<u>34,374</u>	<u>69,193</u>	<u>31,990</u>	<u>2,972</u>	<u>-</u>	<u>2,222,727</u>
EXPENDITURES						
Current:						
General Government	15,513	93,784	-	-	-	1,371,706
Public Safety	-	-	47,806	26,623	125,863	200,292
Physical Environment	-	-	-	-	-	303,854
Capital Outlay	-	-	-	-	458,195	513,742
Total Expenditures	<u>15,513</u>	<u>93,784</u>	<u>47,806</u>	<u>26,623</u>	<u>584,058</u>	<u>2,389,594</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	18,861	(24,591)	(15,816)	(23,651)	(584,058)	(166,867)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	621,811	979,757
Transfers Out	-	-	-	-	(37,753)	(735,058)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,058</u>	<u>244,699</u>
NET CHANGE IN FUND BALANCES	18,861	(24,591)	(15,816)	(23,651)	-	77,832
Fund Balances (Deficits) - Beginning of Year	<u>149,433</u>	<u>126,757</u>	<u>80,887</u>	<u>54,659</u>	<u>-</u>	<u>1,445,124</u>
FUND BALANCES - END OF YEAR	<u>\$ 168,294</u>	<u>\$ 102,166</u>	<u>\$ 65,071</u>	<u>\$ 31,008</u>	<u>\$ -</u>	<u>\$ 1,522,956</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
FINES AND FORFEITURES FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 22,000	\$ 22,000	\$ 26,133	\$ 4,133
Fines and Forfeitures	170,350	170,350	163,365	(6,985)
Interest	2,100	2,100	2,035	(65)
Total Revenues	<u>194,450</u>	<u>194,450</u>	<u>191,533</u>	<u>(2,917)</u>
EXPENDITURES				
Current:				
General Government	903,377	900,933	498,040	402,893
Capital Outlay	73,616	76,060	55,547	20,513
Other Expense	53,231	53,231	-	53,231
Total Expenditures	<u>1,030,224</u>	<u>1,030,224</u>	<u>553,587</u>	<u>476,637</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(835,774)	(835,774)	(362,054)	473,720
OTHER FINANCING SOURCES				
Transfers In	<u>320,193</u>	<u>320,193</u>	<u>320,193</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(515,581)	(515,581)	(41,861)	473,720
Fund Balance - Beginning of Year	<u>515,581</u>	<u>515,581</u>	<u>410,360</u>	<u>(105,221)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,499</u>	<u>\$ 368,499</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 1,500	\$ 1,500	\$ 812	\$ (688)
Miscellaneous	50,000	50,000	29,678	(20,322)
Total Revenues	<u>51,500</u>	<u>51,500</u>	<u>30,490</u>	<u>(21,010)</u>
EXPENDITURES				
Other Expense	<u>194,251</u>	<u>160,251</u>	<u>-</u>	<u>160,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(142,751)	(108,751)	30,490	139,241
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>(34,000)</u>	<u>(34,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(142,751)	(142,751)	(3,510)	139,241
Fund Balance - Beginning of Year	<u>142,751</u>	<u>142,751</u>	<u>141,851</u>	<u>(900)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 138,341</u></u>	<u><u>\$ 138,341</u></u>

**HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
CLERK'S FINE AND FORFEITURE FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 284,110	\$ 291,669	\$ 291,669	\$ -
Charges for Services	527,326	469,507	469,507	-
Interest Income	-	1,849	1,849	-
Miscellaneous	-	1,344	1,344	-
Total Revenues	811,436	764,369	764,369	-
EXPENDITURES				
Current:				
General Government	811,436	764,369	764,369	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
E-911 FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 557,307	\$ 622,516	\$ 647,433	\$ 24,917
Interest	4,000	4,000	1,815	(2,185)
Total Revenues	<u>561,307</u>	<u>626,516</u>	<u>649,248</u>	<u>22,732</u>
EXPENDITURES				
Current:				
Public Safety	-	24,000	-	24,000
Other Expense	3,660	3,660	-	3,660
Total Expenditures	<u>3,660</u>	<u>27,660</u>	<u>-</u>	<u>27,660</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	557,647	598,856	649,248	50,392
OTHER FINANCING SOURCES (USES)				
Transfers In	100	100	37,753	37,653
Transfers Out	<u>(867,066)</u>	<u>(908,275)</u>	<u>(621,811)</u>	<u>(286,464)</u>
Total Other Financing Uses	<u>(866,966)</u>	<u>(908,175)</u>	<u>(584,058)</u>	<u>(248,811)</u>
NET CHANGE IN FUND BALANCE	(309,319)	(309,319)	65,190	374,509
Fund Balance - Beginning of Year	<u>309,319</u>	<u>309,319</u>	<u>430,274</u>	<u>120,955</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,464</u>	<u>\$ 495,464</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
MINING FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 395,180	\$ 395,180	\$ 394,220	\$ (960)
Interest	800	800	721	(79)
Total Revenues	<u>395,980</u>	<u>395,980</u>	<u>394,941</u>	<u>(1,039)</u>
EXPENDITURES				
Current:				
Physical Environment	366,431	366,431	303,854	62,577
Capital Outlay	-	-	-	-
Other Expense	85,503	85,503	-	85,503
Total Expenditures	<u>451,934</u>	<u>451,934</u>	<u>303,854</u>	<u>148,080</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(55,954)	(55,954)	91,087	147,041
OTHER FINANCING USES				
Transfers Out	<u>(41,494)</u>	<u>(41,494)</u>	<u>(41,494)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(97,448)	(97,448)	49,593	147,041
Fund Balance (Deficit) - Beginning of Year	<u>97,448</u>	<u>97,448</u>	<u>(75,265)</u>	<u>(172,713)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,672)</u>	<u>\$ (25,672)</u>

**HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
TOURIST DEVELOPMENT FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 41,668	\$ 41,668	\$ 52,700	\$ 11,032
Interest	1,378	1,378	917	(461)
Total Revenues	<u>43,046</u>	<u>43,046</u>	<u>53,617</u>	<u>10,571</u>
EXPENDITURES				
Other Expense	<u>168,536</u>	<u>168,536</u>	<u>-</u>	<u>168,536</u>
NET CHANGE IN FUND BALANCE	(125,490)	(125,490)	53,617	(179,107)
Fund Balance - Beginning of Year	<u>125,490</u>	<u>125,490</u>	<u>126,168</u>	<u>678</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,785</u>	<u>\$ 179,785</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
CLERK'S PUBLIC RECORDS MODERNIZATION TRUST
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 32,000	\$ 32,000	\$ 33,584	\$ 1,584
Miscellaneous	-	-	790	790
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>34,374</u>	<u>2,374</u>
EXPENDITURES				
Current:				
General Government	179,063	171,429	15,513	155,916
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	<u>189,063</u>	<u>181,429</u>	<u>15,513</u>	<u>165,916</u>
NET CHANGE IN FUND BALANCES	(157,063)	(149,429)	18,861	168,290
Fund Balances - Beginning of Year	<u>157,063</u>	<u>149,429</u>	<u>149,433</u>	<u>4</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 168,294</u></u>	<u><u>\$ 168,294</u></u>

**HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
CLERK'S CHILD SUPPORT IV-D FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 68,510	\$ 18,510
Miscellaneous	-	-	683	683
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>69,193</u>	<u>19,193</u>
EXPENDITURES				
Current:				
General Government	<u>155,842</u>	<u>183,667</u>	<u>93,784</u>	<u>89,883</u>
NET CHANGE IN FUND BALANCES	(105,842)	(133,667)	(24,591)	109,076
Fund Balances - Beginning of Year	<u>105,842</u>	<u>133,667</u>	<u>126,757</u>	<u>(6,910)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,166</u>	<u>\$ 102,166</u>

**HARDEE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL AGENCY FUNDS
 SEPTEMBER 30, 2020**

	Clerk's Special Trust	Clerk's Support	Clerk's Court Registry	Clerk's County Witness	Clerk's Cash Bond	Clerk's Condemnation Right-of Way	Tax Collector Fund	Tax Collector Motor Vehicle Fund
ASSETS								
Cash	\$ 61,611	\$ 1,018	\$ 136,522	\$ 483	\$ 51,236	\$ 4,362	\$ 310,020	\$ 182,118
LIABILITIES								
Due to Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Individuals	21,007	-	136,522	-	51,236	4,362	17,556	-
Due to Other Governments	40,604	1,018	-	483	-	-	12,643	182,118
Due to Indigent Health Care Special District	-	-	-	-	-	-	52	-
Deposit - Installment Taxes	-	-	-	-	-	-	279,769	-
Total Liabilities	\$ 61,611	\$ 1,018	\$ 136,522	\$ 483	\$ 51,236	\$ 4,362	\$ 310,020	\$ 182,118

**HARDEE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL AGENCY FUNDS (CONTINUED)
 SEPTEMBER 30, 2020**

	Sheriff's Suspense	Sheriff's Collections	Sheriff's Inmate	Sheriff's Youth	Sheriff's Flower	Sheriff's Evidence	Sheriff's Drug Task Force	Total
ASSETS								
Cash	\$ 2,514	\$ -	\$ 16,286	\$ 5,869	\$ 4,487	\$ 45,165	\$ -	\$ 821,691
LIABILITIES								
Due to Others	\$ 2,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,514
Due to Individuals	-	-	16,286	5,869	4,487	45,165	-	302,490
Due to Other Governments	-	-	-	-	-	-	-	236,866
Due to Indigent Health Care Special District	-	-	-	-	-	-	-	52
Deposit - Installment Taxes	-	-	-	-	-	-	-	279,769
Total Liabilities	\$ 2,514	\$ -	\$ 16,286	\$ 5,869	\$ 4,487	\$ 45,165	\$ -	\$ 821,691

**HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION –
ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
<u>CLERK'S SPECIAL TRUST</u>				
ASSETS				
Cash	\$ 65,008	\$ 2,292,851	\$ (2,296,248)	\$ 61,611
LIABILITIES				
Due to Individuals	\$ 27,584	\$ 74,554	\$ (81,131)	\$ 21,007
Due to Other Governments	37,424	2,258,017	(2,254,837)	40,604
Total Liabilities	<u>\$ 65,008</u>	<u>\$ 2,332,571</u>	<u>\$ (2,335,968)</u>	<u>\$ 61,611</u>
<u>CLERK'S SUPPORT</u>				
ASSETS				
Cash	\$ 838	\$ 20,074	\$ (19,894)	\$ 1,018
LIABILITIES				
Due to Other Governments	\$ 838	\$ 14,699	\$ (14,519)	\$ 1,018
<u>CLERK'S COURT REGISTRY</u>				
ASSETS				
Cash	\$ 34,808	\$ 213,565	\$ (111,851)	\$ 136,522
LIABILITIES				
Due to Individuals	\$ 34,808	\$ 213,565	\$ (111,851)	\$ 136,522
<u>CLERK'S COUNTY WITNESS</u>				
ASSETS				
Cash	\$ 468	\$ 200	\$ (185)	\$ 483
LIABILITIES				
Due to Individuals	\$ 15	\$ -	\$ (15)	\$ -
Due to Other Governments	453	370	(340)	483
Total Liabilities	<u>\$ 468</u>	<u>\$ 370</u>	<u>\$ (355)</u>	<u>\$ 483</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION —
ALL AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
<u>CLERK'S CASH BOND</u>				
ASSETS				
Cash	\$ 33,947	\$ 79,828	\$ (62,539)	\$ 51,236
LIABILITIES				
Due to Individuals	\$ 33,947	\$ 79,828	\$ (62,539)	\$ 51,236
<u>CLERK'S CONDEMNATION RIGHT-OF-WAY</u>				
ASSETS				
Cash	\$ 4,362	\$ -	\$ -	\$ 4,362
LIABILITIES				
Due to Individuals	\$ 4,362	\$ -	\$ -	\$ 4,362
<u>TAX COLLECTOR FUND</u>				
ASSETS				
Cash	\$ 302,300	\$ 13,233,872	\$ (13,226,152)	\$ 310,020
Due from Individuals	-	734,475	(734,475)	-
	<u>\$ 302,300</u>	<u>\$ 13,968,347</u>	<u>\$ (13,960,627)</u>	<u>\$ 310,020</u>
LIABILITIES				
Due to Individuals	\$ 18,439	\$ 1,058,648	\$ (1,059,531)	\$ 17,556
Due to Other Governments	13,518	12,044,670	(12,045,545)	12,643
Due to Indigent Health Care Special District	89	585,259	(585,296)	52
Deposit - Installment Taxes	270,254	279,769	(270,254)	279,769
Total Liabilities	<u>\$ 302,300</u>	<u>\$ 13,968,346</u>	<u>\$ (13,960,626)</u>	<u>\$ 310,020</u>
<u>TAX COLLECTOR MOTOR VEHICLE FUND</u>				
ASSETS				
Cash	\$ 91,800	\$ 3,849,661	\$ (3,759,343)	\$ 182,118
LIABILITIES				
Due to Other Governments	\$ 91,800	\$ 3,849,661	\$ (3,759,343)	\$ 182,118

**HARDEE COUNTY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN NET POSITION —
 ALL AGENCY FUNDS (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
<u>SHERIFF'S SUSPENSE</u>				
ASSETS				
Cash	\$ 5,911	\$ 73,465	\$ (76,862)	\$ 2,514
LIABILITIES				
Due to Others	\$ 5,911	\$ 73,465	\$ (76,862)	\$ 2,514
<u>SHERIFF'S COLLECTIONS</u>				
ASSETS				
Cash	\$ -	\$ 13,528	\$ (13,528)	\$ -
LIABILITIES				
Due to Individuals	\$ -	\$ 13,528	\$ (13,528)	\$ -
<u>SHERIFF'S INMATE</u>				
ASSETS				
Cash	\$ 18,541	\$ 2,972,488	\$ (2,974,743)	\$ 16,286
LIABILITIES				
Due to Individuals	\$ 18,541	\$ 2,972,488	\$ (2,974,743)	\$ 16,286
<u>SHERIFF'S YOUTH</u>				
ASSETS				
Cash	\$ 5,869	\$ -	\$ -	\$ 5,869
LIABILITIES				
Due to Individuals	\$ 5,869	\$ -	\$ -	\$ 5,869
<u>SHERIFF'S FLOWER</u>				
ASSETS				
Cash	\$ 2,225	\$ 3,338	\$ (1,076)	\$ 4,487
LIABILITIES				
Due to Individuals	\$ 2,225	\$ 3,338	\$ (1,076)	\$ 4,487

**HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION —
ALL AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
<u>SHERIFF'S EVIDENCE</u>				
ASSETS				
Cash	\$ 19,112	\$ 43,591	\$ (17,538)	\$ 45,165
LIABILITIES				
Due to Individuals	\$ 19,112	\$ 43,591	\$ (17,538)	\$ 45,165
<u>SHERIFF'S DRUG TASK FORCE</u>				
ASSETS				
Cash	\$ 4,761	\$ 1	\$ (4,762)	\$ -
LIABILITIES				
Due to Others	\$ 4,761	\$ 1	\$ (4,762)	\$ -
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 589,950	\$ 22,796,462	\$ (22,564,721)	\$ 821,691
Due from Individuals	-	734,475	(734,475)	-
Total Assets	<u>\$ 589,950</u>	<u>\$ 23,530,937</u>	<u>\$ (23,299,196)</u>	<u>\$ 821,691</u>
LIABILITIES				
Due to Others	\$ 10,672	\$ 73,466	\$ (81,624)	\$ 2,514
Due to Individuals	164,902	4,459,540	(4,321,952)	302,490
Due to Other Governments	144,033	18,167,417	(18,074,584)	236,866
Due to Indigent Health Care Special District	89	585,259	(585,296)	52
Deposit - Installment Taxes	270,254	279,769	(270,254)	279,769
Total Liabilities	<u>\$ 589,950</u>	<u>\$ 23,565,451</u>	<u>\$ (23,333,710)</u>	<u>\$ 821,691</u>

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SUPPLEMENTAL INFORMATION

**HARDEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2020**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant Contract Number/ Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of Homeland Security				
Pass-through from Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.042	DHS-19-GPD-042-04-01	\$ 32,552	\$ -
Emergency Management Performance Grants	97.042	G0108	28,151	-
COVID-19 Emergency Management Performance Grants	97.042	G0084	6,495	-
Total Emergency Management Performance Grants			<u>67,198</u>	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - #FEMA-DR-4337-FL	97.036	Z0762	1,154,432	-
Total U.S. Department of Homeland Security			<u>1,221,630</u>	-
U.S. Department of Justice				
Direct programs				
State Criminal Alien Assistance Program	16.606	2018-H4481-FL-AP	14,482	-
State Criminal Alien Assistance Program	16.606	2020-AP-BX-1004	13,827	-
Total State Criminal Alien Assistance Program			<u>28,309</u>	-
Bulletproof Vest Partnership Program	16.607	n/a	2,963	-
Bulletproof Vest Partnership Program	16.607	n/a	3,411	-
Total Bulletproof Vest Partnership Program			<u>6,374</u>	-
Pass-through from Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-HARD-1-Y5-029	40,318	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGD-HARD-1-Y6-016	2,666	-
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>42,984</u>	-
Total U.S. Department of Justice			<u>77,667</u>	-
U.S. Department of Housing and Urban Development				
Pass-through from Florida Department of Economic Opportunity				
Community Development Block Grant	14.228	19-DB-ON-07-35-01-H08	303,619	-
U.S. Department of Health and Human Services				
Direct programs				
Drug-Free Communities Support Program Grants	93.276	1H79SP016561-09	128,575	-
Pass-through U.S. Agency for Children and Families and Office of Child Support Enforcement, Florida Department of Revenue				
Child Support Enforcement	93.563	CD325	61,598	-
Total U.S. Department of Health and Human Services			<u>190,173</u>	-
U.S. Election Assistance Commission				
Pass-through Florida Department of State, Division of Elections				
Help America Vote Act Requirements Payments	90.401	2018-2019-004	18,332	-
U.S. Department of the Treasury				
Pass-through from Florida Division of Emergency Management				
COVID-19 Coronavirus Relief Fund	21.019	Y2299	2,592,852	-
Pass-through from Florida Housing Finance Corporation				
COVID-19 Coronavirus Relief Fund	21.019	058-2020	1,274	-
Total COVID-19 Coronavirus Relief Fund			<u>2,594,126</u>	-
Total U.S. Department of the Treasury			<u>2,594,126</u>	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,405,547</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HARDEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

State Grantor/Pass through Grantor/ Project Title	State CSFA Number	Grant Contract Number/ Pass-Through Entity Identifying Number	State Expenditures	Passed Through to Subrecipients
STATE FINANCIAL ASSISTANCE				
Florida Executive Office of the Governor				
Division of Emergency Management				
Emergency Management Programs	31.063	A0044	\$ 74,874	\$ -
Emergency Management Programs	31.063	A01050	36,946	-
Total Emergency Management Programs			<u>111,820</u>	<u>-</u>
Total Florida Executive Office of the Governor			111,820	-
Florida Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC014	90,909	-
Cooperative Collection Center Grant	37.007	HHW002	15,979	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP25022	1,149,014	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP25027	525,249	-
Total Statewide Surface Water Restoration and Wastewater Projects			<u>1,674,263</u>	<u>-</u>
Total Florida Department of Environmental Protection			1,781,151	-
Florida Department of State and Secretary of State				
State Aid to Libraries Grant	45.030	20-ST-15	68,890	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	26480	34,481	-
Mosquito Control	42.003	B5207F	64,996	-
Total Mosquito Control			<u>99,477</u>	<u>-</u>
	42.017	26237	66,850	-
Total Department of Agriculture and Consumer Services			<u>166,327</u>	<u>-</u>
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	371,021	-
Florida Department of Transportation				
Small County Outreach Program (SCOP)	55.009	G0082	58,928	-
Small County Outreach Program (SCOP)	55.009	G1H11	86,975	-
Total Small County Outreach Program (SCOP)			<u>145,903</u>	<u>-</u>
Local Transportation Projects	55.039	G1601	454,060	-
Total Florida Department of Transportation			<u>599,963</u>	<u>-</u>
Florida Department of Health				
County Grant Awards	64.005	C8025	6,161	-
State of Florida, Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	S-13-19-06-01	187,974	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	S-13-19-06-01	41,209	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	N/A	1,200	-
Total Wireless 911 Emergency Telephone System Rural County Grant Program			<u>230,383</u>	<u>-</u>
E911 State Grant Program			238,567	-
Total Florida Department of Management Services			<u>468,950</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 3,574,283</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HARDEE COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) includes the federal award and state financial assistance activity of Hardee County, Florida (County) under programs of the federal government and projects of the State of Florida for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operation of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance received in governmental funds and the accrual basis of accounting for financial assistance received in the proprietary funds, which are described in Note 1 to the County's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement, with the exception of CFDA 21.019, which follows criteria determined by the U.S. Department of the Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The County had not elected to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

NOTE 3 CONTINGENCIES

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of June 9, 2021, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

HARDEE COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

NOTE 4 DISASTER GRANTS – PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS) (CFDA 97.036)

After a presidentially declared disaster, FEMA provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) to reimburse eligible costs associated with debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed. Reimbursements are provided in the form of cost-shared grants. Hurricane Irma (FEMA-4337-DR) made landfall in Hardee County on September 10, 2017. In 2020, \$1,154,432 in eligible expenditures were approved that were incurred in 2017 and 2018 and are included in the Schedule.

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**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**

Honorable Board of County Commissioners
Hardee 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hardee County, Florida (County), as of and for the year ended September 30, 2020, 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 9, 2021. Our report includes a reference to other auditors who audited the financial statements of the Hardee County Industrial Development Authority as described in our report in the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-002 to be a significant deficiency.

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 financial statements. 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*.

Hardee County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



CliftonLarsonAllen LLP

Sebring, Florida
June 9, 2021



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

Honorable Board of County Commissioners
Hardee County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Hardee County, Florida's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2020. 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 awards and state financial assistance 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 for Local Governmental Entity Audits. 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.

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, 2020.

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 or 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, 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 a 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. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
June 9, 2021

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? X yes no
 - Significant deficiency(ies) identified? X yes none reported
3. Noncompliance material to financial statements noted? yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes X no
 - Significant deficiency(ies) identified? yes X none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required To be reported in accordance with 2 CFR 200.516(a) yes X no

Identification of Major Federal Programs:

CFDA Number(s)	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

4. Internal control over state projects:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

5. Type of auditors’ report issued on compliance for major state projects: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General? _____ yes X no

Identification of Major State Projects:

CFSA Number(s)

Name of Federal Program or Cluster

37.039

Statewide Surface Water Restoration and Wastewater Projects

55.039

Local Transportation Projects

Dollar threshold used to distinguish between Type A and Type B state projects

\$ 750,000

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

Section II – Financial Statement Findings

2020-001 Capital Lease Recognition

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: As part of the audit, we proposed an adjustment to correct assets and issuance of debt in the General Fund and the Fire Control Fund.

Criteria or specific requirement: The County's management is responsible for establishing and maintaining internal controls to ensure that transactions are properly reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Context: Testing of long-term debt detected the error.

Effect: Restricted cash and issuance of debt of the General Fund were understated and prepaid items and issuance of debt of the Fire Control Fund were understated.

Cause: The issuance of capital leases, and the related asset balances, for a fire truck and ambulance were not recognized in the respective governmental funds.

Recommendation: The County should evaluate all lease transactions to ensure that they are recognized in accordance with the Governmental Accounting Standards Board.

Views of responsible officials and planned corrective actions: While the long-term debt representing these capital leases were recognized at the government-wide level, the related capital equipment had not been received and was therefore not placed in service. This caused the omission from the respective governmental funds. In the future, these transactions will be recognized at the fund level as well.

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-002 Schedule of Expenditures of Federal Awards and State Financial Assistance

Type of Finding:

- Significant Deficiency in Internal Control Over Financial Reporting

Condition: Our audit procedures identified the following errors in the Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule):

- Expenditures of one state financial assistance grant was reported under an incorrect catalog of state financial assistance (CSFA) number resulting in the omission of one CSFA number and the overstatement of another.
- Expenditures of one federal awards grant was misclassified as expenditures of state financial assistance.

Criteria or specific requirement: The County's management is responsible for establishing and maintaining internal controls to ensure that Schedule is properly reported. 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services, require auditees to prepare a Schedule.

Context: Testing of amounts reported in the Schedule identified the misstatements.

Effect: The Schedule is used by grantor agencies and auditors to monitor compliance with federal and state requirements. Errors in reporting expenditures on the Schedule may lead to improper testing and therefore, noncompliance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Cause: The process for preparing the Schedule did not accurately identify and classify all expenditures.

Recommendation: We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported in accordance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Views of responsible officials and planned corrective actions: There were two errors in the catalog numbers on the debt schedule. Management will work with the grant department to ensure numbers are double checked with the grant agreements.

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.

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MANAGEMENT LETTER

Honorable Board of County Commissioners
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of Hardee County, Florida (County), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 9, 2021.

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 Florida 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 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' 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 and schedule, which are dated June 9, 2021, 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. See the accompanying schedule of findings and responses for the current status of prior year audit findings.

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. See Note 1 to the financial statements.

Financial Condition and Management

Section 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 the 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 which warrants the attention of those charged with governance. Our communications are included in the accompanying schedule of findings and responses as 2020-003.

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 applicable management and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Sebring, Florida
June 9, 2021

**HARDEE COUNTY, FLORIDA
MANAGEMENT LETTER
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2020**

Prior Year

Prior Year Findings		Current Year Status			Current Year Finding #	2018-2019 Year Finding #	2017-2018 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
2019-001 Prior Period Restatement - Interfund Services	Material Weakness in Internal Control over Financial Reporting	X			NA	2019-001	NA
2019-002 - Revenue Recognition	Material Weakness in Internal Control over Financial Reporting	X			NA	2019-002	NA
2019-003 - Schedule of Expenditures of Federal Awards and State Financial Assistance	Material Weakness in Internal Control over Financial Reporting			X	2020-002	NA	NA

Current Year

2020-003 – Coronavirus Relief Fund - Allowable Costs

Condition: Internal controls over the Coronavirus Relief Fund (CRF) program were not functioning at a level to ensure costs charged to the federal award were accurate.

Criteria or specific requirement: The County’s management is responsible for establishing and maintaining internal controls to ensure that federal awards are managed in accordance with federal laws and regulations.

Context: Testing of the County’s charged to the federal award revealed the errors.

Effect: Total payroll claimed for Fire/EMS personnel, which includes gross wages plus County paid benefits, contains immaterial errors.

Cause: The payroll data as it was transferred from the original payroll reports to the grant tracking spreadsheet was not adjusted for pretax payroll deductions resulting in over charging of the federal award. Also, there were errors with payroll amounts related to those with dual pay rates resulting in under charging of the federal award.

Recommendation: We recommend that the County review and revise internal controls to ensure errors are detected and corrected. Also, the County should revise Fire/EMS payroll amounts submitted under the CRF program.

Views of responsible officials: The grants department will note and revise all required documents.



OFFICE OF MANAGEMENT & BUDGET

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2020**

Hardee County respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2020.

Audit period: October 1, 2019 – September 30, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2019 – 001 Prior Period Restatement – Interfund Services

Condition: As part of the audit, we proposed an adjustment to correct the following error in the County's financial statements:

- Emergency Disaster Fund, a nonmajor governmental fund, beginning fund balance and transfers out were overstated. Also. Solid Waste Fund revenue were understated and transfers in were overstated.

Status: Corrective action was taken, and this finding has been cleared.

2019 – 002 Revenue Recognition

Condition: As part of the audit, we proposed an adjustment to correct the following error in the County's financial statements:

- E-911 Fund, a nonmajor governmental fund, receivables, unavailable revenue, and revenues were understated.

Status: Corrective action was taken, and this finding has been cleared.

2019 – 003 Schedule of Expenditures of Federal Awards and State Financial Assistance

Condition: Our audit procedures identified errors in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Status: See current year finding 2020-002.

Reason for finding's recurrence: Errors occurred again in the current year.

Corrective Action: Action taken in response to finding is to have another department review all catalog numbers assigned to grants and to establish a master grant schedule on a shared portal to be shared between departments that manage the grants.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

If there are any questions regarding this schedule, please call
Hardee County Office of Management & Budget
Janice Williamson, Director of Budget & Finance
(863) 773-3199



OFFICE OF MANAGEMENT & BUDGET

**CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2020**

Hardee County respectfully submits the following corrective action plan for the year ended September 30, 2020.

Audit period: October 1, 2019 through September 30, 2020

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2020-001 Capital Lease Recognition

Recommendation: The County should evaluate all lease transactions to ensure that they are recognized in accordance with Governmental Accounting Standards Board.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding include recognizing the capital leases on a fund level even if the asset has not been received at year end.

Name(s) of the contact person(s) responsible for corrective action: Victoria Rogers, Clerk of Courts

Planned completion date for corrective action plan: September 30, 2021.

SIGNIFICANT DEFICIENCY

2020-002 Schedule of Expenditures of Federal Awards and State Financial Assistance

Recommendation: We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reporting in accordance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding is to have another department review all catalog numbers assigned to grants and to establish a master grant schedule on a shared portal to be shared between departments that manage the grants.

Name(s) of the contact person(s) responsible for corrective action: Janice Williamson, Director of Budget & Finance under the Board of County Commissioners.

Planned completion date for corrective action plan: September 30, 2021.

Janice Williamson,
General Services Director



412 West Orange Street, Room 204
Wauchula, FL 33873

HARDEE
COUNTY

PHONE: 863-773-3199
<https://www.hardeecounty.net>

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

The audit did not disclose any matters required to be reported.

If there are any questions regarding this plan, please call
Hardee County Office of Management & Budget
Janice Williamson, Director of Budget & Finance
(863) 773-3199

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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Board of County Commissioners and the Florida Auditor General
Hardee County, Florida

We have examined Hardee County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; and Sections 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E-911 system fund during the year ended September 30, 2020. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements 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 specified 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 the procedures selected depend on our judgment, including an assessment of the risks 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 Section 218.415, Florida Statutes, regarding the investment of public funds; and Sections 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E-911 system fund during the year ended September 30, 2020.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
June 9, 2021

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HARDEE COUNTY CLERK OF THE CIRCUIT COURT

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

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**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
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INDEPENDENT AUDITORS' REPORT

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court
Hardee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hardee County Clerk of the Circuit Court (Clerk) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Clerk as of September 30, 2020, and the respective changes in financial position and budgetary comparisons for the General Fund, Fine and Forfeiture Fund, Public Records Modernization Trust Fund, and Child Support IV–D 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 of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position 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 Hardee County that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2020, and the changes in its financial position for the fiscal 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

Required Supplementary Information

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statement is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk’s basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements 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 statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's 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.



CliftonLarsonAllen LLP

Sebring, Florida
February 2, 2021

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**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major Funds				Total Governmental Funds
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	
ASSETS					
Cash	\$ 102,825	\$ 179,361	\$ 149,715	\$ 89,424	\$ 521,325
Due from Individuals	-	10	-	-	10
Due from Other Funds	-	6	20,173	4,740	24,919
Due from Other Governments	2,070	70	-	9,350	11,490
Prepaid Expense	2,077	4,211	-	-	6,288
Total Assets	<u>\$ 106,972</u>	<u>\$ 183,658</u>	<u>\$ 169,888</u>	<u>\$ 103,514</u>	<u>\$ 564,032</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 22,297	\$ 46,181	\$ 1,588	\$ 1,348	\$ 71,414
Due to Board of County Commissioners	54,046	15,798	-	-	69,844
Due to Other Funds	24,906	7	6	-	24,919
Due to Other Governments	5,723	120,072	-	-	125,795
Unearned Revenue	-	1,600	-	-	1,600
Total Liabilities	<u>106,972</u>	<u>183,658</u>	<u>1,594</u>	<u>1,348</u>	<u>293,572</u>
FUND BALANCES					
Nonspendable	2,077	4,211	-	-	6,288
Restricted - Official Records	-	-	149,930	-	149,930
Restricted - Court Technology	-	-	18,364	-	18,364
Committed - Clerk Related Functions	-	-	-	102,166	102,166
Unassigned	(2,077)	(4,211)	-	-	(6,288)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>168,294</u>	<u>102,166</u>	<u>270,460</u>
Total Liabilities and Fund Balances	<u>\$ 106,972</u>	<u>\$ 183,658</u>	<u>\$ 169,888</u>	<u>\$ 103,514</u>	<u>\$ 564,032</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Major Funds				Total Governmental Funds
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	
REVENUES					
Appropriations from Board of County Commissioners	\$ 639,240	\$ -	\$ -	\$ -	\$ 639,240
Intergovernmental	-	291,669	-	68,510	360,179
Charges for Services	90,040	469,507	33,584	-	593,131
Interest Income	1,119	1,849	790	683	4,441
Miscellaneous	2,280	1,344	-	-	3,624
Total Revenues	732,679	764,369	34,374	69,193	1,600,615
EXPENDITURES					
Current:					
General Government:					
Salaries and Benefits	594,036	737,656	15,513	74,979	1,422,184
Operating Expenditures	77,410	26,713	-	18,805	122,928
Capital Outlay	9,341	-	-	-	9,341
Total Expenditures	680,787	764,369	15,513	93,784	1,554,453
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	51,892	-	18,861	(24,591)	46,162
OTHER FINANCING USES					
Distribution of Excess Revenues:					
Board of County Commissioners	(51,892)	-	-	-	(51,892)
NET CHANGE IN FUND BALANCES	-	-	18,861	(24,591)	(5,730)
Fund Balances - Beginning of Year	-	-	149,433	126,757	276,190
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 168,294	\$ 102,166	\$ 270,460

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriations from Board of County Commissioners	\$ 592,290	\$ 639,240	\$ 639,240	\$ -
Charges for Services	93,280	90,040	90,040	-
Interest Income	-	1,119	1,119	-
Miscellaneous	220	2,280	2,280	-
Total Revenues	<u>685,790</u>	<u>732,679</u>	<u>732,679</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	592,310	594,036	594,036	-
Operating Expenditures	84,880	77,410	77,410	-
Capital Outlay	8,600	9,341	9,341	-
Total Expenditures	<u>685,790</u>	<u>680,787</u>	<u>680,787</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	51,892	51,892	-
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	-	(51,892)	(51,892)	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FINE AND FORFEITURE FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 284,110	\$ 291,669	\$ 291,669	\$ -
Charges for Services	527,326	469,507	469,507	-
Interest Income	-	1,849	1,849	-
Miscellaneous	-	1,344	1,344	-
Total Revenues	<u>811,436</u>	<u>764,369</u>	<u>764,369</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	772,541	737,656	737,656	-
Operating Expenditures	38,895	26,713	26,713	-
Total Expenditures	<u>811,436</u>	<u>764,369</u>	<u>764,369</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 32,000	\$ 32,000	\$ 33,584	\$ 1,584
Interest Income	-	-	790	790
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>34,374</u>	<u>2,374</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	26,375	26,375	15,513	10,862
Operating Expenditures	152,688	145,054	-	145,054
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	<u>189,063</u>	<u>181,429</u>	<u>15,513</u>	<u>165,916</u>
NET CHANGE IN FUND BALANCE	(157,063)	(149,429)	18,861	168,290
Fund Balance - Beginning of Year	<u>157,063</u>	<u>149,429</u>	<u>149,433</u>	<u>4</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 168,294</u></u>	<u><u>\$ 168,294</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CHILD SUPPORT IV-D FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 68,510	\$ 18,510
Interest Income	-	-	683	683
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>69,193</u>	<u>19,193</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	54,360	74,979	74,979	-
Operating Expenditures	101,482	108,688	18,805	89,883
Total Expenditures	<u>155,842</u>	<u>183,667</u>	<u>93,784</u>	<u>89,883</u>
NET CHANGE IN FUND BALANCE	(105,842)	(133,667)	(24,591)	109,076
Fund Balance - Beginning of Year	<u>105,842</u>	<u>133,667</u>	<u>126,757</u>	<u>(6,910)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,166</u>	<u>\$ 102,166</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY
NET POSITION – AGENCY FUND
SEPTEMBER 30, 2020**

ASSETS

Cash	\$ 255,232
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LIABILITIES

Due to Individuals	\$ 213,127
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Due to Other Governments	<u>42,105</u>
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Total Liabilities	<u>\$ 255,232</u>
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See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Hardee County, Florida (County) is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Clerk is an elected official of Hardee County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Clerk is part of the primary government of Hardee County, Florida. The Clerk is responsible for the administration and operation of the Clerk's office. The Clerk's financial statements include only the funds of the Clerk's office. There are no separate legal entities (component units) for which the Clerk is considered to be financially accountable.

The Clerk funds operations as a fee officer and a Budget Officer pursuant to Florida Statutes Chapters 28, 218, and 129, respectively. As a fee officer, the Clerk collects fees and commissions from court related matters. As a budget officer, the operations as Clerk to the Board are approved and funded by the Board. The budgeted receipts from the Board are recorded as revenue on the Clerk's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures as Clerk to the Board are remitted to the Board at year-end.

Court related fees collected by the Clerk in carrying out duties are used to fund the court functions of the Clerk.

Basis of Presentation, Basis of Accounting, and Measurement Focus

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which requires the Clerk to present only fund financial statements. These financial statements present only the portion of the funds of the Hardee County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of the Hardee County, Florida in conformity with accounting principles generally accepted in the United States of America.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

All governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized when a liability is incurred as under accrual accounting. However, expenditures related to accumulated compensated absences, and claims and judgments are recorded only when payments are due.

Agency funds are accounted for using the accrual basis of accounting. Under the accrual method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

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, Fine and Forfeiture Fund, Public Records Modernization Trust Fund, and Child Support IV-D 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 a basis consistent with GAAP.

The Clerk'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.

Fund Accounting

The accounts of the Clerk 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures, 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.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purposes of the Clerk's funds are as follows:

Governmental 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 is established in accordance with Sections 28.35 and 28.37, Florida Statutes. It is used to account for court fines, fees, service charges, liabilities, and costs.

Public Records Modernization Trust Fund – The Public Records Modernization Trust Fund is established in accordance with Florida Statutes. It is used to account for court technology and public records modernization pursuant to Section 28.24, Florida Statutes.

Child Support IV-D Fund – The Child Support IV-D fund is used to account for the child support enforcement grant and related expenditures. In addition, amounts that exceed operating costs of running the child support depository program are to be used for Clerk related functions as directed by the Board.

Fiduciary Funds

Agency Funds – Agency funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, other governments, and/or other funds.

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2020, there was no total fund balance in the General Fund or Fine and Forfeitures Fund, the remaining fund balances in the Public Records Modernization Trust Fund and Child Support IV-D Fund are appropriately classified as restricted and committed, respectively.

As the Clerk is an elected official responsible for the activities of the Clerk's office, the Clerk is the highest level of decision-making authority and any official order from the Clerk would be required to authorize commitment of fund balance. Also, the accounting manager has been given the authority to assign fund balance for a specific purpose, when identified.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies (Continued)

The Clerk has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Clerk will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost. Donated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for these capital assets.

Capital assets are defined by the Clerk as assets with an initial, individual cost of \$1,500 or more and an estimated useful of life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accumulated Unpaid Vacation and Sick Pay

It is the Clerk's policy to allow employees to accumulate vacation and sick leave.

Employees shall be paid for accumulated and unused vacation leave. The maximum permissible accumulation of annual leave on a calendar year basis is as follows.

<u>Length of Service</u>	<u>Maximum Number of Hours</u>
0-10 Years	120
11-20 Years	160
21 Years and Over	200

Any accumulation in excess of the maximum number of hours during the calendar year is permissible and is eligible to be paid out at time of separation of employment.

Employees shall be paid for accumulated and unused sick leave. There is no limit to the number of hours of sick leave that an employee may accumulate. Sick leave is paid out in varying percentages based on the number of years of service:

<u>Length of Service</u>	<u>Percent of Sick Leave</u>
0-20 Years	0.0%
21-24 Years	25.0%
25-29 Years	37.5%
30 Years and Over	50.0%

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements is in conformity with accounting principles prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligation

In accordance with Section 112.0801, Florida Statutes, the Clerk participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH

At September 30, 2020, the Clerk's bank balance \$792,698. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Clerk's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Clerk's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Clerk has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH (CONTINUED)

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

A reconciliation to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits	\$	775,972	
Petty Cash and Change Funds		585	
		<u>776,557</u>	
Balance Sheet:			
Cash	\$	521,325	
Statement of Fiduciary Net Position:			
Cash		<u>255,232</u>	
Total Cash	\$	<u>776,557</u>	

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets for which the Clerk is custodian for the year ended September 30, 2020.

	Balance October 1, 2019	Additions	Disposals	Balance September 30, 2020
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Machinery and Equipment	\$ 543,448	\$ 14,892	\$ -	\$ 558,340
Less: Accumulated Depreciation	(471,458)	(21,895)	-	(493,353)
Total Capital Assets, Net	<u>\$ 71,990</u>	<u>\$ (7,003)</u>	<u>\$ -</u>	<u>\$ 64,987</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

Benefits under the FRS 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

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

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

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

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$131,104, \$125,908, and \$116,907, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 DUE FROM AND DUE TO OTHER FUNDS

The balances of due from and due to other funds were as follows at September 30, 2020:

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 24,906
Fine and Forfeiture Fund	6	7
Public Records Modernization Trust Fund	20,173	6
Child Support IV-D Fund	4,740	-
Total	\$ 24,919	\$ 24,919

NOTE 6 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2020:

	Balance October 1, 2019	Net Additions	Balance September 30, 2020
Accrued Compensated Absences	\$ 69,440	\$ 17,615	\$ 87,055

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Clerk's compensated absences policy.

NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2020 were as follows:

Budget Appropriation – The General Fund of the Clerk received payments from the Board of County Commissioners for non-court related and accounting services in the amount of \$639,240 for the year ended September 30, 2020. Excess revenues and other amounts payable to the Board at September 30, 2020 were \$69,884. Distribution of excess revenues to the Board was \$51,892 for the year ended September 30, 2020.

Health Insurance – The Board of County Commissioners provides health insurance to the Clerk employees. The reimbursement for these benefits for the fiscal year ended September 30, 2020 amounted to \$239,928.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8 RISK MANAGEMENT

The Clerk participates in the risk management program through the Board under a local government risk management pool. The following types of risk are provided for under the risk management pool:

- Property and General Liability
- Automobile Liability
- Public Officials' Liability
- Workers' Compensation

The risk pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss.

NOTE 9 COMMITMENTS AND CONTINGENCIES

The Clerk is currently receiving, and has received in the past, a grant which is subject to special compliance audits by the grantor agency and which may result in disallowed expenditure amounts. These amounts, if any, constitute a contingent liability of the Clerk. Accordingly, such liabilities are not reflected within the financial statements. Management does not believe the effects of contingent liabilities, if any, will be material to the financial statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF
FIDUCIARY NET POSITION – ALL AGENCY FUNDS
SEPTEMBER 30, 2020**

	<u>Special Trust</u>	<u>Support</u>	<u>Court Registry</u>	<u>County Witness</u>	<u>Cash Bond</u>	<u>Condemnation Right-of-Way</u>	<u>Total Agency Funds</u>
ASSETS							
Cash	<u>\$ 61,611</u>	<u>\$ 1,018</u>	<u>\$ 136,522</u>	<u>\$ 483</u>	<u>\$ 51,236</u>	<u>\$ 4,362</u>	<u>\$ 255,232</u>
LIABILITIES							
Due to Individuals	\$ 21,007	\$ -	\$ 136,522	\$ -	\$ 51,236	\$ 4,362	\$ 213,127
Due to Other Governments	<u>40,604</u>	<u>1,018</u>	<u>-</u>	<u>483</u>	<u>-</u>	<u>-</u>	<u>42,105</u>
Total Liabilities	<u>\$ 61,611</u>	<u>\$ 1,018</u>	<u>\$ 136,522</u>	<u>\$ 483</u>	<u>\$ 51,236</u>	<u>\$ 4,362</u>	<u>\$ 255,232</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED SEPTEMBER 30, 2020**

	<u>Balance October 1, 2019</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2020</u>
SPECIAL TRUST				
ASSETS				
Cash	<u>\$ 65,008</u>	<u>\$ 2,397,711</u>	<u>\$ (2,401,108)</u>	<u>\$ 61,611</u>
LIABILITIES				
Due to Individuals	\$ 27,584	\$ 74,554	\$ (81,131)	\$ 21,007
Due to Other Governments	37,424	2,258,017	(2,254,837)	40,604
Due to Board of County Commissioners	-	104,860	(104,860)	-
Total Liabilities	<u>\$ 65,008</u>	<u>\$ 2,437,431</u>	<u>\$ (2,440,828)</u>	<u>\$ 61,611</u>
SUPPORT				
ASSETS				
Cash	<u>\$ 838</u>	<u>\$ 20,074</u>	<u>\$ (19,894)</u>	<u>\$ 1,018</u>
LIABILITIES				
Due to Other Governments	<u>\$ 838</u>	<u>\$ 14,699</u>	<u>\$ (14,519)</u>	<u>\$ 1,018</u>
COURT REGISTRY				
ASSETS				
Cash	<u>\$ 34,808</u>	<u>\$ 213,565</u>	<u>\$ (111,851)</u>	<u>\$ 136,522</u>
LIABILITIES				
Due to Individuals	<u>\$ 34,808</u>	<u>\$ 213,565</u>	<u>\$ (111,851)</u>	<u>\$ 136,522</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES – ALL AGENCY FUNDS (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Increases	(Decreases)	Balance September 30, 2020
COUNTY WITNESS				
ASSETS				
Cash	\$ 468	\$ 200	\$ (185)	\$ 483
LIABILITIES				
Due to Individuals	\$ 15	\$ -	\$ (15)	\$ -
Due to Other Governments	453	370	(340)	483
Total Liabilities	<u>\$ 468</u>	<u>\$ 370</u>	<u>\$ (355)</u>	<u>\$ 483</u>
CASH BOND				
ASSETS				
Cash	<u>\$ 33,947</u>	<u>\$ 79,828</u>	<u>\$ (62,539)</u>	<u>\$ 51,236</u>
LIABILITIES				
Due to Individuals	<u>\$ 33,947</u>	<u>\$ 79,828</u>	<u>\$ (62,539)</u>	<u>\$ 51,236</u>
CONDEMNATION RIGHT-OF-WAY				
ASSETS				
Cash	<u>\$ 4,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,362</u>
LIABILITIES				
Due to Individuals	<u>\$ 4,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,362</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	<u>\$ 139,431</u>	<u>\$ 2,711,378</u>	<u>\$ (2,595,577)</u>	<u>\$ 255,232</u>
LIABILITIES				
Due to Individuals	\$ 100,716	\$ 367,947	\$ (255,536)	\$ 213,127
Due to Other Governments	38,715	2,273,086	(2,269,696)	42,105
Due to Board of County Commissioners	-	104,860	(104,860)	-
Total Liabilities	<u>\$ 139,431</u>	<u>\$ 2,745,893</u>	<u>\$ (2,630,092)</u>	<u>\$ 255,232</u>



**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 Victoria L. Rogers
Hardee County Clerk of the Circuit Court
Hardee 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 each major fund and the aggregate remaining fund information of the Hardee County Clerk of the Circuit Court (Clerk), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated February 2, 2021.

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 opinions 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 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 entity'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.

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court

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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
February 2, 2021



MANAGEMENT LETTER

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Clerk of the Circuit Court (Clerk) as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated February 2, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and 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 the 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 February 2, 2021, 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. See Note 1 in the notes to the financial statements.

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court

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 Clerk of the Circuit Court, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
February 2, 2021



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INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court
Hardee County, Florida

We have examined the Hardee County Clerk of the Circuit Court's (Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets, during the year ended September 30, 2020. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements 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 specified 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 the procedures selected depend on our judgement, including an assessment of the risks 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 Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during year ended September 30, 2020.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
February 2, 2021

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HARDEE COUNTY PROPERTY APPRAISER

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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**HARDEE COUNTY PROPERTY APPRAISER
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INDEPENDENT AUDITORS' REPORT

The Honorable Kathy Crawford
Hardee County Property Appraiser
Wauchula, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the General Fund of the Hardee County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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, 2020, 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 of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major funds, of Hardee County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal 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

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of the Property Appraiser’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser’s 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.



CliftonLarsonAllen LLP

Sebring, Florida
November 20, 2020

**HARDEE COUNTY PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

	ASSETS	
Cash		\$ 75,959
		<u>75,959</u>
	LIABILITIES AND FUND BALANCE	
LIABILITIES		
Due to Board of County Commissioners		\$ 73,101
Due to Other Governments		2,858
Total Liabilities		<u>75,959</u>
FUND BALANCE		<u>-</u>
Total Liabilities and Fund Balance		<u>\$ 75,959</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services:				
Board of County Commissioners	\$ 857,002	\$ 857,002	\$ 856,551	\$ (451)
Other Governments	28,224	28,224	28,224	-
Interest Income	-	-	380	380
Miscellaneous	-	-	525	525
Total Revenues	<u>885,226</u>	<u>885,226</u>	<u>885,680</u>	<u>454</u>
EXPENDITURES				
Current:				
General Government:				
Personal Services	596,668	580,534	560,136	20,398
Operating Expenditures	283,558	218,977	134,528	84,449
Capital Outlay	5,000	85,715	85,715	-
Total Expenditures	<u>885,226</u>	<u>885,226</u>	<u>780,379</u>	<u>104,847</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	105,301	105,301
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	-	-	(101,943)	(101,943)
Other Governments	-	-	(3,358)	(3,358)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(105,301)</u>	<u>(105,301)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Property Appraiser (Property Appraiser) conform to accounting principles generally accepted in the United States of America (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

Hardee County, Florida (County) is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Property Appraiser is an elected official of Hardee County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is part of the primary government of Hardee County, Florida. Although the Board and the Florida Department of Revenue approve the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and the operation of the Property Appraiser's office. The Property Appraiser's financial statements include only the funds of the Property Appraiser's office. There are no separate legal entities (component units) for which the Property Appraiser is considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of Hardee County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Hardee County, Florida in conformity with GAAP.

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser. It is presented as a major governmental fund, which uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, expenditures related to accumulated compensated absences, and claims and judgments are recorded only when payments are due.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fees earned by the Property Appraiser (equal to the amount of the amended budget) are billed quarterly to the Board and other governmental agencies in proportion to prior year taxes levied. By statute, municipalities and school boards are exempt. These fees are recorded as charges for services revenue.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida statutes.

A budget is legally adopted for the General Fund and is on the modified accrual basis of accounting. Budgetary control is at the expenditure classification level (personal services, operating expenditures, capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Property Appraiser. Amendments between expenditure classifications must be submitted to the state of Florida Department of Revenue for approval. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

Refund of “excess fees” – Florida Statutes provide that the excess of the Property Appraiser’s fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and other special taxing districts.

Fund Accounting

The accounts of the Property Appraiser 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 balance, revenues, and expenditures 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.

The purpose of the Property Appraiser’s fund is as follows:

Governmental 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.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2020, there was no fund balance in the General Fund and no classification for fund balance is necessary.

As the Property Appraiser is an elected official responsible for the activities of the Property Appraiser's office, the Appraiser is the highest level of decision-making authority and any official order from the Property Appraiser would be required to authorize commitment of fund balance.

The Property Appraiser has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Property Appraiser will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost. Donated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Property Appraiser maintains custodial responsibility for these capital assets.

Capital assets are defined by the Property Appraiser as assets with an initial, individual cost of \$1,500 or more and an estimated useful life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accumulated Unpaid Vacation and Sick Pay

It is the Property Appraiser's policy to allow employees to accumulate vacation and sick leave. After one year of service, employees are vested and shall be paid for accumulated and unused vacation leave up to a maximum of 160 hours. As an additional incentive, all employees who have been employed 20 years or more are eligible to be paid for accumulated sick leave at varying percentages, ranging from 25% to 50%, based on the number of years of employment.

The Property Appraiser's liability for compensated absences is reported as noncurrent liabilities in the records of Hardee County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the fund financial statements is in conformity with GAAP, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Property Appraiser participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay a portion of the premium cost applicable to an active employee based on years of service and other factors. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH

At September 30, 2020, the carrying amount of the Property Appraiser's deposits was \$75,959 and bank balance was \$128,719, consisting entirely of demand deposits. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Property Appraiser's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Property Appraiser's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Property Appraiser has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH (CONTINUED)

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Property Appraiser's operations is recorded as an expenditure in the general fund of the Property Appraiser at the time of purchase. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County. The Property Appraiser maintains custodial responsibility for these capital assets.

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2019	Additions	Disposals	Balance September 30, 2020
Government Activities:				
Capital Assets, Not Being Depreciated:				
Software in Progress	\$ 127,548	\$ 76,528	\$ -	\$ 204,076
Capital Assets, Being Depreciated:				
Machinery and Equipment	159,191	9,186	(2,775)	165,602
Less: Accumulated Depreciation for:				
Machinery and Equipment	<u>(106,581)</u>	<u>(14,408)</u>	<u>2,775</u>	<u>(118,214)</u>
Total Capital Assets, Being Depreciated, Net	<u>52,610</u>	<u>(5,222)</u>	<u>-</u>	<u>47,388</u>
Government Activities:				
Capital Assets, Net	<u>\$ 180,158</u>	<u>\$ 71,306</u>	<u>\$ -</u>	<u>\$ 251,464</u>

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

Plan Description

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the state of Florida Comprehensive Annual Financial Report.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

Plan Description (Continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

Benefits Provided

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. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the 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.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$75,921, \$73,346, and \$67,516, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 5 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2020:

	Balance October 1, 2019	Net Change	Balance September 30, 2020
Accrued Compensated Absences	\$ 7,119	\$ 4,974	\$ 12,093

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Property Appraiser's compensated absences policy.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2020 were as follows:

Budget Appropriation – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$856,551 for the year ended September 30, 2020. At September 30, 2020, \$73,101 was due to the Board of County Commissioners.

Various Services – The Board of County Commissioners provides various services to the Property Appraiser. The charges for these services for the fiscal year ended September 30, 2020 amounted to \$76,665.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 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 natural disasters. The Property Appraiser participates in the risk management program through the Hardee County Board of County Commissioners under a local government risk management pool. The following types of risk are provided for under the risk management pool:

- Property and General Liability
- Automobile Liability
- Public Officials' Liability
- Workers' Compensation

There have been no decreases in coverage nor have there been any settlements in excess of coverage in any of the three prior years.

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**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 Kathy Crawford
Hardee County Property Appraiser
Wauchula, 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 Hardee County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2020, 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 November 20, 2020.

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 opinions 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 entity'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.

The Honorable Kathy Crawford
Hardee County Property Appraiser

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
November 20, 2020



MANAGEMENT LETTER

The Honorable Kathy Crawford
Hardee County Property Appraiser
Wauchula, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Property Appraiser (Property Appraiser), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated November 20, 2020.

Auditor's 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 November 20, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

The Honorable Kathy Crawford
Hardee County Property Appraiser

Financial Management

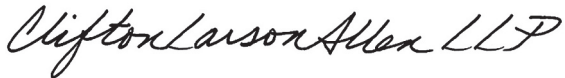
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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.



CliftonLarsonAllen LLP

Sebring, Florida
November 20, 2020



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Kathy Crawford
Hardee County Property Appraiser
and the Florida Auditor General
Wauchula, Florida

We have examined the Hardee County Property Appraiser's (Property Appraiser) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements 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 specified 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 risks 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 specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
November 20, 2020

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HARDEE COUNTY SHERIFF
FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS
YEAR ENDED SEPTEMBER 30, 2020



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**HARDEE COUNTY SHERIFF
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INDEPENDENT AUDITORS' REPORT

The Honorable Arnold Lanier
Hardee County Sheriff
Hardee 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 Hardee County Sheriff (Sheriff) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff'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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.

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 of the Sheriff, as of September 30, 2020, and the respective changes in financial position and budgetary comparison for the General Fund for the year 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 of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund, and the aggregate remaining fund information, only for that portion of the General Fund, and the aggregate remaining fund information, of Hardee County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal 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

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statement is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements 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 statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Arnold Lanier
Hardee County Sheriff

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's 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.



CliftonLarsonAllen LLP

Sebring, Florida
December 15, 2020

**HARDEE COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 834,535	\$ 134,691	\$ 969,226
Due from Other Governments	79,486	-	79,486
Prepaid Items	560,417	-	560,417
	<u>560,417</u>	<u>-</u>	<u>560,417</u>
Total Assets	<u>\$ 1,474,438</u>	<u>\$ 134,691</u>	<u>\$ 1,609,129</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 53,342	\$ 859	\$ 54,201
Accrued Liabilities	360,104	-	360,104
Due to the Board of County Commissioners	1,060,992	37,753	1,098,745
	<u>1,060,992</u>	<u>37,753</u>	<u>1,098,745</u>
Total Liabilities	<u>1,474,438</u>	<u>38,612</u>	<u>1,513,050</u>
 FUND BALANCES			
Nonspendable	560,417	-	560,417
Restricted	-	96,079	96,079
Unassigned	(560,417)	-	(560,417)
	<u>-</u>	<u>96,079</u>	<u>96,079</u>
Total Fund Balances	<u>-</u>	<u>96,079</u>	<u>96,079</u>
Total Liabilities and Fund Balances	<u>\$ 1,474,438</u>	<u>\$ 134,691</u>	<u>\$ 1,609,129</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Appropriations from Board of County Commissioners	\$ 10,874,511	\$ 621,811	\$ 11,496,322
Intergovernmental	52,518	-	52,518
Charges for Services	480,341	-	480,341
Fines and Forfeitures	-	2,972	2,972
Interest	682	-	682
Miscellaneous	108,440	31,990	140,430
Total Revenues	<u>11,516,492</u>	<u>656,773</u>	<u>12,173,265</u>
EXPENDITURES			
Current:			
Public Safety:			
Salaries and Benefits	8,936,723	36,033	8,972,756
Operating Expenditures	1,651,103	164,259	1,815,362
Capital Outlay	455,306	458,195	913,501
Debt Service:			
Principal Retirement	110,445	-	110,445
Interest	15,795	-	15,795
Total Expenditures	<u>11,169,372</u>	<u>658,487</u>	<u>11,827,859</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	347,120	(1,714)	345,406
OTHER FINANCING USES			
Transfers to Board of County Commissioners	<u>(347,120)</u>	<u>(37,753)</u>	<u>(384,873)</u>
NET CHANGE IN FUND BALANCES	-	(39,467)	(39,467)
Fund Balances - Beginning of Year	<u>-</u>	<u>135,546</u>	<u>135,546</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 96,079</u>	<u>\$ 96,079</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriations from Board of County Commissioners	\$ 10,874,511	\$ 10,874,511	\$ 10,874,511	\$ -
Intergovernmental	-	-	52,518	52,518
Charges for Services	-	-	480,341	480,341
Interest	-	-	682	682
Miscellaneous	-	-	108,440	108,440
Total Revenues	<u>10,874,511</u>	<u>10,874,511</u>	<u>11,516,492</u>	<u>641,981</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries and Benefits	8,684,786	8,684,786	8,936,723	(251,937)
Operating Expenditures	1,762,725	1,762,725	1,651,103	111,622
Capital Outlay	427,000	427,000	455,306	(28,306)
Debt Service:				
Principal Retirement	-	-	110,445	(110,445)
Interest and Fiscal Charges	-	-	15,795	(15,795)
Total Expenditures	<u>10,874,511</u>	<u>10,874,511</u>	<u>11,169,372</u>	<u>(294,861)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	347,120	347,120
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(347,120)	(347,120)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2020**

ASSETS

Cash	<u>\$ 74,231</u>
------	------------------

LIABILITIES

Due to Others	\$ 2,514
Due to Individuals	<u>71,717</u>
Total Liabilities	<u>\$ 74,231</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these statements.

Reporting Entity

Hardee County, Florida (County) is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Sheriff is an elected official of Hardee County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Sheriff is part of the primary government of Hardee County, Florida. The Sheriff is responsible for the administration and operation of the Sheriff's office. The Sheriff's financial statements include only the funds of the Sheriff's office. There are no separate legal entities (component units) for which the Sheriff is considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to only present fund financial statements. These financial statements present only the portion of the funds of Hardee County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Hardee County, Florida in conformity with GAAP.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 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.

The agency funds are accounted for using the accrual basis of accounting.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County funds the majority of the operating budget of the Sheriff. The payments by the County to fund the operations of the Sheriff are recorded as expenditures for salaries and benefits, operating expenditures, capital outlay, and debt service in governmental type funds in the financial statements of the County, and as appropriations revenues in the basic financial statements of the Sheriff.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the General Fund and is on the modified accrual basis of accounting. The Sheriff is not legally required to adopt a budget for the Education Fund, E911 Fund, or Commissary Fund. Therefore, budget comparison information is not included in the Sheriff's financial statements. Budgetary control is at the expenditure classification level (salaries and benefits, operating expenditures, and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Sheriff. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

Refund of "Excess Fees" – Florida Statutes provide that the excess of the Sheriff's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of the undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners.

Fund Accounting

The accounts of the Sheriff 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 balances, revenues, and expenditures, 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. The purposes of the Sheriff's funds are as follows:

Major Governmental Funds

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.

Nonmajor Governmental Funds

Education Fund – The Education Fund is a special revenue fund which accounts for an assessment added to certain fines under Section 938.15, Florida Statutes. These monies are restricted for criminal justice education degree programs and training courses.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Nonmajor Governmental Funds (Continued)

E911 Fund – The E911 Fund is a special revenue fund that accounts for E911 fees under Sections 365.171 and 365.172, Florida Statutes, and E911 grants related to providing E911 services within the County. These monies are restricted for maintenance and upgrade of the E911 system. Any excess of revenues over expenditures are remitted back to the Board at fiscal year-end as the amounts are appropriated from the Board.

Commissary Fund – The Commissary Fund is a special revenue fund used to account for commissions earned by providing goods and services to the inmates. These resources are restricted by Section 951.23, Florida Statutes, for inmate welfare.

Fiduciary Funds

Agency Funds – Agency Funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, other governments, and/or other funds.

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2020, there was no fund balance in the General Fund and E911 Fund. The remaining fund balance in the Education Fund and Commissary Fund is appropriately classified as restricted. The nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

As the Sheriff is an elected official responsible for the activities of the Sheriff's office, he is the highest level of decision-making authority and any official order from the Sheriff would be required to authorize commitment of fund balance.

The Sheriff has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Sheriff will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost. Donated and confiscated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Sheriff maintains custodial responsibility for these capital assets.

Capital assets are defined by the Sheriff as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accrued Compensated Absences

It is the Sheriff's policy to allow employees to accumulate annual and sick leave. Employees can accumulate and carry over 120 hours of annual leave and an unlimited amount of sick leave. Annual leave is paid out at separation of service for the hours accumulated to that date. Sick leave is paid out upon retirement in varying amounts based on their length of service as follows.

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
10 to 14 Years	25%
15 to 19 Years	35%
20 Years Plus	50%

The Sheriff's liability for compensated absences is reported as noncurrent liabilities in the records of the County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Use of Estimates

The preparation of the fund financial statements is in conformity with accounting principles generally prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Sheriff participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH

At September 30, 2020, the Sheriff's total bank balance was \$1,146,219. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Sheriff's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Sheriff's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Sheriff has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

A reconciliation to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits	<u>\$ 1,043,457</u>
Balance Sheet:	
Cash	\$ 969,226
Statement of Fiduciary Net Position:	
Cash	<u>74,231</u>
Total Cash	<u>\$ 1,043,457</u>

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets for which the Sheriff is custodian for the year ended September 30, 2020:

	Balance October 1, 2019	Additions	Disposals	Balance September 30, 2020
Machinery and Equipment	\$ 4,968,802	\$ 939,556	\$ (589,578)	\$ 5,318,780
Less: Accumulated Depreciation	(3,166,774)	(630,495)	489,895	(3,307,374)
Total Capital Assets, Net	<u>\$ 1,802,028</u>	<u>\$ 309,061</u>	<u>\$ (99,683)</u>	<u>\$ 2,011,406</u>

NOTE 4 CAPITAL LEASE

Capital Lease – Motorola Radios

On December 15, 2017, the Sheriff entered into a capital lease for the purchase of Motorola Radios with a total cost of \$353,786. The interest rate was 3.43% and had a three-year term with the final payment made on December 15, 2019. Principal and interest was payable in annual installments of \$126,241. During 2020 principal payments were made in the amount of \$110,446, leaving a zero balance at year-end.

NOTE 5 PENSION PLANS

Background

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

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

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

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

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

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.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$1,188,005, \$1,108,413, and \$1,003,284, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 6 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2020:

	Balance October 1, 2019	Net (Decrease)	Balance September 30, 2020	Due Within One Year
Accrued Compensated Absences	<u>\$ 520,557</u>	<u>\$ (12,488)</u>	<u>\$ 508,069</u>	<u>\$ -</u>

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Sheriff's compensated absences policy. The long-term liabilities are not reported in the financial statements of the Sheriff since they are not payable from spendable resources. They are reported in the financial statements of the County.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2020 were as follows:

Budget Appropriation – The General Fund received revenue from the Board of County Commissioners in the amount of \$10,874,511 for the year ended September 30, 2020. At September 30, 2020, \$1,060,992 was due to the Board from the General Fund. The E-911 Fund received revenue from the Board of County Commissioners in the amount of \$621,811. At September 30, 2020, \$37,753 was due to the Board from the E-911 Fund.

NOTE 8 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 natural disasters. There are no significant reductions in insurance coverage from the prior year.

The Sheriff participates in the Florida Sheriffs Risk Management Fund (FSRMF) which is a public entity risk pool that permits the Sheriff to cover the following types of risks:

- Law Enforcement Liability
- Public Officials' Liability
- Automobile Physical Damage and Liability
- And others

The funding agreements provide that the self-insurance funds will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Those funds and program absorb losses up to a specified amount annually and purchases excess coverage from third-party carriers. Each member is assessed his/her pro rata share of the estimated amount required to meet current year losses and operating expenses. Losses, if any, in excess of the fund or program ability to assess its members would revert back to the member that incurred the loss.

The Sheriff also participants in FSRMF for workers' compensation coverage.

There have been no claim settlements in excess of coverage during the past three years.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 COMMITMENTS AND CONTINGENCIES

The Sheriff is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency and which may result in disallowed expenditure amounts. These amounts, if any, constitute a contingent liability of the Sheriff. Accordingly, such liabilities are not reflected within the financial statements. Management does not believe the effects of contingent liabilities, if any, will be material to the financial statements.

The Sheriff is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of management, the ultimate disposition of these lawsuits and claims should not have a material adverse effect on the financial position of the Sheriff.

**HARDEE COUNTY SHERIFF
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Commissary Fund	Education Fund	E-911 Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 65,930	\$ 31,008	\$ 37,753	\$ 134,691
LIABILITIES				
Accounts Payable	\$ 859	\$ -	\$ -	\$ 859
Due to the Board of County Commissioners	-	-	37,753	37,753
Total Liabilities	859	-	37,753	38,612
FUND BALANCES				
Restricted for Education	-	31,008	-	31,008
Restricted for Inmate Welfare	65,071	-	-	65,071
Total Fund Balances	65,071	31,008	-	96,079
Total Liabilities and Fund Balances	\$ 65,930	\$ 31,008	\$ 37,753	\$ 134,691

**HARDEE COUNTY SHERIFF
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2020**

	Commissary Fund	Education Fund	E-911 Fund	Total Nonmajor Governmental Funds
REVENUES				
Appropriations from Board of County Commissioners	\$ -	\$ -	\$ 621,811	\$ 621,811
Fines and Forfeitures	-	2,972	-	2,972
Miscellaneous	31,990	-	-	31,990
Total Revenues	<u>31,990</u>	<u>2,972</u>	<u>621,811</u>	<u>656,773</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries and Benefits	36,033	-	-	36,033
Operating Expenditures	11,773	26,623	125,863	164,259
Capital Outlay	-	-	458,195	458,195
Total Expenditures	<u>47,806</u>	<u>26,623</u>	<u>584,058</u>	<u>658,487</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,816)	(23,651)	37,753	(1,714)
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(37,753)	(37,753)
NET CHANGE IN FUND BALANCES	(15,816)	(23,651)	-	(39,467)
Fund Balances - Beginning of Year	<u>80,887</u>	<u>54,659</u>	<u>-</u>	<u>135,546</u>
FUND BALANCES - END OF YEAR	<u>\$ 65,071</u>	<u>\$ 31,008</u>	<u>\$ -</u>	<u>\$ 96,079</u>

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF FIDUCIARY
NET POSITION – ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Suspense Fund</u>	<u>Collections Fund</u>	<u>Evidence Fund</u>	<u>Inmate Fund</u>	<u>Youth Fund</u>	<u>Flower Fund</u>	<u>Drug Task Force Fund</u>	<u>Total</u>
ASSETS								
Cash	<u>\$ 2,514</u>	<u>\$ -</u>	<u>\$ 45,165</u>	<u>\$ 16,196</u>	<u>\$ 5,869</u>	<u>\$ 4,487</u>	<u>\$ -</u>	<u>\$ 74,231</u>
LIABILITIES								
Due to Others	\$ 2,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,514
Due to Individuals	-	-	45,165	16,196	5,869	4,487	-	71,717
Total Liabilities	<u>\$ 2,514</u>	<u>\$ -</u>	<u>\$ 45,165</u>	<u>\$ 16,196</u>	<u>\$ 5,869</u>	<u>\$ 4,487</u>	<u>\$ -</u>	<u>\$ 74,231</u>

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Increases	(Decreases)	Balance September 30, 2020
SUSPENSE				
ASSETS				
Cash	\$ 5,911	\$ 73,465	\$ (76,862)	\$ 2,514
LIABILITIES				
Due to Others	\$ 5,911	\$ 73,465	\$ (76,862)	\$ 2,514
COLLECTIONS				
ASSETS				
Cash	\$ -	\$ 13,528	\$ (13,528)	\$ -
LIABILITIES				
Due to Individuals	\$ -	\$ 13,528	\$ (13,528)	\$ -
EVIDENCE				
ASSETS				
Cash	\$ 19,112	\$ 43,591	\$ (17,538)	\$ 45,165
LIABILITIES				
Due to Individuals	\$ 19,112	\$ 43,591	\$ (17,538)	\$ 45,165
INMATE				
ASSETS				
Cash	\$ 18,451	\$ 2,972,488	\$ (2,974,743)	\$ 16,196
LIABILITIES				
Due to Individuals	\$ 18,451	\$ 2,972,488	\$ (2,974,743)	\$ 16,196
YOUTH				
ASSETS				
Cash	\$ 5,869	\$ -	\$ -	\$ 5,869
LIABILITIES				
Due to Individuals	\$ 5,869	\$ -	\$ -	\$ 5,869
FLOWER				
ASSETS				
Cash	\$ 2,225	\$ 3,338	\$ (1,076)	\$ 4,487
LIABILITIES				
Due to Individuals	\$ 2,225	\$ 3,338	\$ (1,076)	\$ 4,487
DRUG TASK FORCE				
ASSETS				
Cash	\$ 4,761	\$ 1	\$ (4,762)	\$ -
LIABILITIES				
Due to Others	\$ 4,761	\$ 1	\$ (4,762)	\$ -
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 56,329	\$ 3,106,411	\$ (3,088,509)	\$ 74,231
LIABILITIES				
Due to Others	\$ 10,672	\$ 73,466	\$ (81,624)	\$ 2,514
Due to Individuals	45,657	3,032,945	(3,006,885)	71,717
Total Liabilities	\$ 56,329	\$ 3,106,411	\$ (3,088,509)	\$ 74,231

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**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 Arnold Lanier
Hardee County Sheriff
Hardee 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 Hardee County Sheriff (Sheriff) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated December 15, 2020.

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 opinions 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 on 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 entity'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002 that we consider to be material weaknesses.

The Honorable Arnold Lanier
Hardee County Sheriff

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Hardee County Sheriff's Responses to Findings

The Sheriff's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Sheriff's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
December 15, 2020



MANAGEMENT LETTER

The Honorable Arnold Lanier
Hardee County Sheriff
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Sheriff (Sheriff) as of and for the fiscal year ended September 30, 2020, and we have issued our report thereon dated December 15, 2020.

Auditor's 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 December 15, 2020, 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 not been taken to address findings and recommendations made in the preceding financial audit report as noted scheduling of findings and responses.

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. See Note 1 in the notes to the financial statements.

The Honorable Arnold Lanier
Hardee County 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 did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. See item 2020-003 in the accompanying schedule of findings and responses.

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.



CliftonLarsonAllen LLP

Sebring, Florida
December 15, 2020

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2020**

PRIOR YEAR

Prior Years Findings		Current Year Status			Current Year Finding #	2018-2019 Year Finding #	2017-2018 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
2019-001 - Audit Adjustments and Account Reconciliations	Material Weakness			X	2020-001	2019-001	2018-001
2019-002 Bank Reconciliations	Material Weakness			X	2020-002	2019-002	Not Reported
2019-003 Budgets	Compliance			X	2020-003	2019-001	2018-002

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2020-001 – Audit Adjustments and Account Reconciliations (Previously Identified as Finding 2019-001)

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: In prior years, material audit adjustments to correct the Sheriff’s financial statements were identified during the audit. These types of errors were identified again in the current year and resulted in material adjustments to the Sheriff’s financial statements.

Our audit procedures also detected that several balance sheet accounts are not reconciled on a monthly basis, including fiscal year-end. Accounts including prepaid items, accounts payable, accrued liabilities, and fund balance did not reconcile to supporting documentation.

Criteria or specific requirement: The Sheriff’s management is responsible for establishing and maintaining internal controls to ensure that transactions are properly recorded and reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Context: Testing of account balances identified the deficiencies.

Effect: Assets, liabilities, revenues, expenditures, and other financing uses were misstated.

Cause: There is unfamiliarity with how to account for certain transactions. Account reconciliations were either not performed or were not completed in a manner that identified and resolved issues with account balances.

Recommendation: Account reconciliations should be prepared monthly, including at fiscal year-end, by one person and reviewed by another. Reconciliations should be performed for all balance sheet accounts including prepaid items, accounts payable, accrued liabilities, fund balance, and any other balances. Any discrepancies should be investigated and resolved. Trial balances should be reviewed to ensure that all accounts are reconciled and any related adjustments from a prior or current year are posted.

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2020**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2020-001 – Audit Adjustments and Account Reconciliations (Previously Identified as Finding 2019-001) (Continued)

Views of responsible officials: We are continuing to explore options to utilize the requisition and purchase order functions within our ADG software to help with the monthly reconciliation of accounts payable. Due to the COVID-19 pandemic, responses from ADG have been limited and caused the delay in utilizing this function within the 2019-2020 fiscal year.

2020-002 – Bank Reconciliations (Previously Identified as Finding 2019-002)

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: In prior years, the Sheriff's operating bank account was not completely reconciled to the general ledger and the reconciliation contained errors. These types of errors were identified again in the current year and resulted in material adjustments to the Sheriff's financial statements.

Criteria or specific requirement: The Sheriff's management is responsible for establishing and maintaining internal controls over cash transactions. Timely preparation and completion of accurate reconciliations is a key to maintaining adequate control over receipts, disbursements, and other transactions.

Context: Testing of internal controls over financial reporting and substantive testing of the bank reconciliations identified the deficiencies.

Effect: Not reconciling the cash accounts completely results in errors or other problems remaining undetected, including misstatement of cash and other general ledger accounts. Delays in reconciling accounts completely also results in inefficiency due to the additional time needed to research and resolve differences.

Cause: Cash posting errors identified during the audit included backdating checks and other disbursements made after the fiscal year-end to September 30, 2020 and recording other fiscal year-end accruals as cash transactions.

Recommendation: Management should improve on its bank reconciliation process including a final review of each month's bank reconciliation after posting all adjustments to the general ledger for a particular month. Also, disbursements should not be back dated.

Views of responsible officials: The operating account has carried a variance of \$21,244.14 since 2018. Upon research into this variance, it was discovered that the variance is from the year end close out journal entries for fiscal year 2018/2018 payroll accruals. We are working to resolve this variance under the guidance of CliftonLarsonAllen.

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2020**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2020-003 - Budgets (Previously Identified as Finding 2019-003)

Type of Finding:

- Compliance

Condition: For the year ended September 30, 2020, expenditures in the General Fund exceeded the final appropriated budget.

Criteria or specific requirement: Section 30.49, Florida Statutes, sets forth the requirements of the Sheriff's budget.

Context: Testing of compliance with budgetary requirements identified the deficiency.

Effect: The Sheriff is not in compliance with the budgetary requirements of Florida Statutes.

Cause: The budget was not amended with the Board of County Commissioners for expenditures funded by specific charges for services and intergovernmental revenues received directly by the Sheriff.

Recommendation: Budgets should be monitored and amended when needed, within the time period allowed by Statute, to ensure that the Sheriff does not incur expenditures or transfers in excess of budgeted amounts. This should be done at least monthly utilizing the accounting software reports and controls. The Sheriff should request amendment to their budget for those expenditures funded by specific revenues that were received directly from sources other than the Board.

Views of responsible officials: We will be addressing any and all budget amendments by submitting an agenda for a hearing with the Hardee County Board of County Commissioners.

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INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Arnold Lanier, Hardee County Sheriff
and the Florida Auditor General
Hardee County, Florida

We have examined the Hardee County Sheriff's (Sheriff) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements 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 specified 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 the procedures selected depend on our judgment, including an assessment of the risks 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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
December 15, 2020

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HARDEE COUNTY SUPERVISOR OF ELECTIONS

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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WEALTH ADVISORY

OUTSOURCING

**AUDIT, TAX, AND
CONSULTING**

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**HARDEE COUNTY SUPERVISOR OF ELECTIONS
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INDEPENDENT AUDITORS' REPORT

The Honorable Diane Smith
Hardee County Supervisor of Elections
Hardee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the General Fund of the Hardee County Supervisor of Elections (Supervisor of Elections), as of and for the year ended September 30, 2020, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

The Honorable Diane Smith
Hardee County Supervisor of Elections

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, 2020, 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 of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund, only for that portion of the General Fund, of Hardee County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal 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

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statement is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections’ 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.



CliftonLarsonAllen LLP

Sebring, Florida
January 12, 2021

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash		\$	71,691
Prepaid Items			<u>7,625</u>
Total Assets		\$	<u><u>79,316</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable		\$	28,541
Accrued Liabilities			7,267
Due to Board of County Commissioners			27,636
Due to Other Governments			<u>15,872</u>
Total Liabilities			79,316

FUND BALANCE

Nonspendable			7,625
Unassigned			<u>(7,625)</u>
Total Fund Balance			<u>-</u>
Total Liabilities and Fund Balance		\$	<u><u>79,316</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriation from Board of County Commissioners	\$ 480,785	\$ 480,785	\$ 480,785	\$ -
Intergovernmental	-	34,203	34,203	-
Interest Income	-	-	44	44
Miscellaneous	-	-	625	625
Total Revenues	<u>480,785</u>	<u>514,988</u>	<u>515,657</u>	<u>669</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	304,142	304,142	306,906	(2,764)
Operating Expenditures	164,143	198,346	181,115	17,231
Capital Outlay	12,500	12,500	-	12,500
Total Expenditures	<u>480,785</u>	<u>514,988</u>	<u>488,021</u>	<u>26,967</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	27,636	27,636
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(27,636)	(27,636)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Supervisor of Elections (Supervisor of Elections) conform to accounting principles generally accepted in the United States of America (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

Hardee County, Florida (County) is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

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 part of the primary government of the County. The Board approves the Supervisor of Elections' total operating budget. The Supervisor of Elections is responsible for the administration and the operation of the Supervisor of Elections' office and the financial statements include only the funds of the Supervisor of Elections' office. There are no separate legal entities (component units) for which the Supervisor of Elections is considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Supervisor of Elections to only present fund financial statements. These financial statements present only the portion of the funds of Hardee County, Florida that are attributable to the Supervisor of Elections. They are not intended to present fairly the financial position and results of operations of Hardee County, Florida in conformity with U.S. GAAP.

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. It is presented as a major governmental fund, which uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, expenditures related to accumulated compensated absences, and claims and judgments are recorded only when payments are due.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County funds the majority of the operating budget of the Supervisor of Elections. The payments by the County to fund the operations of the Supervisor of Elections are recorded as expenditures for salaries and benefits, operating expenditures, and capital outlay in governmental fund types in the financial statements of the County, and as appropriations revenues on the basic financial statements of the Supervisor of Elections. Any excess of revenues over expenditures are remitted to the Board and recorded as other financing uses.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the General Fund and is on a basis consistent with GAAP. Budgetary control is at the expenditure classification level (salaries and benefits, operating expenditures, capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Supervisor of Elections. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

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.

Refund of "Excess Fees" – Florida Statutes provide that the excess of the Supervisor of Elections' fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board.

Fund Accounting

The accounts of the Supervisor of Elections 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 balance, revenues, and expenditures, 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.

The purpose of the Supervisor of Elections' fund is as follows:

Governmental 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

As the Supervisor of Elections is an elected official responsible for the activities of the Supervisor of Elections' office, the Supervisor of Elections is the highest level of decision-making authority and any official order from the Supervisor of Elections would be required to authorize commitment of fund balance.

The Supervisor of Elections has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Supervisor of Elections will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost. Donated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Supervisor of Elections maintains custodial responsibility for these capital assets.

Capital assets are defined by the Supervisor of Elections as assets with an initial, individual cost of \$1,500 or more and an estimated useful life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accumulated Annual Leave

It is the Supervisor of Elections' policy to allow employees to accumulate vacation leave. At one year of service, employees are vested and shall be paid for accumulated an unused vacation leave up to a maximum of 200 hours.

The Supervisor of Elections' liability for compensated absences is reported as noncurrent liabilities in the records of Hardee County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the fund financial statements is in conformity with U.S. GAAP, as applicable to government entities requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Supervisor of Elections participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay a certain portion of the premium cost applicable to an active employee based on years of service and other factors. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, are reported in the financial statements of the County.

NOTE 2 CASH

At September 30, 2020, the Supervisor of Elections' deposits were \$78,799 and the Supervisor of Elections' book balance was \$71,691, consisting entirely of demand deposits. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Supervisor of Elections' monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Supervisor of Elections' total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Supervisor of Elections has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH (CONTINUED)

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2019	Additions	Disposals	Balance September 30, 2020
Machinery and Equipment	\$ 224,537	\$ -	\$ -	\$ 224,537
Less: Accumulated Depreciation	(189,607)	(6,249)	-	(195,856)
Total Capital Assets, Net	<u>\$ 34,930</u>	<u>\$ (6,249)</u>	<u>\$ -</u>	<u>\$ 28,681</u>

NOTE 4 PENSION PLANS

Background

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

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

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (the FRS Plan) is a cost-sharing, multiple-employer, defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011 vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011 vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

Plan Description

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (the Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Supervisor of Elections employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

Benefits Provided

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. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor of Elections.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Supervisor of Elections' contributions made during the years ended September 30, 2020, 2019, and 2018 were \$56,388, \$56,210, and \$52,821, respectively, equal to the actuarially determined required contribution requirements for each year.

Additional information about pension plans can be found in the County comprehensive annual financial report.

NOTE 5 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences obligations for the year ended September 30, 2020:

	Balance October 1, 2019	Net Change	Balance September 30, 2020
Accrued Compensated Absences	\$ 389	\$ 1,198	\$ 1,587

Accrued compensated absences represent the vested portion of accrued annual leave. See Note 1 for a summary of the Supervisor of Elections' compensated absences policy.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Board for the year ended September 30, 2020 were as follows:

Budget Appropriation – The General Fund of the Supervisor of Elections received revenue from the Board in the amount of \$480,785 for the fiscal year ended September 30, 2020. The General Fund paid \$25,329 to the Board for health insurance. In addition, \$27,636 was due to the Board at September 30, 2020.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 RISK MANAGEMENT

The Supervisor of Elections participates in the risk management program through the Hardee County Board of County Commissioners under a local government risk pool. The following types of risk are provided for under the risk management pool:

- Property and General Liability
- Automobile Liability
- Public Officials' Liability
- Workers' Compensation

The risk pool assesses each member it's pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss.

NOTE 8 CONTINGENCIES

The Supervisor of Elections is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency and which may result in disallowed expenditure amounts. These amounts, if any, constitute a contingent liability of the Supervisor of Elections. Accordingly, such liabilities are not reflected within the financial statements. Management does not believe the effects of contingent liabilities, if any, will be material to the financial statements.



**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 Diane Smith
Hardee County Supervisor of Elections
Hardee 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 Hardee County Supervisor of Elections (Supervisor of Elections), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Supervisor of Elections' basic financial statements, and have issued our report thereon dated January 12, 2021.

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 opinions 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 entity'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.

The Honorable Diane Smith
Hardee County Supervisor of Elections

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.



CliftonLarsonAllen LLP

Sebring, Florida
January 12, 2021



MANAGEMENT LETTER

The Honorable Diane Smith
Hardee County Supervisor of Elections
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Supervisor of Elections (Supervisor of Elections), Florida as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 12, 2021.

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 January 12, 2021 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 not been taken to address findings and recommendations made in the preceding 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. See Note 1 in the notes to the financial statements.

The Honorable Diane Smith
Hardee County Supervisor of Elections

Financial Management


Section 10.554(1)(i)2., Rules of the Auditor General, requires that communicate any 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. See item 2020-001 in the accompanying schedule of findings and responses.

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 Supervisor of Elections, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Sebring, Florida
January 12, 2021

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2020**

PRIOR YEAR

Prior Years Findings		Current Year Status			Current Year Finding #	2018-2019 Year Finding #	2017-2018 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
2020-001 - Employee Bonuses	Compliance			X	2020-001	2019-001	N/A

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2020-001 – Employee Bonuses

Type of Finding:

- Compliance

Condition: In the prior year, employee bonuses were paid in absence of a preexisting lump-sum bonus payment program. This condition was identified again in the current year.

Criteria or specific requirement: Section 215.425, Florida Statutes, establishes provisions for bonuses including items that must be included in the policy.

Context: Testing of payroll identified the noncompliance.

Effect: The Supervisor of Elections is not in compliance with Section 215.425, Florida Statutes.

Cause: Management was unfamiliar with some of the requirements of Section 215.425, Florida Statutes.

Recommendation: We recommend that the Supervisor or Elections comply with provisions of Section 215.425, Florida Statutes, regarding the payment of bonuses. The Supervisor of Elections should also adopt a formal lump-sum bonus payment program that meets the criteria specified in the statute.

Views of responsible officials and planned corrective actions: I agree with your findings. Our office is in the process of modifying our personnel policy to include parameters for staff evaluations and bonuses.

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INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Diane Smith
Hardee County Supervisor of Elections
Hardee County, Florida

We have examined the Hardee County Supervisor of Elections (Supervisor of Elections), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance with the specified requirements 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 specified 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 risks 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 Supervisor of Elections complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
January 12, 2021

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HARDEE COUNTY TAX COLLECTOR

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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**HARDEE COUNTY TAX COLLECTOR
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INDEPENDENT AUDITORS' REPORT

The Honorable Jacki Johnson
Hardee County Tax Collector
Hardee 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 Hardee County Tax Collector (Tax Collector), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.

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 of the Tax Collector as of September 30, 2020, 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 of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund, and the aggregate remaining fund information, only for that portion of the General Fund, and the aggregate remaining fund information, of Hardee County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statement is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements 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 statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Honorable Jacki Johnson
Hardee County Tax Collector

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 2020, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
November 19, 2020

**HARDEE COUNTY TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash	\$ 90,554
Accounts Receivable	<u>34,499</u>
Total Assets	<u><u>\$ 125,053</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 247
Due to the Board of County Commissioners	121,050
Due to Other Governments	<u>3,756</u>
Total Liabilities	125,053

FUND BALANCE

Total Liabilities and Fund Balance	<u><u>\$ 125,053</u></u>
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See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 912,830	\$ 912,830	\$ 973,550	\$ 60,720
Interest	150	150	364	214
Miscellaneous	800	800	1,124	324
Total Revenues	<u>913,780</u>	<u>913,780</u>	<u>975,038</u>	<u>61,258</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	785,247	785,247	742,194	43,053
Operating Expenditures	122,196	122,196	104,558	17,638
Capital Outlay	4,500	4,500	3,480	1,020
Total Expenditures	<u>911,943</u>	<u>911,943</u>	<u>850,232</u>	<u>61,711</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,837	1,837	124,806	122,969
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	(1,837)	(1,837)	(121,050)	(119,213)
Indigent Health Care Special District	-	-	(1,385)	(1,385)
Other Governments	-	-	(2,371)	(2,371)
Total Other Financing Uses	<u>(1,837)</u>	<u>(1,837)</u>	<u>(124,806)</u>	<u>(122,969)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2020**

ASSETS

Cash	<u>\$ 495,712</u>
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LIABILITIES

Due to Individuals	\$ 17,556
Due to Board of County Commissioners	3,574
Due to Other Governments	194,761
Due to Indigent Health Care Special District	52
Deposit - Installment Taxes	<u>279,769</u>

Total Liabilities	<u>\$ 495,712</u>
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See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Tax Collector (Tax Collector) conform to accounting principles generally accepted in the United States of America (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

Hardee County, Florida, is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Tax Collector is an elected official of Hardee County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Tax Collector is part of the primary government of Hardee County, Florida. Although the Board and the Florida Department of Revenue approve the Tax Collector's operating budget, the Tax Collector is responsible for the administration and the operation of the Tax Collector's office. The Tax Collector's financial statements include only the funds of the Tax Collector's office. There are no separate legal entities (component units) for which the Tax Collector is considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Tax Collector to only present fund financial statements. These financial statements present only the portion of the funds of Hardee County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Hardee County, Florida, in conformity with GAAP.

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector. It is presented as a major governmental fund, which uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, expenditures related to accumulated compensated absences, and claims and judgments are recorded only when payments are due.

The agency funds are accounted for using the accrual basis of accounting.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Charges for services on the collection of property taxes are recognized as revenue in the fiscal year for which taxes are levied, provided they are collected within 60 days after the end of the fiscal year. Those fees are earned pursuant to Florida Statute Chapter 192.091(2) as a Fee Officer. Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Investment revenues are recorded as earned.

Any excess revenues received over expenditures made are remitted to the Board and the other taxing districts and recorded as other financing uses.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the General Fund and is on a basis consistent with GAAP. Budgetary control is at the expenditure classification level (personal services, operating expenditures, capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Tax Collector. Amendments between expenditure classifications must be submitted to the State of Florida Department of Revenue for approval. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

Property Tax Collection – Chapter 197, Florida Statutes, governs property tax collection.

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, and 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 file an application for tax deed sale two years after the taxes have been delinquent (after April 1). 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 of the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Refund of "Excess Fees" – Florida Statutes provide that the excess of the Tax Collector's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of the undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and other taxing districts.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The accounts of the Tax Collector 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 balance, revenues, and expenditures, 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. The purposes of the Tax Collector's funds are as follows:

Governmental Fund

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

Fiduciary Funds

Agency Funds – Agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds.

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2020, there was no fund balance in the General Fund and no classification for fund balance is necessary.

As the Tax Collector is an elected official responsible for the activities of the Tax Collector's office, the Tax Collector is the highest level of decision-making authority and any official order from the Tax Collector would be required to authorize commitment of fund balance.

The Tax Collector has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Tax Collector will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost. Donated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Tax Collector maintains custodial responsibility for these capital assets.

Capital assets are defined by the Tax Collector as assets with an initial, individual cost of \$1,500 or more and an estimated useful of life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Unpaid Vacation and Sick Pay

It is the Tax Collector's policy to allow employees to accumulate vacation and sick leave. After one year of service, employees are vested and shall be paid for accumulated and unused vacation leave up to a maximum of 120 hours. As an additional incentive, all employees who have been employed 20 years or more are eligible to be paid for accumulated sick leave at varying percentages based on the number of years of employment ranging from 25% to 50% of their accumulated leave.

The Tax Collector's liability for compensated absences is reported as noncurrent liabilities in the records of Hardee County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Use of Estimates

The preparation of the fund financial statements is in conformity with GAAP, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Tax Collector participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay a certain portion of the premium cost applicable to an active employee based on years of service and other factors. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, are reported in the financial statements of the County.

NOTE 2 CUSTODIAL CREDIT RISK

At September 30, 2020, the Tax Collector's bank balance was \$676,757, consisting entirely of demand deposits. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Tax Collector's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Tax Collector's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Tax Collector has no policy on custodial credit risk.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CUSTODIAL CREDIT RISK (CONTINUED)

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

A reconciliation to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits	\$	584,816
Petty Cash and Change Funds		1,450
Total	\$	<u>586,266</u>
Balance Sheet:		
Cash	\$	90,554
Statement of Fiduciary Net Position:		
Cash		495,712
Total Cash	\$	<u>586,266</u>

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2019	Additions	Disposals	Balance September 30, 2020
Machinery and Equipment	\$ 118,725	\$ 5,715	\$ (12,564)	\$ 111,876
Less: Accumulated Depreciation	(92,506)	(6,809)	12,564	(86,751)
Total Capital Assets, Net	<u>\$ 26,219</u>	<u>\$ (1,094)</u>	<u>\$ -</u>	<u>\$ 25,125</u>

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 DEFINED BENEFIT PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

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

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Tax Collector employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

Benefits Provided

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. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the 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.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The County's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$94,623, \$89,694, and \$70,743, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the Hardee County's comprehensive annual financial report.

NOTE 5 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2020:

	Balance October 1, 2019	Net Change	Balance September 30, 2020
Accrued Compensated Absences	<u>\$ 31,333</u>	<u>\$ (4,111)</u>	<u>\$ 27,222</u>

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 COMPENSATED ABSENCES (CONTINUED)

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Tax Collector's compensated absences policy. The long-term liabilities are not reported in the financial statements of the Tax Collector since they are not payable from spendable resources. They are reported in the financial statements of Hardee County.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2020 were as follows:

Budget Appropriation – The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$563,338 for the year ended September 30, 2020. The General Fund of the Tax Collector paid \$105,537 to the Board of County Commissioners for Health Insurance. In addition, \$121,050 and \$3,574 was due to the Board of County Commissioners at September 30, 2020 from the General Fund and Agency Funds, respectively.

NOTE 7 RISK MANAGEMENT

The Tax Collector participates in the risk management program through the Hardee County Board of County Commissioners under a local government risk pool. The following types of risk are provided for under the risk management pool:

- Professional Liability
- Automobile Liability
- Public Officials' Liability
- Workers' Compensation

The risk pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss.

NOTE 8 CONTINGENCIES

The Tax Collector is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of management, the ultimate disposition of these lawsuits and claims should not have a material adverse effect on the financial position of the Tax Collector.

**HARDEE COUNTY TAX COLLECTOR
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL AGENCY FUNDS
 SEPTEMBER 30, 2020**

	<u>Tax Collector Fund</u>	<u>Motor Vehicle Fund</u>	<u>Total</u>
ASSETS			
Cash	<u>\$ 311,537</u>	<u>\$ 184,175</u>	<u>\$ 495,712</u>
LIABILITIES			
Due to Individuals	\$ 17,556	\$ -	\$ 17,556
Due to Board of County Commissioners	1,517	2,057	3,574
Due to Other Governments	12,643	182,118	194,761
Due to Indigent Health Care Special District	52	-	52
Deposit - Installment Taxes	<u>279,769</u>	<u>-</u>	<u>279,769</u>
Total Liabilities	<u>\$ 311,537</u>	<u>\$ 184,175</u>	<u>\$ 495,712</u>

**HARDEE COUNTY TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020
TAX COLLECTOR FUND				
ASSETS				
Cash	\$ 308,139	\$ 30,578,970	\$ (30,575,572)	\$ 311,537
Due from Individuals	-	734,475	(734,475)	-
Total Assets	<u>\$ 308,139</u>	<u>\$ 31,313,445</u>	<u>\$ (31,310,047)</u>	<u>\$ 311,537</u>
LIABILITIES				
Due to Individuals	\$ 18,439	\$ 1,058,648	\$ (1,059,531)	\$ 17,556
Due to Board of County Commissioners	5,839	17,345,098	(17,349,420)	1,517
Due to Other Governments	13,518	12,044,670	(12,045,545)	12,643
Due to Indigent Health Care Special District	89	585,259	(585,296)	52
Deposit - Installment Taxes	270,254	279,769	(270,254)	279,769
Total Liabilities	<u>\$ 308,139</u>	<u>\$ 31,313,444</u>	<u>\$ (31,310,046)</u>	<u>\$ 311,537</u>
MOTOR VEHICLE FUND				
ASSETS				
Cash	\$ 93,390	\$ 3,856,070	\$ (3,765,285)	\$ 184,175
LIABILITIES				
Due to Board of County Commissioners	\$ 1,590	\$ 6,410	\$ (5,943)	\$ 2,057
Due to Other Governments	91,800	3,849,661	(3,759,343)	182,118
Total Liabilities	<u>\$ 93,390</u>	<u>\$ 3,856,071</u>	<u>\$ (3,765,286)</u>	<u>\$ 184,175</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 401,529	\$ 34,435,040	\$ (34,340,857)	\$ 495,712
Due from Individuals	-	734,475	(734,475)	-
Total Assets	<u>\$ 401,529</u>	<u>\$ 35,169,515</u>	<u>\$ (35,075,332)</u>	<u>\$ 495,712</u>
LIABILITIES				
Due to Individuals	\$ 18,439	\$ 1,058,648	\$ (1,059,531)	\$ 17,556
Due to Board of County Commissioners	7,429	17,351,508	(17,355,363)	3,574
Due to Other Governments	105,318	15,894,331	(15,804,888)	194,761
Due to Indigent Health Care Special District	89	585,259	(585,296)	52
Deposit - Installment Taxes	270,254	279,769	(270,254)	279,769
Total Liabilities	<u>\$ 401,529</u>	<u>\$ 35,169,515</u>	<u>\$ (35,075,332)</u>	<u>\$ 495,712</u>



**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 Jacki Johnson
Hardee County Tax Collector
Hardee 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 Hardee County Tax Collector (Tax Collector), as of and for the year ended September 30, 2020, 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 November 19, 2020.

Internal Controls 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 opinions 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 entity'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.

The Honorable Jacki Johnson
Hardee County Tax Collector

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
November 19, 2020



MANAGEMENT LETTER

The Honorable Jacki Johnson
Hardee County Tax Collector
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Tax Collector, Florida, (Tax Collector) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated November 19, 2020.

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 November 19, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

The Honorable Jacki Johnson
Hardee County 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.

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 Tax Collector, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Sebring, Florida
November 19, 2020



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Jacki Johnson, Hardee County Tax Collector
and the Florida Auditor General
Hardee County Tax Collector
Hardee County, Florida

We have examined the Hardee County Tax Collector's (Tax Collector) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements 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 specified 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 risks 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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
November 19, 2020