

HARDEE COUNTY, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2019



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**HARDEE COUNTY, FLORIDA
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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, 2019, 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, 2019, 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, and Economic Development Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 16 to the financial statements, the County restated beginning balances to correct accounting errors that occurred in a prior year. Our opinion is not modified with respect to that matter.

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 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.

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 March 31, 2020, 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
March 31, 2020

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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, 2019. This report provides comparative data for fiscal years 2019 and 2018.

Financial Highlights

Significant financial highlights for fiscal year 2019 are as follows:

- Total assets and deferred outflows of resources of the County exceeded total liabilities and deferred inflows of resources by \$66.03 million. Of this amount, \$63.44 million was invested in capital assets, net of related debt and \$17.91 million is restricted for various purposes. Unrestricted net deficit was \$15.32 million.
- The total net position was \$2.81 million more than the previous years' net position. This change includes excess revenues over expenditures of \$3.02 million and a prior period adjustment of (\$206) thousand.
- The County's total liabilities increased by \$2.48 million or 6.2% from the previous year.
- As of September 30, 2019, the combined total governmental funds' fund balance reflected a balance of \$24.69 million, a decrease of 4.0% from the previous year. Determining this balance was \$28.84 million in total governmental funds' assets, less \$3.11 million in total governmental funds liabilities and deferred inflows of resources of \$1.04 million.
- The County's total unassigned fund balance was \$5.40 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, 2019**

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 18 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, 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 26 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.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

The basic proprietary fund financial statement can be found on pages 27 to 31 of this report.

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 fund financial statement can be found on page 32 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 33 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 particular case, the County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$66.03 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 (96.09%) 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 \$2.81 million.

Hardee County's Net Position

NET POSITION COMPARISON	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Current and Other Assets	\$ 28,803,053	\$ 28,017,575	\$ 5,060,172	\$ 5,465,258	\$ 33,863,225	\$ 33,482,833
Capital Assets	43,259,235	50,099,060	18,629,623	17,947,356	61,888,858	68,046,416
Total Assets	72,062,288	78,116,635	23,689,795	23,412,614	95,752,083	101,529,249
Deferred Outflows of Resources	9,962,245	8,960,526	238,731	206,855	10,200,976	9,167,381
Long-Term Debt Outstanding	27,795,273	30,718,606	9,151,239	8,845,861	36,946,512	39,564,467
Other Liabilities	2,375,551	2,283,173	520,834	473,360	2,896,385	2,756,533
Total Liabilities	30,170,824	33,001,779	9,672,073	9,319,221	39,842,897	42,321,000
Deferred Inflows of Resources	2,813,847	2,286,147	76,637	59,744	2,890,484	2,345,891
Net Position:						
Invested in Capital Assets						
Net of Related Debt	42,661,706	48,977,603	14,799,623	14,467,356	57,461,329	63,444,959
Restricted	18,281,362	17,909,065	-	-	18,281,362	17,909,065
Unrestricted	(11,903,206)	(15,097,433)	(619,807)	(226,852)	(12,523,013)	(15,324,285)
Total Net Position	\$ 49,039,862	\$ 51,789,235	\$ 14,179,816	\$ 14,240,504	\$ 63,219,678	\$ 66,029,739

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

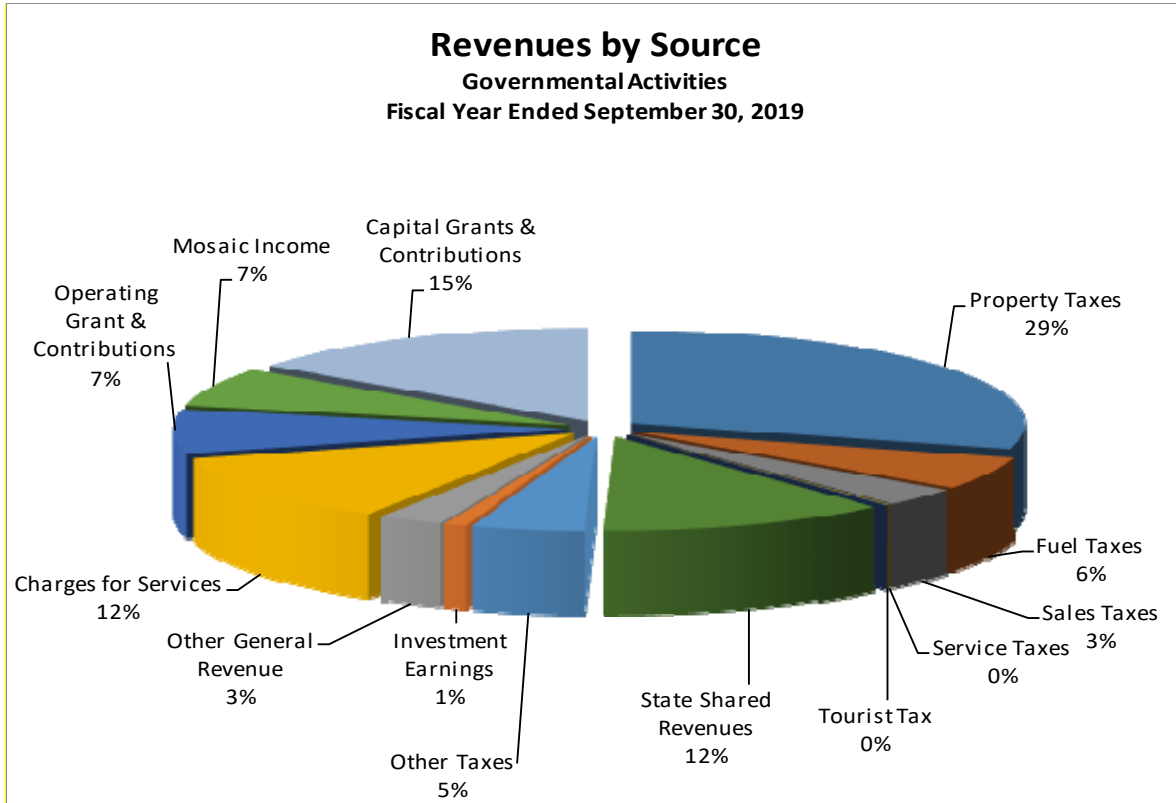
Hardee County's Changes in Net Position

CHANGE IN NET POSITION	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,650,462	\$ 5,734,535	\$ 3,004,229	\$ 2,881,792	\$ 8,654,691	\$ 8,616,327
Operating Grants and Contributions	1,009,684	3,618,488	105,988	107,194	1,115,672	3,725,682
Capital Grants and Contributions	1,677,089	7,120,425	111,903	734,360	1,788,992	7,854,785
General Revenues:						
Property Taxes	13,414,297	13,993,907	-	-	13,414,297	13,993,907
Other Taxes	12,743,294	12,251,035	252,561	-	12,995,855	12,251,035
Mosaic Income	3,187,022	3,191,343	-	-	3,187,022	3,191,343
Other	1,736,903	1,709,228	64,619	187,148	1,801,522	1,896,376
Total Revenues	39,418,751	47,618,961	3,539,300	3,910,494	42,958,051	51,529,455
EXPENSES						
General Government	8,430,235	9,741,676	-	-	8,430,235	9,741,676
Public Safety	18,021,467	19,726,605	-	-	18,021,467	19,726,605
Physical Environment	2,242,607	501,326	-	-	2,242,607	501,326
Transportation	6,545,804	6,386,705	-	-	6,545,804	6,386,705
Economic Environment	2,305,283	1,033,199	-	-	2,305,283	1,033,199
Human Services	991,936	6,064,062	-	-	991,936	6,064,062
Culture and Recreation	1,233,363	1,336,371	-	-	1,233,363	1,336,371
Debt Service:						
Interest on Long-Term Debt	10,076	17,103	-	-	10,076	17,103
Solid Waste	-	-	(862,104)	1,974,893	(862,104)	1,974,893
Wauchula Hills Wastewater	-	-	1,517,838	1,606,379	1,517,838	1,606,379
Vandolah Wastewater	-	-	123,252	124,688	123,252	124,688
Total Expenses	39,780,771	44,807,047	778,986	3,705,960	40,559,757	48,513,007
Excess before Transfers	(362,020)	2,811,914	2,760,314	204,534	2,398,294	3,016,448
Transfers	143,353	143,846	(143,353)	(143,846)	-	-
Changes in Net Position	(218,667)	2,955,760	2,616,961	60,688	2,398,294	3,016,448
Net Position - Beginning						
as Previously Reported	41,893,074	49,039,862	11,929,087	14,179,816	53,822,161	63,219,678
Beginning Component Unit - EDA	7,917,899	-	-	-	7,917,899	-
Restatement	(552,444)	(206,387)	(366,232)	-	(918,676)	(206,387)
Net Position - Beginning as Restated	49,258,529	48,833,475	11,562,855	14,179,816	60,821,384	63,013,291
Net Position - Ending	\$ 49,039,862	\$ 51,789,235	\$ 14,179,816	\$ 14,240,504	\$ 63,219,678	\$ 66,029,739

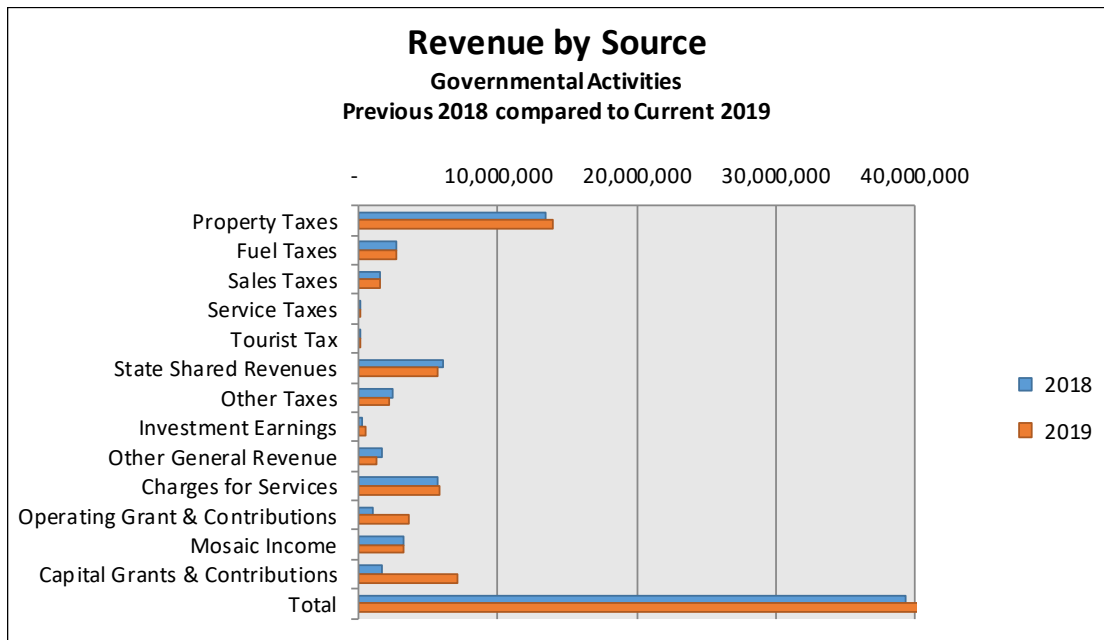
Certain fiscal year 2018 amounts have been reclassified to be consistent with the fiscal year 2019 presentation.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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

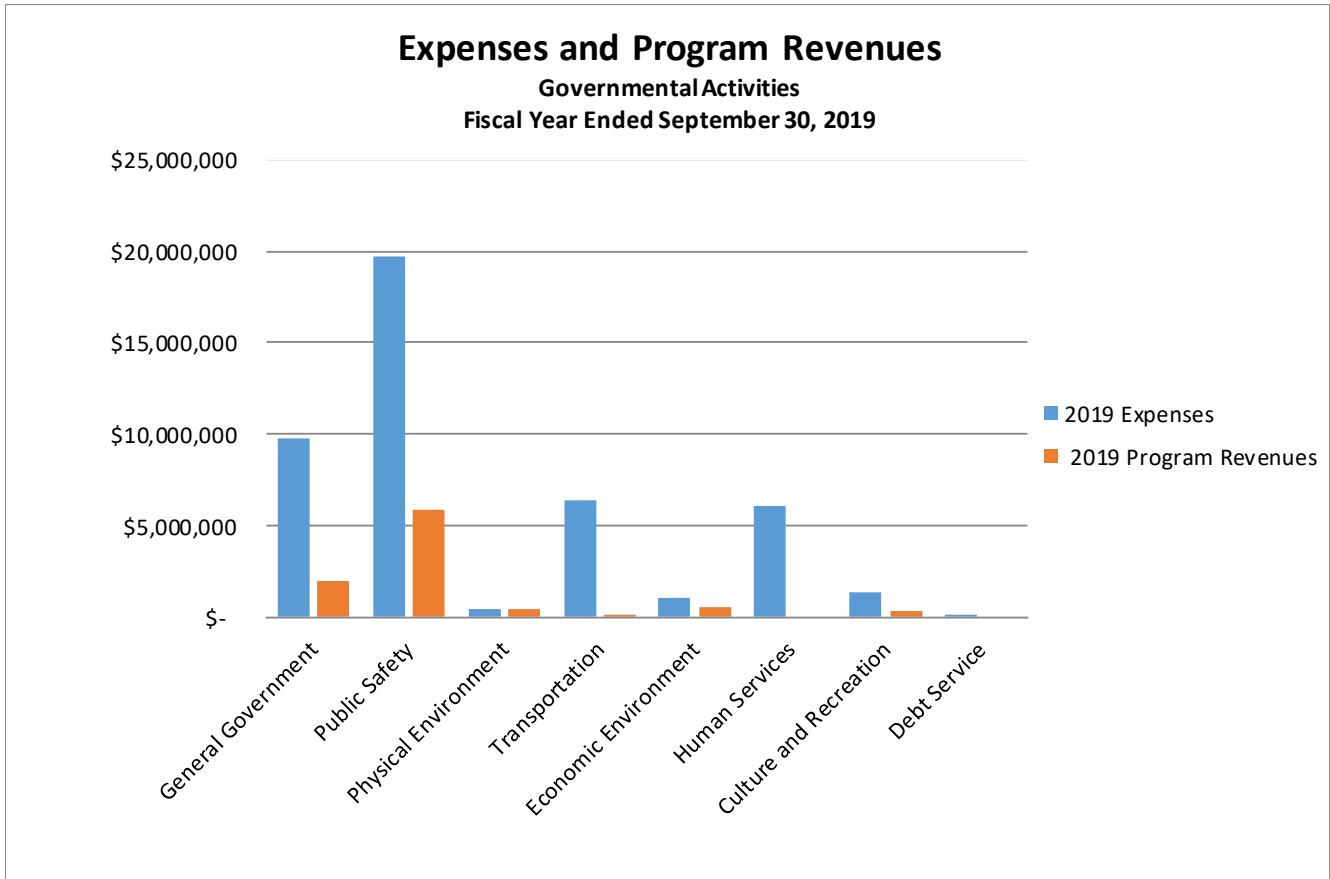


The following chart depicts the major revenue sources as a comparison of fiscal year revenues.



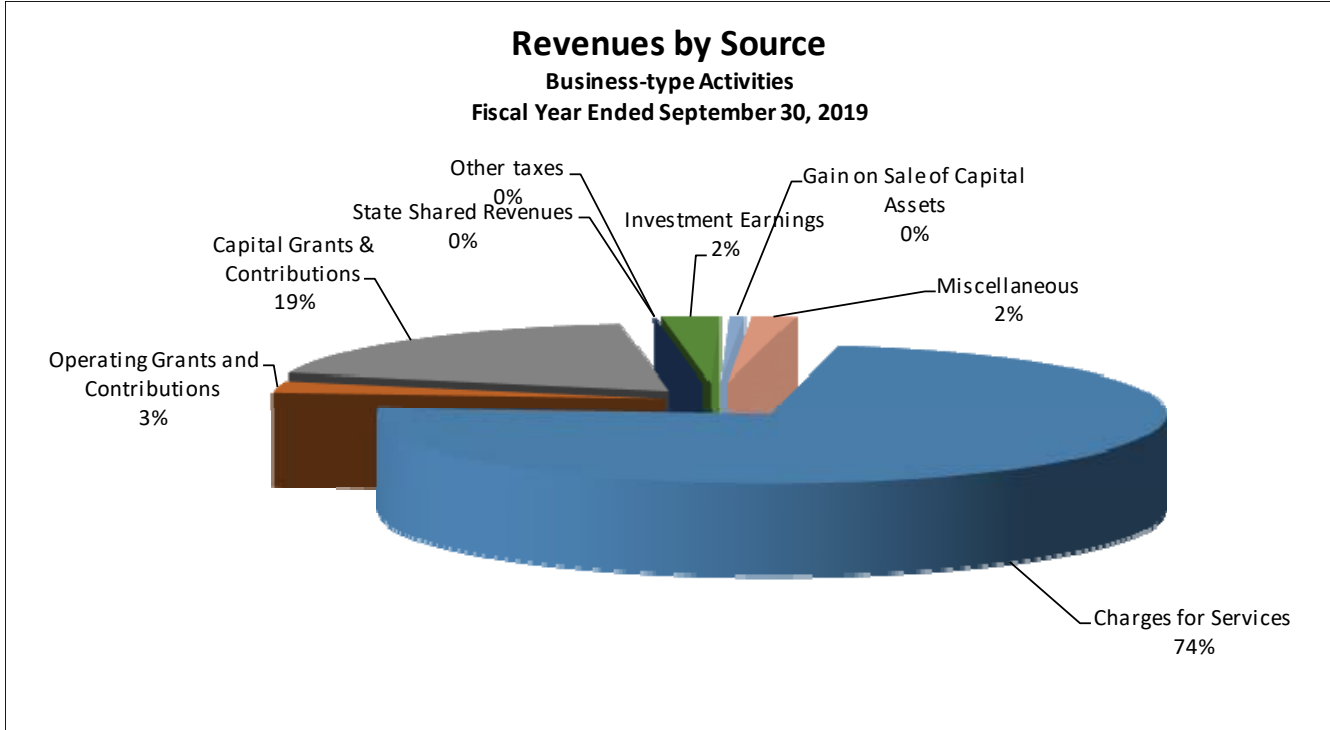
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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.

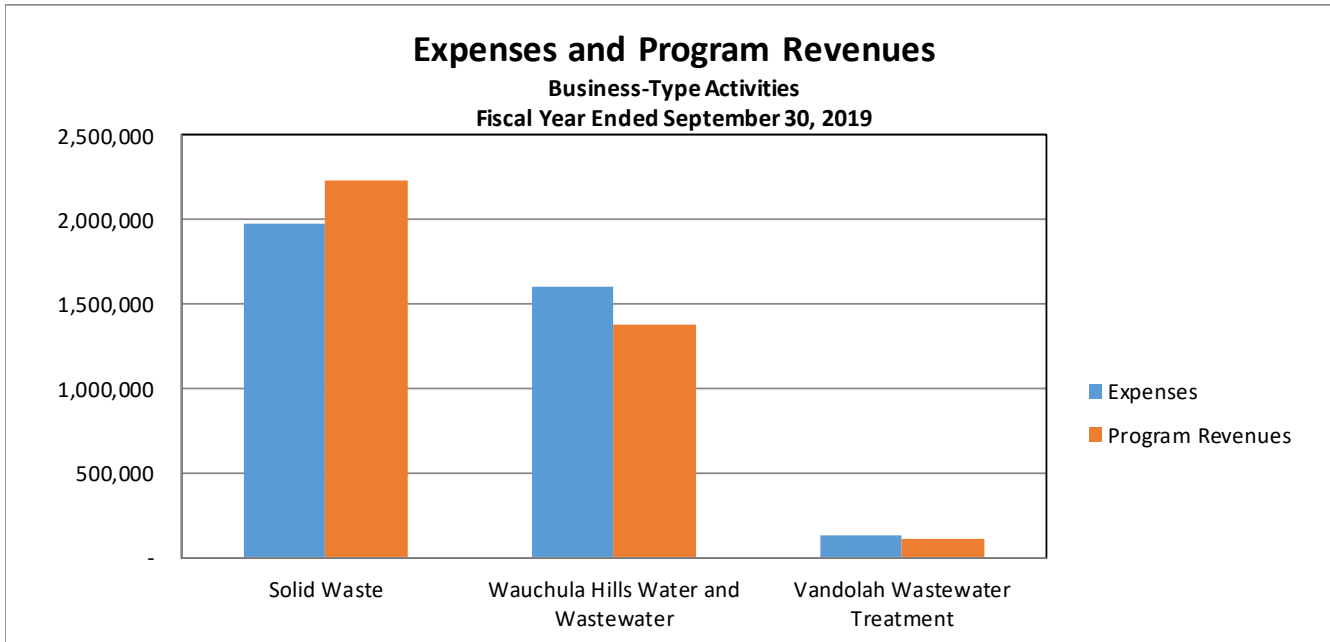


**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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), which funded those activities for the fiscal year.



**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

An analysis of the County's "Changes in Net Position" reflects that the overall revenues have increased by \$8.57 million. Further analysis shows that the overall increase is attributed to an \$8.20 million increase in governmental type activities and a \$371 thousand increase in business-type activities. Major factors contributing to the increased revenues in the government type activities are as follows:

- A \$2.61 million increase in operating grants and contributions
- A \$5.44 million increase in capital grants and contributions

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

- A \$376 thousand increase in capital grants and contributions

County expenses illustrate an overall increase of \$7.95 million. The overall increase was due to an increase in governmental activities of \$5.03 million and an increase in the business-type activities of \$2.93 million. The increase of the government type activities expenses are due to the following activities below:

- A \$5.07 million increase in human services due to the Hardee County Economic Development Authority's contribution of \$5.00 million to a permanent endowment for scholarships within Hardee County.
- A \$1.74 million decrease in physical environment
- A \$1.71 million increase in public safety

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

- A \$2.84 million increase in Solid Waste due to a prior year negative expense of \$862 thousand related to a significant reduction in the total closure and long-term care estimates for the landfill.

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, 2019**

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$24.69 million. Approximately \$3.98 million of the fund balance is restricted within the Transportation Fund, \$369 thousand within the Grants Fund, \$10.88 million within the Economic Development Authority, and \$1.42 million is restricted within the nonmajor governmental funds. Committed fund balances were \$636 thousand within the Fire Control Fund and \$127 thousand within the nonmajor governmental funds. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$5.82 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 25% 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 operating revenues decreased by \$116 thousand. Net position of the solid waste department increased by \$332 thousand. The water/wastewater operating revenues were a combined total decrease of \$7 thousand and the net position decreased by \$271 thousand.

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 include the following:

- The most significant impact to the changes in the budget was related once again to Hurricane Irma and the need to increase the funding for the projects. Specifically, it was determined by FEMA that the County was to pay the School Board for the operations of County shelters. In the past these costs were reimbursed directly to the School Board.
- There was a grant secured by the Supervisor of Elections which came in the name of the Board of County Commissioners which required an amended budget.
- There were also several unbudgeted facility repairs that required changes in budget that included the extermination of bats from the courthouse, replacement of the State Probations elevator and repair of the information technology system and a new air conditioning unit at the jail.
- To complete the major changes to the budget was the decision of the Board to have the Florida Association of Counties review applicants for a new County Manager.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Capital Assets

The County's investments in capital assets for its governmental and business-type activities as of September 30, 2019 were \$68.05 million (net of accumulated depreciation).

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

CAPITAL ASSETS	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Land	\$ 3,691,552	\$ 3,691,552	\$ 962,625	\$ 962,625	\$ 4,654,177	\$ 4,654,177
Construction in Progress	584,822	159,109	-	199,878	584,822	358,987
Buildings and Improvements	14,024,742	13,496,553	7,668,667	7,587,351	21,693,409	21,083,904
Machinery and Equipment	6,020,454	6,262,259	1,504,332	1,377,632	7,524,786	7,639,891
Infrastructure	18,937,665	26,489,587	8,493,999	7,819,870	27,431,664	34,309,457
Total Capital Assets	<u>\$ 43,259,235</u>	<u>\$ 50,099,060</u>	<u>\$ 18,629,623</u>	<u>\$ 17,947,356</u>	<u>\$ 61,888,858</u>	<u>\$ 68,046,416</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, 2019, the County had total long-term liabilities outstanding of \$39.56 million. Of this amount, \$3.48 million is notes payable, \$262 thousand is capital leases, \$1.07 million is compensated absences, \$27.49 million is net pension liability, \$4.57 million is landfill closure and post closure obligations, and other postemployment benefits (OPEB) obligations consisted of \$2.69 million.

Hardee County's Long-term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Notes Payable	\$ 20,000	\$ -	\$ 3,830,000	\$ 3,480,000	\$ 3,850,000	\$ 3,480,000
Capital Leases	577,529	262,086	-	-	577,529	262,086
Compensated Absences	1,004,342	1,063,003	4,648	4,550	1,008,990	1,067,553
Landfill Closure/Post Closure	-	-	4,613,175	4,573,330	4,613,175	4,573,330
Net Pension Liability	23,977,983	26,815,284	612,552	677,474	24,590,535	27,492,758
OPEB Obligations	2,215,419	2,578,233	90,864	110,507	2,306,283	2,688,740
Total	<u>\$ 27,795,273</u>	<u>\$ 30,718,606</u>	<u>\$ 9,151,239</u>	<u>\$ 8,845,861</u>	<u>\$ 36,946,512</u>	<u>\$ 39,564,467</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, 2019**

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 2018 is 27,245. As a comparison, the estimated population for Hardee County for 2010 was 27,731. This is a decrease of 1.78% with an annual growth rate of minus 0.10%.
- As referenced by the State of Florida Labor Force Summary, the unemployment rate for Hardee County for 2020 is 5.9% which is an increase from prior year's 4.3% and is higher than the states average of 3.7%.
- The final taxable value for fiscal year 2019-20 increased by 2.5% over fiscal year 2018-19.
- The millage rate for fiscal year 2019-20 was set and adopted at 8.9900 mills; the roll-back millage rate which indicates no increase in property taxes. This can be confusing, as the prior year's millage was 8.8991 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 increases 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 the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to 3% or the percentage change in the Consumer Price Index, whichever is less.

With respect to 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 2019 the total reduction in taxable value as a result of this amendment was \$103,829,064. 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 2020 was \$768,643.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

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

**HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
ASSETS				
Cash and Cash Equivalents	\$ 20,885,029	\$ 3,816,255	\$ 24,701,284	\$ 8,474,322
Investments	-	-	-	6,051,298
Deposits Held by Others	10,068	3,596	13,664	-
Accounts Receivable, Net	611,791	145,943	757,734	28,693
Internal Balances	(299)	299	-	-
Due from Other Governmental Agencies	5,556,739	80,028	5,636,767	170,354
Prepaid Items	626,797	14,374	641,171	19,034
Inventory	327,450	-	327,450	1,707,424
Restricted Assets:				
Cash and Cash Equivalents	-	1,404,763	1,404,763	-
Capital Assets, Not Being Depreciated	3,850,661	1,162,503	5,013,164	2,558,765
Capital Assets, Net of Accumulated Depreciation	46,248,399	16,784,853	63,033,252	8,743,124
Total Assets	78,116,635	23,412,614	101,529,249	27,753,014
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	8,792,657	199,660	8,992,317	-
Other Postemployment Benefits Related Items	167,869	7,195	175,064	-
Total Deferred Outflows of Resources	8,960,526	206,855	9,167,381	-
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,705,019	417,030	2,122,049	89,836
Unearned Revenue	5,991	8,373	14,364	3,000
Due to Other Governmental Agencies	572,163	-	572,163	-
Deposits	-	47,957	47,957	-
Noncurrent Liabilities:				
Net Pension Liability	26,815,284	677,474	27,492,758	-
Other Postemployment Benefits	2,578,233	110,507	2,688,740	-
Other Noncurrent Liabilities:				
Due within One Year	1,165,850	516,220	1,682,070	-
Due in More than One Year	159,239	7,541,660	7,700,899	-
Total Liabilities	33,001,779	9,319,221	42,321,000	92,836
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	2,216,799	56,772	2,273,571	-
Other Postemployment Benefits Related Items	69,348	2,972	72,320	-
Total Deferred Inflows of Resources	2,286,147	59,744	2,345,891	-
NET POSITION				
Net Investment in Capital Assets	48,977,603	14,467,356	63,444,959	11,301,889
Restricted for:				
Court Innovations	440,440	-	440,440	-
Court Technology	9,001	-	9,001	-
E-911	442,972	-	442,972	-
Economic Development	8,881,347	-	8,881,347	13,144,302
Education	250,000	-	250,000	-
Grants	739,902	-	739,902	-
Inmate Welfare	80,887	-	80,887	-
Law Enforcement Education	54,659	-	54,659	-
Law Enforcement Trust	141,851	-	141,851	-
Official Records	140,432	-	140,432	-
Recreation	1,750,000	-	1,750,000	-
Tourist Development	126,168	-	126,168	-
Transportation	4,851,406	-	4,851,406	-
Total Restricted Net Position	17,909,065	-	17,909,065	13,144,302
Unrestricted	(15,097,433)	(226,852)	(15,324,285)	3,213,987
Total Net Position	\$ 51,789,235	\$ 14,240,504	\$ 66,029,739	\$ 27,660,178

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019**

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	\$ 9,741,676	\$ 1,673,172	\$ 356,441	\$ 33,379	\$ (7,678,684)	\$ -	\$ (7,678,684)	\$ -
Public Safety	19,726,605	3,281,187	2,555,175	-	(13,890,243)	-	(13,890,243)	-
Physical Environment	501,326	276,463	133,630	-	(91,233)	-	(91,233)	-
Transportation	6,386,705	143,862	-	7,087,046	844,203	-	844,203	-
Economic Environment	1,033,199	-	533,263	-	(499,936)	-	(499,936)	-
Human Services	6,064,062	-	-	-	(6,064,062)	-	(6,064,062)	-
Culture and Recreation	1,336,371	359,851	39,979	-	(936,541)	-	(936,541)	-
Debt Service:								
Interest and Fiscal Charges on Long-Term Debt	17,103	-	-	-	(17,103)	-	(17,103)	-
Total Governmental Activities	44,807,047	5,734,535	3,618,488	7,120,425	(28,333,599)	-	(28,333,599)	-
Business-Type Activities:								
Solid Waste	1,974,893	2,124,878	107,194	-	-	257,179	257,179	-
Wauchula Hills Water and Wastewater	1,606,379	646,869	-	734,360	-	(225,150)	(225,150)	-
Vandolah Wastewater Treatment	124,688	110,045	-	-	-	(14,643)	(14,643)	-
Total Business-Type Activities	3,705,960	2,881,792	107,194	734,360	-	17,386	17,386	-
Total Primary Government	<u>\$ 48,513,007</u>	<u>\$ 8,616,327</u>	<u>\$ 3,725,682</u>	<u>\$ 7,854,785</u>	(28,333,599)	17,386	(28,316,213)	-
Component Unit:								
Industrial Development Authority	<u>\$ 3,685,365</u>	<u>\$ 114,587</u>	<u>\$ -</u>	<u>\$ 629,517</u>	-	-	-	(2,941,261)
GENERAL REVENUES								
Taxes:								
Property Taxes					13,993,907	-	13,993,907	-
Fuel Taxes					2,698,870	-	2,698,870	-
Sales Tax					1,543,765	-	1,543,765	-
Communication Services Tax					48,859	-	48,859	-
Tourist Tax					50,667	-	50,667	-
Other Taxes					2,215,656	-	2,215,656	-
State Shared Revenues					5,693,218	-	5,693,218	-
Mosaic Income					3,191,343	-	3,191,343	5,500,000
Investment Earnings					446,288	92,785	539,073	38,585
Gain on Sale of Capital Assets					-	25,000	25,000	-
Miscellaneous					1,262,940	69,363	1,332,303	48,362
Transfers					143,846	(143,846)	-	-
Total General Revenues and Transfers					31,289,359	43,302	31,332,661	5,586,947
CHANGE IN NET POSITION					2,955,760	60,688	3,016,448	2,645,686
Net Position - Beginning, as Previously Reported					49,039,862	14,179,816	63,219,678	25,014,492
Restatement (See Note 16)					(206,387)	-	(206,387)	-
Net Position, Beginning, as Restated					48,833,475	14,179,816	63,013,291	25,014,492
NET POSITION - END OF YEAR					<u>\$ 51,789,235</u>	<u>\$ 14,240,504</u>	<u>\$ 66,029,739</u>	<u>\$ 27,660,178</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major					Nonmajor	Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Economic Development Authority Fund	Other Governmental Funds	
ASSETS							
Cash and Cash Equivalents	\$ 5,035,432	\$ 791,238	\$ 698,688	\$ 532,264	\$ 11,994,654	\$ 1,832,753	\$ 20,885,029
Deposits	5,753	4,315	-	-	-	-	10,068
Accounts Receivable, Net	581,979	-	-	-	-	29,812	611,791
Due from Other Funds	684,500	75	1,563	-	-	135,997	822,135
Due from Other Governments	826,283	4,090,995	1,899	397,288	-	240,274	5,556,739
Prepaid Items	611,384	14,374	-	-	-	1,039	626,797
Inventory of Supplies, at Cost	327,450	-	-	-	-	-	327,450
Total Assets	\$ 8,072,781	\$ 4,900,997	\$ 702,150	\$ 929,552	\$ 11,994,654	\$ 2,239,875	\$ 28,840,009

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2019**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	Major					Nonmajor	Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Economic Development Authority Fund	Other Governmental Funds	
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 722,481	\$ 841,958	\$ 46,018	\$ 6,991	\$ 614	\$ 86,957	\$ 1,705,019
Due to Other Funds	57,397	62,004	-	187,882	-	515,151	822,434
Due to Other Governments	44,253	5,000	19,883	298	187,340	315,389	572,163
Unearned Revenue	4,600	-	-	1,391	-	-	5,991
Total Liabilities	828,731	908,962	65,901	196,562	187,954	917,497	3,105,607
Deferred Inflows of Resources:							
Unavailable Revenue	480,306	82	-	363,806	-	197,567	1,041,761
FUND BALANCES							
Nonspendable	938,834	14,374	-	-	-	1,039	954,247
Restricted	-	3,977,579	-	369,184	10,881,347	1,423,712	16,651,822
Committed	-	-	636,249	-	-	126,757	763,006
Assigned	-	-	-	-	925,353	-	925,353
Unassigned	5,824,910	-	-	-	-	(426,697)	5,398,213
Total Fund Balances	6,763,744	3,991,953	636,249	369,184	11,806,700	1,124,811	24,692,641
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,072,781	\$ 4,900,997	\$ 702,150	\$ 929,552	\$ 11,994,654	\$ 2,239,875	

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.	50,099,060
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	1,041,761
Long-term liabilities, including notes payable, capital leases, and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(1,325,089)
Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(20,239,426)
Total other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(2,479,712)
Net Position of Governmental Activities	<u>\$ 51,789,235</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Major				Non-Major		Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Economic Development Authority Fund	Other Governmental Funds	
REVENUES							
Taxes	\$ 15,586,531	\$ 1,406,403	\$ -	\$ -	\$ -	\$ 50,667	\$ 17,043,601
Licenses and Permits	398,733	-	-	-	-	-	398,733
Intergovernmental	4,473,777	10,026,358	-	429,914	2,215,656	2,258,810	19,404,515
Charges for Services	2,041,981	147,424	13,282	-	-	1,032,853	3,235,540
Fines and Forfeitures	3,180	-	-	-	-	195,971	199,151
Assessments	-	-	1,829,075	-	-	-	1,829,075
Interest	121,236	48,225	24,235	8,317	218,474	20,558	441,045
Mosaic Income	-	-	-	-	3,191,343	-	3,191,343
Miscellaneous	893,525	234,354	6,310	62,085	-	127,799	1,324,073
Total Revenues	<u>23,518,963</u>	<u>11,862,764</u>	<u>1,872,902</u>	<u>500,316</u>	<u>5,625,473</u>	<u>3,686,658</u>	<u>47,067,076</u>
EXPENDITURES							
Current:							
General Government	6,773,437	-	-	33,826	-	1,650,684	8,457,947
Public Safety	13,240,579	-	2,508,303	45,625	-	208,646	16,003,153
Physical Environment	39,517	-	-	63,992	-	350,639	454,148
Transportation	-	4,012,570	-	-	-	-	4,012,570
Economic Environment	-	-	-	351,978	674,912	-	1,026,890
Human Services	840,916	-	-	203,007	5,000,000	-	6,043,923
Culture and Recreation	1,164,170	-	-	-	-	31,564	1,195,734
Capital Outlay	1,053,416	9,469,642	71,198	-	-	104,853	10,699,109
Debt Service:							
Principal Retirement	275,209	20,000	40,234	-	-	-	335,443
Interest	12,749	-	4,354	-	-	-	17,103
Total Expenditures	<u>23,399,993</u>	<u>13,502,212</u>	<u>2,624,089</u>	<u>698,428</u>	<u>5,674,912</u>	<u>2,346,386</u>	<u>48,246,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	118,970	(1,639,448)	(751,187)	(198,112)	(49,439)	1,340,272	(1,178,944)
OTHER FINANCING SOURCES (USES)							
Transfers In	1,533,549	475,529	228,600	5,385	-	661,122	2,904,185
Transfers Out	(635,330)	-	(129,030)	(17,093)	-	(1,978,886)	(2,760,339)
Total Other Financing Sources (Uses)	<u>898,219</u>	<u>475,529</u>	<u>99,570</u>	<u>(11,708)</u>	<u>-</u>	<u>(1,317,764)</u>	<u>143,846</u>
NET CHANGE IN FUND BALANCES	1,017,189	(1,163,919)	(651,617)	(209,820)	(49,439)	22,508	(1,035,098)
Fund Balances - Beginning of Year, as Previously Reported	5,746,555	5,155,872	1,287,866	579,004	11,856,139	1,308,690	25,934,126
Restatement (See Note 16)	-	-	-	-	-	(206,387)	(206,387)
Fund Balances - Beginning of Year, as Restated	<u>5,746,555</u>	<u>5,155,872</u>	<u>1,287,866</u>	<u>579,004</u>	<u>11,856,139</u>	<u>1,102,303</u>	<u>25,727,739</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,763,744</u>	<u>\$ 3,991,953</u>	<u>\$ 636,249</u>	<u>\$ 369,184</u>	<u>\$ 11,806,700</u>	<u>\$ 1,124,811</u>	<u>\$ 24,692,641</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, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ (1,035,098)

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. 6,839,825

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. 276,782

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. 548,385

Changes in net pension liability reported in the statement of activities due not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (3,492,492)

Changes in total other postemployment benefits liability reported in the statement of activities due not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (181,642)

Change in Net Position of Governmental Activities \$ 2,955,760

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 15,671,621	\$ 15,671,621	\$ 15,586,531	\$ (85,090)
Licenses and Permits	188,800	188,800	398,733	209,933
Intergovernmental	3,772,378	3,806,616	4,473,777	667,161
Charges for Services	1,387,614	1,385,015	2,041,981	656,966
Fines and Forfeitures	3,840	3,840	3,180	(660)
Interest	21,720	24,790	121,236	96,446
Miscellaneous	548,365	669,928	893,525	223,597
Total Revenues	<u>21,594,338</u>	<u>21,750,610</u>	<u>23,518,963</u>	<u>1,768,353</u>
EXPENDITURES				
Current:				
General Government	7,417,655	7,243,094	6,773,437	469,657
Public Safety	13,791,336	13,806,943	13,240,579	566,364
Physical Environment	49,074	41,150	39,517	1,633
Human Services	912,267	906,953	840,916	66,037
Culture and Recreation	1,207,164	1,215,224	1,164,170	51,054
Capital Outlay	503,442	700,116	1,053,416	(353,300)
Debt Service:				
Principal Retirement	123,053	154,833	275,209	(120,376)
Interest	3,446	6,885	12,749	(5,864)
Other Expenditures	2,210,422	2,210,422	-	2,210,422
Total Expenditures	<u>26,217,859</u>	<u>26,285,620</u>	<u>23,399,993</u>	<u>2,885,627</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,623,521)	(4,535,010)	118,970	4,653,980
OTHER FINANCING SOURCES (USES)				
Transfers In	2,148,611	2,148,611	1,533,549	(615,062)
Transfers Out	(571,192)	(659,703)	(635,330)	24,373
Total Other Financing Sources (Uses)	<u>1,577,419</u>	<u>1,488,908</u>	<u>898,219</u>	<u>(590,689)</u>
NET CHANGE IN FUND BALANCES	(3,046,102)	(3,046,102)	1,017,189	4,063,291
Fund Balances - Beginning of Year	<u>3,046,102</u>	<u>3,046,102</u>	<u>5,746,555</u>	<u>2,700,453</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,763,744</u>	<u>\$ 6,763,744</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 1,263,691	\$ 1,263,691	\$ 1,406,403	\$ 142,712
Intergovernmental	11,008,345	11,175,831	10,026,358	(1,149,473)
Charges for Services	92,350	92,350	147,424	55,074
Interest	5,000	5,000	48,225	43,225
Miscellaneous	26,239	277,014	234,354	(42,660)
Total Revenues	<u>12,395,625</u>	<u>12,813,886</u>	<u>11,862,764</u>	<u>(951,122)</u>
EXPENDITURES				
Current:				
Transportation	4,863,449	5,012,064	4,012,570	999,494
Capital Outlay	9,452,842	10,802,447	9,469,642	1,332,805
Debt Service:				
Principal Retirement	20,000	20,000	20,000	-
Other Expenditures	765,906	978,856	-	978,856
Total Expenditures	<u>15,102,197</u>	<u>16,813,367</u>	<u>13,502,212</u>	<u>3,311,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,706,572)	(3,999,481)	(1,639,448)	2,360,033
OTHER FINANCING SOURCES				
Transfers In	<u>51,200</u>	<u>51,200</u>	<u>475,529</u>	<u>424,329</u>
NET CHANGE IN FUND BALANCES	(2,655,372)	(3,948,281)	(1,163,919)	2,784,362
Fund Balances - Beginning of Year	<u>2,655,372</u>	<u>3,948,281</u>	<u>5,155,872</u>	<u>1,207,591</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,991,953</u>	<u>\$ 3,991,953</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 30,200	\$ 30,200	\$ 13,282	\$ (16,918)
Assessments	2,000,000	2,000,000	1,829,075	(170,925)
Interest	5,200	5,200	24,235	19,035
Miscellaneous	-	2,807	6,310	3,503
Total Revenues	<u>2,035,400</u>	<u>2,038,207</u>	<u>1,872,902</u>	<u>(165,305)</u>
EXPENDITURES				
Current:				
Public Safety	2,729,779	2,687,998	2,508,303	179,695
Capital Outlay	108,200	108,200	71,198	37,002
Debt Service:				
Principal Retirement	-	40,234	40,234	-
Interest	-	4,354	4,354	-
Other Expenditures	382,185	382,185	-	382,185
Total Expenditures	<u>3,220,164</u>	<u>3,222,971</u>	<u>2,624,089</u>	<u>598,882</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,184,764)	(1,184,764)	(751,187)	433,577
OTHER FINANCING SOURCES (USES)				
Transfers In	231,255	231,255	228,600	(2,655)
Transfers Out	(135,000)	(135,000)	(129,030)	5,970
Total Other Financing Sources (Uses)	<u>96,255</u>	<u>96,255</u>	<u>99,570</u>	<u>3,315</u>
NET CHANGE IN FUND BALANCES	(1,088,509)	(1,088,509)	(651,617)	436,892
Fund Balances - Beginning of Year	<u>1,088,509</u>	<u>1,088,509</u>	<u>1,287,866</u>	<u>199,357</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636,249</u>	<u>\$ 636,249</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 728,491	\$ 1,195,598	\$ 429,914	\$ (765,684)
Interest	1,000	7,278	8,317	1,039
Miscellaneous	-	65,000	62,085	(2,915)
Total Revenues	<u>729,491</u>	<u>1,267,876</u>	<u>500,316</u>	<u>(767,560)</u>
EXPENDITURES				
Current:				
General Government	33,775	33,826	33,826	-
Public Safety	41,345	45,625	45,625	-
Physical Environment	68,687	76,430	63,992	12,438
Economic Environment	422,719	1,439,174	351,978	1,087,196
Human Services	166,289	207,128	203,007	4,121
Total Expenditures	<u>732,815</u>	<u>1,802,183</u>	<u>698,428</u>	<u>1,103,755</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,324)	(534,307)	(198,112)	336,195
OTHER FINANCING SOURCES (USES)				
Transfers In	5,385	5,385	5,385	-
Transfers Out	(2,061)	(17,234)	(17,093)	141
Total Other Financing Sources (Uses)	<u>3,324</u>	<u>(11,849)</u>	<u>(11,708)</u>	<u>141</u>
NET CHANGE IN FUND BALANCES	-	(546,156)	(209,820)	336,336
Fund Balances - Beginning of Year	-	546,156	579,004	32,848
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369,184</u>	<u>\$ 369,184</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,200,000	\$ 2,215,656	\$ 2,215,656	\$ -
Other Revenue:				
Mosaic Income	3,100,000	3,191,343	3,191,343	-
Interest	190,000	220,021	218,474	(1,547)
Total Revenues	<u>5,490,000</u>	<u>5,627,020</u>	<u>5,625,473</u>	<u>(1,547)</u>
EXPENDITURES				
Current:				
Economic Environment	2,699,703	2,766,226	674,912	2,091,314
Human Services	-	5,000,000	5,000,000	-
Total Expenditures	<u>2,699,703</u>	<u>7,766,226</u>	<u>5,674,912</u>	<u>2,091,314</u>
NET CHANGE IN FUND BALANCES	2,790,297	(2,139,206)	(49,439)	2,089,767
Fund Balances - Beginning of Year	<u>12,054,111</u>	<u>11,856,139</u>	<u>11,856,139</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,844,408</u>	<u>\$ 9,716,933</u>	<u>\$ 11,806,700</u>	<u>\$ 2,089,767</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	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	\$ 2,604,586	\$ 1,087,276	\$ 124,393	\$ 3,816,255
Deposits	-	3,596	-	3,596
Accounts Receivable, Net	67,690	78,149	104	145,943
Due from Other Funds	299	-	-	299
Due from Other Governmental Agencies	-	80,028	-	80,028
Prepaid Items	14,374	-	-	14,374
Total Current Assets	<u>2,686,949</u>	<u>1,249,049</u>	<u>124,497</u>	<u>4,060,495</u>
NONCURRENT ASSETS				
Restricted Cash and Cash Equivalents	1,404,763	-	-	1,404,763
Capital Assets:				
Land	372,775	424,850	165,000	962,625
Construction in Progress	-	199,878	-	199,878
Buildings and Improvements	2,902,881	5,797,258	1,184,598	9,884,737
Equipment	2,924,074	611,102	8,961	3,544,137
Infrastructure	7,218,397	12,548,998	-	19,767,395
Less: Accumulated Depreciation	<u>(8,048,860)</u>	<u>(7,966,172)</u>	<u>(396,384)</u>	<u>(16,411,416)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,369,267</u>	<u>11,615,914</u>	<u>962,175</u>	<u>17,947,356</u>
Total Noncurrent Assets	<u>6,774,030</u>	<u>11,615,914</u>	<u>962,175</u>	<u>19,352,119</u>
Total Assets	<u>9,460,979</u>	<u>12,864,963</u>	<u>1,086,672</u>	<u>23,412,614</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	85,990	98,891	14,779	199,660
Other Postemployment Benefits Related Items	<u>3,099</u>	<u>3,571</u>	<u>525</u>	<u>7,195</u>
Total Deferred Outflows of Resources	<u>89,089</u>	<u>102,462</u>	<u>15,304</u>	<u>206,855</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	Total Enterprise Funds
LIABILITIES				
CURRENT LIABILITIES, PAYABLE FROM CURRENT ASSETS				
Accounts Payable and Accrued Liabilities	\$ 379,120	\$ 34,978	\$ 2,932	\$ 417,030
Deposits	22,204	25,753	-	47,957
Unearned Revenue	-	8,373	-	8,373
Accrued Compensated Absences, Current Portion	1,444	-	-	1,444
Notes Payable, Current Portion	350,000	-	-	350,000
Landfill Closure and Postclosure Costs, Current Portion	164,776	-	-	164,776
Total Current Liabilities, Payable from Current Assets	917,544	69,104	2,932	989,580
NONCURRENT LIABILITIES				
Accrued Compensated Absences	3,106	-	-	3,106
Net Pension Liability	313,606	310,061	53,807	677,474
Other Postemployment Benefits	47,591	54,850	8,066	110,507
Notes Payable, Less Current Portion	3,130,000	-	-	3,130,000
Landfill Closure and Postclosure Costs	4,408,554	-	-	4,408,554
Total Noncurrent Liabilities	7,902,857	364,911	61,873	8,329,641
Total Liabilities	8,820,401	434,015	64,805	9,319,221
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	24,457	28,117	4,198	56,772
Other Postemployment Benefits Related Items	1,280	1,475	217	2,972
Total Deferred Inflows of Resources	25,737	29,592	4,415	59,744
NET POSITION				
Net Investment in Capital Assets	1,889,267	11,615,914	962,175	14,467,356
Unrestricted	(1,185,337)	887,904	70,581	(226,852)
Total Net Position	\$ 703,930	\$ 12,503,818	\$ 1,032,756	\$ 14,240,504

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION —
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	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	\$ 1,098,950	\$ 646,869	\$ 110,045	\$ 1,855,864
Special Assessments	1,025,928	-	-	1,025,928
Total Operating Revenues	<u>2,124,878</u>	<u>646,869</u>	<u>110,045</u>	<u>2,881,792</u>
OPERATING EXPENSES				
Personal Services	424,810	476,341	69,879	971,030
General and Administrative	1,091,213	300,412	31,196	1,422,821
Depreciation	351,387	829,626	23,613	1,204,626
Total Operating Expenses	<u>1,867,410</u>	<u>1,606,379</u>	<u>124,688</u>	<u>3,598,477</u>
OPERATING INCOME (LOSS)	257,468	(959,510)	(14,643)	(716,685)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	107,194	-	-	107,194
Interest Income	71,626	18,853	2,306	92,785
Interest Expense	(107,483)	-	-	(107,483)
Gain on Sale of Capital Assets	25,000	-	-	25,000
Miscellaneous Revenue	61,687	7,676	-	69,363
Total Nonoperating Revenues (Expenses), Net	<u>158,024</u>	<u>26,529</u>	<u>2,306</u>	<u>186,859</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	415,492	(932,981)	(12,337)	(529,826)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	-	734,360	-	734,360
Transfers In	1,345	1,794	-	3,139
Transfers Out	(84,736)	(52,915)	(9,334)	(146,985)
Total Transfers	<u>(83,391)</u>	<u>683,239</u>	<u>(9,334)</u>	<u>590,514</u>
CHANGE IN NET POSITION	332,101	(249,742)	(21,671)	60,688
Net Position - Beginning of Year	<u>371,829</u>	<u>12,753,560</u>	<u>1,054,427</u>	<u>14,179,816</u>
NET POSITION - END OF YEAR	<u>\$ 703,930</u>	<u>\$ 12,503,818</u>	<u>\$ 1,032,756</u>	<u>\$ 14,240,504</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	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	\$ 2,335,236	\$ 655,843	\$ 110,019	\$ 3,101,098
Payments to Suppliers	(1,179,117)	(313,171)	(30,738)	(1,523,026)
Payments to Employees	(374,491)	(433,945)	(63,144)	(871,580)
Net Cash Provided (Used) by Operating Activities	<u>781,628</u>	<u>(91,273)</u>	<u>16,137</u>	<u>706,492</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental Grant	107,194	-	-	107,194
Other Nonoperating Revenue	61,687	7,676	-	69,363
Transfers to Other Fund	(81,481)	(51,121)	(9,334)	(141,936)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>87,400</u>	<u>(43,445)</u>	<u>(9,334)</u>	<u>34,621</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Capital Grants, State Shared Revenues, and Contributions	-	773,319	-	773,319
Acquisition and Construction of Capital Assets	(20,049)	(502,310)	-	(522,359)
Proceeds from Sale of Capital Assets	25,000	-	-	25,000
Principal Paid on Notes Payable	(350,000)	-	-	(350,000)
Interest Paid	(107,483)	-	-	(107,483)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(452,532)</u>	<u>271,009</u>	<u>-</u>	<u>(181,523)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>71,626</u>	<u>18,853</u>	<u>2,306</u>	<u>92,785</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	488,122	155,144	9,109	652,375
Cash and Cash Equivalents - Beginning of Year	<u>3,521,227</u>	<u>932,132</u>	<u>115,284</u>	<u>4,568,643</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,009,349</u>	<u>\$ 1,087,276</u>	<u>\$ 124,393</u>	<u>\$ 5,221,018</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 257,468	\$ (959,510)	\$ (14,643)	\$ (716,685)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	351,387	829,626	23,613	1,204,626
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	209,358	11,462	(26)	220,794
(Increase) Decrease in Prepaid Items	(14,374)	-	-	(14,374)
(Increase) Decrease In Deferred Outflows - Pensions	29,063	7,243	2,765	39,071
(Increase) Decrease In Deferred Outflows - OPEB	(3,099)	(3,571)	(525)	(7,195)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(33,685)	(12,759)	580	(45,864)
Increase (Decrease) in Due to Other Government Agencies	-	-	(122)	(122)
Increase (Decrease) in Deposits	1,000	(1,450)	-	(450)
Increase (Decrease) in Unearned Revenue	-	(1,038)	-	(1,038)
Increase (Decrease) in Accrued Compensated Absences	(98)	-	-	(98)
Increase (Decrease) in Net Pension Liability	27,997	32,157	4,768	64,922
Increase (Decrease) in Total OPEB Liability	7,207	11,437	999	19,643
Increase (Decrease) in Landfill Closure and Postclosure Costs	(39,845)	-	-	(39,845)
Increase (Decrease) In Deferred Inflows - Pensions	(10,584)	(4,789)	(1,236)	(16,609)
Increase (Decrease) In Deferred Inflows - OPEB	(167)	(81)	(36)	(284)
Net Cash Provided (Used) by Operating Activities	<u>\$ 781,628</u>	<u>\$ (91,273)</u>	<u>\$ 16,137</u>	<u>\$ 706,492</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Current Assets:				
Cash	\$ 2,604,586	\$ 1,087,276	\$ 124,393	\$ 3,816,255
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	1,404,763	-	-	1,404,763
Total Cash and Cash Equivalents	<u>\$ 4,009,349</u>	<u>\$ 1,087,276</u>	<u>\$ 124,393</u>	<u>\$ 5,221,018</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION — AGENCY FUNDS
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 589,860</u>
LIABILITIES	
Due to Others	\$ 10,672
Due to Individuals	164,812
Due to Other Governments	144,033
Due to Indigent Health Care Special District	89
Deposit - Installment Taxes	<u>270,254</u>
Total Liabilities	<u>\$ 589,860</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hardee County (County) is a Nonstarter 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, 2019**

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 equity, 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 fund. The agency fund 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, 2019**

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, 2019**

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, 2019**

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 expenditures. 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, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Major Funds (Continued)

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 Fund – The Agency Fund 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 fund is 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, 2019**

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, 2019**

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 assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. The cost of improvements and replacements which extend the useful lives 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, special revenue and capital projects 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 as noted below.

The estimated useful lives are as follows:

Buildings and Improvements	10 to 50 Years
Equipment	5 to 15 Years
Infrastructure	10 to 50 Years

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, 2019 was 8.8991 mills.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019, 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, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Certain funds of the County are classified as restricted assets on the statement of net position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, 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, 2019 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, 2019, estimated capacity used was 53.3%. 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, 2019, the Solid Waste Landfill Fund had unrestricted net position of (\$1,185,337) due to the partial closure to the landfill and because of a \$4,573,330 landfill closure and post-closure 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, 2019**

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.

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, 2019**

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/expenditure) 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 and the Retiree HIS Program. The other amounts will be recognized as increases in pension expense in future years.

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 and the Retiree HIS Program are reported as deferred inflows of resources. The County can also have 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, \$24,692,641, differs from "net position" of governmental activities, \$51,789,235, 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, 2019**

**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	\$ 142,290,176
Accumulated Depreciation	<u>(92,191,116)</u>
Total	<u>\$ 50,099,060</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, 2019 were:

Unavailable Revenue	<u>\$ 1,041,761</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, 2019 were:

Capital Lease Payable	\$ (262,086)
Compensated Absences	<u>(1,063,003)</u>
Total	<u>\$ (1,325,089)</u>

Pension Related Items

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Balances as of September 30, 2019 were:

Net Pension Liability	\$ (26,815,284)
Deferred Outflows of Resources - Pension Related Items	8,792,657
Deferred Inflows of Resources - Pension Related Items	<u>(2,216,799)</u>
Total	<u>\$ (20,239,426)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

**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 and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Balances as of September 30, 2019 were:

Total OPEB Liability	\$ (2,578,233)
Deferred Outflows of Resources - OPEB Related	167,869
Deferred Inflows of Resources - OPEB Related	<u>(69,348)</u>
Total	<u><u>\$ (2,479,712)</u></u>

Elimination of Interfund Receivables/Payables

Interfund receivables and payables in the amount of \$822,434 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, (\$1,035,098) differs from the “change in net position” for governmental activities, \$2,955,760 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	\$ 10,693,719
Depreciation Expense	<u>(3,857,394)</u>
Difference	<u><u>\$ 6,839,825</u></u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

**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	\$	(58,661)
Principal Repayment - Note Payable		335,443
Net Adjustment		276,782

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 expenditures in governmental funds.

Intergovernmental Revenues	\$	510,043
Charges for Services		38,342
Total		548,385

Pension Related Items

Changes in net pension obligations 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	\$	(3,492,492)
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Other Postemployment Benefits Related Items

Changes in total OPEB obligations 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	\$	(181,642)
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Reclassification and Eliminations

Transfers in and transfers out in the amount of \$2,760,339 between governmental activities are eliminated.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3 CASH AND CASH EQUIVALENTS

At September 30, 2019, the County's deposits consisted of demand deposits of \$26,691,977.

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. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. 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	\$ 26,691,977
Petty Cash and Change Funds	3,930
Total	<u>\$ 26,695,907</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 24,701,284
Cash and Cash Equivalents - Restricted	1,404,763
Statement of Fiduciary Net Position - Agency Funds:	
Cash	589,860
Total	<u>\$ 26,695,907</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at September 30, 2019 for the governmental funds individual major funds and nonmajor funds:

	General Fund	Other Governmental Funds	Total Governmental Funds
Receivables:			
Emergency Medical Services	\$ 876,034	\$ -	\$ 876,034
Miscellaneous	25,960	29,812	55,772
Accounts Receivable, Gross	<u>901,994</u>	<u>29,812</u>	<u>931,806</u>
Less: Allowance for Uncollectible Accounts	(320,015)	-	(320,015)
Accounts Receivable, Net	<u><u>\$ 581,979</u></u>	<u><u>\$ 29,812</u></u>	<u><u>\$ 611,791</u></u>

Accounts receivable consist of the following at September 30, 2019 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	\$ 67,690	\$ -	\$ -	\$ 67,690
Utility Charges	-	78,149	104	78,253
Accounts Receivable, Net	<u><u>\$ 67,690</u></u>	<u><u>\$ 78,149</u></u>	<u><u>\$ 104</u></u>	<u><u>\$ 145,943</u></u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 5 DETAIL OF CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2019 is as follows:

	Balance October 1, 2018	Additions	(Deletions)	Transfers	Balance September 30, 2019
GOVERNMENT ACTIVITIES					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 3,691,552	\$ -	\$ -	\$ -	\$ 3,691,552
Construction in Progress	584,822	171,407	-	(597,120)	159,109
Total Capital Assets, Not Being Depreciated	4,276,374	171,407	-	(597,120)	3,850,661
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	25,787,468	72,275	(22,027)	-	25,837,716
Equipment	20,497,372	1,469,117	(1,406,286)	(84,282)	20,475,921
Infrastructure	82,528,747	9,000,011	-	597,120	92,125,878
Total Capital Assets, Being Depreciated	128,813,587	10,541,403	(1,428,313)	512,838	138,439,515
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(11,762,726)	(594,590)	16,153	-	(12,341,163)
Equipment	(14,476,918)	(1,217,595)	1,396,569	84,282	(14,213,662)
Infrastructure	(63,591,082)	(2,045,209)	-	-	(65,636,291)
Total Accumulated Depreciation/Amortization	(89,830,726)	(3,857,394)	1,412,722	84,282	(92,191,116)
Total Capital Assets, Being Depreciated, Net	38,982,861	6,684,009	(15,591)	597,120	46,248,399
Governmental Activities Capital Assets, Net	<u>\$ 43,259,235</u>	<u>\$ 6,855,416</u>	<u>\$ (15,591)</u>	<u>\$ -</u>	<u>\$ 50,099,060</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 5 DETAIL OF CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2018	Additions	(Deletions)	Transfers	Balance September 30, 2019
BUSINESS-TYPE ACTIVITIES					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 962,625	\$ -	\$ -	\$ -	\$ 962,625
Construction in Progress	-	199,878	-	-	199,878
Total Capital Assets, Not Being Depreciated	962,625	199,878	-	-	1,162,503
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	9,884,737	-	-	-	9,884,737
Equipment	3,655,865	40,472	(236,482)	84,282	3,544,137
Infrastructure	19,485,386	282,009	-	-	19,767,395
Total Capital Assets, Being Depreciated	33,025,988	322,481	(236,482)	84,282	33,196,269
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(2,216,070)	(81,316)	-	-	(2,297,386)
Equipment	(2,151,533)	(167,172)	236,482	(84,282)	(2,166,505)
Infrastructure	(10,991,387)	(956,138)	-	-	(11,947,525)
Total Accumulated Depreciation/Amortization	(15,358,990)	(1,204,626)	236,482	(84,282)	(16,411,416)
Total Capital Assets, Being Depreciated, Net	17,666,998	(882,145)	-	-	16,784,853
Business-Type Activities Capital Assets, Net	<u>\$ 18,629,623</u>	<u>\$ (682,267)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,947,356</u>

Depreciation expense for the year ended September 30, 2019 was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 774,606
Public Safety	819,275
Physical Environment	7,257
Transportation	2,216,200
Human Services	20,139
Culture/Recreation	19,917
Total Depreciation Expense - Governmental Activities	<u>\$ 3,857,394</u>

BUSINESS-TYPE ACTIVITIES

Solid Waste	\$ 351,387
Wauchula Hills Water/Wastewater Treatment	829,626
Vandolah Wastewater Treatment	23,613
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,204,626</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6 LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended September 30, 2019 is as follows:

	Balance October 1, 2018	Additions	(Reductions)	Balance September 30, 2019	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Notes Payable	\$ 20,000	\$ -	\$ (20,000)	\$ -	\$ -
Capital Lease	577,529	-	(315,443)	262,086	184,968
Compensated Absences	1,004,342	58,661	-	1,063,003	980,882
Total Governmental Activities	<u>\$ 1,601,871</u>	<u>\$ 58,661</u>	<u>\$ (335,443)</u>	<u>\$ 1,325,089</u>	<u>\$ 1,165,850</u>
BUSINESS-TYPE ACTIVITIES					
Notes Payable	\$ 3,830,000	\$ -	\$ (350,000)	\$ 3,480,000	\$ 350,000
Compensated Absences	4,648	-	(98)	4,550	1,444
Landfill Closure and Post-Closure Costs	4,613,175	-	(39,845)	4,573,330	164,776
Total Business-Type Activities	<u>\$ 8,447,823</u>	<u>\$ -</u>	<u>\$ (389,943)</u>	<u>\$ 8,057,880</u>	<u>\$ 516,220</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/Rescue Fund, Clerk's Court Related Fund, Capital Improvement Fund, and nonmajor governmental funds.

Notes Payable

The Board agreed to contribute \$100,000 towards a compressed natural gas fueling station for the County's fleet operations. Principal payments are due annually, beginning September 2015. During the year, \$20,000 of principal was paid. The agreement carried no interest.

The Board issued a note payable to the Florida Local Government Finance Commission 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 Florida Local Government Finance Commission'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 \$66,579 in interest was paid.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Maturities of notes payable are as follows:

<u>Year Ending September 30,</u>	Business-Type Activities	
	Florida Local Government	
	Finance Commission	
	Principal	Interest
2021	\$ 350,000	\$ 51,548
2022	3,130,000	24,409
Total	\$ 3,480,000	\$ 75,957

Capital Lease – Ambulance

On October 1, 2016, the Board entered into a capital lease for the purchase of two ambulances with a total cost of \$359,876. Principal and interest was payable in annual installments of \$126,498. The interest rate is 2.8% and has a three-year term with the final payment made on September 1, 2019. The lease agreement qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The assets acquitted through the capital lease are as follows:

	Governmental Activities
Asset	
Equipment	\$ 359,876
Less: Accumulated Depreciation	(51,982)
Total	\$ 307,894

Capital Lease – Motorola Radios

On December 15, 2017, the board entered into a capital lease for the purchase of Motorola Radios with a total cost of \$577,439. Principal and interest is payable in annual installments of \$206,046. The interest rate is 3.43% and has a three-year term with the final payment due on December 15, 2020. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The assets acquired through the capital lease are as follows:

	Activities
Asset	
Equipment	\$ 577,439
Less: Accumulated Depreciation	(146,047)
Total	\$ 431,392

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The future minimum lease obligation and the net present value of the minimum lease payments as of September 30, 2019 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	\$ 194,100
2021	79,805
Total Minimum Lease Payments	<u>273,905</u>
Less: Amount Representing Interest	(11,819)
Present Value of Minimum Lease Payments	<u><u>\$ 262,086</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, 2019:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General Fund	\$ 684,500	\$ 57,397
Transportation Trust	75	62,004
Fire Control Fund	1,563	-
Grants Fund	-	187,882
Solid Waste Fund	299	-
Nonmajor Governmental Funds	<u>135,997</u>	<u>515,151</u>
Total	<u><u>\$ 822,434</u></u>	<u><u>\$ 822,434</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, 2019**

NOTE 8 FUND BALANCES

The governmental funds are classified as follows:

Nonspendable			\$	954,247
Restricted:				
Court Innovations	\$	440,440		
Court Technology		9,001		
Economic Development Authority:				
Economic Development		8,881,347		
Education		250,000		
Recreation		1,750,000		
E-911		430,274		
Grants		369,184		
Inmate Welfare		80,887		
Law Enforcement Education		54,659		
Law Enforcement Trust		141,851		
Records Modernization		140,432		
Tourist Development		126,168		
Transportation		3,977,579		
Total Restricted				16,651,822
Committed:				
Clerk Operational Needs		126,757		
Fire Control		636,249		
Total Committed				763,006
Assigned				925,353
Unassigned				5,398,213
Total Fund Balances			\$	24,692,641

Fund Balance Deficit

The following funds had deficit fund balances at September 30, 2019:

Mining Fund (\$75,265) – Mining fees will be increased in fiscal year 2020 to relieve any future deficits.

Emergency Disaster Fund (\$320,313) – The deficit is due to Hurricane Irma and the need to return funds to General Fund and Transportation. Expenses were completed for the most part and cash was not needed for carry forward. This fund will zero out when all reimbursements are received.

HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019**

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, 2019**

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, 2018, were applied to employee salaries as follows: regular employees 8.26%, special risk 24.50%, county elected officials 48.70%, senior management 24.06%, and DROP participants 14.03%. The County's contributions to the FRS Plan were \$2,097,771 for the year ended September 30, 2019.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2019, the County reported a liability of \$22,589,162 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2019, the County's proportion was 0.06559257%, which was a decrease of 0.00068489% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$5,530,322 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	\$ 1,339,828	\$ (14,019)
Changes in Actuarial Assumptions	5,801,867	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,249,750)
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	451,684	(509,464)
County Contributions Subsequent to the Measurement Date	606,364	-
Total	<u>\$ 8,199,743</u>	<u>\$ (1,773,233)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$606,364 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 year ended June 30, 2020. 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>
2020	\$ 2,184,427
2021	675,732
2022	1,527,554
2023	1,105,985
2024	259,923
Thereafter	66,525

Actuarial Assumptions

The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

FRS Actuarial Assumptions

Inflation	2.60% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.90%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2019, 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, 2019**

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 %	3.3 %	3.3 %	1.2 %
Fixed Income	18.0	4.1	4.1	3.5
Global Equity	54.0	8.0	6.8	16.5
Real Estate	11.0	6.7	6.1	11.7
Private Equity	10.0	11.2	8.4	25.8
Strategic Investments	6.0	5.9	5.7	6.7
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean			2.6 %	1.7 %

Discount Rate

The discount rate used to measure the total pension liability was 6.9% for the FRS Plan. 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</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	5.900%	6.90%	7.900%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 39,049,123	\$ 22,589,162	\$ 8,842,294

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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 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.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, 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 \$248,969 for the year ended September 30, 2019.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs

At September 30, 2019, the County reported a liability of \$4,903,596 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all participating employers. At June 30, 2019, the County's proportion was 0.04382516%, which was an increase of 0.00010469% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$376,090 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	\$ 59,560	\$ (6,004)
Changes in Actuarial Assumptions	567,790	(400,815)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,164	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	92,690	(93,519)
County Contributions Subsequent to the Measurement Date	69,370	-
Total	<u>\$ 792,574</u>	<u>\$ (500,338)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

\$69,370 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 year ended June 30, 2020. 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>
2020	\$ 101,432
2021	80,645
2022	40,272
2023	(32,890)
2024	(1,554)
Thereafter	34,961

Actuarial Assumptions

The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

HIS Actuarial Assumptions

Inflation	2.60% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2018, 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 3.50% for the HIS Plan. 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, 2019**

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</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan Discount Rate	2.5000%	3.50%	4.5000%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 5,597,707	\$ 4,903,596	\$ 4,325,481

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	\$ 22,589,162	\$ 4,903,596	\$ 27,492,758
Deferred Outflows of Resources	8,199,743	792,574	8,992,317
Deferred Inflows of Resources	1,773,233	500,338	2,273,571
Pension Expense	5,530,322	376,090	5,906,412

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, 2019**

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 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 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 \$253,127 for the year ended September 30, 2019. Employee contributions to the Investment Plan totaled \$49,387 for the year ended September 30, 2019.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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 \$2,688,740, OPEB related deferred outflows of resources was \$175,064, deferred inflows of resources was \$72,320, and OPEB expense was \$273,787.

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 or agency fund has been established for the plan

Employees Covered by Benefit Terms

At September 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	8
Active Plan Members	<u>329</u>
Total	<u><u>337</u></u>

Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2019 and was determined by an actuarial valuation as of October 1, 2018 with results actuarially projected from the prior year's valuation, with adjustments for actual premium and contribution changes, to get to September 30, 2019 measurement date. The following table shows the County's total OPEB liability for the year ended September 30, 2019.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

	Total OPEB Liability
Balances - October 1, 2017	\$ 2,306,283
Changes for the Year:	
Service Cost	161,402
Interest	100,833
Changes in Assumptions	112,359
Differences Between Expected and Actual Experience	84,588
Benefit Payments	(76,725)
Net Changes	382,457
Balances - September 30, 2018	\$ 2,688,740

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	2.58 %	3.58 %	4.58 %
Total OPEB Liability	\$ 2,887,544	\$ 2,688,740	\$ 2,492,651

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	6.50 %	7.50 %	8.50 %
Total OPEB Liability	\$ 2,316,640	\$ 2,688,740	\$ 3,137,879

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

For the year ended September 30, 2019, the County recognized OPEB expense of \$273,787. In addition, the County reported deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 75,189	\$ (72,320)
Changes of Assumptions	99,875	-
Total	\$ 175,064	\$ (72,320)

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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 Ended September 30,</u>	<u>Amount</u>
2020	\$ 11,552
2021	11,552
2022	11,552
2023	11,552
2024	11,552
Thereafter	44,984

Actuarial Assumptions

The total OPEB liability in the September 30, 2019 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 7.50% decreasing to an ultimate rate of 5.00%

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

Rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

The discount rate used to measure the total OPEB liability was 3.58%, based on the yield for 20-year tax-exempt general obligation municipal bonds as of September 30, 2019 (measurement date).

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.

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

- The discount rate assumption based on the yield for 20-year tax-exempt general obligation municipal bonds as September 30, 2019 (measurement date) was updated from the previous 4.15% as of October 1, 2018.

HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 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, 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

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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 13 COMMITMENTS AND CONTINGENCIES

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 is expected to close in October 2019. Section II became operational in May 2019 and has an expected life of 26 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 Protections 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.

Although closure and post-closure 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 post-closure care costs based on landfill capacity used as of the balance sheet date. The landfill closure and post-closure care liability was \$4,573,330 at September 30, 2019; represents the cumulative amount reported to date based on an average use of 53.31% of the total estimated capacity available as of September 30, 2019. There was an increase in the liability due to the decrease in available capacity. The decrease in the liability caused the general and administrative expenses to be reduced by \$39,845 as of September 30, 2019. 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, 2019. The County is in compliance with these requirements at September 30, 2019. At September 30, 2019, \$1,404,763 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2019, 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, 2019**

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, 2019 consisted of the following:

Transfers to the General Fund from:

Fire Control Fund	\$ 129,030
Grants Fund	17,093
Nonmajor Governmental Funds	1,264,964
Solid Waste Fund	62,922
Wauchula Hills Water/Wastewater Treatment Fund	52,000
Nonmajor Enterprise Fund	7,540
Total	<u><u>\$ 1,533,549</u></u>

Transfers to the Transportation Trust Fund from:

Nonmajor Governmental Funds	\$ 452,800
Solid Waste Fund	21,814
Wauchula Hills Water/Wastewater Treatment Fund	915
Total	<u><u>\$ 475,529</u></u>

Transfers to the Fire Control Fund from:

General Fund	<u><u>\$ 228,600</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	\$ 400,000
Nonmajor Governmental Funds	261,122
Total	<u><u>\$ 661,122</u></u>

Transfers to the Solid Waste Fund from:

General Fund	<u><u>\$ 1,345</u></u>
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Transfers to the Wauchula Hills Water/Wastewater Treatment Fund from:

Nonmajor Enterprise Fund	<u><u>\$ 1,794</u></u>
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**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019**

ASSETS

Cash	\$	388,567
Due from Other Governments		350,000
Total Assets	\$	738,567

LIABILITIES

Accounts Payable	\$	5,581
Deferred Inflows of Resources: Unavailable Revenue		350,000

FUND BALANCE

Total Liabilities, Deferred Inflows of Resources and Fund Balance		382,986
	\$	738,567

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended September 30, 2019**

REVENUES

Interest	\$	8,266
Miscellaneous		61,158
Total Revenues		69,424

EXPENDITURES

Economic Environment		231,667
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NET CHANGE IN FUND BALANCE

(162,243)

Fund Balances - Beginning of Year

545,229

FUND BALANCES - END OF YEAR

\$ 382,986

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 16 PRIOR PERIOD RESTATEMENT

Change Due to Correction of an Error

During the current year it was determined that certain hurricane debris expenditures were not recognized in the prior period. Expenditures generally are recorded when a liability is incurred. To correct this error, beginning fund balance of the nonmajor governmental funds and net position of the governmental activities have been restated as follows:

	Nonmajor Governmental Funds
Fund Balance, Beginning of Year, as Previously Reported	\$ 1,308,690
Restatement:	
Expenditures Not Recognized in a Prior Year	(206,387)
Fund Balance, Beginning of Year as Restated	\$ 1,102,303
	Governmental Activities
Net Position, Beginning of Year, as Previously Reported	\$ 49,039,862
Restatement:	
Expenditures Not Recognized in a Prior Year	(206,387)
Net Position, Beginning of Year as Restated	\$ 48,833,475

NOTE 17 SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

On January 24, 2020 the County entered into a lease in the amount of \$455,689 for financing of a pumper fire truck; and on February 25, 2020 the County entered into a lease in the amount of \$236,992 for the financing of an ambulance.

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
YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 161,402	\$ 167,907
Interest	100,833	85,298
Changes of Assumptions	112,359	-
Differences Between Expected and Actual Experience	84,588	(92,982)
Benefit Payments	<u>(76,725)</u>	<u>(71,042)</u>
Net Change in Total OPEB Liability	382,457	89,181
Total OPEB Liability - Beginning	<u>2,306,283</u>	<u>2,217,102</u>
Total OPEB Liability - Ending	<u><u>\$ 2,688,740</u></u>	<u><u>\$ 2,306,283</u></u>
Covered Employee Payroll	\$ 14,915,824	\$ 14,097,511
Total OPEB Liability as a percentage of the Covered Employee Payroll	18.03%	16.36%

Notes to Schedule:

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

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

- The discount rate assumption was updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of September 30, 2019 (measurement date).

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
YEAR ENDED SEPTEMBER 30, 2019**

	<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	0.065592527%	0.066277420%	0.068142507%	0.067373223%	0.064108020%	0.061994926%
County's Proportionate Share of the Net Pension Liability	\$ 22,589,162	\$ 19,963,112	\$ 20,156,103	\$ 17,011,793	\$ 8,280,411	\$ 3,782,602
County's Covered Payroll	\$ 12,510,670	\$ 12,439,075	\$ 12,625,111	\$ 11,933,895	\$ 11,831,746	\$ 12,561,056
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	180.56 %	160.49 %	159.65 %	142.55 %	69.98 %	30.11 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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
YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 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>(2,097,771)</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>
 County's Covered Payroll	 \$ 12,790,544	 \$ 12,402,136	 \$ 12,514,179	 \$ 12,151,269	 \$ 11,831,746	 \$ 12,561,056
Contributions as a Percentage of Covered Payroll	16.40 %	15.44 %	14.31 %	14.52 %	13.32 %	13.50 %

* 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
YEAR ENDED SEPTEMBER 30, 2019

	<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	0.043825156%	0.043720469%	0.044410650%	0.043992580%	0.044020471%	0.043481289%
County's Proportionate Share of the Net Pension Liability	\$ 4,903,596	\$ 4,627,423	\$ 4,748,636	\$ 5,127,153	\$ 4,489,399	\$ 4,065,607
County's Covered Payroll	\$ 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	33.54 %	32.60 %	33.38 %	38.05 %	31.49 %	30.33 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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
YEAR ENDED SEPTEMBER 30, 2019**

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 248,696	\$ 235,677	\$ 238,909	\$ 234,651	\$ 180,890	\$ 182,277
Contributions in Relation to the Contractually Required Contribution	(248,696)	(235,677)	(238,909)	(234,651)	(180,890)	(182,277)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 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%	1.27%	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, 2019**

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.

Pioneer Park Days Fund – The Pioneer Park Days Fund accounts for the proceeds received during the annual Pioneer Park Days show. Any excess proceeds are set aside to be utilized for park related improvements.

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.

Emergency Disaster Fund – The Emergency Disaster Fund is a special revenue fund that accounts for the proceeds and reimbursements from both insurance and FEMA and are restricted to the use of recovering from a declared local disaster.

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.

HARDEE COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

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, 2019**

Special Revenue Funds

ASSETS	Fines and Forfeitures	Pioneer Park Days	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining	Emergency Disaster
Cash and Cash Equivalents	\$ 423,176	\$ -	\$ 141,851	\$ 353,870	\$ 350,166	\$ 11,886	\$ 17,728
Accounts Receivable, Net	117	-	-	10	-	29,685	-
Due from Other Funds	18,416	-	-	10,466	54,507	-	-
Due from Other Governmental Agencies	-	-	-	129	38,299	-	173,072
Prepaid Items	-	-	-	1,039	-	-	-
Total Assets	<u>\$ 441,709</u>	<u>\$ -</u>	<u>\$ 141,851</u>	<u>\$ 365,514</u>	<u>\$ 442,972</u>	<u>\$ 41,571</u>	<u>\$ 190,800</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 22,241	\$ -	\$ -	\$ 38,624	\$ -	\$ 20,423	\$ -
Due to Other Funds	-	-	-	21,065	-	80,000	349,113
Due to Other Governmental Agencies	9,108	-	-	305,825	-	456	-
Total Liabilities	<u>31,349</u>	<u>-</u>	<u>-</u>	<u>365,514</u>	<u>-</u>	<u>100,879</u>	<u>349,113</u>
Deferred Inflows of Resources							
Unavailable Revenue	-	-	-	-	12,698	15,957	162,000
FUND BALANCES							
Nonspendable	-	-	-	1,039	-	-	-
Restricted	440,440	-	141,851	-	430,274	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(30,080)	-	-	(1,039)	-	(75,265)	(320,313)
Total Fund Balances	<u>410,360</u>	<u>-</u>	<u>141,851</u>	<u>-</u>	<u>430,274</u>	<u>(75,265)</u>	<u>(320,313)</u>
Total Liabilities and Fund Balances	<u>\$ 441,709</u>	<u>\$ -</u>	<u>\$ 141,851</u>	<u>\$ 365,514</u>	<u>\$ 442,972</u>	<u>\$ 41,571</u>	<u>\$ 190,800</u>

**HARDEE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2019**

	Special Revenue Funds						Total Other Nonmajor Governmental Funds
	Tourist Development	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	\$ 121,526	\$ 123,929	\$ 98,568	\$ 80,887	\$ 54,659	\$ 54,507	\$ 1,832,753
Accounts Receivable, Net	-	-	-	-	-	-	29,812
Due from Other Funds	-	27,935	24,673	-	-	-	135,997
Due from Other Governmental Agencies	4,642	-	24,132	-	-	-	240,274
Prepaid Items	-	-	-	-	-	-	1,039
Total Assets	<u>\$ 126,168</u>	<u>\$ 151,864</u>	<u>\$ 147,373</u>	<u>\$ 80,887</u>	<u>\$ 54,659</u>	<u>\$ 54,507</u>	<u>\$ 2,239,875</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ -	\$ 2,425	\$ 3,244	\$ -	\$ -	\$ -	\$ 86,957
Due to Other Funds	-	6	10,460	-	-	54,507	515,151
Due to Other Governmental Agencies	-	-	-	-	-	-	315,389
Total Liabilities	-	2,431	13,704	-	-	54,507	917,497
Deferred Inflows of Resources							
Unavailable Revenue	-	-	6,912	-	-	-	197,567
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	1,039
Restricted	126,168	149,433	-	80,887	54,659	-	1,423,712
Committed	-	-	126,757	-	-	-	126,757
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(426,697)
Total Fund Balances	<u>126,168</u>	<u>149,433</u>	<u>126,757</u>	<u>80,887</u>	<u>54,659</u>	<u>-</u>	<u>1,124,811</u>
Total Liabilities and Fund Balances	<u>\$ 126,168</u>	<u>\$ 151,864</u>	<u>\$ 147,373</u>	<u>\$ 80,887</u>	<u>\$ 54,659</u>	<u>\$ 54,507</u>	<u>\$ 2,239,875</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds						
	Fines and Forfeitures	Pioneer Park Days	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining	Emergency Disaster
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 316,663	\$ 202,479	\$ -	\$ 1,642,247
Charges for Services	23,822	-	-	717,789	-	260,506	-
Fines and Forfeitures	192,726	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Interest	4,210	385	2,144	5,618	5,146	1,341	-
Miscellaneous	14,552	3,405	58,607	3,689	-	-	-
Total Revenues	<u>235,310</u>	<u>3,790</u>	<u>60,751</u>	<u>1,043,759</u>	<u>207,625</u>	<u>261,847</u>	<u>1,642,247</u>
EXPENDITURES							
Current:							
General Government	550,677	-	-	1,001,303	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	287,141	63,498
Culture and Recreation	-	31,564	-	-	-	-	-
Capital Outlay	84,841	-	-	-	-	-	-
Total Expenditures	<u>635,518</u>	<u>31,564</u>	<u>-</u>	<u>1,001,303</u>	<u>-</u>	<u>287,141</u>	<u>63,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(400,208)	(27,774)	60,751	42,456	207,625	(25,294)	1,578,749
OTHER FINANCING SOURCES (USES)							
Transfers In	400,000	-	-	-	54,507	-	-
Transfers Out	-	(14,363)	(32,700)	-	(206,615)	(40,300)	(1,630,401)
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>(14,363)</u>	<u>(32,700)</u>	<u>-</u>	<u>(152,108)</u>	<u>(40,300)</u>	<u>(1,630,401)</u>
NET CHANGE IN FUND BALANCES	(208)	(42,137)	28,051	42,456	55,517	(65,594)	(51,652)
Fund Balances - Beginning of Year, as Previously Reported	410,568	42,137	113,800	(42,456)	374,757	(9,671)	(62,274)
Restatement	-	-	-	-	-	-	(206,387)
Fund Balances - Beginning of Year, as Restated	<u>410,568</u>	<u>42,137</u>	<u>113,800</u>	<u>(42,456)</u>	<u>374,757</u>	<u>(9,671)</u>	<u>(268,661)</u>
FUND BALANCES - END OF YEAR	<u>\$ 410,360</u>	<u>\$ -</u>	<u>\$ 141,851</u>	<u>\$ -</u>	<u>\$ 430,274</u>	<u>\$ (75,265)</u>	<u>\$ (320,313)</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds						Total Other Nonmajor Governmental Funds
	Tourist Development	Clerk's Public Records Modernization Trust	Clerk's Child Support IV-D	Sheriff's Commissary	Sheriff's Education	Sheriff's E-911	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 97,421	\$ -	\$ -	\$ -	\$ 2,258,810
Charges for Services	-	30,736	-	-	-	-	1,032,853
Fines and Forfeitures	-	-	-	-	3,245	-	195,971
Taxes	50,667	-	-	-	-	-	50,667
Interest	1,714	-	-	-	-	-	20,558
Miscellaneous	-	2,370	1,472	43,704	-	-	127,799
Total Revenues	52,381	33,106	98,893	43,704	3,245	-	3,686,658
EXPENDITURES							
Current:							
General Government	-	20,725	77,979	-	-	-	1,650,684
Public Safety	-	-	-	50,230	6,308	152,108	208,646
Physical Environment	-	-	-	-	-	-	350,639
Culture and Recreation	-	-	-	-	-	-	31,564
Capital Outlay	-	20,012	-	-	-	-	104,853
Total Expenditures	-	40,737	77,979	50,230	6,308	152,108	2,346,386
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	52,381	(7,631)	20,914	(6,526)	(3,063)	(152,108)	1,340,272
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	206,615	661,122
Transfers Out	-	-	-	-	-	(54,507)	(1,978,886)
Total Other Financing Sources (Uses)	-	-	-	-	-	152,108	(1,317,764)
NET CHANGE IN FUND BALANCES	52,381	(7,631)	20,914	(6,526)	(3,063)	-	22,508
Fund Balances - Beginning of Year, as Previously Reported	73,787	157,064	105,843	87,413	57,722	-	1,308,690
Restatement	-	-	-	-	-	-	(206,387)
Fund Balances - Beginning of Year, as Restated	73,787	157,064	105,843	87,413	57,722	-	1,102,303
FUND BALANCES - END OF YEAR	\$ 126,168	\$ 149,433	\$ 126,757	\$ 80,887	\$ 54,659	\$ -	\$ 1,124,811

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
FINES AND FORFEITURES FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 22,000	\$ 22,000	\$ 23,822	\$ 1,822
Fines and Forfeitures	220,100	220,100	192,726	(27,374)
Interest	700	700	4,210	3,510
Miscellaneous	-	-	14,552	14,552
Total Revenues	<u>242,800</u>	<u>242,800</u>	<u>235,310</u>	<u>(7,490)</u>
EXPENDITURES				
Current:				
General Government	919,089	944,233	550,677	393,556
Public Safety	9,000	9,000	-	9,000
Capital Outlay	42,055	127,583	84,841	42,742
Other Expense	67,216	50,216	-	50,216
Total Expenditures	<u>1,037,360</u>	<u>1,131,032</u>	<u>635,518</u>	<u>495,514</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(794,560)	(888,232)	(400,208)	488,024
OTHER FINANCING SOURCES				
Transfers In	<u>401,175</u>	<u>494,847</u>	<u>400,000</u>	<u>(94,847)</u>
NET CHANGE IN FUND BALANCES	(393,385)	(393,385)	(208)	393,177
Fund Balances - Beginning of Year	<u>393,385</u>	<u>393,385</u>	<u>410,568</u>	<u>17,183</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 410,360</u></u>	<u><u>\$ 410,360</u></u>

**HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
PIONEER PARK DAYS FUND
YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 89,000	\$ -	\$ -	\$ -
Interest	100	150	385	235
Miscellaneous	-	-	3,405	3,405
Total Revenues	<u>89,100</u>	<u>150</u>	<u>3,790</u>	<u>3,640</u>
EXPENDITURES				
Current:				
Culture and Recreation	36,800	31,564	31,564	-
Other Expense	56,292	-	-	-
Total Expenditures	<u>93,092</u>	<u>31,564</u>	<u>31,564</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,992)	(31,414)	(27,774)	3,640
OTHER FINANCING USES				
Transfers Out	<u>(36,000)</u>	<u>(14,363)</u>	<u>(14,363)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(39,992)	(45,777)	(42,137)	3,640
Fund Balances - Beginning of Year	<u>39,992</u>	<u>45,777</u>	<u>42,137</u>	<u>(3,640)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 800	\$ 800	\$ 2,144	\$ 1,344
Miscellaneous	50,000	50,000	58,607	8,607
Total Revenues	<u>50,800</u>	<u>50,800</u>	<u>60,751</u>	<u>9,951</u>
EXPENDITURES				
Other Expense	<u>182,441</u>	<u>149,741</u>	<u>-</u>	<u>149,741</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(131,641)	(98,941)	60,751	159,692
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>(32,700)</u>	<u>(32,700)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(131,641)	(131,641)	28,051	159,692
Fund Balances - Beginning of Year	<u>131,641</u>	<u>131,641</u>	<u>113,800</u>	<u>(17,841)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 141,851</u></u>	<u><u>\$ 141,851</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 284,110	\$ 274,207	\$ 316,663	\$ 42,456
Charges for Services	527,326	717,789	717,789	-
Interest Income	-	5,618	5,618	-
Miscellaneous	-	3,689	3,689	-
Total Revenues	<u>811,436</u>	<u>1,001,303</u>	<u>1,043,759</u>	<u>42,456</u>
EXPENDITURES				
Current:				
General Government	<u>811,436</u>	<u>1,001,303</u>	<u>1,001,303</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	42,456	42,456
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(42,456)</u>	<u>(42,456)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
E-911 FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 115,662	\$ 401,965	\$ 202,479	\$ (199,486)
Interest	200	200	5,146	4,946
Total Revenues	<u>115,862</u>	<u>402,165</u>	<u>207,625</u>	<u>(194,540)</u>
EXPENDITURES				
Current:				
Other Expense	<u>160,711</u>	<u>160,711</u>	<u>-</u>	<u>160,711</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(44,849)	241,454	207,625	(33,829)
OTHER FINANCING SOURCES (USES)				
Transfers In	100	100	54,507	54,407
Transfers Out	<u>(166,869)</u>	<u>(453,172)</u>	<u>(206,615)</u>	<u>(246,557)</u>
Total Other Financing Uses	<u>(166,769)</u>	<u>(453,072)</u>	<u>(152,108)</u>	<u>(192,150)</u>
NET CHANGE IN FUND BALANCES	(211,618)	(211,618)	55,517	267,135
Fund Balances - Beginning of Year	<u>211,618</u>	<u>211,618</u>	<u>374,757</u>	<u>163,139</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,274</u>	<u>\$ 430,274</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
MINING FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 528,543	\$ 528,543	\$ 260,506	\$ (268,037)
Interest	400	400	1,341	941
Total Revenues	<u>528,943</u>	<u>528,943</u>	<u>261,847</u>	<u>(267,096)</u>
EXPENDITURES				
Current:				
Physical Environment	442,965	442,965	287,141	155,824
Other Expense	110,084	110,084	-	110,084
Total Expenditures	<u>553,049</u>	<u>553,049</u>	<u>287,141</u>	<u>265,908</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,106)	(24,106)	(25,294)	(1,188)
OTHER FINANCING USES				
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(40,300)</u>	<u>9,700</u>
NET CHANGE IN FUND BALANCES	(74,106)	(74,106)	(65,594)	8,512
Fund Balances - Beginning of Year	<u>74,106</u>	<u>74,106</u>	<u>(9,671)</u>	<u>(83,777)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (75,265)</u></u>	<u><u>\$ (75,265)</u></u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
EMERGENCY DISASTER FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 875,000	\$ 1,098,503	\$ 1,642,247	\$ 543,744
Miscellaneous Revenues	55,000	55,000	-	(55,000)
Total Revenues	<u>930,000</u>	<u>1,153,503</u>	<u>1,642,247</u>	<u>488,744</u>
EXPENDITURES				
Current:				
Physical Environment	-	63,500	63,498	2
DEFICIENCY OF REVENUES UNDER EXPENDITURES	930,000	1,090,003	1,578,749	488,746
OTHER FINANCING SOURCES				
Transfers Out	<u>(1,696,058)</u>	<u>(1,856,061)</u>	<u>(1,630,401)</u>	<u>225,660</u>
NET CHANGE IN FUND BALANCES	(766,058)	(766,058)	(51,652)	714,406
Fund Balances - Beginning of Year, as Previously Stated	766,058	766,058	(62,274)	(828,332)
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>(206,387)</u>	<u>(206,387)</u>
Fund Balances - Beginning of Year, as Restated	<u>766,058</u>	<u>766,058</u>	<u>(268,661)</u>	<u>(1,034,719)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (320,313)</u>	<u>\$ (320,313)</u>

**HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL
TOURIST DEVELOPMENT FUND
YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 36,000	\$ 36,000	\$ 50,667	\$ 14,667
Interest	200	200	1,714	1,514
Total Revenues	<u>36,200</u>	<u>36,200</u>	<u>52,381</u>	<u>16,181</u>
EXPENDITURES				
Other Expense	<u>98,316</u>	<u>98,316</u>	<u>-</u>	<u>98,316</u>
NET CHANGE IN FUND BALANCES	(62,116)	(62,116)	52,381	(114,497)
Fund Balances - Beginning of Year	<u>62,116</u>	<u>62,116</u>	<u>73,787</u>	<u>11,671</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,168</u>	<u>\$ 126,168</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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 32,000	\$ 32,000	\$ 30,736	\$ (1,264)
Miscellaneous	-	-	2,370	2,370
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>33,106</u>	<u>1,106</u>
EXPENDITURES				
Current:				
General Government	182,375	169,052	20,725	148,327
Capital Outlay	10,000	20,012	20,012	-
Total Expenditures	<u>192,375</u>	<u>189,064</u>	<u>40,737</u>	<u>148,327</u>
NET CHANGE IN FUND BALANCES	(160,375)	(157,064)	(7,631)	149,433
Fund Balances - Beginning of Year	<u>160,375</u>	<u>157,064</u>	<u>157,064</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,433</u>	<u>\$ 149,433</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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 97,421	\$ 47,421
Miscellaneous	-	-	1,472	1,472
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>98,893</u>	<u>48,893</u>
EXPENDITURES				
Current:				
General Government	<u>150,000</u>	<u>155,843</u>	<u>77,979</u>	<u>77,864</u>
NET CHANGE IN FUND BALANCES	(100,000)	(105,843)	20,914	126,757
Fund Balances - Beginning of Year	<u>100,000</u>	<u>105,843</u>	<u>105,843</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,757</u>	<u>\$ 126,757</u>

**HARDEE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL AGENCY FUNDS
 SEPTEMBER 30, 2019**

	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	\$ 65,008	\$ 838	\$ 34,808	\$ 468	\$ 33,947	\$ 4,362	\$ 302,300	\$ 91,800
LIABILITIES								
Due to Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Individuals	27,584	-	34,808	15	33,947	4,362	18,439	-
Due to Other Governments	37,424	838	-	453	-	-	13,518	91,800
Due to Indigent Health Care Special District	-	-	-	-	-	-	89	-
Deposit - Installment Taxes	-	-	-	-	-	-	270,254	-
Total Liabilities	\$ 65,008	\$ 838	\$ 34,808	\$ 468	\$ 33,947	\$ 4,362	\$ 302,300	\$ 91,800

**HARDEE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL AGENCY FUNDS (CONTINUED)
 SEPTEMBER 30, 2019**

	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	\$ 5,911	\$ -	\$ 18,451	\$ 5,869	\$ 2,225	\$ 19,112	\$ 4,761	\$ 589,860
LIABILITIES								
Due to Others	\$ 5,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,761	\$ 10,672
Due to Individuals	-	-	18,451	5,869	2,225	19,112	-	164,812
Due to Other Governments	-	-	-	-	-	-	-	144,033
Due to Indigent Health Care Special District	-	-	-	-	-	-	-	89
Deposit - Installment Taxes	-	-	-	-	-	-	-	270,254
Total Liabilities	\$ 5,911	\$ -	\$ 18,451	\$ 5,869	\$ 2,225	\$ 19,112	\$ 4,761	\$ 589,860

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION —
ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<u>CLERK'S SPECIAL TRUST</u>				
ASSETS				
Cash	\$ 70,994	\$ 1,684,682	\$ (1,690,668)	\$ 65,008
LIABILITIES				
Due to Individuals	\$ 25,435	\$ 48,410	\$ (46,261)	\$ 27,584
Due to Other Governments	45,559	1,640,268	(1,648,403)	37,424
Total Liabilities	<u>\$ 70,994</u>	<u>\$ 1,688,678</u>	<u>\$ (1,694,664)</u>	<u>\$ 65,008</u>
<u>CLERK'S SUPPORT</u>				
ASSETS				
Cash	\$ 875	\$ 25,695	\$ (25,732)	\$ 838
LIABILITIES				
Due to Individuals	\$ -	\$ 7,686	\$ (7,686)	\$ -
Due to Other Governments	875	12,810	(12,847)	838
Total Liabilities	<u>\$ 875</u>	<u>\$ 20,496</u>	<u>\$ (20,533)</u>	<u>\$ 838</u>
<u>CLERK'S COURT REGISTRY</u>				
ASSETS				
Cash	\$ 125,968	\$ 1,124,394	\$ (1,215,554)	\$ 34,808
LIABILITIES				
Due to Individuals	\$ 125,968	\$ 1,122,050	\$ (1,213,210)	\$ 34,808
<u>CLERK'S COUNTY WITNESS</u>				
ASSETS				
Cash	\$ 268	\$ 200	\$ -	\$ 468
LIABILITIES				
Due to Individuals	\$ 15	\$ -	\$ -	\$ 15
Due to Other Governments	253	200	-	453
Total Liabilities	<u>\$ 268</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 468</u>

**HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION —
ALL AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<u>CLERK'S CASH BOND</u>				
ASSETS				
Cash	\$ 32,018	\$ 99,706	\$ (97,777)	\$ 33,947
LIABILITIES				
Due to Individuals	\$ 32,018	\$ 99,706	\$ (97,777)	\$ 33,947
<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	\$ 259,317	\$ 12,704,941	\$ (12,661,958)	\$ 302,300
Due from Individuals	-	734,475	(734,475)	-
	<u>\$ 259,317</u>	<u>\$ 13,439,416</u>	<u>\$ (13,396,433)</u>	<u>\$ 302,300</u>
LIABILITIES				
Due to Individuals	\$ 15,938	\$ 1,140,420	\$ (1,137,919)	\$ 18,439
Due to Other Governments	26,606	11,690,772	(11,703,860)	13,518
Due to Indigent Health Care Special District	675	337,971	(338,557)	89
Deposit - Installment Taxes	216,098	270,254	(216,098)	270,254
Total Liabilities	<u>\$ 259,317</u>	<u>\$ 13,439,417</u>	<u>\$ (13,396,434)</u>	<u>\$ 302,300</u>
<u>TAX COLLECTOR MOTOR VEHICLE FUND</u>				
ASSETS				
Cash	\$ 98,590	\$ 3,618,848	\$ (3,625,638)	\$ 91,800
LIABILITIES				
Due to Other Governments	\$ 98,590	\$ 3,618,848	\$ (3,625,638)	\$ 91,800

**HARDEE COUNTY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN NET POSITION —
 ALL AGENCY FUNDS (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<u>SHERIFF'S SUSPENSE</u>				
ASSETS				
Cash	\$ 1,642	\$ 197,606	\$ (193,337)	\$ 5,911
LIABILITIES				
Due to Others	\$ 1,642	\$ 197,606	\$ (193,337)	\$ 5,911
<u>SHERIFF'S COLLECTIONS</u>				
ASSETS				
Cash	\$ 10	\$ 150,846	\$ (150,856)	\$ -
LIABILITIES				
Due to Individuals	\$ 10	\$ 150,846	\$ (150,856)	\$ -
<u>SHERIFF'S INMATE</u>				
ASSETS				
Cash	\$ 19,933	\$ 2,430,174	\$ (2,431,656)	\$ 18,451
LIABILITIES				
Due to Individuals	\$ 19,933	\$ 2,430,174	\$ (2,431,656)	\$ 18,451
<u>SHERIFF'S YOUTH</u>				
ASSETS				
Cash	\$ 6,560	\$ -	\$ (691)	\$ 5,869
LIABILITIES				
Due to Individuals	\$ 6,560	\$ -	\$ (691)	\$ 5,869
<u>SHERIFF'S FLOWER</u>				
ASSETS				
Cash	\$ 796	\$ 2,935	\$ (1,506)	\$ 2,225
LIABILITIES				
Due to Individuals	\$ 796	\$ 2,935	\$ (1,506)	\$ 2,225

**HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION —
ALL AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<u>SHERIFF'S EVIDENCE</u>				
ASSETS				
Cash	\$ 24,219	\$ 14,496	\$ (19,603)	\$ 19,112
LIABILITIES				
Due to Individuals	\$ 24,219	\$ 14,496	\$ (19,603)	\$ 19,112
<u>SHERIFF'S DRUG TASK FORCE</u>				
ASSETS				
Cash	\$ -	\$ 8,653	\$ (3,892)	\$ 4,761
LIABILITIES				
Due to Others	\$ -	\$ 8,653	\$ (3,892)	\$ 4,761
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 645,552	\$ 22,063,176	\$ (22,118,868)	\$ 589,860
Due from Individuals	-	734,475	(734,475)	-
Total Assets	<u>\$ 645,552</u>	<u>\$ 22,797,651</u>	<u>\$ (22,853,343)</u>	<u>\$ 589,860</u>
LIABILITIES				
Due to Others	\$ 1,642	\$ 206,259	\$ (197,229)	\$ 10,672
Due to Individuals	255,254	5,016,723	(5,107,165)	164,812
Due to Other Governments	171,883	16,962,898	(16,990,748)	144,033
Due to Indigent Health Care Special District	675	337,971	(338,557)	89
Deposit - Installment Taxes	216,098	270,254	(216,098)	270,254
Total Liabilities	<u>\$ 645,552</u>	<u>\$ 22,794,105</u>	<u>\$ (22,849,797)</u>	<u>\$ 589,860</u>

SUPPLEMENTAL INFORMATION

**HARDEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant Contract Number/ Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>FEDERAL AWARDS</u>				
<u>U.S. Department of Homeland Security</u>				
Pass-through from Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.042	19-FG-AF-07-35-01-078	\$ 40,510	\$ -
Emergency Management Performance Grants	97.042	DHS-19-GPD-042-04-01	13,738	-
Total Emergency Management Performance Grants			54,248	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - #FEMA-DR-4337-FL	97.036	Z0519	112,393	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - #FEMA-DR-4337-FL	97.036	Z0762	1,637,791	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			1,750,184	-
Total U.S. Department of Homeland Security			1,804,432	-
 <u>U.S. Department of Justice</u>				
Direct programs				
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0503	19,453	-
Pass-through from Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAGC-HARD-1-F9-041	38,755	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGD-HARD-2-N3-042	2,590	-
Total Edward Byrne Memorial Justice Assistance Grant Program			41,345	-
Total U.S. Department of Justice			60,798	-
 <u>U.S. Department of Agriculture</u>				
Direct programs				
Rural Housing Preservation Grants	10.433	1944N	71,718	-
 <u>U.S. Department of Housing and Urban Development</u>				
Pass-through from Florida Department of Economic Opportunity				
Community Development Block Grant	14.228	19-DB-ON-07-35-01-H08	48,593	-
 <u>U.S. Department of Health and Human Services</u>				
Direct programs				
Drug-Free Communities Support Program Grants	93.276	1H79SP016561-09	128,981	-
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	82,234	-
Total U.S. Department of Health and Human Services			211,215	-
 <u>U.S. Election Assistance Commission</u>				
Pass-through Florida Department of State, Division of Elections				
Help America Vote Act Requirements Payments	90.401	MOA 2018-2019-001	33,826	-
Help America Vote Act Requirements Payments	90.401	MOA 2018-2019-004	32,706	-
Total Help America Vote Act Requirements Payments			66,532	-
Total U.S. Election Assistance Commission			66,532	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,263,288	\$ -

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, 2019**

State Grantor/ Project Title	State CSFA Number	Grant Contract Number	Expenditures	Passed Through to Subrecipients
<u>STATE FINANCIAL ASSISTANCE</u>				
<u>Florida Executive Office of the Governor</u>				
Division of Emergency Management				
Emergency Management Programs	31.063	19-BG-21-07-35-01-020	\$ 80,246	\$ -
Emergency Management Programs	31.063	A0044	30,932	-
Total Emergency Management Programs			<u>111,178</u>	<u>-</u>
Total Florida Executive Office of the Governor			<u>111,178</u>	<u>-</u>
<u>Florida Department of Environmental Protection</u>				
Small County Consolidated Grants	37.012	SC914	90,909	-
Cooperative Collection Center Grant	37.007	HHW802	16,285	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP25022	112,716	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP25027	65,584	-
Total Statewide Surface Water Restoration and Wastewater Projects			<u>178,300</u>	<u>-</u>
Total Florida Department of Environmental Protection			<u>285,494</u>	<u>-</u>
<u>Florida Department of State and Secretary of State</u>				
State Aid to Libraries Grant	45.030	19-ST-15	43,386	-
<u>Florida Department of Agriculture and Consumer Services</u>				
Mosquito Control	42.003	25498	34,481	-
Mosquito Control	42.003	B453A4	30,000	-
Total Mosquito Control			<u>64,481</u>	<u>-</u>
Total Department of Agriculture and Consumer Services			<u>64,481</u>	<u>-</u>
<u>Florida Housing Finance Corporation</u>				
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	231,661	-
<u>Florida Department of Transportation</u>				
Small County Road Assistance Program (SCRAP)	55.016	G0082	3,295,273	-
Small County Outreach Program (SCOP)	55.009	G0082	4,883,825	-
Total Florida Department of Transportation			<u>8,179,098</u>	<u>-</u>
<u>Florida Department of Health</u>				
County Grant Awards	64.005	C7025	6,532	-
<u>State of Florida, Department of Management Services</u>				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	18-11-07 / Fall	36,688	-
Wireless 911 Emergency Telephone System Rural County Grant Program - Special Distribution	72.001	N/A	2,000	-
Total Wireless 911 Emergency Telephone System Rural County Grant Program			<u>38,688</u>	<u>-</u>
Total Florida Department of Management Services			<u>38,688</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 8,960,518</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 11,223,806</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, 2019

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 projects of the State of Florida for the year ended September 30, 2019. 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 federal awards expenditures are recognized following the cost principles contained in the Uniform Guidance and state financial assistance expenditures are recognized following 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. 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 March 31, 2020, 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, 2019

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 2019, \$1,750,184 in eligible expenditures were approved that were incurred in 2017 and 2018 and are included in the Schedule.



**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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2020. 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 questioned costs as findings 2019-001, 2019-002, and 2019-003, that we consider to be material weaknesses.

Compliance and Other Matters

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

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
March 31, 2020



**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 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, 2019. 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, 2019.


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
March 31, 2020

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

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? | _____ <u>X</u> _____ yes _____ no |
| • Significant deficiency(ies) identified? | _____ yes _____ <u>X</u> _____ no |
| 3. Noncompliance material to financial statements noted? | _____ yes _____ <u>X</u> _____ no |

Federal Awards

- | | |
|--|-----------------------------------|
| 1. Internal control over major federal programs: | |
| • Material weakness(es) identified? | _____ yes _____ <u>X</u> _____ no |
| • Significant deficiency(ies) identified? | _____ yes _____ <u>X</u> _____ no |
| 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 _____ <u>X</u> _____ no |

Identification of Major Federal Programs:

CFDA Number(s)	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	_____ yes _____ <u>X</u> _____ no

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

Section II – Financial Statement Findings

2019-001 Prior Period Restatement – Interfund Services

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

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 transfers out were overstated. Also, Solid Waste Fund revenues were understated and transfers in were overstated.

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 transfers and landfill tipping fee revenue detected the error.

Effect: Beginning fund balance, transfers, and revenue were misstated.

Cause: Tipping fees charged by the Solid Waste Fund in prior years were not recognized in the Emergency Disaster Fund as expenditures in those periods. That transaction was recorded in the current year using transfers in and out.

Recommendation: The County should ensure that all interfund services provided and used are accounted for in the period incurred.

Views of responsible officials and planned corrective actions: During Hurricane Irma it was necessary for County staff to engage and handle much of the debris issues as contractors were not readily available. Debris brought into the landfill by County staff was tracked and it was assumed that FEMA could reimburse directly to the landfill accounts. However, after several months of review from both the federal and state level it was the direction of the state agency to show actual payment of the tipping fees before reimbursement could occur. As a consequence, it was the County's decision to show payment in the form of a transfer to avoid any short fall in actual cash to any specific fund. It took several months and over more than one fiscal year for FEMA to determine the eligible amount and give this direction. In the future the County will follow the recommendation given to ensure that revenues and expenditures match within the same fiscal year.

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

Section II – Financial Statement Findings (Continued)

2019-002 Revenue Recognition

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

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, deferred inflows of resources, and revenues were understated.

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 receivables and revenues detected the error.

Effect: Receivables, deferred inflows of resources, and revenue were misstated.

Cause: E-911 fees for exchanges that took place in July, August, and September were not recognized as a receivable as of the fiscal year-end.

Recommendation: The County should continue to evaluate revenue transactions to ensure they are recognized in accordance with GAAP.

Views of responsible officials and planned corrective actions: The County did not deem the effect of these E-911 fees as being significant or material to the presentation of the financial statements. The County has taken the proper steps to add this source to their annual review process to ensure that these transactions are properly reported in the future.

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

Section II – Financial Statement Findings (Continued)

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

Type of Finding:

- Material Weakness 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 three federal awards grants were misclassified as expenditures of state financial assistance.
- Expenditures of one state financial assistance grant included local match amounts resulting in an overstatement of expenditures.
- Expenditures of two state financial assistance grants were reported under one catalog of state financial assistance (CSFA) number resulting in the omission of one grant and overstatement of the other.

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: The County has taken steps to reorganize the preparation of the grant schedule and to review all sources and catalog numbers for accuracy and completeness.

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

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.



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, 2019, and have issued our report thereon dated March 31, 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; 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, March 31, 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 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 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. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Sebring, Florida
March 31, 2020



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, 2019. 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, 2019.

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
March 31, 2020

HARDEE COUNTY CLERK OF THE CIRCUIT COURT
FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS
YEAR ENDED SEPTEMBER 30, 2019



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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 Statement

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, 2019, 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, 2019, 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, 2019, 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 7, 2020 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 7, 2020

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major Funds				Total Governmental Funds
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	
ASSETS					
Cash	\$ 111,109	\$ 353,870	\$ 123,929	\$ 98,568	\$ 687,476
Due from Individuals	-	10	-	-	10
Due from Other Funds	-	10,466	27,935	24,673	63,074
Due from Other Governments	2,643	129	-	24,132	26,904
Prepaid Expense	2,106	1,039	-	-	3,145
Total Assets	<u>\$ 115,858</u>	<u>\$ 365,514</u>	<u>\$ 151,864</u>	<u>\$ 147,373</u>	<u>\$ 780,609</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 31,961	\$ 38,624	\$ 2,425	\$ 3,244	\$ 76,254
Due to Board of County Commissioners	9,761	21,058	-	-	30,819
Due to Other Funds	52,601	7	6	10,460	63,074
Due to Other Governments	21,535	305,825	-	-	327,360
Total Liabilities	<u>115,858</u>	<u>365,514</u>	<u>2,431</u>	<u>13,704</u>	<u>497,507</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Intergovernmental	-	-	-	6,912	6,912
FUND BALANCES					
Nonspendable	2,106	1,039	-	-	3,145
Restricted - Official Records	-	-	140,432	-	140,432
Restricted - Court Technology	-	-	9,001	-	9,001
Committed - Clerk Related Functions	-	-	-	126,757	126,757
Unassigned	(2,106)	(1,039)	-	-	(3,145)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>149,433</u>	<u>126,757</u>	<u>276,190</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 115,858</u>	<u>\$ 365,514</u>	<u>\$ 151,864</u>	<u>\$ 147,373</u>	<u>\$ 780,609</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, 2019

	Major Funds				Total Governmental Funds
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	
REVENUES					
Appropriations from Board of County Commissioners	\$ 592,290	\$ -	\$ -	\$ -	\$ 592,290
Intergovernmental	-	316,663	-	97,421	414,084
Charges for Services	90,681	717,789	30,736	-	839,206
Interest Income	3,070	5,618	2,370	1,472	12,530
Miscellaneous	7,321	3,689	-	-	11,010
Total Revenues	<u>693,362</u>	<u>1,043,759</u>	<u>33,106</u>	<u>98,893</u>	<u>1,869,120</u>
EXPENDITURES					
Current:					
General Government:					
Salaries and Benefits	589,793	765,206	16,160	65,649	1,436,808
Operating Expenditures	70,242	38,333	4,565	12,330	125,470
Capital Outlay	25,394	-	20,012	-	45,406
Total Expenditures	<u>685,429</u>	<u>803,539</u>	<u>40,737</u>	<u>77,979</u>	<u>1,607,684</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,933	240,220	(7,631)	20,914	261,436
OTHER FINANCING USES					
Distribution of Excess Revenues:					
Board of County Commissioners	(7,933)	-	-	-	(7,933)
State of Florida	-	(197,764)	-	-	(197,764)
Total Other Financing Uses	<u>(7,933)</u>	<u>(197,764)</u>	<u>-</u>	<u>-</u>	<u>(205,697)</u>
NET CHANGE IN FUND BALANCES	-	42,456	(7,631)	20,914	55,739
Fund Balances - Beginning of Year	-	(42,456)	157,064	105,843	220,451
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,433</u>	<u>\$ 126,757</u>	<u>\$ 276,190</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
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriations from Board of County Commissioners	\$ 592,290	\$ 592,290	\$ 592,290	\$ -
Charges for Services	93,280	90,681	90,681	-
Interest Income	-	3,070	3,070	-
Miscellaneous	220	7,321	7,321	-
Total Revenues	<u>685,790</u>	<u>693,362</u>	<u>693,362</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	592,310	589,793	589,793	-
Operating Expenditures	84,880	70,242	70,242	-
Capital Outlay	8,600	25,394	25,394	-
Total Expenditures	<u>685,790</u>	<u>685,429</u>	<u>685,429</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	7,933	7,933	-
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	-	(7,933)	(7,933)	-
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, 2019**

	Budgeted Amounts		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 284,110	\$ 274,207	\$ 316,663	\$ 42,456
Charges for Services	527,326	717,789	717,789	-
Interest Income	-	5,618	5,618	-
Miscellaneous	-	3,689	3,689	-
Total Revenues	<u>811,436</u>	<u>1,001,303</u>	<u>1,043,759</u>	<u>42,456</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	772,541	765,206	765,206	-
Operating Expenditures	38,895	38,333	38,333	-
Total Expenditures	<u>811,436</u>	<u>803,539</u>	<u>803,539</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	197,764	240,220	42,456
OTHER FINANCING USES				
Distribution of Excess Revenues:				
State of Florida	-	(197,764)	(197,764)	-
NET CHANGE IN FUND BALANCE	-	-	42,456	42,456
Fund Balance - Beginning of Year	-	-	(42,456)	(42,456)
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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 32,000	\$ 32,000	\$ 30,736	\$ (1,264)
Interest Income	-	-	2,370	2,370
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>33,106</u>	<u>1,106</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	26,375	22,674	16,160	6,514
Operating Expenditures	156,000	146,378	4,565	141,813
Capital Outlay	10,000	20,012	20,012	-
Total Expenditures	<u>192,375</u>	<u>189,064</u>	<u>40,737</u>	<u>148,327</u>
NET CHANGE IN FUND BALANCE	(160,375)	(157,064)	(7,631)	149,433
Fund Balance - Beginning of Year	<u>160,375</u>	<u>157,064</u>	<u>157,064</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 149,433</u></u>	<u><u>\$ 149,433</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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 97,421	\$ 47,421
Interest Income	-	-	1,472	1,472
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>98,893</u>	<u>48,893</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	54,360	65,652	65,649	3
Operating Expenditures	95,640	90,191	12,330	77,861
Total Expenditures	<u>150,000</u>	<u>155,843</u>	<u>77,979</u>	<u>77,864</u>
NET CHANGE IN FUND BALANCE	(100,000)	(105,843)	20,914	126,757
Fund Balance - Beginning of Year	<u>100,000</u>	<u>105,843</u>	<u>105,843</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 126,757</u></u>	<u><u>\$ 126,757</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY
NET POSITION – AGENCY FUND
SEPTEMBER 30, 2019**

ASSETS

Cash	<u>\$ 139,431</u>
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LIABILITIES

Due to Individuals	\$ 100,716
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Due to Other Governments	<u>38,715</u>
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Total Liabilities	<u>\$ 139,431</u>
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See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019**

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. Revenue 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, 2019**

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, 2019, 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.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2019**

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 \$1,000 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 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, 2019**

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, 2019, the Clerk's bank balance \$828,898. 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, 2019**

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	\$	826,382
Petty Cash and Change Funds		525
		<u>\$ 826,907</u>
Balance Sheet:		
Cash	\$	687,476
Statement of Fiduciary Net Position:		
Cash		139,431
Total Cash	\$	<u>826,907</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, 2019.

	Balance October 1, 2018	Additions	Disposals	Transfers	Balance September 30, 2019
Machinery and Equipment	\$ 513,529	\$ 45,406	\$ -	\$ (15,487)	\$ 543,448
Less: Accumulated Depreciation	(464,744)	(22,201)	-	15,487	(471,458)
Total Capital Assets, Net	<u>\$ 48,785</u>	<u>\$ 23,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,990</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019**

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, 2019**

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, 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

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, 2019**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

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 1 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 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, 2019, 2018, and 2017 were \$125,908, \$116,907, and \$106,372 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, 2019**

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, 2019:

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 52,601
Fine and Forfeiture Fund	10,466	7
Public Records Modernization Trust Fund	27,935	6
Child Support IV-D Fund	24,673	10,460
Total	\$ 63,074	\$ 63,074

NOTE 6 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2019:

	Balance October 1, 2018	Net Deletions	Balance September 30, 2019
Accrued Compensated Absences	\$ 63,730	\$ 5,710	\$ 69,440

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, 2019 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 \$592,290 for the year ended September 30, 2019. Excess revenues and other amounts payable to the Board at September 30, 2019 were \$30,819. Distribution of excess revenues to the Board was \$7,933 for the year ended September 30, 2019.

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, 2019 amounted to \$254,756.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019**

	Special Trust	Support	Court Registry	County Witness	Cash Bond	Condemnation Right-of-Way	Total Agency Funds
ASSETS							
Cash	<u>\$ 65,008</u>	<u>\$ 838</u>	<u>\$ 34,808</u>	<u>\$ 468</u>	<u>\$ 33,947</u>	<u>\$ 4,362</u>	<u>\$ 139,431</u>
LIABILITIES							
Due to Individuals	\$ 27,584	\$ -	\$ 34,808	\$ 15	\$ 33,947	\$ 4,362	\$ 100,716
Due to Other Governments	<u>37,424</u>	<u>838</u>	<u>-</u>	<u>453</u>	<u>-</u>	<u>-</u>	<u>38,715</u>
Total Liabilities	<u>\$ 65,008</u>	<u>\$ 838</u>	<u>\$ 34,808</u>	<u>\$ 468</u>	<u>\$ 33,947</u>	<u>\$ 4,362</u>	<u>\$ 139,431</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES – ALL AGENCY FUNDS
 YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Increases	(Decreases)	Balance September 30, 2019
SPECIAL TRUST				
ASSETS				
Cash	<u>\$ 70,994</u>	<u>\$ 1,804,263</u>	<u>\$ (1,810,249)</u>	<u>\$ 65,008</u>
LIABILITIES				
Due to Individuals	\$ 25,435	\$ 48,410	\$ (46,261)	\$ 27,584
Due to Other Governments	45,559	1,640,268	(1,648,403)	37,424
Due to Board of County Commissioners	-	119,581	(119,581)	-
Total Liabilities	<u>\$ 70,994</u>	<u>\$ 1,808,259</u>	<u>\$ (1,814,245)</u>	<u>\$ 65,008</u>
SUPPORT				
ASSETS				
Cash	<u>\$ 875</u>	<u>\$ 25,695</u>	<u>\$ (25,732)</u>	<u>\$ 838</u>
LIABILITIES				
Due to Individuals	\$ -	\$ 7,686	\$ (7,686)	\$ -
Due to Other Governments	875	12,810	(12,847)	838
Total Liabilities	<u>\$ 875</u>	<u>\$ 20,496</u>	<u>\$ (20,533)</u>	<u>\$ 838</u>
COURT REGISTRY				
ASSETS				
Cash	<u>\$ 125,968</u>	<u>\$ 1,124,394</u>	<u>\$ (1,215,554)</u>	<u>\$ 34,808</u>
LIABILITIES				
Due to Individuals	<u>\$ 125,968</u>	<u>\$ 1,122,050</u>	<u>\$ (1,213,210)</u>	<u>\$ 34,808</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES – ALL AGENCY FUNDS (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Increases	(Decreases)	Balance September 30, 2019
COUNTY WITNESS				
ASSETS				
Cash	\$ 268	\$ 200	\$ -	\$ 468
LIABILITIES				
Due to Individuals	\$ 15	\$ -	\$ -	\$ 15
Due to Other Governments	253	200	-	453
Total Liabilities	<u>\$ 268</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 468</u>
CASH BOND				
ASSETS				
Cash	<u>\$ 32,018</u>	<u>\$ 99,706</u>	<u>\$ (97,777)</u>	<u>\$ 33,947</u>
LIABILITIES				
Due to Individuals	<u>\$ 32,018</u>	<u>\$ 99,706</u>	<u>\$ (97,777)</u>	<u>\$ 33,947</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>\$ 234,485</u>	<u>\$ 3,054,258</u>	<u>\$ (3,149,312)</u>	<u>\$ 139,431</u>
LIABILITIES				
Due to Individuals	\$ 187,798	\$ 1,277,852	\$ (1,364,934)	\$ 100,716
Due to Other Governments	46,687	1,653,278	(1,661,250)	38,715
Due to Board of County Commissioners	-	119,581	(119,581)	-
Total Liabilities	<u>\$ 234,485</u>	<u>\$ 3,050,711</u>	<u>\$ (3,145,765)</u>	<u>\$ 139,431</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, 2019, 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 7, 2020.

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 7, 2020



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, 2019 and have issued our report thereon dated February 7, 2020.

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 7, 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 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. See item 2019-001 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 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

Sebring, Florida
February 7, 2020

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2019**

2019-001 – Employee Bonuses

Type of Finding:

- Compliance

Condition: The portion of employee bonuses expended within the General Fund were paid in absence of a preexisting bonus payment program.

Criteria or specific requirement: Section 215.425, Florida Statutes, which is applicable to bonuses paid from tax revenues or state appropriated funds, establishes provisions for bonuses including items that must be included in the policy.

Context: Testing of payroll identified the noncompliance.

Effect: The Clerk 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 Clerk comply with provisions of Section 215.425, Florida Statutes, regarding the payment of bonuses. The Clerk should also adopt a formal bonus payment program that meets the criteria specified in the statute.

Views of responsible officials and planned corrective actions: The bonuses referred to in this finding were in lieu of the Board of County Commissioners approved cost of living adjustment given to all county offices when their budgets were presented. These bonuses were paid as appropriate dollars were available. This was due to uncertainty of other funds having sufficient dollars or expenditure authority to support a Cost of Living Adjustment at the beginning of a fiscal year for all employees of the Clerk's Office. We will make corrective actions to change our interpretations to comply with the statute by establishing a program based on performance with all items required being implemented.



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, 2019. 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, 2019.

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 7, 2020

HARDEE COUNTY PROPERTY APPRAISER

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2019



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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, 2019, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2019, 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, 2019, 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 December 18, 2019, 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
December 18, 2019

**HARDEE COUNTY PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS		
Cash		<u>\$ 65,445</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Board of County Commissioners		\$ 62,782
Due to Special Taxing Districts		<u>2,663</u>
Total Liabilities		65,445
FUND BALANCE		<u>-</u>
Total Liabilities and Fund Balance		<u>\$ 65,445</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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services:				
Board of County Commissioners	\$ 767,034	\$ 767,034	\$ 760,301	\$ (6,733)
Other Governments	32,993	32,993	32,257	(736)
Interest Income	-	-	1,468	1,468
Miscellaneous	-	100,576	100,576	-
Total Revenues	<u>800,027</u>	<u>900,603</u>	<u>894,602</u>	<u>(6,001)</u>
EXPENDITURES				
Current:				
General Government:				
Personal Services	556,164	564,290	550,012	14,278
Operating Expenditures	215,394	179,720	131,672	48,048
Capital Outlay	21,000	148,548	147,473	1,075
Total Expenditures	<u>792,558</u>	<u>892,558</u>	<u>829,157</u>	<u>63,401</u>
EXCESS OF REVENUES OVER EXPENDITURES	7,469	8,045	65,445	57,400
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	(7,469)	(8,045)	(62,782)	(54,737)
Special Taxing Districts	-	-	(2,663)	(2,663)
Total Other Financing Uses	<u>(7,469)</u>	<u>(8,045)</u>	<u>(65,445)</u>	<u>(57,400)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
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, 2019**

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 (the 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, 2019**

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, 2019**

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, 2019, 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 \$1,000 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 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 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, 2019**

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 CUSTODIAL CREDIT RISK

At September 30, 2019, the carrying amount of the Property Appraiser's deposits was \$65,445 and bank balance was \$220,992, 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, 2019**

NOTE 2 CUSTODIAL CREDIT RISK (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, 2018	Additions	Disposals	Balance September 30, 2019
Government Activities:				
Capital Assets, Not Being Depreciated:				
Software in Progress	\$ -	\$ 127,548	\$ -	\$ 127,548
Capital Assets, Being Depreciated:				
Machinery and Equipment	163,549	19,925	(24,283)	159,191
Less: Accumulated Depreciation for:				
Machinery and Equipment	(118,123)	(12,741)	24,283	(106,581)
Total Capital Assets, Being Depreciated, Net	<u>45,426</u>	<u>7,184</u>	<u>-</u>	<u>52,610</u>
Government Activities:				
Capital Assets, Net	<u>\$ 45,426</u>	<u>\$ 134,732</u>	<u>\$ -</u>	<u>\$ 180,158</u>

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019**

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, 2019**

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, 2019**

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, 2019**

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, 2019, 2018, and 2017 were \$73,346, \$67,516, and \$64,309, 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, 2019:

	Balance October 1, 2018	Net Change	Balance September 30, 2019
Accrued Compensated Absences	\$ 5,306	\$ 1,813	\$ 7,119

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, 2019 were as follows:

Budget Appropriation – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$760,301 for the year ended September 30, 2019. At September 30, 2019, \$62,782 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, 2019 amounted to \$90,267.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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.

NOTE 8 COMMITMENTS AND CONTINGENCIES

In July 2019, the Property Appraiser entered into a contract in the amount of \$204,076 for the development of a computer assisted mass appraisal (CAMA) system. During the fiscal year ended September 30, 2019, \$127,548 was incurred and paid. The payment schedule for the total amount due is as follows:

<u>Year</u>	<u>Amount</u>
2020	<u><u>\$ 76,528</u></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 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, 2019, 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 December 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
December 18, 2019



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, 2019, and have issued our report thereon dated December 18, 2019.

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 18, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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.


The Honorable Kathy Crawford
Hardee County Property Appraiser

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
December 18, 2019



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, 2019. 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, 2019.

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
December 18, 2019

HARDEE COUNTY SHERIFF
FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS
YEAR ENDED SEPTEMBER 30, 2019



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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, 2019, 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, 2019, 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, 2019, 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.

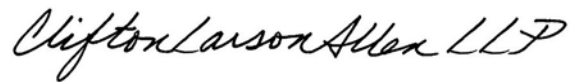
Other Information

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 February 12, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
February 12, 2020

**HARDEE COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 476,075	\$ 190,053	\$ 666,128
Prepaid Items	591,214	-	591,214
	<u>591,214</u>	<u>-</u>	<u>591,214</u>
Total Assets	<u>\$ 1,067,289</u>	<u>\$ 190,053</u>	<u>\$ 1,257,342</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 51,310	\$ -	\$ 51,310
Accrued Liabilities	252,228	-	252,228
Due to the Board of County Commissioners	763,751	54,507	818,258
Total Liabilities	<u>1,067,289</u>	<u>54,507</u>	<u>1,121,796</u>
 FUND BALANCES			
Nonspendable	591,214	-	591,214
Restricted	-	135,546	135,546
Unassigned	(591,214)	-	(591,214)
Total Fund Balances	<u>-</u>	<u>135,546</u>	<u>135,546</u>
Total Liabilities and Fund Balances	<u>\$ 1,067,289</u>	<u>\$ 190,053</u>	<u>\$ 1,257,342</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, 2019**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Appropriations from Board of County Commissioners	\$ 10,253,711	\$ 206,615	\$ 10,460,326
Intergovernmental	174,012	-	174,012
Charges for Services	544,622	-	544,622
Fines and Forfeitures	-	3,245	3,245
Interest	924	-	924
Miscellaneous	161,610	43,704	205,314
Total Revenues	<u>11,134,879</u>	<u>253,564</u>	<u>11,388,443</u>
EXPENDITURES			
Current:			
Public Safety:			
Salaries and Benefits	8,148,869	32,963	8,181,832
Operating Expenditures	1,732,688	175,683	1,908,371
Capital Outlay	704,584	-	704,584
Debt Service:			
Principal Retirement	120,377	-	120,377
Interest	5,864	-	5,864
Total Expenditures	<u>10,712,382</u>	<u>208,646</u>	<u>10,921,028</u>
EXCESS OF REVENUES OVER EXPENDITURES	422,497	44,918	467,415
OTHER FINANCING USES			
Transfers to Board of County Commissioners	<u>(422,497)</u>	<u>(54,507)</u>	<u>(477,004)</u>
NET CHANGE IN FUND BALANCES	-	(9,589)	(9,589)
Fund Balances - Beginning of Year	<u>-</u>	<u>145,135</u>	<u>145,135</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 135,546</u>	<u>\$ 135,546</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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriations from Board of County Commissioners	\$ 10,221,011	\$ 10,221,011	\$ 10,253,711	\$ 32,700
Intergovernmental	-	-	174,012	174,012
Charges for Services	-	-	544,622	544,622
Interest	-	-	924	924
Miscellaneous	-	-	161,610	161,610
Total Revenues	<u>10,221,011</u>	<u>10,221,011</u>	<u>11,134,879</u>	<u>913,868</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries and Benefits	8,345,686	8,345,686	8,148,869	196,817
Operating Expenditures	1,599,325	1,599,325	1,732,688	(133,363)
Capital Outlay	276,000	276,000	704,584	(428,584)
Debt Service:				
Principal Retirement	-	-	120,377	(120,377)
Interest and Fiscal Charges	-	-	5,864	(5,864)
Total Expenditures	<u>10,221,011</u>	<u>10,221,011</u>	<u>10,712,382</u>	<u>(491,371)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	422,497	422,497
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(422,497)	(422,497)
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, 2019**

ASSETS

Cash	<u>\$ 56,329</u>
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LIABILITIES

Due to Others	\$ 10,672
Due to Individuals	<u>45,657</u>
Total Liabilities	<u>\$ 56,329</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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 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 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. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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 personal services, operating expenditures, and capital outlay 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 (personal services, 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, 2019**

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, 2019, 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 and are recorded as prepaid items. Prepaid items are equally offset by a fund balance categorized as nonspendable, which indicates that this portion of the fund balance is not in a spendable form or is required to be remain intact. An expenditure is reported in the year in which services are consumed.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019**

NOTE 2 CASH

At September 30, 2019, the Sheriff's total bank balance was \$1,610,965. 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>\$ 722,457</u>
Balance Sheet:	
Cash	\$ 666,128
Statement of Fiduciary Net Position:	
Cash	<u>56,329</u>
Total Cash	<u>\$ 722,457</u>

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019:

	Balance October 1, 2018	Additions	Disposals	Balance September 30, 2019
Machinery and Equipment	\$ 4,606,994	\$ 692,078	\$ (330,270)	\$ 4,968,802
Less: Accumulated Depreciation	(3,009,013)	(478,314)	320,553	(3,166,774)
Total Capital Assets, Net	<u>\$ 1,597,981</u>	<u>\$ 213,764</u>	<u>\$ (9,717)</u>	<u>\$ 1,802,028</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. Principal and interest is payable in annual installments of \$126,241. During 2019 principal payments were made in the amount of \$120,377, leaving a balance of \$110,446 at year-end. The interest rate is 3.43% and has a three-year term with the final payment to be made on December 15, 2019. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquitted through the capital lease are as follows:

Asset:	Governmental Activities
Equipment	\$ 353,786
Less: Accumulated Depreciation	(114,360)
Total	<u>\$ 239,426</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of September 30, 2019 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	\$ 114,294
Total Minimum Lease Payments	114,294
Less: Amount Representing Interest	(3,848)
Present Value of Minimum Lease Payments	<u>\$ 110,446</u>

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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).

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 SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 5 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 SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 5 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 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, 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

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 SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 5 PENSION PLANS (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. 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, 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 Sheriff.

After termination and applying to receive benefits, the member may rollover-vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the 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, 2019, 2018, and 2017 were \$1,108,413, \$1,003,284, and \$921,248, 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 SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2019:

	Balance October 1, 2018	Net Increase	Balance September 30, 2019	Due Within One Year
Accrued Compensated Absences	\$ 491,760	\$ 28,797	\$ 520,557	\$ -

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.

NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2019 were as follows:

Budget Appropriation – The General Fund received revenue from the Board of County Commissioners in the amount of \$10,253,711 for the year ended September 30, 2019. At September 30, 2019, \$763,751 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 \$206,615. At September 30, 2019, \$54,507 was due to the Board from the E-911 Fund.

NOTE 8 RISK MANAGEMENT

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

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9 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 have been no claim settlements in excess of coverage during the past three years.

NOTE 10 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, 2019**

	<u>Commissary Fund</u>	<u>Education Fund</u>	<u>E-911 Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash	<u>\$ 80,887</u>	<u>\$ 54,659</u>	<u>\$ 54,507</u>	<u>\$ 190,053</u>
LIABILITIES				
Due to the Board of County Commissioners	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,507</u>	<u>\$ 54,507</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>54,507</u>	<u>54,507</u>
FUND BALANCES				
Restricted for Education	-	54,659	-	54,659
Restricted for Inmate Welfare	<u>80,887</u>	<u>-</u>	<u>-</u>	<u>80,887</u>
Total Fund Balances	<u>80,887</u>	<u>54,659</u>	<u>-</u>	<u>135,546</u>
Total Liabilities and Fund Balances	<u>\$ 80,887</u>	<u>\$ 54,659</u>	<u>\$ 54,507</u>	<u>\$ 190,053</u>

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Commissary Fund</u>	<u>Education Fund</u>	<u>E-911 Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Appropriations from Board of County Commissioners	\$ -	\$ -	\$ 206,615	\$ 206,615
Fines and Forfeitures	-	3,245	-	3,245
Miscellaneous	43,704	-	-	43,704
Total Revenues	<u>43,704</u>	<u>3,245</u>	<u>206,615</u>	<u>253,564</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries and Benefits	32,963	-	-	32,963
Operating Expenditures	17,267	6,308	152,108	175,683
Total Expenditures	<u>50,230</u>	<u>6,308</u>	<u>152,108</u>	<u>208,646</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,526)	(3,063)	54,507	44,918
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(54,507)	(54,507)
NET CHANGE IN FUND BALANCES	(6,526)	(3,063)	-	(9,589)
Fund Balances - Beginning of Year	<u>87,413</u>	<u>57,722</u>	<u>-</u>	<u>145,135</u>
FUND BALANCES - END OF YEAR	<u>\$ 80,887</u>	<u>\$ 54,659</u>	<u>\$ -</u>	<u>\$ 135,546</u>

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF FIDUCIARY
NET POSITION – ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	<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>\$ 5,911</u>	<u>\$ -</u>	<u>\$ 19,112</u>	<u>\$ 18,451</u>	<u>\$ 5,869</u>	<u>\$ 2,225</u>	<u>\$ 4,761</u>	<u>\$ 56,329</u>
LIABILITIES								
Due to Others	\$ 5,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,761	\$ 10,672
Due to Individuals	<u>-</u>	<u>-</u>	<u>19,112</u>	<u>18,451</u>	<u>5,869</u>	<u>2,225</u>	<u>-</u>	<u>45,657</u>
Total Liabilities	<u>\$ 5,911</u>	<u>\$ -</u>	<u>\$ 19,112</u>	<u>\$ 18,451</u>	<u>\$ 5,869</u>	<u>\$ 2,225</u>	<u>\$ 4,761</u>	<u>\$ 56,329</u>

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Increases	(Decreases)	Balance September 30, 2019
SUSPENSE				
ASSETS				
Cash	\$ 1,642	\$ 197,606	\$ (193,337)	\$ 5,911
LIABILITIES				
Due to Others	\$ 1,642	\$ 197,606	\$ (193,337)	\$ 5,911
COLLECTIONS				
ASSETS				
Cash	\$ 10	\$ 150,846	\$ (150,856)	\$ -
LIABILITIES				
Due to Individuals	\$ 10	\$ 150,846	\$ (150,856)	\$ -
EVIDENCE				
ASSETS				
Cash	\$ 24,219	\$ 14,496	\$ (19,603)	\$ 19,112
LIABILITIES				
Due to Individuals	\$ 24,219	\$ 14,496	\$ (19,603)	\$ 19,112
INMATE				
ASSETS				
Cash	\$ 19,933	\$ 2,430,174	\$ (2,431,656)	\$ 18,451
LIABILITIES				
Due to Individuals	\$ 19,933	\$ 2,430,174	\$ (2,431,656)	\$ 18,451
YOUTH				
ASSETS				
Cash	\$ 6,560	\$ -	\$ (691)	\$ 5,869
LIABILITIES				
Due to Individuals	\$ 6,560	\$ -	\$ (691)	\$ 5,869
FLOWER				
ASSETS				
Cash	\$ 796	\$ 2,935	\$ (1,506)	\$ 2,225
LIABILITIES				
Due to Individuals	\$ 796	\$ 2,935	\$ (1,506)	\$ 2,225
DRUG TASK FORCE				
ASSETS				
Cash	\$ -	\$ 8,653	\$ (3,892)	\$ 4,761
LIABILITIES				
Due to Others	\$ -	\$ 8,653	\$ (3,892)	\$ 4,761
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 53,160	\$ 2,804,710	\$ (2,801,541)	\$ 56,329
LIABILITIES				
Due to Others	\$ 1,642	\$ 206,259	\$ (197,229)	\$ 10,672
Due to Individuals	51,518	2,598,451	(2,604,312)	45,657
Total Liabilities	\$ 53,160	\$ 2,804,710	\$ (2,801,541)	\$ 56,329



**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, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated February 12, 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 2019-001 and 2019-002 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
February 12, 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, 2019, and we have issued our report thereon dated February 12, 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 February 12, 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 in the schedule below.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2017-18 FY Finding #	2016-17 FY Finding #
2019-001	2018-001	2017-001
2019-003	2018-002	2017-003

The Honorable Arnold Lanier
Hardee County Sheriff

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.

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 2019-003 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
February 12, 2020

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2019**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2019-001 – Audit Adjustments and Account Reconciliations (Previously Identified as Finding 2018-001)

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. 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, and expenditures 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.

Views of responsible officials: We are exploring options with utilizing the requisition and purchase order functions in ADC to help with the monthly reconciliation of accounts payable.

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2019**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2019-002 – Bank Reconciliations

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Sheriff's operating bank account was not completely reconciled to the general ledger and the reconciliation contained errors.

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 not posting electronic bank transactions, backdating checks made after the fiscal year-end to September 30, 2019, and recording other fiscal year-end accruals as cash transactions. Additionally, bank reconciliation discrepancies identified early in the fiscal year were not resolved.

Recommendation: Management should improve on its bank reconciliation process with more accurate and complete reconciliations that includes resolving discrepancies timely.

Views of responsible officials: The adjusting journal entries for the 2018/2019 fiscal year were completed. As CliftonLarsonAllen stated on February 21, 2020 during a call with Linda Slovacek and Amy Granda, the bank reconciliation for February should correct after these journal entries were completed. On March 3, 2020 when the bank reconciliation was completed, the journal entries for the 2018/2019 fiscal year added to the variance. This was emailed to CliftonLarsonAllen on March 3, 2020 with an explanation detailing the journal entries completed and the variance that has been on the bank reconciliations since October 2019.

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2019**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2019-003 - Budgets (Previously Identified as Finding 2018-002)

Type of Finding:

- Compliance

Condition: For the year ended September 30, 2019, 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. 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: As to the budget amendments corrective action has been implemented to ensure we are in compliance for the 2020 external audit. We will be addressing any and all budget amendments by submitting an agenda for a hearing with the Board of County Commissioners.



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, 2019. 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, 2019.

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
February 12, 2020

HARDEE COUNTY SUPERVISOR OF ELECTIONS

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2019



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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 (the Supervisor of Elections), as of and for the year ended September 30, 2019, 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, 2019, 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, 2019, 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 27, 2020 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 27, 2020

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS

Cash	\$ 2,558
Due from Other Governments	32,706
Prepaid Items	<u>3,690</u>
Total Assets	<u><u>\$ 38,954</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to Board of County Commissioners	\$ 38,954
--------------------------------------	-----------

FUND BALANCE

Nonspendable	3,690
Unassigned	<u>(3,690)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 38,954</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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriation from Board of County Commissioners	\$ 419,194	\$ 432,864	\$ 432,864	\$ -
Intergovernmental	-	32,706	33,379	673
Interest Income	-	-	17	17
Miscellaneous	-	-	622	622
Total Revenues	<u>419,194</u>	<u>465,570</u>	<u>466,882</u>	<u>1,312</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	291,954	291,954	290,070	1,884
Operating Expenditures	115,740	162,116	144,863	17,253
Capital Outlay	11,500	11,500	21,292	(9,792)
Total Expenditures	<u>419,194</u>	<u>465,570</u>	<u>456,225</u>	<u>9,345</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	10,657	10,657
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(10,657)	(10,657)
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 SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019**

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, 2019**

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 \$1,000 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.

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, 2019**

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, 2019, the Supervisor of Elections' deposits were \$16,890 and the Supervisor of Elections' book balance was \$2,558, 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, 2019**

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, 2018	Additions	Disposals	Transfers	Balance September 30, 2019
Machinery and Equipment	\$ 194,540	\$ 21,292	\$ -	\$ 8,705	\$ 224,537
Less: Accumulated Depreciation	(175,157)	(14,450)	-	-	(189,607)
Total Capital Assets, Net	<u>\$ 19,383</u>	<u>\$ 6,842</u>	<u>\$ -</u>	<u>\$ 8,705</u>	<u>\$ 34,930</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, 2019**

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, 2019**

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, 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 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 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, 2019**

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, 2019, 2018, and 2017 were \$56,210, \$52,821, and \$43,822, 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, 2019:

	<u>Balance October 1, 2018</u>	<u>Net Change</u>	<u>Balance September 30, 2019</u>
Accrued Compensated Absences	<u>\$ 959</u>	<u>\$ (570)</u>	<u>\$ 389</u>

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, 2019 were as follows:

Budget Appropriation – The General Fund of the Supervisor of Elections received revenue from the Board in the amount of \$432,864 for the fiscal year ended September 30, 2019. The General Fund paid \$34,154 to the Board for health insurance. In addition, \$38,954 was due to the Board at September 30, 2019.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019, 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 27, 2020.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 27, 2020



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, 2019, and have issued our report thereon dated January 27, 2020.

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 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 27, 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 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 2019-001 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 27, 2020

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2019**

2019-001 – Employee Bonuses

Type of Finding:

- Compliance

Condition: Employee bonuses were paid in absence of a preexisting lump-sum bonus payment program.

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: Management concurs with the finding and recommendation.



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, 2019. 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, 2019.

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 27, 2020

HARDEE COUNTY TAX COLLECTOR

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2019



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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, 2019, 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, 2019, 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, 2019, 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 December 5, 2019, 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.



CliftonLarsonAllen LLP

Sebring, Florida
December 5, 2019

**HARDEE COUNTY TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS

Cash	\$ 62,522
Accounts Receivable	<u>22,769</u>
Total Assets	<u><u>\$ 85,291</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 3,013
Due to the Board of County Commissioners	79,851
Due to Other Governments	<u>2,427</u>
Total Liabilities	85,291

FUND BALANCE

Total Liabilities and Fund Balance	<u><u>\$ 85,291</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ 877,830	\$ 877,830	\$ 914,669	\$ 36,839
Interest and Miscellaneous Revenue	950	950	1,667	717
Total Revenues	<u>878,780</u>	<u>878,780</u>	<u>916,336</u>	<u>37,556</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	735,373	735,373	711,090	24,283
Operating Expenditures	120,170	120,170	100,542	19,628
Capital Outlay	23,000	23,000	22,425	575
Total Expenditures	<u>878,543</u>	<u>878,543</u>	<u>834,057</u>	<u>44,486</u>
EXCESS OF REVENUES OVER EXPENDITURES	237	237	82,279	82,042
OTHER FINANCING USES				
Transfer to Other Governments	-	-	(1,827)	(1,827)
Transfer to Indigent Health Care Special District	-	-	(601)	(601)
Transfer to the Board of County Commissioners	<u>(237)</u>	<u>(237)</u>	<u>(79,851)</u>	<u>(79,614)</u>
Total Other Financing Uses	<u>(237)</u>	<u>(237)</u>	<u>(82,279)</u>	<u>(82,042)</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 TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2019**

ASSETS

Cash	<u>\$ 401,529</u>
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LIABILITIES

Due to Individuals	\$ 18,439
Due to Board of County Commissioners	7,429
Due to Other Governments	105,318
Due to Indigent Health Care Special District	89
Deposit - Installment Taxes	<u>270,254</u>

Total Liabilities	<u>\$ 401,529</u>
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See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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 (the 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, 2019**

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 special taxing districts.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019, 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 \$1,000 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, 2019**

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.

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, 2019, the Tax Collector's bank balance was \$406,870. 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, 2019**

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	\$	462,601
Petty Cash and Change Funds		1,450
Total	\$	464,051
Balance Sheet:		
Cash	\$	62,522
Statement of Fiduciary Net Position:		
Cash		401,529
Total Cash	\$	464,051

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2018	Additions	Disposals	Balance September 30, 2019
Machinery and Equipment	\$ 111,568	\$ 22,425	\$ (15,268)	\$ 118,725
Less: Accumulated Depreciation	(100,932)	(6,842)	15,268	(92,506)
Total Capital Assets, Net	\$ 10,636	\$ 15,583	\$ -	\$ 26,219

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019**

NOTE 4 DEFINED BENEFIT PENSION PLANS (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.

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.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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, 2019**

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, 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 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, 2019, 2018, and 2017 were \$89,694, \$70,743, and \$65,423, 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, 2019:

	Balance October 1, 2018	Net Change	Balance September 30, 2019
Accrued Compensated Absences	\$ 26,429	\$ 4,904	\$ 31,333

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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, 2019 were as follows:

Budget Appropriation – The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$529,698 for the year ended September 30, 2019. The General Fund of the Tax Collector paid \$117,995 to the Board of County Commissioners for Health Insurance. In addition, \$79,851 and \$7,429 was due to the Board of County Commissioners at September 30, 2019 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, 2019**

	Tax Collector Fund	Motor Vehicle Fund	Total
ASSETS			
Cash	\$ 308,139	\$ 93,390	\$ 401,529
LIABILITIES			
Due to Individuals	\$ 18,439	\$ -	\$ 18,439
Due to Board of County Commissioners	5,839	1,590	7,429
Due to Other Governments	13,518	91,800	105,318
Due to Indigent Health Care Special District	89	-	89
Deposit - Installment Taxes	270,254	-	270,254
Total Liabilities	\$ 308,139	\$ 93,390	\$ 401,529

**HARDEE COUNTY TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Increases	Decreases	Balance September 30, 2019
TAX COLLECTOR FUND				
ASSETS				
Cash	\$ 279,546	\$ 29,862,183	\$ (29,833,590)	\$ 308,139
Due from Individuals	-	734,475	(734,475)	-
Total Assets	<u>\$ 279,546</u>	<u>\$ 30,596,658</u>	<u>\$ (30,568,065)</u>	<u>\$ 308,139</u>
LIABILITIES				
Due to Individuals	\$ 15,938	\$ 1,140,420	\$ (1,137,919)	\$ 18,439
Due to Board of County Commissioners	20,229	17,157,242	(17,171,632)	5,839
Due to Other Governments	26,606	11,690,772	(11,703,860)	13,518
Due to Indigent Health Care Special District	675	337,971	(338,557)	89
Deposit - Installment Taxes	216,098	270,254	(216,098)	270,254
Total Liabilities	<u>\$ 279,546</u>	<u>\$ 30,596,659</u>	<u>\$ (30,568,066)</u>	<u>\$ 308,139</u>
MOTOR VEHICLE FUND				
ASSETS				
Cash	<u>\$ 99,065</u>	<u>\$ 3,627,228</u>	<u>\$ (3,632,903)</u>	<u>\$ 93,390</u>
LIABILITIES				
Due to Board of County Commissioners	\$ 475	\$ 8,380	\$ (7,265)	\$ 1,590
Due to Other Governments	98,590	3,618,847	(3,625,637)	91,800
Total Liabilities	<u>\$ 99,065</u>	<u>\$ 3,627,227</u>	<u>\$ (3,632,902)</u>	<u>\$ 93,390</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 378,611	\$ 33,489,411	\$ (33,466,493)	\$ 401,529
Due from Individuals	-	734,475	(734,475)	-
Total Assets	<u>\$ 378,611</u>	<u>\$ 34,223,886</u>	<u>\$ (34,200,968)</u>	<u>\$ 401,529</u>
LIABILITIES				
Due to Individuals	\$ 15,938	\$ 1,140,420	\$ (1,137,919)	\$ 18,439
Due to Board of County Commissioners	20,704	17,165,622	(17,178,897)	7,429
Due to Other Governments	125,196	15,309,619	(15,329,497)	105,318
Due to Indigent Health Care Special District	675	337,971	(338,557)	89
Deposit - Installment Taxes	216,098	270,254	(216,098)	270,254
Total Liabilities	<u>\$ 378,611</u>	<u>\$ 34,223,886</u>	<u>\$ (34,200,968)</u>	<u>\$ 401,529</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, 2019, 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 December 5, 2019.

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.



CliftonLarsonAllen LLP

Sebring, Florida
December 5, 2019



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, 2019, and have issued our report thereon dated December 5, 2019.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 5, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

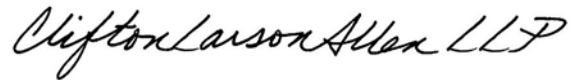
Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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
December 5, 2019



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, 2019. 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, 2019.

This report is intended solely for the information and use of the Hardee County 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
December 5, 2019