

**HARDEE COUNTY, FLORIDA**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2015**

**HARDEE COUNTY, FLORIDA  
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## INDEPENDENT AUDITOR'S 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 (the "County", the "Board"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the entity'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 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for each major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

During the fiscal year ended September 30, 2015, the County adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the related GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. As a result of the implementation of these standards, the County reported a restatement for the change in accounting principle (see Note 15.) Our auditors' opinion was not modified with respect to the restatement.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress – other postemployment benefits and pension schedules on pages 4-15 and 71-76 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 statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state projects is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, and is also not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 17, 2016

**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

Hardee County Management hereby provides a narrative overview and analysis of the County's financial activities for fiscal year ended September 30, 2015. This report provides comparative data for fiscal years 2014 and 2015.

**FINANCIAL HIGHLIGHTS**

Significant financial highlights for fiscal year 2015 are as follows:

- Total assets and deferred outflows of resources of the County exceeded total liabilities and deferred inflows of resources by \$63.0 million. Of this amount, \$65.5 million was invested in capital assets, net of related debt and \$7.1 million is restricted for various purposes. Unrestricted net deficit was \$9.6 million.
- The total net position was \$525 thousand higher than the previous years' net position.
- The County's total liabilities increased by \$4.7 million or 20.8% from the previous year.
- As of September 30, 2015, the combined total governmental funds' fund balance reflected a balance of \$14.9 million, a decrease of 7% from the previous year. Determining this balance was \$17.6 million in total governmental funds assets, less \$2.2 million in total governmental funds liabilities and deferred inflows of resources of \$554 thousand.
- The County's total unassigned fund balance was \$7.3 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, 2015**

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 16-18 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 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 fifteen 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 and Grants Fund. Data from the other governmental special revenue funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental special revenue funds is provided in the form of combining statements within the report. To demonstrate compliance with the Board's 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 19-26 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.

The basic proprietary fund financial statement can be found on pages 27-31 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.

**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

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 33-70 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 \$62.9 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 (104 percent) reflects its investment in capital assets, (e.g. land, buildings, machinery and equipment) 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 \$525 thousand.

**HARDEE COUNTY'S NET POSITION**

<b>NET POSITION COMPARISON</b>	Governmental Activities		Business-Type Activities		Total	
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
Current and Other Assets	\$ 17,973,802	\$ 17,018,011	\$ 4,959,356	\$ 4,519,129	\$ 22,933,158	\$ 21,537,140
Capital Assets	48,499,504	48,915,608	19,396,794	19,894,997	67,896,298	68,810,605
Total Assets	66,473,306	65,933,619	24,356,150	24,414,126	90,829,456	90,347,745
Deferred Outflows of Resources	1,167,557	2,827,854	53,673	69,855	1,221,230	2,897,709
Long-Term Debt Outstanding	9,476,469	14,592,822	11,053,821	10,971,194	20,530,290	25,564,016
Other Liabilities	1,489,209	1,611,041	751,631	335,176	2,240,840	1,946,217
Total Liabilities	10,965,678	16,203,863	11,805,452	11,306,370	22,771,130	27,510,233
Deferred Inflows of Resources	6,528,901	2,708,490	307,644	59,064	6,836,545	2,767,554
Net Position:						
Invested in Capital Assets						
Net of Related Debt	48,499,504	48,835,608	15,996,794	16,694,997	64,496,298	65,530,605
Restricted	7,729,828	7,110,538	-	-	7,729,828	7,110,538
Unrestricted	(6,083,048)	(6,097,026)	(3,700,067)	(3,576,450)	(9,783,115)	(9,673,476)
Total Net Position	\$ 50,146,284	\$ 49,849,120	\$ 12,296,727	\$ 13,118,547	\$ 62,443,011	\$ 62,967,667

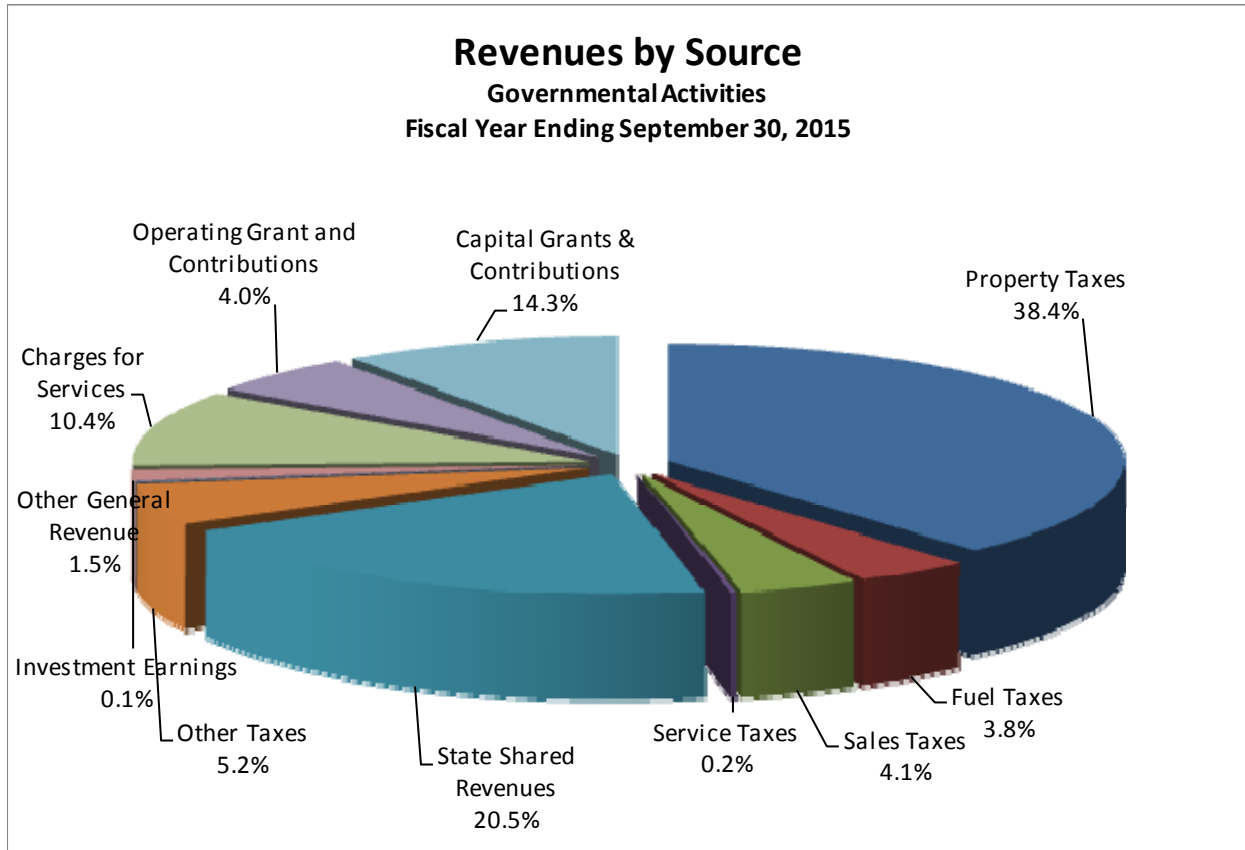
**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

***HARDEE COUNTY'S CHANGES IN NET POSITION***

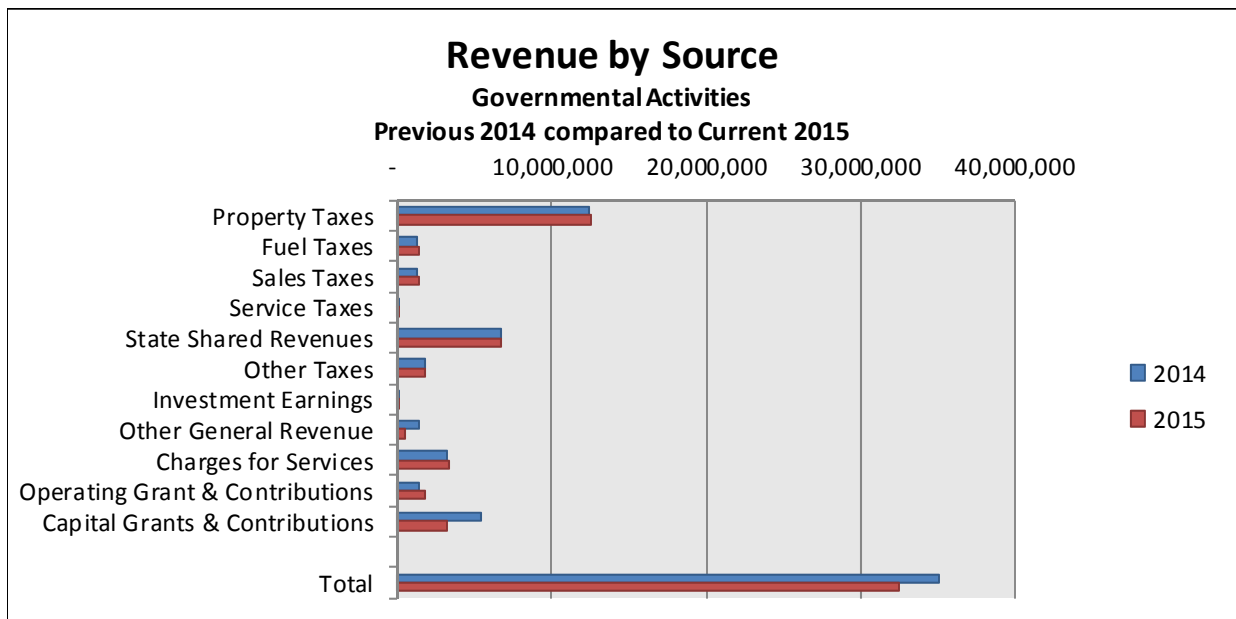
CHANGE IN NET POSITION	Governmental Activities		Business-Type Activities		Total	
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 3,246,227	\$ 3,378,341	\$ 1,433,912	\$ 1,538,521	\$ 4,680,139	\$ 4,916,862
Operating Grants and Contributions	1,391,941	1,752,903	107,296	107,279	1,499,237	1,860,182
Capital Grants and Contributions	5,400,665	3,187,465	-	-	5,400,665	3,187,465
General Revenues:						
Property Taxes	12,464,345	12,487,590	-	-	12,464,345	12,487,590
Other Taxes	11,204,442	11,200,872	1,264,385	1,916,999	12,468,827	13,117,871
Other	1,355,048	536,823	20,647	569,651	1,375,695	1,106,474
Total Revenues	35,062,668	32,543,994	2,826,240	4,132,450	37,888,908	36,676,444
<b>EXPENSES</b>						
General Government	8,875,626	8,558,861	-	-	8,875,626	8,558,861
Public Safety	13,494,884	13,353,228	-	-	13,494,884	13,353,228
Physical Environment	250,687	204,653	-	-	250,687	204,653
Transportation	7,795,034	7,808,361	-	-	7,795,034	7,808,361
Economic Environment	355,980	612,404	-	-	355,980	612,404
Human Services	1,020,416	1,028,974	-	-	1,020,416	1,028,974
Culture and Recreation	1,160,323	1,343,087	-	-	1,160,323	1,343,087
Debt Service:						
Interest on Long-Term Debt	-	-	-	-	-	-
Other Debt Service	-	-	-	-	-	-
Solid Waste	-	-	2,265,169	1,839,326	2,265,169	1,839,326
Wauchula Hills Wastewater	-	-	1,288,928	1,303,557	1,288,928	1,303,557
Solid Waste Landfill Closure	-	-	-	-	-	-
Vandolah Wastewater	-	-	97,429	99,337	97,429	99,337
Total Expenses	32,952,950	32,909,568	3,651,526	3,242,220	36,604,476	36,151,788
Excess before Transfers	2,109,718	(365,574)	(825,286)	890,230	1,284,432	524,656
Transfers	217,605	68,410	(217,605)	(68,410)	-	-
Changes in Net Position	2,327,323	(297,164)	(1,042,891)	821,820	1,284,432	524,656
Net Position - Beginning as Previously Stated	59,377,894	63,028,770	13,920,656	12,877,765	73,298,550	75,906,535
Prior Period Restatement	1,323,553	(12,882,486)	-	(581,038)	1,323,553	(13,463,524)
Net Position - Beginning as Restated	60,701,447	50,146,284	13,920,656	12,296,727	74,622,103	62,443,011
Net Position - Ending	<u>\$ 63,028,770</u>	<u>\$ 49,849,120</u>	<u>\$ 12,877,765</u>	<u>\$ 13,118,547</u>	<u>\$ 75,906,535</u>	<u>\$ 62,967,667</u>

**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

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

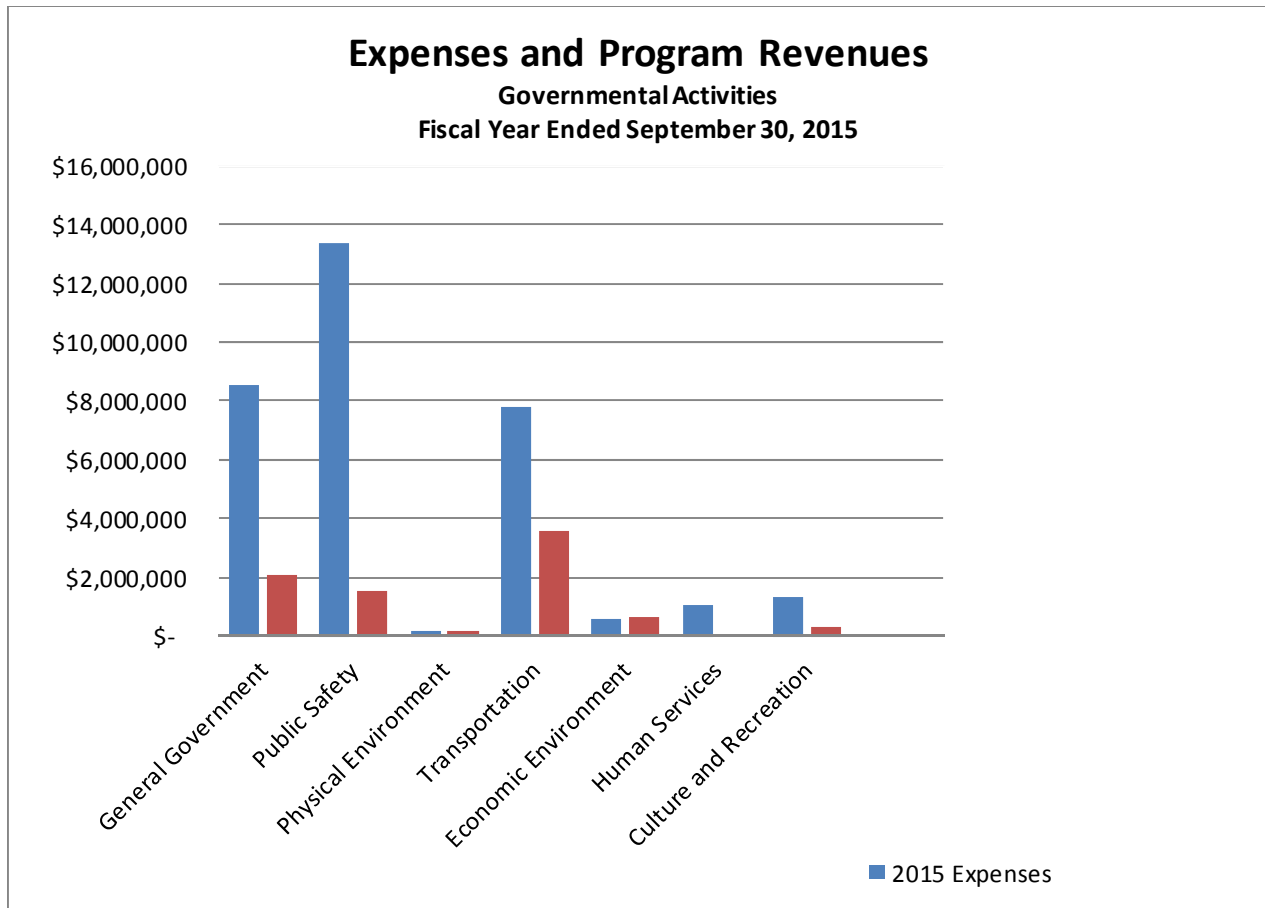


The following chart depicts the major revenue sources as a comparison of fiscal year revenues.



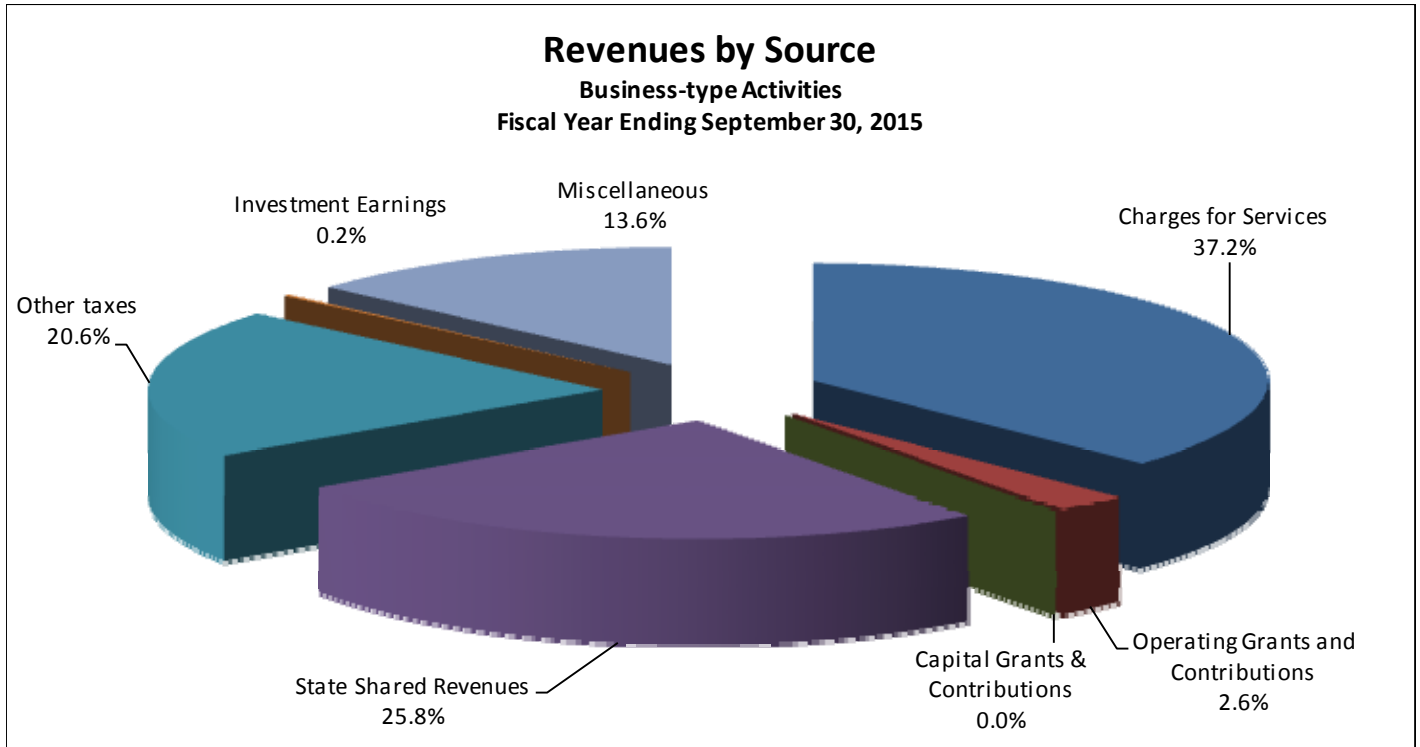
**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

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.

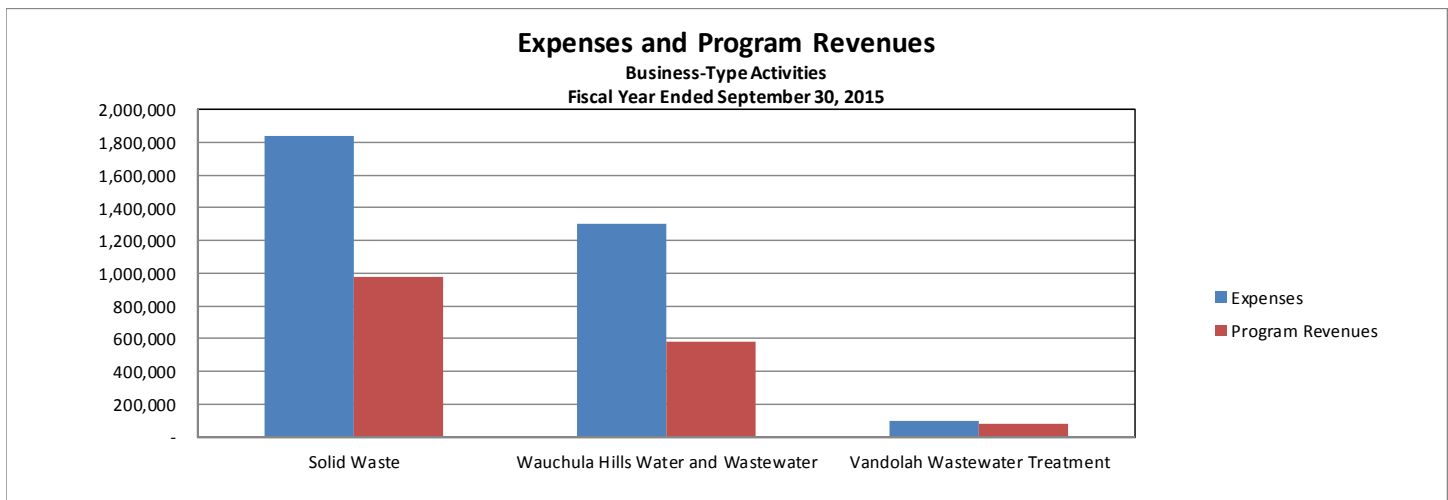


**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

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, 2015**

An analysis of the County's "Changes in Net Position" reflects that the overall revenues have decreased by \$1.2 million. Further analysis shows that the overall decrease is attributed to a \$2.5 million decrease in governmental type activities and a \$1.3 million increase in business-type activities. Major factors contributing to the decreased revenues in the government type activities are as follows:

- A \$132 thousand increase in Charges for Services
- A \$361 thousand increase in Operating Grants
- A \$2.2 million decrease in Capital Grants
- A \$23 thousand increase in Property Taxes
- A \$3 thousand decrease in Other Taxes
- A \$818 thousand decrease in Other Sources

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

- A \$105 thousand increase in Charges for Services
- A \$653 thousand increase in Other Taxes
- A \$549 thousand increase in Other Sources

County expenses illustrate an overall decrease of \$453 thousand. The overall decrease was due to a decrease in government type activities of \$43 thousand and a decrease in the business-type activities of \$409 thousand. The decrease of the government type activities expenses are due to the following activities below:

- A \$317 thousand decrease in General Government
- A \$142 thousand decrease in Public Safety
- A \$46 thousand decrease in Physical Environment
- A \$13 thousand increase in Transportation
- A \$256 thousand increase in Economic Environment
- A \$9 thousand increase in Human Services
- A \$183 thousand increase in Culture and Recreation

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

- A \$426 thousand decrease in Solid Waste
- A \$14 thousand increase in Wauchula Hills Utilities
- A \$2 thousand increase in Vandolah Utilities

**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**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.

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$14.9 million. Approximately \$5.5 million of the fund balance has been deemed nonspendable and restricted to Transportation, Fire Control and Grants, and \$1.4 million is nonspendable, restricted, committed and unassigned to other non-major governmental funds. Of the remaining \$8 million of spendable fund balance, \$8 million constitutes fund balances under the general fund. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$7.2 million, which represents 48% 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, the total general fund balance represents 42% 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 increased only slightly for a total of \$20 thousand. Net position of the Solid Waste Department was a decrease of \$351 thousand. The water/wastewater operating revenues were a combined total increase of \$82 thousand and the net position increase a total of \$592 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 non-major 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.

Differences between the original budget and the final amended budget for the General Fund were relatively minor.



**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**CAPITAL ASSETS**

The County's investments in capital assets for its governmental and business-type activities as of September 30, 2015 were \$68.8 million (net of accumulated depreciation).

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

CAPITAL ASSETS	Governmental Activities		Business-Type Activities		Total	
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
Land	\$ 3,551,168	\$ 3,539,202	\$ 962,625	\$ 962,625	\$ 4,513,793	\$ 4,501,827
Construction in Progress	228,976	307,079	2,917,992	1,526,973	3,146,968	1,834,052
Buildings and Improvements	13,811,001	13,754,706	7,991,896	7,911,155	21,802,897	21,665,861
Machinery and Equipment	4,567,026	5,032,515	429,722	477,717	4,996,748	5,510,232
Infrastructure	26,341,333	26,282,106	7,094,559	9,016,527	33,435,892	35,298,633
Total Capital Assets	<u>\$ 48,499,504</u>	<u>\$ 48,915,608</u>	<u>\$ 19,396,794</u>	<u>\$ 19,894,997</u>	<u>\$ 67,896,298</u>	<u>\$ 68,810,605</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, 2015, the County had total long-term liabilities outstanding of \$25.6 million. Of this amount, \$3.3 million is notes payable, \$758 thousand is compensated absences, \$12.8 million is net pension liability, and \$7.3 million is landfill closure and post closure obligations and postemployment health care consisted of \$1.4 million.

**Hardee County's Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
Notes Payable	\$ -	\$ 80,000	\$ 3,400,000	\$ 3,200,000	\$ 3,400,000	\$ 3,280,000
Postemployment Healthcare	1,227,923	1,350,142	58,077	63,858	1,286,000	1,414,000
Net Pension Liability	7,521,142	12,421,504	327,067	348,306	7,848,209	12,769,810
Compensated Absences	727,404	741,176	27,284	16,846	754,688	758,022
Landfill Closure/Post Closure	-	-	7,241,393	7,342,184	7,241,393	7,342,184
Total	<u>\$ 9,476,469</u>	<u>\$ 14,592,822</u>	<u>\$ 11,053,821</u>	<u>\$ 10,971,194</u>	<u>\$ 20,530,290</u>	<u>\$ 25,564,016</u>

The County's long-term liabilities under governmental activities increased \$5.1 million due to an increase in net pension liability of \$4.9 million, and an increase in postemployment healthcare of \$122 thousand. In business-type activities, long-term liabilities decreased \$83 thousand due to an increase of \$21 thousand in net pension liability, an increase of \$101 thousand in landfill closure and post closure obligations, a decrease in compensated absences of \$10 thousand, and a decrease in notes payable of \$200 thousand. Additional information on Hardee County's long-term debt can be found in Note 6 of this report.

**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**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 2015 is 27,645. As a comparison, the estimated population for Hardee County for 2014 was 27,469. This is an increase of less than 1%. This is also an indicator for the increase in revenues generated by property values.
- As referenced by the State of Florida Labor Force Summary, the unemployment rate for Hardee County for 2015 is 6.7% and reflects a decrease from the previous year's 7.4%. The County's rate is higher than the State of Florida's average of 4.7% and higher than the national average of 4.7% for 2015.
- The final taxable value for fiscal year 2015 decreased by 3.48% over fiscal year 2014.
- The millage rate for fiscal year 2014-2015 was set at the roll back rate and adopted at 8.8991 mills. This can be confusing, as the prior year's millage was 8.8280 mills but Truth in Millage requires that each county determine the adopted rate as a percent change from the roll back rate and as property values decrease, we will actually experience roll back rates that are higher than the previous 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 three percent (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 ten percent (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 ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009.

**HARDEE COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

Based on information submitted to the State from the Hardee County Property Appraiser's office, the loss of property values for Hardee County from the additional homestead exemption and the \$25,000 exemption for tangible personal property was approximately \$71 million which equates to approximately \$608 thousand decrease in revenues. At present, there is no accurate way to determine the impact of the portability and assessment cap on non-homestead property provisions in terms of potential loss of property tax revenues.

**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, 2015**

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 13,182,397	\$ 3,190,630	\$ 16,373,027	\$ 7,262,727
Deposit	10,068	3,596	13,664	-
Accounts Receivable, Net	530,834	145,959	676,793	127,661
Internal Balances	(30,489)	30,489	-	-
Due from Other Governmental Agencies	2,480,999	186,630	2,667,629	1,023,090
Prepaid Expenses	504,955	-	504,955	44,878
Inventory	339,247	-	339,247	1,325,508
Restricted Assets:				
Cash and Cash Equivalents	-	961,825	961,825	-
Capital Assets, Not Being Depreciated	3,846,281	2,489,598	6,335,879	1,720,200
Capital Assets, Net of Depreciation	45,069,327	17,405,399	62,474,726	11,370,289
Total Assets	65,933,619	24,414,126	90,347,745	22,874,353
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Items	2,827,854	69,855	2,897,709	-
Total Deferred Outflows of Resources	2,827,854	69,855	2,897,709	-
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	1,318,100	294,804	1,612,904	277,215
Unearned Revenue	211,321	951	212,272	108,946
Due to Other Governmental Agencies	81,620	3,850	85,470	-
Deposits	-	35,571	35,571	-
Net Pension Liability	12,421,504	348,306	12,769,810	-
Noncurrent Liabilities:				
Due within One Year	415,533	571,443	986,976	5,066
Due in More than One Year	1,755,785	10,051,445	11,807,230	3,943
Total Liabilities	16,203,863	11,306,370	27,510,233	395,170
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Items	2,708,490	59,064	2,767,554	-
Total Deferred Inflows of Resources	2,708,490	59,064	2,767,554	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	48,835,608	16,694,997	65,530,605	13,081,480
Restricted for:				
Transportation	2,964,429	-	2,964,429	-
Fire Control	2,863,918	-	2,863,918	-
Grants	130,437	-	130,437	-
Court Innovations	366,953	-	366,953	-
Law Enforcement Trust	97,867	-	97,867	-
E-911	139,660	-	139,660	-
Court	2,387	-	2,387	-
Court Operational Needs	-	-	-	-
Court Technology	7,065	-	7,065	-
Official Records	131,660	-	131,660	-
Clerk Operational Needs	223,319	-	223,319	-
Inmate Welfare	135,529	-	135,529	-
Economic Development Projects	-	-	-	7,331,806
Education	40,120	-	40,120	-
Total Restricted Net Position	7,110,538	-	7,110,538	7,331,806
Unrestricted	(6,097,026)	(3,576,450)	(9,673,476)	2,065,897
Total Net Position	\$ 49,849,120	\$ 13,118,547	\$ 62,967,667	\$ 22,479,183

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities:								
General Government	\$ 8,558,861	\$ 1,914,762	\$ 144,718	\$ -	\$ (6,499,381)	\$ -	\$ (6,499,381)	\$ -
Public Safety	13,353,228	991,191	561,586	-	(11,800,451)	-	(11,800,451)	-
Physical Environment	204,653	206,750	-	-	2,097	-	2,097	-
Transportation	7,808,361	2,800	365,838	3,176,011	(4,263,712)	-	(4,263,712)	-
Economic Environment	612,404	-	609,460	11,454	8,510	-	8,510	-
Economic Development	-	-	-	-	-	-	-	-
Human Services	1,028,974	-	-	-	(1,028,974)	-	(1,028,974)	-
Culture and Recreation	1,343,087	262,838	71,301	-	(1,008,948)	-	(1,008,948)	-
Total Governmental Activities	32,909,568	3,378,341	1,752,903	3,187,465	(24,590,859)	-	(24,590,859)	-

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Business-Type Activities:								
Solid Waste	1,839,326	871,593	107,279	-	-	(860,454)	(860,454)	-
Wauchula Hills Water and Wastewater	1,303,557	584,802	-	-	-	(718,755)	(718,755)	-
Vandolah Wastewater Treatment	99,337	82,126	-	-	-	(17,211)	(17,211)	-
Total Business-Type Activities	3,242,220	1,538,521	107,279	-	-	(1,596,420)	(1,596,420)	-
Total Primary Government	<u>\$ 36,151,788</u>	<u>\$ 4,916,862</u>	<u>\$ 1,860,182</u>	<u>\$ 3,187,465</u>	(24,590,859)	(1,596,420)	(26,187,279)	-
Component Unit:								
Hardee County Industrial Development Authority	<u>\$ 1,759,232</u>	<u>\$ 204,805</u>	<u>\$ 1,074,479</u>	<u>\$ 2,674,069</u>	-	-	-	2,194,121
General Revenues								
Taxes:								
Property Taxes					12,487,590	-	12,487,590	-
Fuel Taxes					1,315,511	-	1,315,511	-
Sales Tax					1,335,076	-	1,335,076	-
Service Taxes					74,905	-	74,905	-
State Shared Revenues					6,676,915	1,066,852	7,743,767	-
Other Taxes					1,798,465	850,147	2,648,612	-
Mosaic Income					-	-	-	3,500,000
Investment Earnings					38,402	9,422	47,824	8,743
Miscellaneous					498,421	560,229	1,058,650	1,340
Transfers					68,410	(68,410)	-	-
Total General Revenues and Transfers					<u>24,293,695</u>	<u>2,418,240</u>	<u>26,711,935</u>	<u>3,510,083</u>
Change in Net Position					<u>(297,164)</u>	<u>821,820</u>	<u>524,656</u>	<u>5,704,204</u>
Net Position - Beginning					63,028,770	12,877,765	75,906,535	16,774,979
Prior Period Restatement					<u>(12,882,486)</u>	<u>(581,038)</u>	<u>(13,463,524)</u>	<u>-</u>
Net Assets - Beginning, As Restated					50,146,284	12,296,727	62,443,011	16,774,979
Net Position - Ending					<u>\$ 49,849,120</u>	<u>\$ 13,118,547</u>	<u>\$ 62,967,667</u>	<u>\$ 22,479,183</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA  
BALANCE SHEET -  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	Major				Non-Major	
	General	Transportation	Fire		Other	Total
	Fund	Trust	Control	Grants	Governmental	Governmental
			Fund		Funds	Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 6,861,639	\$ 1,511,494	\$ 2,434,866	\$ 676,033	\$ 1,698,365	\$ 13,182,397
Deposits	5,753	4,315	-	-	-	10,068
Accounts Receivable, Net	520,696	102	1,872	-	8,164	530,834
Due from Other Funds	487,705	13,560	1,581	1,900	71,469	576,215
Due from Other Governments	579,811	1,632,623	1,899	240,362	26,304	2,480,999
Prepaid Expenses	502,568	-	-	-	2,387	504,955
Inventory of Supplies, at Cost	339,247	-	-	-	-	339,247
 Total Assets	 \$ 9,297,419	 \$ 3,162,094	 \$ 2,440,218	 \$ 918,295	 \$ 1,806,689	 \$ 17,624,715

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA  
BALANCE SHEET -  
GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2015**

	Major				Non-Major	
	General	Transportation	Fire		Other	Total
	Fund	Trust	Control	Grants	Governmental	Governmental
			Fund		Funds	Funds
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 807,783	\$ 125,723	\$ 76,704	\$ 20,832	\$ 287,058	\$ 1,318,100
Due to Other Funds	27,301	71,860	-	445,517	62,026	606,704
Due to Other Governments	17,088	-	360	1	64,171	81,620
Unearned Revenue	-	-	-	199,971	11,350	211,321
Total Liabilities	852,172	197,583	77,064	666,321	424,605	2,217,745
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	\$ 424,252	\$ 82	\$ -	\$ 121,537	\$ 8,154	\$ 554,025
<b>FUND BALANCE</b>						
Nonspendable	841,815	-	-	-	2,387	844,202
Restricted	7,194	2,964,429	2,363,154	130,437	1,142,173	6,607,387
Committed	-	-	-	-	148,417	148,417
Unassigned	7,171,986	-	-	-	80,953	7,252,939
Total Fund Balances	8,020,995	2,964,429	2,363,154	130,437	1,373,930	14,852,945
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,297,419</u>	<u>\$ 3,162,094</u>	<u>\$ 2,440,218</u>	<u>\$ 918,295</u>	<u>\$ 1,806,689</u>	

**Amounts reported for governmental activities in the statement of net position  
are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	48,915,608
Certain receivables are not available to pay current period expenditures, and therefore are reported as deferred inflows of resources in the funds.	554,025
The County's net pension liability and related deferred outflows and inflows of resources for governmental activities are recorded only on the Statement of Net Position	(12,302,140)
Long-term liabilities, including notes payable, post employment healthcare and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(2,171,318)
Net Position of Governmental Activities	<u>\$ 49,849,120</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, 2015**

	Major				Non-Major	Total
	General	Transportation	Fire	Grants	Other	Governmental
	Fund	Trust	Control		Governmental	Funds
	Fund	Fund			Funds	
<b>REVENUES</b>						
Taxes	\$ 13,897,571	\$ 1,315,511	\$ -	\$ -	\$ -	\$ 15,213,082
Licenses and Permits	182,148	-	-	-	-	182,148
Intergovernmental	3,768,625	6,146,058	-	613,039	645,593	11,173,315
Charges for Services	1,654,246	110,747	23,039	-	1,214,599	3,002,631
Fines and Forfeitures	6,202	-	-	-	249,095	255,297
Assessments	-	-	1,798,465	-	-	1,798,465
Interest	19,880	4,785	5,474	1,058	2,302	33,499
Miscellaneous	231,745	391,750	17,377	29,611	137,952	808,435
Total Revenues	19,760,417	7,968,851	1,844,355	643,708	2,249,541	32,466,872
<b>EXPENDITURES</b>						
Current:						
General Government	6,390,463	-	-	-	1,436,289	7,826,752
Public Safety	10,140,723	-	2,327,949	-	518,092	12,986,764
Physical Environment	39,682	-	-	1,182	166,578	207,442
Transportation	-	3,650,967	-	-	-	3,650,967
Economic Environment	-	-	-	611,435	-	611,435
Human Services	834,486	-	-	171,363	-	1,005,849
Culture and Recreation	1,072,263	-	-	-	89,196	1,161,459
Capital Outlay	734,234	4,568,312	507,978	299,655	209,180	6,319,359
Debt Service:						
Principal Retirement	-	20,000	-	-	-	20,000
Total Expenditures	19,211,851	8,239,279	2,835,927	1,083,635	2,419,335	33,790,027
<b>EXCESS (DEFICIENCY) OF REVENUES</b>						
<b>OVER (UNDER) EXPENDITURES</b>	548,566	(270,428)	(991,572)	(439,927)	(169,794)	(1,323,155)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	329,494	36,325	650,166	7,875	196,234	1,220,094
Transfers out	(855,271)	-	(100,205)	(135,037)	(61,171)	(1,151,684)
Debt Service	-	100,000	-	-	-	100,000
Total Other Financing Sources (Uses)	(525,777)	136,325	549,961	(127,162)	135,063	168,410
<b>NET CHANGE IN FUND BALANCES</b>	22,789	(134,103)	(441,611)	(567,089)	(34,731)	(1,154,745)
Fund Balances - Beginning of Year	7,998,206	3,098,532	2,804,765	697,526	1,408,661	16,007,690
<b>FUND BALANCES - END OF YEAR</b>	\$ 8,020,995	\$ 2,964,429	\$ 2,363,154	\$ 130,437	\$ 1,373,930	\$ 14,852,945

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, 2015**

Net Change in Fund Balances - Total Governmental Funds	\$ (1,154,745)
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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 expense. This is the amount by which capital outlay (\$6,319,359) exceeded depreciation and loss on disposal of asset (\$5,903,255) in the current period.	416,104
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Some revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues in governmental funds (Unavailable revenue).	77,122
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (a change in accrued interest, accrued compensated absences, pension expense, note payable and other postemployment benefits).	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">444,355</div>
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Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ (297,164)</div>
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**HARDEE COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL –**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 14,061,106	\$ 14,061,106	\$ 13,897,571	\$ (163,535)
Licenses and Permits	134,700	134,700	182,148	47,448
Intergovernmental	3,173,693	3,312,354	3,768,625	456,271
Charges for Services	886,197	896,834	1,654,246	757,412
Fines and Forfeitures	7,150	7,150	6,202	(948)
Interest	17,920	17,920	19,880	1,960
Miscellaneous	173,752	194,828	231,745	36,917
Total Revenues	18,454,518	18,624,892	19,760,417	1,135,525
<b>EXPENDITURES</b>				
Current:				
General Government	7,868,584	7,938,666	6,390,463	1,548,203
Public Safety	10,461,575	10,487,614	10,140,723	346,891
Physical Environment	41,833	119,880	39,682	80,198
Human Services	871,160	881,903	834,486	47,417
Culture and Recreation	1,110,440	1,195,780	1,072,263	123,517
Capital Outlay	258,400	408,696	734,234	(325,538)
Other Expense	1,681,753	1,831,753	-	1,831,753
Total Expenditures	22,293,745	22,864,292	19,211,851	3,652,441
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,839,227)	(4,239,400)	548,566	4,787,966
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	336,747	336,920	329,494	(7,426)
Transfers Out	(852,108)	(852,108)	(855,271)	(3,163)
Total Other Financing Sources (Uses)	(515,361)	(515,188)	(525,777)	(10,589)
<b>NET CHANGE IN FUND BALANCES</b>	(4,354,588)	(4,754,588)	22,789	4,777,377
Fund Balances - Beginning of Year	4,354,588	4,754,588	7,998,206	3,243,618
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ 8,020,995	\$ 8,020,995

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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,179,011	\$ 1,179,011	\$ 1,315,511	\$ 136,500
Intergovernmental	3,631,648	6,130,285	6,146,058	15,773
Charges for Services	72,700	96,700	110,747	14,047
Interest	2,156	2,156	4,785	2,629
Miscellaneous	130,000	130,000	391,750	261,750
Total Revenues	5,015,515	7,538,152	7,968,851	430,699
<b>EXPENDITURES</b>				
Current:				
Transportation	4,561,332	4,554,132	3,650,967	903,165
Capital Outlay	2,037,411	4,547,248	4,568,312	(21,064)
Debt Service:				
Principal Retirement	-	20,000	20,000	-
Other Expense	1,291,055	1,291,055	-	1,291,055
Total Expenditures	7,889,798	10,412,435	8,239,279	2,173,156
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,874,283)	(2,874,283)	(270,428)	2,603,855
<b>OTHER FINANCING SOURCES</b>				
Transfers in	67,500	67,500	36,325	(31,175)
Debt Service	-	-	100,000	100,000
Total Other Financing Sources	67,500	67,500	136,325	68,825
<b>NET CHANGE IN FUND BALANCES</b>	(2,806,783)	(2,806,783)	(134,103)	2,672,680
Fund Balances - Beginning of Year	2,806,783	2,806,783	3,098,532	291,749
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ 2,964,429	\$ 2,964,429

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, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Charges for services	\$ 28,000	\$ 28,000	\$ 23,039	\$ (4,961)
Assessments	1,717,400	1,717,400	1,798,465	81,065
Interest	6,300	6,300	5,474	(826)
Miscellaneous	1,000	1,000	17,377	16,377
Total Revenues	<u>1,752,700</u>	<u>1,752,700</u>	<u>1,844,355</u>	<u>91,655</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	2,468,305	2,459,795	2,327,949	131,846
Capital Outlay	-	8,510	507,978	(499,468)
Other Expense	1,811,748	1,811,748	-	1,811,748
Total Expenditures	<u>4,280,053</u>	<u>4,280,053</u>	<u>2,835,927</u>	<u>1,444,126</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(2,527,353)	(2,527,353)	(991,572)	1,535,781
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	651,699	651,699	650,166	(1,533)
Transfers out	(100,205)	(100,205)	(100,205)	-
Total Other Financing Sources (Uses)	<u>551,494</u>	<u>551,494</u>	<u>549,961</u>	<u>(1,533)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,975,859)	(1,975,859)	(441,611)	1,534,248
Fund Balances - Beginning of Year	<u>1,975,859</u>	<u>1,975,859</u>	<u>2,804,765</u>	<u>828,906</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,363,154</u>	<u>\$ 2,363,154</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 957,355	\$ 1,543,974	\$ 613,039	\$ (930,935)
Interest	1,000	1,000	1,058	58
Miscellaneous	10,000	10,000	29,611	19,611
Total Revenues	968,355	1,554,974	643,708	(911,266)
<b>EXPENDITURES</b>				
Current:				
Economic Environment	619,714	1,173,107	611,435	561,672
Physical Environment	-	1,347	1,182	165
Human Services	164,375	171,568	171,363	205
Capital Outlay	500,000	710,584	299,655	410,929
Total Expenditures	1,284,089	2,056,606	1,083,635	972,971
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(315,734)	(501,632)	(439,927)	61,705
<b>OTHER FINANCING USES</b>				
Transfers in	7,875	7,875	7,875	-
Transfers out	(422,141)	(215,972)	(135,037)	80,935
Total Other Financing Sources (Uses)	(414,266)	(208,097)	(127,162)	80,935
<b>NET CHANGE IN FUND BALANCES</b>	(730,000)	(709,729)	(567,089)	142,640
Fund Balances - Beginning of Year	730,000	709,729	697,526	(12,203)
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ 130,437	\$ 130,437

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA  
STATEMENT OF NET POSITION –  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2015**

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Non-Major Fund)	Total Enterprise Funds
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 1,935,938	\$ 1,051,393	\$ 203,299	\$ 3,190,630
Deposits	-	3,596	-	3,596
Accounts Receivable, Net	71,576	74,305	78	145,959
Due from Other Funds	1,582	28,907	-	30,489
Due from Other Governmental Agencies	-	186,630	-	186,630
Total Current Assets	<u>2,009,096</u>	<u>1,344,831</u>	<u>203,377</u>	<u>3,557,304</u>
<b>NONCURRENT ASSETS</b>				
Restricted Cash and Cash Equivalents	961,825	-	-	961,825
Capital Assets:				
Land	372,775	424,850	165,000	962,625
Construction in Progress	-	1,526,973	-	1,526,973
Buildings and Improvements	2,902,881	5,797,258	1,184,598	9,884,737
Equipment	1,707,129	482,317	8,961	2,198,407
Infrastructure	7,141,383	9,404,704	-	16,546,087
Less: Accumulated Depreciation	<u>(6,166,393)</u>	<u>(4,756,246)</u>	<u>(301,193)</u>	<u>(11,223,832)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,957,775</u>	<u>12,879,856</u>	<u>1,057,366</u>	<u>19,894,997</u>
Total Noncurrent Assets	<u>6,919,600</u>	<u>12,879,856</u>	<u>1,057,366</u>	<u>20,856,822</u>
Total Assets	8,928,696	14,224,687	1,260,743	24,414,126
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>32,859</u>	<u>31,446</u>	<u>5,550</u>	<u>69,855</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Non-Major Fund)	Total Enterprise Funds
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES, PAYABLE FROM CURRENT ASSETS</b>				
Accounts Payable and Accrued Liabilities Due to Other Governmental Agencies	\$ 55,836	\$ 236,083	\$ 2,885	\$ 294,804
Deposits	3,850	-	-	3,850
Unearned Revenue	17,079	18,492	-	35,571
Accrued Compensated Absences, Current Portion	-	951	-	951
Notes Payable, Current Portion	9,631	-	-	9,631
Landfill Closure and Postclosure Costs, Current Portion	200,000	-	-	200,000
	361,812	-	-	361,812
Total Current Liabilities, Payable from Current Assets	648,208	255,526	2,885	906,619
<b>NONCURRENT LIABILITIES</b>				
Accrued Compensated Absences	7,215	-	-	7,215
Other Postemployment Benefits	31,929	27,459	4,470	63,858
Net Pension Liability	161,264	158,983	28,059	348,306
Notes Payable, Less Current Portion	3,000,000	-	-	3,000,000
Landfill Closure and Postclosure Costs	6,980,372	-	-	6,980,372
Total Noncurrent Liabilities	10,180,780	186,442	32,529	10,399,751
Total Liabilities	10,828,988	441,968	35,414	11,306,370
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	28,271	26,174	4,619	59,064
<b>NET POSITION</b>				
Net Investment in Capital Assets Unrestricted	2,757,775	12,879,856	1,057,366	16,694,997
	(4,653,479)	908,135	168,894	(3,576,450)
Total Net Position	\$ (1,895,704)	\$ 13,787,991	\$ 1,226,260	\$ 13,118,547

See accompanying Notes to Financial Statements.



**HARDEE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION –  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Non-Major Fund)	Total Enterprise Funds
<b>OPERATING REVENUES</b>				
Sales and Charges for Services	\$ 871,593	\$ 584,802	\$ 82,126	\$ 1,538,521
Special Assessments	850,147	-	-	850,147
Total Operating Revenues	1,721,740	584,802	82,126	2,388,668
<b>OPERATING EXPENSES</b>				
Personal Services	185,150	248,496	47,133	480,779
General and Administrative	1,050,123	333,503	27,590	1,411,216
Depreciation	559,350	721,558	24,614	1,305,522
Total Operating Expenses	1,794,623	1,303,557	99,337	3,197,517
<b>OPERATING LOSS</b>	(72,883)	(718,755)	(17,211)	(808,849)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	107,279	1,066,852	-	1,174,131
Interest Income	6,602	2,340	480	9,422
Interest Expense	(44,703)	-	-	(44,703)
Miscellaneous Revenue	4,562	555,667	-	560,229
Total Nonoperating Revenues (Expenses), Net	73,740	1,624,859	480	1,699,079
<b>LOSS BEFORE TRANSFERS</b>	857	906,104	(16,731)	890,230
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Transfers in	2,674	134,873	-	137,547
Transfers out	(67,477)	(130,911)	(7,569)	(205,957)
Total Transfers	(64,803)	3,962	(7,569)	(68,410)
<b>CHANGE IN NET POSITION</b>	(63,946)	910,066	(24,300)	821,820
Net Position - Beginning of Year, as Previously Stated	(1,544,418)	13,130,447	1,291,736	12,877,765
Prior Period Restatement	(287,340)	(252,522)	(41,176)	(581,038)
Net Position - Beginning of Year, as Restated	(1,831,758)	12,877,925	1,250,560	12,296,727
<b>NET POSITION - END OF YEAR</b>	<u>\$ (1,895,704)</u>	<u>\$ 13,787,991</u>	<u>\$ 1,226,260</u>	<u>\$ 13,118,547</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Non-Major Fund)	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 1,718,570	\$ 541,203	\$ 81,939	\$ 2,341,712
Cash Paid to Employees for Services	(323,362)	(344,821)	(56,711)	(724,894)
Cash Paid to Suppliers for Goods and Services	(1,560,610)	(260,345)	(31,568)	(1,852,523)
Net Cash Used by Operating Activities	(165,402)	(63,963)	(6,340)	(235,705)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Other Nonoperating Revenue	111,841	555,667	-	667,508
Transfers In (Out)	(64,803)	3,962	(7,569)	(68,410)
Net Cash Provided (Used) by Noncapital Financing Activities	47,038	559,629	(7,569)	599,098
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Grant Receipts	-	869,448	-	869,448
Shared Revenue from State	-	197,404	-	197,404
Acquisition and Construction of Capital Assets	(116,283)	(1,687,442)	-	(1,803,725)
Principal Payments on Long-Term Debt	(200,000)	-	-	(200,000)
Interest Paid	(44,703)	-	-	(44,703)
Net Cash Used by Capital and Related Financing Activities	(360,986)	(620,590)	-	(981,576)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest from Investments	6,602	2,340	480	9,422
Net Cash Provided by Investing Activities	6,602	2,340	480	9,422
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(472,748)	(122,584)	(13,429)	(608,761)
Cash and Cash Equivalents - Beginning of Year	3,370,511	1,173,977	216,728	4,761,216
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,897,763</u>	<u>\$ 1,051,393</u>	<u>\$ 203,299</u>	<u>\$ 4,152,455</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Non-Major Fund)	Total Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Loss	\$ (72,883)	\$ (718,755)	\$ (17,211)	\$ (808,849)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	559,350	721,558	24,614	1,305,522
Amortization of Pension Related Items	(130,664)	(98,811)	(14,048)	(243,523)
(Increase) Decrease in Assets:				
Accounts Receivable	(3,243)	(15,643)	-	(18,886)
Due from Other Governments	-	(120,814)	-	(120,814)
Due from Other Funds	73	(28,907)	-	(28,834)
Increase (Decrease) in Liabilities:				
Accounts Payable and Accrued Liabilities	(610,963)	193,056	(3,978)	(421,885)
Due to Other Government Agencies	(315)	-	-	(315)
Deposits	-	916	-	916
Unearned Revenue	-	951	(187)	764
Accrued Compensated Absences	(10,438)	-	-	(10,438)
Other Postemployment Benefits	2,890	2,486	4,470	9,846
Landfill Closure and Postclosure Costs	100,791	-	-	100,791
Net Cash Used by Operating Activities	<u>\$ (165,402)</u>	<u>\$ (63,963)</u>	<u>\$ (6,340)</u>	<u>\$ (235,705)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>				
Current Assets:				
Cash	\$ 1,935,938	\$ 1,051,393	\$ 203,299	\$ 3,190,630
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	961,825	-	-	961,825
Total Cash and Cash Equivalents	<u>\$ 2,897,763</u>	<u>\$ 1,051,393</u>	<u>\$ 203,299</u>	<u>\$ 4,152,455</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION –  
AGENCY FUNDS  
SEPTEMBER 30, 2015**

	Agency Funds
	<hr/>
<b>ASSETS</b>	
Cash	\$ 466,353
Due from Individuals	<hr/> 35,504
	<hr/>
Total Assets	<hr/> <b>\$ 501,857</b> <hr/>
<b>LIABILITIES</b>	
Due to Individuals	\$ 158,746
Vouchers Payable	1,261
Due to Other Governments	124,495
Due to Indigent Health Care Special District	176
Deposit - Installment Taxes	<hr/> 217,179
	<hr/>
Total Liabilities	<hr/> <b>\$ 501,857</b> <hr/>

*See accompanying Notes to Financial Statements.*

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

The Board of County Commissioners (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 of Circuit Court. The Clerk of Circuit Court maintains the accounting system for the Board's operations. The Clerk of Circuit Court (Clerk), Property Appraiser (Appraiser), Tax Collector (Collector), Sheriff, and Supervisor of Elections (Supervisor) 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 fund types of Hardee County, Florida.

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.

**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.

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.

**HARDEE COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, proprietary, and fiduciary 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.

**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.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide Financial Statements (Continued)**

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.

**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. For this purpose, the County considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Ambulance fees, intergovernmental revenues and interest earned associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as receivables in the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

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

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

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds (Continued)**

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 and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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. Non-operating revenues, such as grants, investment earnings and miscellaneous other revenues result from nonexchange transactions or ancillary activities.

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, liabilities, 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.



**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

**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 used 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 related to providing county-wide fire protection services.

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

**Proprietary Major Funds**

**Solid Waste Fund** – The Solid Waste Fund accounts for the fees imposed on users of the Hardee County Landfill.

**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.

**Solid Waste Landfill Closure Fund** – The Solid Waste Landfill Closure fund accounts for the closure and post-closure liability along with the restricted cash required by the Environmental Protection Agency.

**Other Fund Types**

**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 non-public organizations. The Agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**Noncurrent Governmental Assets/Liabilities**

GASB Statement No. 34 requires noncurrent governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

**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 fund types in accordance with procedures and time intervals prescribed by law.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting (Continued)**

- 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.

**Accounts Receivable**

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

**Due from/to Other Funds**

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 operating transfers in and out, respectively.

Operating transfers are reported in the "Other Financing Sources (Uses)" section in the Statement of Revenues, Expenditures, and Changes in Fund Balances and in the "Operating 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.

**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.

**HARDEE COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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. 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. Enterprise fund land, buildings, improvements, and equipment are valued at historical cost or at fair market value for those assets contributed.

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

Depreciation on capital assets is charged as an expense against operations which is closed to net 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 – 50 Years
Equipment	5 – 15 Years
Infrastructure	10 – 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, 2015 was 8.8991 mills.

The tax levy of the County is established by the Board prior to October 1 of each year and the County 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.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes (Continued)**

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

All taxes become payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4 percent in the month of November, 3 percent in the month of December, 2 percent in the month of January and 1 percent 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 percent 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**

It is the County's policy to grant employees vacation and sick leave.

The County's employees accumulate sick and annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment for certain sick and accumulated leave if they meet certain criteria. In governmental fund types, 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, 2015, representing the Board's commitment to fund such costs from future operations.

**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.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 2015 has been recorded in the Solid Waste Landfill Closure fund representing the Board's estimated liabilities for such costs based upon the estimated capacity used to date. At September 30, 2015, estimated capacity used was 51.95%. In addition, the Board has established a landfill escrow account in the Solid Waste Landfill Closure fund to fund estimated closure costs as required by the Florida Department of Environmental Protection. At September 30, 2015, the Solid Waste Landfill Fund had unrestricted net position of (\$1,895,704) due to the partial closure to the landfill and because of a \$6,980,372 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**

Based on GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. Employees who retire from employment with the County under the County-sponsored pension plan are also entitled 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 percent of the premium before the beginning of each month of coverage. The OPEB Plan currently covers certain eligible retirees of the County. The liabilities and expenses associated with the OPEB Plan have been recorded in the accompanying financial statements.

**Pensions**

Cost Sharing Employer: 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.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Deferred Inflows (Outflows) 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 has multiple items that qualify for reporting in this category including 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 Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. The other amounts will be recognized as increases in pension expense in future years.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows (Outflows) of Resources (Continued)**

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 has multiple items that qualify for reporting in this category difference between expected and actual economic experience, 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 Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program are reported as deferred inflows of resources. The County also has several items, which arise only under a modified accrual basis of accounting that qualified for reporting in this category. Accordingly, the items are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues and charges for emergency medical services. The amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

**Implementation of New Accounting Standards**

As described in Note 15 to the financial statements, the County implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, and the related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68, by recognizing its net pension liability related to its pension plans. Accordingly, the cumulative effect of the accounting change is recorded at the beginning of the year in the financial statements of the governmental activities, business-type activities and the proprietary funds.

**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 (\$14,852,945) differs from *net position* of governmental activities (\$49,849,120) 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.

**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.

**HARDEE COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

**Capital Related Items (Continued)**

However, the statement of net position included those capital assets among the assets of the County as a whole.

Cost of Capital Assets	\$ 126,700,617
Accumulated Depreciation	(77,785,009)
Total	<u>\$ 48,915,608</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, 2015 were:

Deferred Inflows of Resources	<u>\$ 554,025</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, 2015 were:

Note Payable	\$ 80,000
Postemployment Healthcare	1,350,142
Accrued Compensated Absences	741,176
Total	<u>\$ 2,171,318</u>

**Net Pension Liability**

Net pension liability is applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Balances as of September 30, 2015 were:

Net Pension Liability	(12,421,504)
Deferred Outflows of Resources - Pension Related Items	2,827,854
Deferred Inflows of Resources - Pension Related Items	(2,708,490)
Total	<u>\$ (12,302,140)</u>

**Elimination of Interfund Receivables/Payables**

Interfund receivables and payables in the amount of \$576,215 between governmental funds have been eliminated for the statement of net position.



**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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**

The *net change in fund balances* for governmental funds (\$297,164) differs from the *change in net position* for governmental activities (\$1,154,745) 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 expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

Capital Outlay	\$ 6,319,359
Loss on Disposal of Equipment	(95,294)
Depreciation Expense	(5,807,961)
Difference	<u>\$ 416,104</u>

**Revenues**

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.

Charges for Services	\$ 70,681
Intergovernmental Revenues	6,441
Total	<u>\$ 77,122</u>

**Expense Transactions**

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

Net Change in Postemployment Healthcare	\$ (122,219)
Net Change in Accrued Compensated Absences	(13,772)
Net Change in Pension Expense	580,346
Net Adjustment	<u>\$ 444,355</u>

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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)**

**Reclassification and Eliminations**

Transfers in and transfers out in the amount of \$1,151,684 between governmental activities are eliminated.

**NOTE 3 CASH AND CASH EQUIVALENTS**

**Cash Deposits and Cash Equivalents**

Certain funds of the county participate in pooled cash. The earnings of the pool are allocated on a monthly basis to individual funds based upon their average monthly balance in the pool.

In accordance with GASB Statement No. 9, each fund's equity in the County's pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. The County considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Custodial risk relating to cash deposits is the risk that, in the event of a bank failure, the government will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party.

At September 30, 2015, the carrying amount of the County's deposits was \$17,801,205 and the bank balances were \$18,235,609. The County's noninterest bearing bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances and interest bearing bank balances are collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, a qualified public depository, all participating institutions are obligated to reimburse the governmental entity for the loss.

**HARDEE COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 4 ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following at September 30, 2015 for the governmental funds individual major funds and non-major funds:

	General Fund	Other Governmental Funds	Total Governmental Funds
Emergency Medical Services	\$ 749,697	\$ -	\$ 749,697
Trade Accounts	8,208	10,138	18,346
Accounts Receivable, Gross	757,905	10,138	768,043
Allowance for Uncollectible Accounts	(237,209)	-	(237,209)
Accounts Receivable, Net	<u>\$ 520,696</u>	<u>\$ 10,138</u>	<u>\$ 530,834</u>

Accounts receivable consist of the following at September 30, 2015 for the enterprise funds individual major funds and non-major fund:

	Major		Non-Major	
		Wauchula Hills Water/ Wastewater Treatment Trust Fund	Vandolah Wastewater Treatment Fund	Total Enterprise Funds
Landfill Charges	\$ 71,576	\$ -	\$ -	\$ 71,576
Trade Accounts	-	74,305	78	74,383
Accounts Receivable, Gross	71,576	74,305	78	145,959
Allowance for Uncollectibles	-	-	-	-
Accounts Receivable, Net	<u>\$ 71,576</u>	<u>\$ 74,305</u>	<u>\$ 78</u>	<u>\$ 145,959</u>

**HARDEE COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 5    DETAIL OF CAPITAL ASSETS**

A summary of changes in capital assets for the year ended September 30, 2015 is as follows:

	Balance October 1, 2014	Additions	(Deletions)	Donations & Transfers	Balance September 30, 2015
<b>GOVERNMENT ACTIVITIES</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,551,168	\$ 13,034	\$ (25,000)	\$ -	\$ 3,539,202
Construction in Progress	228,976	298,147	-	(220,044)	307,079
Total Capital Assets, Not Being Depreciated	3,780,144	311,181	(25,000)	(220,044)	3,846,281
Capital Assets, Being Depreciated:					
Buildings and Improvements	23,278,638	445,989	(13,000)	91,203	23,802,830
Equipment	16,684,097	1,392,936	(539,336)	255,129	17,792,826
Infrastructure	77,236,812	3,703,415	-	318,453	81,258,680
Total Capital Assets, Being Depreciated	117,199,547	5,542,340	(552,336)	664,785	122,854,336
Less Accumulated Depreciation for:					
Buildings and Improvements	(9,467,637)	(580,487)	-	-	(10,048,124)
Equipment	(12,117,071)	(1,146,379)	482,042	21,097	(12,760,311)
Infrastructure	(50,895,479)	(4,081,095)	-	-	(54,976,574)
Total Accumulated Depreciation	(72,480,187)	(5,807,961)	482,042	21,097	(77,785,009)
Total Capital Assets, Being Depreciated, Net	44,719,360	(265,621)	(70,294)	685,882	45,069,327
Governmental Activities Capital Assets, Net	<u>\$ 48,499,504</u>	<u>\$ 45,560</u>	<u>\$ (95,294)</u>	<u>\$ 465,838</u>	<u>\$ 48,915,608</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 962,625	\$ -	\$ -	\$ -	\$ 962,625
Construction in Progress	2,917,992	1,469,417	-	(2,860,436)	1,526,973
Total Capital Assets, Not Being Depreciated	3,880,617	1,469,417	-	(2,860,436)	2,489,598
Capital Assets, Being Depreciated:					
Buildings and Improvements	9,884,737	-	-	-	9,884,737
Equipment	1,993,329	183,981	-	21,097	2,198,407
Infrastructure	13,535,324	150,327	-	2,860,436	16,546,087
Total Capital Assets, Being Depreciated	25,413,390	334,308	-	2,881,533	28,629,231
Less Accumulated Depreciation for:					
Buildings and Improvements	(1,892,841)	(80,741)	-	-	(1,973,582)
Equipment	(1,563,607)	(135,986)	-	(21,097)	(1,720,690)
Infrastructure	(6,440,765)	(1,088,795)	-	-	(7,529,560)
Total Accumulated Depreciation	(9,897,213)	(1,305,522)	-	(21,097)	(11,223,832)
Total Capital Assets, Being Depreciated, Net	15,516,177	(971,214)	-	2,860,436	17,405,399
Business-Type Activities Capital Assets, Net	<u>\$ 19,396,794</u>	<u>\$ 498,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,894,997</u>

**HARDEE COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 5 DETAIL OF CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the year ended September 30, 2015 was charged to functions/programs of the primary government as follows:

**GOVERNMENTAL ACTIVITIES**

General Government	\$ 689,318
Public Safety	703,739
Physical Environment	2,322
Transportation	4,199,374
Human Services	23,125
Culture/Recreation	190,083
Total Depreciation Expense - Governmental Activities	<u>\$ 5,807,961</u>

**BUSINESS-TYPE ACTIVITIES**

Solid Waste	\$ 559,350
Wauchula Hills Water/Wastewater Treatment	721,558
Vandolah Wastewater Treatment	24,614
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,305,522</u>

**NOTE 6 LONG-TERM DEBT**

A summary of the changes in long-term debt for the year ended September 30, 2015 is as follows:

	Balance October 1, 2014	Additions	(Reductions)	Balance September 30, 2015	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Notes Payable	\$ -	\$ 100,000	\$ (20,000)	\$ 80,000	\$ 20,000
Other Postemployment Benefits	1,227,923	211,019	(88,800)	1,350,142	-
Net Pension Liability	7,521,142	4,900,362	-	12,421,504	-
Accrued Compensated Absences	727,404	13,772	-	741,176	395,533
Total Governmental Activities	<u>\$ 9,476,469</u>	<u>\$ 5,225,153</u>	<u>\$ (108,800)</u>	<u>\$ 14,592,822</u>	<u>\$ 415,533</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Notes Payable	\$ 3,400,000	\$ -	\$ (200,000)	\$ 3,200,000	\$ 200,000
Other Postemployment Benefits	58,077	9,981	(4,200)	63,858	-
Net Pension Liability	327,067	21,239	-	348,306	-
Accrued Compensated Absences	27,284	-	(10,438)	16,846	9,631
Landfill Closure and Post Closure Costs	7,241,393	100,791	-	7,342,184	361,812
Total Business-Type Activities	<u>\$ 11,053,821</u>	<u>\$ 132,011</u>	<u>\$ (214,638)</u>	<u>\$ 10,971,194</u>	<u>\$ 571,443</u>

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

Long-term liabilities are typically liquidated by the individual fund to which the liabilities are directly associated. Claims and judgments are typically liquidated by the General Fund and charged to the funds to which a portion of the liabilities directly relate.

**Notes Payable**

The Board issued a note payable to the Florida Local Government Finance Commission for \$1,425,000 during the 2005-2006 fiscal year for Wauchula Hills Wastewater Treatment Plant. Principal payments are due annually beginning December 7, 2006. Interest payments are due monthly, based on the market rate of commercial paper. The note is payable from and secured by the ½ cent sales tax.

The Board issued a note payable to the Florida Local Government Finance Commission for \$3,800,000 during the 2011-2012 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 5, 2013. 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.

Maturities of notes payable are as follows:

Year Ending September 30,	Business-Type Activities	
	Florida Local Government Finance Commission	
	Principal	Interest
2016	\$ 200,000	\$ 5,185
2017	3,000,000	1,275
Total	<u>\$ 3,200,000</u>	<u>\$ 6,460</u>

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

The following is a schedule by years of future minimum lease payments required under operating leases for vehicles and equipment used in governmental operations that have initial or remaining noncancelable lease terms as of September 30, 2015:

	<u>Year Ended September 30,</u>	<u>Amount</u>
	2016	\$ 68,420
	2017	57,631
	2018	3,684
	2019	3,684
	2020	3,684
	Thereafter	3,684
Total Minimum Payments Required		<u><u>\$ 140,787</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, 2015:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 487,705	\$ 27,301
Transportation Trust	13,560	71,860
Fire Control Fund	1,581	-
Grants Fund	1,900	445,517
Non-major Governmental Funds	71,469	62,026
Solid Waste Fund	1,582	-
Wauchula Hills Water/Wastewater Treatment Fund	28,907	-
Total	<u><u>\$ 606,704</u></u>	<u><u>\$ 606,704</u></u>

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

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 8 FUND BALANCE AND SPENDING POLICY**

The governmental funds are classified as follows:

Nonspendable		\$ 844,202
Restricted		
Transportation	\$ 2,964,429	
Fire Control	2,363,154	
Grants	130,437	
Court Innovations	366,953	
Law Enforcement Trust	97,867	
E-911	139,660	
Court Technology	7,065	
Official Records	131,660	
Clerk Operational Needs	223,319	
Inmate Welfare	135,529	
Education	40,120	
Total Restricted		6,607,387
Committed		
Pioneer Park Days	74,568	
Mining	73,849	
Total Committed		148,417
Unassigned		7,252,939
Total Fund Balances		<u>\$ 14,852,945</u>



**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT 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](http://www.dms.myflorida.com)).

The County's pension expense totaled \$932,541 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2015.

**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, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN (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.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

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

<b><u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u></b>	<b><u>% Value</u></b>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
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
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
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
<b>Elected County Officers</b>	3.00
<b>Senior Management Service Class</b>	2.00
<b>Special Risk Regular</b>	
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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. 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, 2014, were applied to employee salaries as follows: regular employees 7.37%, special risk 19.82%, county elected officials 43.24%, senior management 21.14%, and DROP participants 12.28%. The County's contributions to the FRS Plan were \$1,695,399 for the year ended September 30, 2015.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Pension Costs**

At September 30, 2015, the County reported a liability of \$8,280,411 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2015, the County's proportion was 0.064108020%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the County recognized pension expense of \$531,274 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	\$ 874,166	\$ 196,386
Changes in Actuarial Assumptions	549,599	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,977,223
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	602,992	562,940
County Contributions Subsequent to the Measurement Date	378,958	-
Total	<u>\$ 2,405,715</u>	<u>\$ 2,736,549</u>

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN(CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Pension Costs (Continued)**

\$378,958 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 September 30, 2016. 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:

Year Ended September 30	Amount
2016	\$ (657,899)
2017	(657,899)
2018	(657,899)
2019	973,372
2020	225,352
Thereafter	65,181
	<u>\$ (709,792)</u>

**Actuarial Assumptions**

The total pension liability in the July 1, 2015, 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	7.65%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2014.

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, 2015**

**NOTE 9 RETIREMENT PLAN (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:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.1%	1.7%
Fixed Income	18.0%	4.8%	4.7%	4.7%
Global Equity	53.0%	8.5%	7.2%	17.7%
Real Estate (Property)	10.0%	6.8%	6.2%	12.0%
Private Equity	6.0%	11.9%	8.2%	30.0%
Strategic Investments	12.0%	6.7%	6.1%	11.4%
Totals	100%			

Assumed Inflation - Mean

2.6%

1.9%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65% 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:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	6.65%	7.65%	8.65%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	\$ 21,456,417	\$ 8,280,411	\$ (2,684,191)

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN (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, 2015, 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, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 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 \$182,227 for the year ended September 30, 2015.

**Pension Costs**

At September 30, 2015, the County reported a liability of \$4,489,396 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2014, through June 30, 2015, relative to the total employer contributions received from all participating employers. At June 30, 2015, the County's proportion was .044020471%, which was an increase of 0.00054% from its proportion measured as of June 30, 2014.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Pension Costs (Continued)**

For the year ended September 30, 2015, the County recognized pension expense of \$343,395 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	\$ -	\$ -
Changes in Actuarial Assumptions	353,198	-
Net Difference Between Projected and Actual Earnings on HIS Program Investments	2,430	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	84,221	31,007
County Contributions Subsequent to the Measurement Date	52,145	-
Total	<u>\$ 491,994</u>	<u>\$ 31,007</u>

\$52,145 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, 2016. 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:

Year Ended June 30	Amount
2016	\$ 70,444
2017	70,444
2018	70,444
2019	69,950
2020	69,713
Thereafter	57,847
	<u>\$ 408,842</u>



**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Actuarial Assumptions**

The total pension liability in the July 1, 2015, 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	3.80%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2014.

**Discount Rate**

The discount rate used to measure the total pension liability was 3.80% 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.

**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:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.80%	3.80%	4.80%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 7,449,758	\$ 6,538,010	\$ 5,777,749

**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>.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN**

**FRS Investment Plan**

**Pension Plan Fiduciary Net Position (Continued)**

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. 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 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2014-2015 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%.

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. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, 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.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 9 RETIREMENT PLAN**

**FRS Investment Plan (Continued)**

**Pension Plan Fiduciary Net Position (Continued)**

The County's Investment Plan pension expense totaled \$57,873 for the year ended September 30, 2015. Employee contributions to the Investment Plan totaled \$223,369 for the year ended September 30, 2015.

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

Employees who retire from employment with the County under the County-wide sponsored pension plan are also entitled 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. Retirees who do not choose to continue to participate within thirty days of their employment termination date lose eligibility to participate in the future. The OPEB plan currently covers certain eligible retirees of the County. For Sheriff's Office employees initially enrolled before July 1, 2011, the normal retirement provisions state that the employees must be a minimum of age 55 with 6 or more years of service or have at least 25 years of service at any age. For Sheriff's Office employees initially enrolled on or after July 1, 2011, the normal retirement provisions state that the employees must be a minimum of age 60 with 8 or more years of special risk service or have at least 30 years of special risk service at any age. For all other employees initially enrolled before July 1, 2011, the normal retirement provisions state that employees must be a minimum of age 62 with 6 or more years of service or have at least 30 years of service at any age. For all other employees initially enrolled on or after July 1, 2011, the normal retirement provisions state that employees must be a minimum of age 65 with 8 or more years of service or have at least 33 years of service at any age. There is an early retirement provision that allows employees to be eligible for retiree health benefits with 6 years of service. The premiums for the retirees and dependents participating in the group insurance and self-insured health plans are the same as that of active employees. Employees pay 100% of the active premium rate, and the County pays any remaining amount necessary for payment of claims. For Sheriff's Office employees, the County provides a subsidy equal to the single employee premium less the Florida Retirement System (FRS) subsidy. The FRS subsidy is equal to \$5 per year of subsidy. This subsidy is available until a retiree reaches age 65. The maximum subsidy is \$200 per month. The County subsidizes the premium rates paid by the retirees and their dependents by allowing them to participate in the health plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy 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 postemployment healthcare plan does not issue a stand-alone report.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Funding Policy**

The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) or the net OPEB obligation. For the year ended September 30, 2015, 7 retirees and dependents received healthcare benefits. The County provided contributions of \$41,000 toward the annual OPEB cost comprised of premium contributions. There were no claim benefit payments made on behalf of retirees net of retiree contributions.

**Annual OPEB Cost and Net OPEB Obligation**

The County's annual OPEB cost (expense) is calculated based on the annual required contributions of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the County's annual OPEB cost for the year ended September 30, 2015, the amount contributed to the plan and changes in the County's net OPEB obligation:

Annual Required Contribution	\$ 176,000
Interest on Net OPEB Obligation	45,000
Less Amortization of Net OPEB Obligation	<u>(52,000)</u>
Annual OPEB Cost (Expense)	169,000
Contributions Made	<u>(41,000)</u>
Increase in Net OPEB Obligation	128,000
Net OPEB Obligation - Beginning of Year	1,286,000
Net OPEB Obligation - End of Year	<u><u>\$ 1,414,000</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of September 30, 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2015	\$ 169,000	24.26%	\$ 1,414,000
September 30, 2014	159,000	23.27%	1,286,000
September 30, 2013	200,000	15.50%	1,164,000

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Funded Status and Funding Progress**

The funding status as of September 30, 2015 was as follows:

Actuarial Accrued Liability (a)	\$ 1,414,000
Actuarial Value of Plan Assets (b)	-
Unfunded Actuarial Accrued Liability (c) = (a-b)	<u>\$ 1,414,000</u>
Funded Ratio (b/a)	<u>0%</u>
Covered Payroll (Active Plan Member) (d)	N/A
UALL as a Percentage of Covered Payroll (c/d)	N/A

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

**Actuarial Methods and Assumptions**

Projection of benefits for financial reporting purposes are based on the substantive plan provisions as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 6, 2014 OPEB actuarial valuation, the projected unit credit actuarial method was used. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 3.5 percent rate of return on invested assets, which is the County's long-term expectation of investment returns under its investment policy. The actuarial assumptions also include a payroll growth of four percent per year, and a medical trend using SOA Long Run Medical Cost Trend Model using 1.6% GDP. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at September 30, 2015, is twenty-five years.

**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 11 RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County 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.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**Landfill Closure Commitments**

Hardee County has completed two – six acre expansions of their original 12 acre Class I Landfill. This brings the total footprint up to 24.8 acres. The original 12 acres was at capacity in 2010 and received a partial final closure in January of 2012. The expansion – separated into two sections (section I and II). Section I became operational in 2010 and Section II will remain on hold until it is needed. In total the expanded areas increase the life capacity of the Class I Landfill approximately 23 years.

To minimize the threat to public health and the environment, Solid Waste Financial Assurance requirement 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 thirty years after closure and the County is not required to escrow those estimated amounts.

**HARDEE COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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 \$6,980,372 at September 30, 2015; represents the cumulative amount reported to date based on an average use of 51.95% of the total estimated capacity available as of September 30, 2015. There was an increase in the liability due to the capacity reduction for the estimated usage. The increase in the liability caused the general and administrative expenses to be \$100,791 as of September 30, 2015. 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 \$3,295,890 at September 30, 2015. The County is in compliance with these requirements at September 30, 2015. At September 30, 2015, \$961,825 is held in a separate cash account to fund the estimated closure costs of the regional landfill, materials recovery facility and waste tire facility. The County expects that future inflation costs will be paid from future contributions and interest earnings on these contributions. In the event closure escrow and interest earnings prove inadequate due to higher than expected inflation changes in technology or changes in laws and regulations, these costs may need to be financed by future landfill uses or future tax revenue. The County intends to fund these costs annually through its solid waste special assessment.

**Contingencies**

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of Hardee County, Florida.

The County is subject to various grant program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2015 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, 2015**

**NOTE 13 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, 2015 consisted of the following:

Transfers to the General Fund from:

Fire Control Fund	\$ 100,205
Grants Fund	164
Non-Major Governmental Funds	43,141
Solid Waste Fund	48,420
Wauchula Hills Water/Wastewater Treatment Fund	130,092
Non-Major Enterprise Fund	7,472
Total	<u>\$ 329,494</u>

Transfers to the Transportation Trust Fund from:

Non-Major Governmental Funds	\$ 16,352
Solid Waste Fund	19,057
Wauchula Hills Water/Wastewater Treatment Fund	819
Non-Major Enterprise Fund	97
Total	<u>\$ 36,325</u>

Transfers to the Fire Control Fund from:

General Fund	\$ 649,580
Non-Major Governmental Funds	586
Total	<u>\$ 650,166</u>

Transfers to the Grants Fund from:

General Fund	<u>\$ 7,875</u>
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Transfers to Non-Major Governmental Funds from:

General Fund	<u>\$ 196,234</u>
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Transfers to the Solid Waste Fund from:

General Fund	\$ 1,582
Non-Major Governmental Funds	1,092
Total	<u>\$ 2,674</u>

Transfers to Wauchula Hills Water/Wastewater Treatment Fund from:

Grants Fund	<u>\$ 134,873</u>
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**HARDEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 14 STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP)**

The Florida Homebuyer Opportunity Program (FHOP), formerly known as the State Housing Initiative Partnership Program Trust Fund (SHIP) is included in the Grants Fund. Separate financial information for this program is reported below:

**Balance Sheet  
September 30, 2015**

<b>ASSETS</b>	
Cash	\$ 280,001
Due from Other Funds	<u>1,900</u>
Total Assets	<u><u>\$ 281,901</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 991
Due to Other Funds	<u>28,934</u>
Total Liabilities	<u>29,925</u>
<b>FUND BALANCE</b>	<u>251,976</u>
Total Liabilities and Fund Balance	<u><u>\$ 281,901</u></u>

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended September 30, 2015**

<b>REVENUES</b>	
Interest	\$ 1,058
Miscellaneous	<u>29,611</u>
Total Revenues	<u>30,669</u>
<b>EXPENDITURES</b>	
Economic Environment	<u>447,312</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(416,643)</u>
<b>OTHER FINANCING USES</b>	
Transfers Out	<u>(28,907)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(445,550)</u>
Fund Balances - Beginning of Year	<u>697,526</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 251,976</u></u>

**HARDEE COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 15 CHANGE IN ACCOUNTING PRINCIPLE**

During the year ended September 30, 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. These pronouncements requires the restatement of the September 30, 2014, net position of the governmental activities, business-type activities and enterprise funds as shown as follows:

	Governmental Activities	Business-Type Activities	Solid Waste Fund
Net Position, September 30, 2015, as Previously Reported	\$ 63,028,770	\$ 12,877,765	\$ (1,544,418)
Cumulative Affect of Application of GASB 68, Net Pension Liability	(12,882,486)	(581,038)	(287,340)
Net Position, September 30, 2015, as Restated	<u>\$ 50,146,284</u>	<u>\$ 12,296,727</u>	<u>\$ (1,831,758)</u>
	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Non- Major Fund)	
Net Position, September 30, 2015, as Previously Reported	\$ 13,130,447	\$ 1,291,736	
Cumulative Affect of Application of GASB 68, Net Pension Liability	(252,522)	(41,176)	
Net Position, September 30, 2015, as Restated	<u>\$ 12,877,925</u>	<u>\$ 1,250,560</u>	

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HARDEE COUNTY, FLORIDA**  
**SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS**  
**YEAR ENDED SEPTEMBER 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
10/1/2013	-	1,330,000	1,330,000	0.00%	N/A	N/A
10/1/2011	-	1,363,000	1,363,000	0.00%	N/A	N/A
10/1/2009	-	2,154,000	2,154,000	0.00%	N/A	N/A

**HARDEE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1    OTHER POSTEMPLOYMENT BENEFITS**

As noted in the previous schedule, as of the actuarial valuation dates of October 1, 2013 and October 1, 2011 the County's Unfunded Actuarial Liability (UAL) decreased \$33,000. The liability decrease is attributed to actuarial estimates for the change in both the contribution schedule and retirees eligible.

**HARDEE COUNTY, FLORIDA**  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN**  
**SEPTEMBER 30, 2015**

**Schedule of Hardee County, Florida's Proportionate Share of Net Pension Liability**  
**Florida Retirement System**  
**Last 10 Fiscal Years\***

	2015	2014
Hardee County, Florida's proportion of the net pension liability (asset)	0.064108020%	0.061994926%
Hardee County, Florida's proportionate share of the net pension liability (asset)	\$ 8,280,411	\$ 3,782,602
Hardee County, Florida's covered-employee payroll	\$ 11,831,746	\$ 12,561,056
Hardee County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69.98%	30.11%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%

\* The amount presented for net pension liability (asset) each fiscal year was determined as of 6/30.

<sup>1</sup> 2014 was the first year reporting net pension liability (GASB 68)

**HARDEE COUNTY, FLORIDA  
SCHEDULE OF COUNTY CONTRIBUTIONS –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
SEPTEMBER 30, 2015**

**Schedule of Hardee County, Florida's Contributions  
Florida Retirement System  
Last 10 Fiscal Years\***

	2015	2014
Contractually required contribution	\$ 1,527,309	\$ 1,695,399
Contributions in relation to the contractually required contribution	(1,527,309)	(1,695,399)
Contribution deficiency (excess)	\$ -	\$ -
Hardee County, Florida's covered-employee payroll	\$ 11,831,746	\$ 12,561,056
Contributions as a percentage of covered-employee payroll	12.91%	13.50%

\* The amounts presented for each fiscal year were determined as of 9/30.

<sup>1</sup> 2014 was the first year reporting net pension liability (GASB 68)

**HARDEE COUNTY, FLORIDA**  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**HEALTH INSURANCE SUBSIDY PENSION PLAN**  
**SEPTEMBER 30, 2015**

**Schedule of Hardee County, Florida's Proportionate Share of Net Pension Liability**  
**Health Insurance Subsidy Program**  
**Last 10 Fiscal Years\***

	2015	2014
Hardee County, Florida's proportion of the net pension liability (asset)	0.044020471%	0.043481289%
Hardee County, Florida's proportionate share of the net pension liability (asset)	\$ 4,489,399	\$ 4,065,607
Hardee County, Florida's covered-employee payroll	\$ 14,257,015	\$ 13,402,755
Hardee County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.49%	30.33%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

\* The amount presented for net pension liability (asset) each fiscal year was determined as of 6/30.

<sup>1</sup> 2014 was the first year reporting net pension liability (GASB 68)



**HARDEE COUNTY, FLORIDA  
SCHEDULE OF COUNTY CONTRIBUTIONS –  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
SEPTEMBER 30, 2015**

**Schedule of Hardee County, Florida's Contributions  
Health Insurance Subsidy Program  
Last 10 Fiscal Years\***

	2015	2014
Contractually required contribution	\$ 217,063	\$ 182,277
Contributions in relation to the contractually required contribution	(217,063)	(182,277)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Hardee County, Florida's covered-employee payroll	\$ 14,257,015	\$ 13,402,755
Contributions as a percentage of covered-employee payroll	1.52%	1.36%

\* The amounts presented for each fiscal year were determined as of 9/30.

<sup>1</sup> 2014 was the first year reporting net pension liability (GASB 68)

**HARDEE COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

**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 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.

**Clerk's Records Modernization Fund** – The Clerk's Records Modernization Fund accounts for court technology revenues and expenditures.

**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.

**Sheriff's Commissary Fund** – The Sheriff's Commissary fund accounts for the commissary operated in the County jail. Revenues are provided by sales of products such as phone cards, candy, cigarettes, toothpaste, etc. to the inmates. Profits from these sales can only be spent for the welfare of the inmates.

**Sheriff's Department Education Fund** – The Sheriff's Department Education Fund accounts for an assessment added to all fines and forfeitures. These monies can only be used for approved education and training of law enforcement, correctional and administrative personnel.

**HARDEE COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

**Sheriff's Department E-911 Fund** – The Sheriff's Department E-911 Fund accounts for proceeds received from 911 fees and grants related to providing E-911 services within the County. The E-911 fund is a special revenue fund which accounts for the 911 system operated in the County. Funding is provided to the Sheriff by the Florida Department of Management Services and is used to maintain the E-911 system, which assists Hardee County residents that are in need of law enforcement, fire and emergency medical responders. The E-911 fund is not required to maintain a separate budget.

**HARDEE COUNTY, FLORIDA  
COMBINING BALANCE SHEET –  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

		Special Revenue Funds					
		Fines and Forfeitures	Pioneer Park Days	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining
ASSETS							
Cash and Cash Equivalents	\$	481,530	\$ 87,490	\$ 97,798	\$ 272,357	\$ 84,091	\$ 89,727
Accounts Receivable, Net		-	-	-	10	-	8,154
Due from Constitutional Officers		-	-	-	-	-	-
Due from Other Funds		-	-	-	22,291	38,565	-
Due from Other Governmental Agencies		-	-	69	96	17,004	-
Prepaid Expense		-	-	-	2,387	-	-
Total Assets	\$	481,530	\$ 87,490	\$ 97,867	\$ 297,141	\$ 139,660	\$ 97,881
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$	26,890	\$ 1,572	\$ -	\$ 237,310	\$ -	\$ 15,878
Due to Other Funds		-	-	-	7	-	-
Due to Other Governmental Agencies		4,347	-	-	59,824	-	-
Unearned Revenue		-	11,350	-	-	-	-
Total Liabilities		31,237	12,922	-	297,141	-	15,878
Deferred Inflows of Resources		-	-	-	-	-	8,154
Fund Balances:							
Nonspendable		-	-	-	2,387	-	-
Restricted		366,953	-	97,867	-	139,660	-
Committed		-	74,568	-	-	-	73,849
Unassigned		83,340	-	-	(2,387)	-	-
Total Fund Balances		450,293	74,568	97,867	-	139,660	73,849
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	481,530	\$ 87,490	\$ 97,867	\$ 297,141	\$ 139,660	\$ 97,881

**HARDEE COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET – (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2015**

Special Revenue Funds (Continued)						
	Clerk's Public Records Modernization Trust	Clerk's Child Support IV-D	Sheriff's Commissary	Sheriff's Department Education	Sheriff's Department E-911	Total Other Non-major Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 228,078	\$ 143,080	\$ 135,529	\$ 40,120	\$ 38,565	\$ 1,698,365
Accounts Receivable, Net	-	-	-	-	-	8,164
Due from Constitutional Officers	-	-	-	-	-	-
Due from Other Funds	10,613	-	-	-	-	71,469
Due from Other Governmental Agencies	-	9,135	-	-	-	26,304
Prepaid Expense	-	-	-	-	-	2,387
Total Assets	<u>\$ 238,691</u>	<u>\$ 152,215</u>	<u>\$ 135,529</u>	<u>\$ 40,120</u>	<u>\$ 38,565</u>	<u>\$ 1,806,689</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable and Accrued Liabilities	\$ 2,321	\$ 3,087	\$ -	\$ -	\$ -	\$ 287,058
Due to Other Funds	23,454	-	-	-	38,565	62,026
Due to Other Governmental Agencies	-	-	-	-	-	64,171
Unearned Revenue	-	-	-	-	-	11,350
Total Liabilities	<u>25,775</u>	<u>3,087</u>	<u>-</u>	<u>-</u>	<u>38,565</u>	<u>424,605</u>
<b>Deferred Inflows of Resources</b>	-	-	-	-	-	8,154
<b>Fund Balances:</b>						
Nonspendable	-	-	-	-	-	2,387
Restricted	212,916	149,128	135,529	40,120	-	1,142,173
Committed	-	-	-	-	-	148,417
Unassigned	-	-	-	-	-	80,953
Total Fund Balances	<u>212,916</u>	<u>149,128</u>	<u>135,529</u>	<u>40,120</u>	<u>-</u>	<u>1,373,930</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 238,691</u>	<u>\$ 152,215</u>	<u>\$ 135,529</u>	<u>\$ 40,120</u>	<u>\$ 38,565</u>	<u>\$ 1,806,689</u>

**HARDEE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue Funds					
	Fines and Forfeitures	Pioneer Park Days	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 426	\$ 308,378	\$ -
Charges for Services	23,850	102,976	-	795,585	-	206,750
Fines and Forfeitures	243,879	-	-	-	-	-
Interest	880	216	248	-	205	215
Miscellaneous	182	12,782	30,240	3,474	-	-
Total Revenues	<u>268,791</u>	<u>115,974</u>	<u>30,488</u>	<u>799,485</u>	<u>308,583</u>	<u>206,965</u>
<b>EXPENDITURES</b>						
Current:						
General Government	460,906	-	-	799,485	-	-
Public Safety	(6,756)	-	55,387	-	279,978	-
Physical Environment	-	-	-	-	-	166,578
Culture and Recreation	-	89,196	-	-	-	-
Capital Outlay	34,704	3,932	-	-	-	-
Total Expenditures	<u>488,854</u>	<u>93,128</u>	<u>55,387</u>	<u>799,485</u>	<u>279,978</u>	<u>166,578</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(220,063)	22,846	(24,899)	-	28,605	40,387
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	183,890	-	-	-	12,344	-
Transfers out	-	(23,756)	-	-	-	(37,415)
Total Other Financing Sources (Uses)	<u>183,890</u>	<u>(23,756)</u>	<u>-</u>	<u>-</u>	<u>12,344</u>	<u>(37,415)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(36,173)	(910)	(24,899)	-	40,949	2,972
Fund Balances - Beginning of Year	<u>486,466</u>	<u>75,478</u>	<u>122,766</u>	<u>-</u>	<u>98,711</u>	<u>70,877</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 450,293</u>	<u>\$ 74,568</u>	<u>\$ 97,867</u>	<u>\$ -</u>	<u>\$ 139,660</u>	<u>\$ 73,849</u>

**HARDEE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue Funds (Continued)					Total Other Nonmajor Governmental Funds
	Clerk's Public Records Modernization Trust	Clerk's Child Support IV-D	Sheriff's Commissary	Sheriff's Department Education	Sheriff's Department E-911	
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 56,811	\$ -	\$ -	\$ 279,978	\$ 645,593
Charges for Services	85,438	-	-	-	-	1,214,599
Fines and Forfeitures	-	-	-	5,216	-	249,095
Interest	538	-	-	-	-	2,302
Miscellaneous	-	860	90,165	249	-	137,952
Total Revenues	85,976	57,671	90,165	5,465	279,978	2,249,541
<b>EXPENDITURES</b>						
Current:						
General Government	95,238	80,660	-	-	-	1,436,289
Public Safety	-	-	49,607	-	139,876	518,092
Physical Environment	-	-	-	-	-	166,578
Culture and Recreation	-	-	-	-	-	89,196
Capital Outlay	25,422	5,020	-	-	140,102	209,180
Total Expenditures	120,660	85,680	49,607	-	279,978	2,419,335
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(34,684)	(28,009)	40,558	5,465	-	(169,794)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	196,234
Transfers out	-	-	-	-	-	(61,171)
Total Other Financing Sources (Uses)	-	-	-	-	-	135,063
<b>NET CHANGE IN FUND BALANCES</b>	(34,684)	(28,009)	40,558	5,465	-	(34,731)
Fund Balances - Beginning of Year	247,600	177,137	94,971	34,655	-	1,408,661
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 212,916</u>	<u>\$ 149,128</u>	<u>\$ 135,529</u>	<u>\$ 40,120</u>	<u>\$ -</u>	<u>\$ 1,373,930</u>

**HARDEE COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL –**  
**FINES AND FORFEITURES FUND**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Charges for Services	\$ 20,000	\$ 20,000	\$ 23,850	\$ 3,850
Fines and Forfeitures	228,100	228,100	243,879	15,779
Interest	1,800	1,800	880	(920)
Miscellaneous	-	-	182	182
Total Revenues	249,900	249,900	268,791	18,891
<b>EXPENDITURES</b>				
Current:				
General Government	844,982	841,614	460,906	380,708
Public Safety	10,000	10,000	(6,756)	16,756
Capital Outlay	37,600	44,500	34,704	9,796
Total Expenditures	892,582	896,114	488,854	407,260
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(642,682)	(646,214)	(220,063)	426,151
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	183,890	183,890	183,890	-
Other Expense	(84,237)	(80,705)	-	80,705
Total Other Financing Sources (USES)	99,653	103,185	183,890	80,705
<b>NET CHANGE IN FUND BALANCES</b>	(543,029)	(543,029)	(36,173)	506,856
Fund Balances - Beginning of Year	543,029	543,029	486,466	(56,563)
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ 450,293	\$ 450,293



**HARDEE COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL –**  
**PIONEER PARK DAYS FUND**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 76,000	\$ 117,000	\$ 102,976	\$ (14,024)
Interest	100	100	216	116
Miscellaneous	1,000	11,000	12,782	1,782
Total Revenues	77,100	128,100	115,974	(12,126)
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	73,157	109,757	89,196	20,561
Capital Outlay	7,000	6,900	3,932	2,968
Other Expense	29,656	44,056	-	44,056
Total Expenditures	109,813	160,713	93,128	67,585
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(32,713)	(32,613)	22,846	55,459
<b>OTHER FINANCING USES</b>				
Transfers out	(34,035)	(34,135)	(23,756)	10,379
<b>NET CHANGE IN FUND BALANCES</b>	(66,748)	(66,748)	(910)	65,838
Fund Balances - Beginning of Year	66,748	66,748	75,478	8,730
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,568</u>	<u>\$ 74,568</u>

**HARDEE COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL –**  
**LAW ENFORCEMENT TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 200	\$ 200	\$ 248	\$ 48
Miscellaneous	5,000	5,000	30,240	25,240
Total Revenues	5,200	5,200	30,488	25,288
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	55,388	55,387	1
Other Expense	119,505	64,117	-	64,117
Total Expenditures	119,505	119,505	55,387	64,118
<b>NET CHANGE IN FUND BALANCES</b>	(114,305)	(114,305)	(24,899)	(38,830)
Fund Balances - Beginning of Year	114,305	114,305	122,766	8,461
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,867</u>	<u>\$ (30,369)</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, 2015**

	Budgeted Amounts		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 250	\$ 426	\$ 426	\$ -
Charges for services	839,477	795,585	795,585	-
Miscellaneous	-	3,474	3,474	-
Total Revenues	839,727	799,485	799,485	-
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	796,290	778,587	778,587	-
Operating Expenditures	43,437	20,898	20,898	-
Total Expenditures	839,727	799,485	799,485	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 102,600	\$ 279,596	\$ 308,378	\$ 28,782
Interest	150	150	205	55
Total Revenues	102,750	279,746	308,583	28,837
<b>EXPENDITURES</b>				
Current:				
Public Safety	147,773	324,769	279,978	44,791
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(45,023)	(45,023)	28,605	73,628
<b>OTHER FINANCING SOURCES</b>				
Transfers in	12,344	12,344	12,344	-
<b>NET CHANGE IN FUND BALANCES</b>	(32,679)	(32,679)	40,949	73,628
Fund Balances - Beginning of Year	32,679	32,679	98,711	66,032
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,660</u>	<u>\$ 139,660</u>

**HARDEE COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL –**  
**MINING FUND**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 519,923	\$ 519,923	\$ 206,750	\$ (313,173)
Interest	380	380	215	(165)
Total Revenues	520,303	520,303	206,965	(313,338)
<b>EXPENDITURES</b>				
Current:				
Physical Environment	476,017	476,017	166,578	309,439
Other Expense	100,898	100,898	-	100,898
Total Expenditures	576,915	576,915	166,578	410,337
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(56,612)	(56,612)	40,387	96,999
<b>OTHER FINANCING USES</b>				
Transfers out	(37,415)	(37,415)	(37,415)	-
<b>NET CHANGE IN FUND BALANCES</b>	(94,027)	(94,027)	2,972	96,999
Fund Balances - Beginning of Year	94,027	94,027	70,877	(23,150)
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,849</u>	<u>\$ 73,849</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, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Charges for Services	\$ 240,419	\$ 333,035	\$ 85,438	\$ (247,597)
Interest	-	539	538	(1)
Total Revenues	240,419	333,574	85,976	(247,598)
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	17,517	31,709	31,709	-
Operating Expenditures	202,902	273,729	63,529	210,200
Capital Outlay	20,000	28,136	25,422	2,714
Total Expenditures	240,419	333,574	120,660	212,914
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(34,684)	(34,684)
Fund Balances - Beginning of Year	-	-	247,600	247,600
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,916</u>	<u>\$ 212,916</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 192,127	\$ 233,947	\$ 56,811	\$ (177,136)
Miscellaneous	-	859	860	1
Total Revenues	192,127	234,806	57,671	(177,135)
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	32,795	66,451	66,451	-
Operating Expenditures	157,832	163,335	14,209	149,126
Capital Outlay	1,500	5,020	5,020	-
Total Expenditures	192,127	234,806	85,680	149,126
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(28,009)	(28,009)
Fund Balances - Beginning of Year	-	-	177,137	177,137
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,128</u>	<u>\$ 149,128</u>

**HARDEE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION –**  
**ALL AGENCY FUNDS**  
**SEPTEMBER 30, 2015**

	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
<b>ASSETS</b>								
Cash	\$ 81,454	\$ 1,261	\$ 10,840	\$ 309	\$ 42,095	\$ 5,452	\$ 189,047	\$ 72,520
Due from Individuals	-	-	-	-	-	-	35,504	-
Total Assets	<u>\$ 81,454</u>	<u>\$ 1,261</u>	<u>\$ 10,840</u>	<u>\$ 309</u>	<u>\$ 42,095</u>	<u>\$ 5,452</u>	<u>\$ 224,551</u>	<u>\$ 72,520</u>
<b>LIABILITIES</b>								
Due to Individuals	\$ 36,969	\$ -	\$ 10,840	\$ 15	\$ 42,095	\$ 5,452	\$ -	\$ -
Vouchers Payable	-	1,261	-	-	-	-	-	-
Due to Other Governments	44,485	-	-	294	-	-	7,196	72,520
Due to Indigent Health Care Special District	-	-	-	-	-	-	176	-
Deposit - Installment Taxes	-	-	-	-	-	-	217,179	-
Total Liabilities	<u>\$ 81,454</u>	<u>\$ 1,261</u>	<u>\$ 10,840</u>	<u>\$ 309</u>	<u>\$ 42,095</u>	<u>\$ 5,452</u>	<u>\$ 224,551</u>	<u>\$ 72,520</u>



**HARDEE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)**  
**ALL AGENCY FUNDS**  
**SEPTEMBER 30, 2015**

	Sheriff's Suspense	Sheriff's Collections	Sheriff's Inmate	Sheriff's Youth	Sheriff's Flower	Sheriff's Evidence	Sheriff's Drug Task Force	Total
<b>ASSETS</b>								
Cash	\$ 1,396	\$ -	\$ 9,720	\$ 8,177	\$ 2,751	\$ 40,629	\$ 702	\$ 466,353
Due from Individuals	-	-	-	-	-	-	-	35,504
Total Assets	<u>\$ 1,396</u>	<u>\$ -</u>	<u>\$ 9,720</u>	<u>\$ 8,177</u>	<u>\$ 2,751</u>	<u>\$ 40,629</u>	<u>\$ 702</u>	<u>\$ 501,857</u>
<b>LIABILITIES</b>								
Due to Individuals	\$ 1,396	\$ -	\$ 9,720	\$ 8,177	\$ 2,751	\$ 40,629	\$ 702	\$ 158,746
Vouchers Payable	-	-	-	-	-	-	-	1,261
Due to Other Governments	-	-	-	-	-	-	-	124,495
Due to Indigent Health Care Special District	-	-	-	-	-	-	-	176
Deposit - Installment Taxes	-	-	-	-	-	-	-	217,179
Total Liabilities	<u>\$ 1,396</u>	<u>\$ -</u>	<u>\$ 9,720</u>	<u>\$ 8,177</u>	<u>\$ 2,751</u>	<u>\$ 40,629</u>	<u>\$ 702</u>	<u>\$ 501,857</u>

**HARDEE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION –**  
**ALL AGENCY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<b><u>CLERK'S SPECIAL TRUST</u></b>				
<b>ASSETS</b>				
Cash	\$ 149,302	\$ 1,776,842	\$ (1,844,690)	\$ 81,454
<b>LIABILITIES</b>				
Due to Individuals	\$ 29,323	\$ 98,313	\$ (90,667)	\$ 36,969
Due to Other Governments	119,979	1,678,529	(1,754,023)	44,485
Total Liabilities	<u>\$ 149,302</u>	<u>\$ 1,776,842</u>	<u>\$ (1,844,690)</u>	<u>\$ 81,454</u>
<b><u>CLERK'S SUPPORT</u></b>				
<b>ASSETS</b>				
Cash	\$ 745	\$ 22,634	\$ (22,118)	\$ 1,261
<b>LIABILITIES</b>				
Due to Individuals	\$ -	\$ 6,553	\$ (6,553)	\$ -
Vouchers Payable	745	11,317	(10,801)	1,261
Due to Other Governments	-	4,764	(4,764)	-
Total Liabilities	<u>\$ 745</u>	<u>\$ 22,634</u>	<u>\$ (22,118)</u>	<u>\$ 1,261</u>
<b><u>CLERK'S COURT REGISTRY</u></b>				
<b>ASSETS</b>				
Cash	\$ 34,503	\$ 199,295	\$ (222,958)	\$ 10,840
<b>LIABILITIES</b>				
Due to Individuals	<u>\$ 34,503</u>	<u>\$ 199,295</u>	<u>\$ (222,958)</u>	<u>\$ 10,840</u>
<b><u>CLERK'S COUNTY WITNESS</u></b>				
<b>ASSETS</b>				
Cash	\$ 309	\$ -	\$ -	\$ 309
<b>LIABILITIES</b>				
Due to Individuals	\$ 15	\$ -	\$ -	\$ 15
Due to Other Governments	294	-	-	294
Total Liabilities	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309</u>

**HARDEE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION (CONTINUED) –**  
**ALL AGENCY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<b><u>CLERK'S CASH BOND</u></b>				
<b>ASSETS</b>				
Cash	\$ 23,415	\$ 119,920	\$ (101,240)	\$ 42,095
<b>LIABILITIES</b>				
Due to Individuals	\$ 23,415	\$ 119,920	\$ (101,240)	\$ 42,095
<b><u>CLERK'S CONDEMNATION</u></b>				
<b><u>RIGHT-OF-WAY</u></b>				
<b>ASSETS</b>				
Cash	\$ 7,390	\$ 650,368	\$ (652,306)	\$ 5,452
<b>LIABILITIES</b>				
Due to Individuals	\$ 7,390	\$ 650,368	\$ (652,306)	\$ 5,452
<b><u>TAX COLLECTOR FUND</u></b>				
<b>ASSETS</b>				
Cash	\$ 253,529	\$ 13,133,428	\$ (13,197,910)	\$ 189,047
Due from Individuals	-	542,542	(507,038)	35,504
	<u>\$ 253,529</u>	<u>\$ 13,675,970</u>	<u>\$ (13,704,948)</u>	<u>\$ 224,551</u>
<b>LIABILITIES</b>				
Due to Individuals	\$ 29,877	\$ 934,627	\$ (964,504)	\$ -
Due to Other Governments	6,436	11,990,925	(11,990,165)	7,196
Due to Indigent Health Care Special District	206	533,239	(533,269)	176
Deposit - Installment Taxes	217,010	217,179	(217,010)	217,179
Total Liabilities	<u>\$ 253,529</u>	<u>\$ 13,675,970</u>	<u>\$ (13,704,948)</u>	<u>\$ 224,551</u>
<b><u>TAX COLLECTOR MOTOR</u></b>				
<b><u>VEHICLE FUND</u></b>				
<b>ASSETS</b>				
Cash	\$ 22,909	\$ 3,172,693	\$ (3,123,082)	\$ 72,520
<b>LIABILITIES</b>				
Due to Other Governments	\$ 22,909	\$ 3,172,693	\$ (3,123,082)	\$ 72,520

**HARDEE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION (CONTINUED) –**  
**ALL AGENCY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<b><u>SHERIFF'S SUSPENSE</u></b>				
<b>ASSETS</b>				
Cash	\$ 734	\$ 68,155	\$ (67,493)	\$ 1,396
<b>LIABILITIES</b>				
Due to Individuals	\$ 734	\$ 68,155	\$ (67,493)	\$ 1,396
<b><u>SHERIFF'S COLLECTIONS</u></b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 12,530	\$ (12,530)	\$ -
<b>LIABILITIES</b>				
Due to Individuals	\$ -	\$ 12,530	\$ (12,530)	\$ -
<b><u>SHERIFF'S INMATE</u></b>				
<b>ASSETS</b>				
Cash	\$ 12,284	\$ 786,607	\$ (789,171)	\$ 9,720
<b>LIABILITIES</b>				
Due to Individuals	\$ 12,284	\$ 786,607	\$ (789,171)	\$ 9,720
<b><u>SHERIFF'S YOUTH</u></b>				
<b>ASSETS</b>				
Cash	\$ 9,177	\$ 145	\$ (1,145)	\$ 8,177
<b>LIABILITIES</b>				
Due to Individuals	\$ 9,177	\$ 145	\$ (1,145)	\$ 8,177
<b><u>SHERIFF'S FLOWER</u></b>				
<b>ASSETS</b>				
Cash	\$ 3,715	\$ -	\$ (964)	\$ 2,751
<b>LIABILITIES</b>				
Due to Individuals	\$ 3,715	\$ -	\$ (964)	\$ 2,751

**HARDEE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION (CONTINUED) –**  
**ALL AGENCY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<b><u>SHERIFF'S EVIDENCE</u></b>				
<b>ASSETS</b>				
Cash	\$ 41,816	\$ 16,558	\$ (17,745)	\$ 40,629
<b>LIABILITIES</b>				
Due to Individuals	\$ 41,816	\$ 16,558	\$ (17,745)	\$ 40,629
<b><u>SHERIFF'S DRUG TASK FORCE</u></b>				
<b>ASSETS</b>				
Cash	\$ 5,269	\$ 3,108	\$ (7,675)	\$ 702
<b>LIABILITIES</b>				
Due to Individuals	\$ 5,269	\$ 3,108	\$ (7,675)	\$ 702
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash	\$ 565,097	\$ 19,962,283	\$ (20,061,027)	\$ 466,353
Due from Individuals	-	542,542	(507,038)	35,504
Total Assets	<u>\$ 565,097</u>	<u>\$ 20,504,825</u>	<u>\$ (20,568,065)</u>	<u>\$ 501,857</u>
<b>LIABILITIES</b>				
Due to Individuals	\$ 197,518	\$ 2,896,179	\$ (2,934,951)	\$ 158,746
Vouchers Payable	745	11,317	(10,801)	1,261
Due to Other Governments	149,618	16,846,911	(16,872,034)	124,495
Due to Indigent Health Care Special District	206	533,239	(533,269)	176
Deposit - Installment Taxes	217,010	217,179	(217,010)	217,179
Total Liabilities	<u>\$ 565,097</u>	<u>\$ 20,504,825</u>	<u>\$ (20,568,065)</u>	<u>\$ 501,857</u>

## **SUPPLEMENTAL INFORMATION**

**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**

Board of County Commissioners  
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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Hardee County Board of County Commissioners (the County), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 17, 2016.

**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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 2015-001 of the accompanying schedule of findings and questioned costs to be a material weakness.

### **Compliance and Other Matters**

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

### **The County's Response 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 response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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**

Lakeland, Florida  
June 17, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL 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 (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Florida Department of Financial Services State Projects *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to each of its major 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 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 with those requirements.

***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, 2015.

**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, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of 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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 result of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 17, 2016

**HARDEE COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE PROJECTS**  
**YEAR ENDED SEPTEMBER 30, 2015**

Agency/Pass-Through Entity Program Title	CFDA or CSFA Number	Contract or Grant Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Housing and Urban Development</b>			
Passed through Florida Department of Economic Opportunity:			
Community Development Block Grant Program:			
Community Development Block Grant - Housing	14.228	15DB-OJ-07-35-01-H06	\$ 137,021
Community Development Block Grant - DREF Grant	14.228	12DB-P5-07-35-01-K56	92,915
Community Development Block Grant - DRI Grant	14.228	10DB-K4-07-35-01-K16	32,940
Total U.S. Department of Housing and Urban Development			<u>262,876</u>
<b>U.S. Department of Health and Human Services</b>			
Drug-Free Communities Support Program	93.276	5H79SP016561	<u>132,093</u>
Passed through Florida Department of Revenue:			
Child Support Enforcement	93.563	CD325	<u>56,811</u>
Total U.S. Department of Health and Human Services			<u>188,904</u>
<b>U.S. Department of Homeland Security</b>			
Emergency Management Performance Grant	97.042	15-FG-XX-07-35-01-092	<u>46,178</u>
Passed through Florida Division of Emergency Management			
Homeland Security Grant Program	97.067	14-DS-L5-07-35-01-257	<u>718</u>
Total U.S. Department of Homeland Security			<u>46,896</u>
<b>U.S. Department of Justice</b>			
Passed through Bureau of Justice Administration:			
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0539	17,226
Bulletproof Vest Partnership	16.607	NA	4,173
			<u>21,399</u>
Passed through Community Oriented Policing Services:			
COPS Hiring Program	16.710	2014UMWX0038	<u>38,934</u>
Passed through Florida Department of Law Enforcement:			
JAG Countywide (Operation Blue Light XV)	16.738	2015-JAGC-HARD-1-R3-107	40,000
FDLE Edward Byrne JAG Direct (Taser Five)	16.738	2015-JAGD-HARD-2-R1-068	3,478
			<u>43,478</u>
Total U.S. Department of Justice			<u>103,811</u>
Total Expenditures of Federal Awards			<u>\$ 602,487</u>

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

**HARDEE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE PROJECTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

Agency/Pass-Through Entity Program Title	CFDA or CSFA Number	Contract or Grant Number	Expenditures
<b><u>STATE PROJECTS</u></b>			
<b>Florida Division of Emergency Management</b>			
Emergency Management	31.063	15BG-83-07-35-01-025	\$ 105,806
Residential Construction Mitigation Program	31.066	15RC-E6-07-35-01-211	7,212
Total Florida Division of Emergency Management			<u>113,018</u>
<b>Florida Department of Environmental Protection</b>			
Small County SW Consolidated Grant	37.012	514SC	90,909
Hazardous Waste Coop Grant	37.007	SO719	16,370
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP25022	844,036
Total Florida Department of Environmental Protection			<u>951,315</u>
<b>Florida Department of State</b>			
State Aid to Libraries Grant	45.030	15-ST-15	<u>71,301</u>
<b>Florida Department of Agriculture and Consumer Services</b>			
Hardee County Civic Center	42.031	21817	\$ 289,547
Mosquito Control	42.003	21325	31,394
Total Florida Department of Agriculture and Consumer Services			<u>320,941</u>
<b>Florida Housing Finance Corporation</b>			
State Housing Initiatives Partnership (SHIP) Program			
Annual Entitlement	52.901	N/A	<u>444,938</u>
<b>Florida Department of Transportation</b>			
Small County Outreach Program - W Main St	55.009	436031 58 01	897,909
Small County Outreach Program - Parnell Rd N to Hammock	55.009	435483-1-58-01	1,921,954
			<u>2,819,863</u>
Small County Road Assistance Program - W Main St	55.016	43631 58 02	<u>297,125</u>
Total Florida Department of Transportation			<u>3,116,988</u>
<b>Florida Department of Health</b>			
Emergency Medical Services County Grant	64.003	C3025	<u>10,065</u>
<b>Florida Department of Management Services</b>			
E911 Rural County (Fall) Grant Program	72.001	14-10-12	30,667
E911 Rural County (Primary E911 System Upgrade) Grant Program	72.001	S7-14-12-6	140,103
E911 State Program (Spring)	72.001	15-4-11	6,227
			<u>176,997</u>
Total Expenditures of State Projects			<u>5,205,563</u>
Total Expenditures of Federal Awards and State Projects			<u><u>\$ 5,808,050</u></u>

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

**HARDEE COUNTY, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE PROJECTS  
YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1    GENERAL**

The accompanying Schedule of Expenditures of Federal Awards and State Projects presents the activity of all federal and state programs of Hardee County, Florida (County). The County reporting entity is defined in Note 1 to the County's basic financial statements for the year ended September 30, 2015. All federal financial awards received directly from federal agencies as well as federal financial awards passed through other government agencies are included in the schedule.

**NOTE 2    BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards and State Projects is presented using the modified accrual basis of accounting for awards recorded in governmental fund types and the accrual basis of accounting for awards recorded in the proprietary fund types which are described in Note 1 to the County's basic financial statements for the year ended September 30, 2015.

**HARDEE COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL AWARDS AND STATE  
PROJECTS  
YEAR ENDED SEPTEMBER 30, 2015**

**SECTION 1 – SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness	Yes
Significant deficiencies identified not considered to be material weaknesses	None noted
Noncompliance material to basic financial statements noted	No

***Federal Awards and State Projects***

Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be a material weaknesses	None noted
Type of auditor's report on compliance for major program	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a)) or Chapter 10.557, Rules of the Auditor General?	No
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Identification of major programs:

**Federal Programs**

Community Development Block Grant	<b><u>CFDA No.</u></b> 14.228
Drug-Free Communities Support Program	93.276

**State Projects**

Small County Road Assistance Program	<b><u>CSFA No.</u></b> 55.016
Small County Outreach Program	55.009
State Housing Initiatives Partnership Program	52.901
Statewide Surface Water Restoration and Wastewater Projects	37.039

Dollar threshold used to determine Type A and Type B programs:

Federal Awards and State Projects	\$300,000
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Auditee qualified as low-risk	No
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**HARDEE COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL AWARDS AND STATE  
PROJECTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**SECTION II – FINANCIAL STATEMENT AUDIT**

**Material Weakness**

**2015-001 – MATERIAL AUDIT ADJUSTMENT**

**Condition:** Our audit procedures disclosed material audit adjustments that were necessary in order for the financial statements to be in accordance with U.S. generally accepted accounting principles.

**Criteria:** The following accounts were adjusted: deferred revenue, deferred inflows of resources, and grant revenue.

**Cause:** Internal controls in place did not identify proper reporting of transactions.

**Effect:** Account balances were required to be adjusted.

**Recommendation:** The deferred inflows of resources was implemented by the County in fiscal year 2014 with GASB 65. We recommend internal controls be implemented to insure proper reporting and year end closing for the County's financial statements.

**Management Response:** We concur.

**SECTION III – FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

There were none.

**HARDEE COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL AWARDS AND STATE  
PROJECTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

<b>Prior Years Findings</b>		<b>Current Year Status</b>			
		<b>Cleared</b>	<b>Partially Cleared</b>	<b>Not Cleared</b>	<b>Reference</b>
2013-01 Material Audit Adjustments	Material Weakness		X		2015-001
2014-001 Internal Control Over Financial Reporting	Material Weakness	X			NA
2014-002 Journal Entry Approval	Material Weakness	X			NA
2014-003 Improper Authorization and Untimeliness of Drawdown Requests	Material Weakness	X			NA



## MANAGEMENT LETTER

Board of County Commissioners  
Hardee County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Hardee County Board of County Commissioners (the County), Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 17, 2016.

### 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; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditor's 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 Auditor's Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. *Disclosures* in those reports and schedule, which are dated, June 17, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The component unit's information is disclosed in Note 1. Hardee County, Florida was established by the Constitution of the State of Florida, Article VIII, Section 1 (c).

### **Financial Condition**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report 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 identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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. In connection with our audit, we noted the Auditor General conducted an operational audit for the period October 2010 through June 2012 and issued a report in February 2013. The Auditor General has returned to follow up on the findings and issued a report in December 2015.

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

Board of County Commissioners  
Hardee County, Florida

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

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 17, 2016



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT ACCOUNTANTS' REPORT

Board of County Commissioners  
Hardee County Board of County Commissioners  
Hardee County, Florida

We have examined the Hardee County Board of County Commissioners (the County)'s, compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.172(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2015. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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.

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 17, 2016

**HARDEE COUNTY TAX COLLECTOR**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2015**

**HARDEE COUNTY TAX COLLECTOR  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Jacki Johnson  
Tax Collector  
Hardee County, Florida

### **Report on the Financial Statement**

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, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector'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.

### ***Opinions***

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 Hardee County Tax Collector as of September 30, 2015, and the respective changes in financial position and budgetary comparison thereof 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, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Hardee County that is attributable to the Hardee County Tax Collector. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2015, 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***

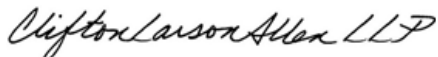
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's financial statements. The combining schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules 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 January 21, 2016 on our consideration of Hardee County 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 included under the heading 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 purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hardee County Tax Collector's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 21, 2016

**HARDEE COUNTY TAX COLLECTOR  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2015**

**ASSETS**

Cash	\$ 67,718
Accounts Receivable	<u>16,121</u>
Total Assets	<u><u>\$ 83,839</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$ 168
Due to the Board of County Commissioners	80,258
Due to Other Governments	2,300
Due to Indigent Health Care Special District	<u>1,113</u>
Total Liabilities	83,839

**FUND BALANCE**

	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 83,839</u></u>

*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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 767,651	\$ 767,651	\$ 792,773	\$ 25,122
Interest and Miscellaneous Revenue	1,683	1,683	1,215	(468)
Total Revenues	<u>769,334</u>	<u>769,334</u>	<u>793,988</u>	<u>24,654</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	627,512	627,512	591,429	36,083
Operating Expenditures	111,258	117,858	116,287	1,571
Capital Outlay	9,200	2,600	2,600	-
Total Expenditures	<u>747,970</u>	<u>747,970</u>	<u>710,316</u>	<u>37,654</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	21,364	21,364	83,672	62,308
<b>OTHER FINANCING USES</b>				
Transfer to Other Governments	(611)	(611)	(2,301)	(1,690)
Transfer to Indigent Health Care Special District	(305)	(305)	(1,113)	(808)
Transfer to the Board of County Commissioners	<u>(20,448)</u>	<u>(20,448)</u>	<u>(80,258)</u>	<u>(59,810)</u>
Total Other Financing Uses	<u>(21,364)</u>	<u>(21,364)</u>	<u>(83,672)</u>	<u>(62,308)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR  
STATEMENT OF FIDUCIARY NET POSITION  
ALL AGENCY FUNDS  
SEPTEMBER 30, 2015**

**ASSETS**

Cash	\$ 265,344
Due from Individuals	<u>35,504</u>
Total Assets	<u><u>\$ 300,848</u></u>

**LIABILITIES**

Due to Board of County Commissioners	\$ 3,777
Due to Other Governments	79,716
Due to Indigent Health Care Special District	176
Deposit - Installment Taxes	<u>217,179</u>
Total Liabilities	<u><u>\$ 300,848</u></u>

*See accompanying Notes to Financial Statements.*

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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 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.

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

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 accounting principles generally accepted in the United States of America.

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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.

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. Fees earned by the Tax Collector (equal to the amount of the amended budget) are billed quarterly to the Board and other governmental agencies as provided in Florida Statutes. 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 accounting principles generally accepted in the United States of America. 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.

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*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.

**Fund Accounting**

The accounts of the Tax Collector are organized on the basis of funds and account groups, 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.

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance and Spending Policies**

In accordance with GASB Statement – *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, 2015, 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 purchased by the Tax Collector are recorded as expenditures. Capital assets in excess of \$1,000 are considered capital outlay. Tangible personal property used in the Tax Collector's operations is reflected in the records of Hardee County as a whole, because ownership is vested in the Hardee County Board of County Commissioners as provided by the Florida Statutes.

**Accumulated Unpaid Vacation and Sick Pay**

Only the amounts of unpaid vacation and sick leave that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Total available vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. The Tax Collector used the last-in, first-out (LIFO) method of recognizing the use of vacation and sick leave hours. Employees are charged for the last day of vacation or sick leave earned when the leave is used. Thus, unless it is anticipated that vacation or sick leave will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Accordingly, the liability for compensated absences is not reported in the General Fund.

Employees earn annual leave at varying rates depending upon the length of service as follows:

<u>Continuous Employment</u>	<u>Annual Leave Earned</u>
1 to 9 Years	10 Days
10 to 19 Years	15 Days
20 plus Years	20 Day



**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accumulated Unpaid Vacation and Sick Pay (Continued)**

Sick leave accumulates for employees at the rate of one day per calendar month and is cumulative. At termination, employees are paid for any accumulated sick leave, based upon the following schedule:

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
20 to 24 Years	25%
25 to 29 Years	37.50%
30 Plus Years	50%

**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**

Based on GASB Statement – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. The Tax Collector's employees are included as part of the Postemployment Health Benefits Plan (OPEB Plan) administered by the Board of County Commissioners. The OPEB Plan currently covers certain eligible retirees of the Board of County Commissioners and the Constitutional Officers of Hardee County. The OPEB Plan currently pays certain portions of healthcare insurance premiums of retirees based on years of service and other factors. The liabilities and expenses associated with the OPEB Plan are not included in the financial statements of the Tax Collector. Such liabilities and expenses are included in the County-Wide financial statements.

**Other Significant Accounting Policies**

Chapter 218, Florida Statutes, requires that the Constitutional Officers make an annual report to the Board of County Commissioners within 31 days of the close of their fiscal year, reflecting the excess of revenues over expenditures or the unexpended budget balance as of the close of the fiscal year. In order to comply with the State Statute, it is the policy of the Constitutional Officers that the accounting records be held open several days after the close of the fiscal year in order that all receipts and expenditures applicable to the fiscal year can be recorded in the records. The financial statements prepared on a GAAP basis reflect any receipts or disbursements made after the close of the fiscal year as receivables or payables, as applicable.

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 2 CUSTODIAL CREDIT RISK**

Custodial Credit Risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. All cash deposits are carried at cost and are in financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Florida Statutes require deposits by governmental units in a financial institution to be collateralized.

At September 30, 2015, the carrying amount of the Tax Collector's deposits was \$331,612 and the bank balance was \$337,045. The Tax Collector's interest bearing bank balance is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, a qualified public depository, all participating institutions are obligated to reimburse the governmental entity for the loss.

**NOTE 3 CAPITAL ASSETS**

Tangible personal property used in the Tax Collector's operations is recorded as expenditure in the general fund of the Tax Collector at the time of purchase. Purchased assets with an initial cost greater than \$1,000 are capitalized at historical costs in the government-wide financial statements of the County, because ownership is vested in the Hardee County Board of County Commissioners as provided by the Florida Statutes. The Tax Collector maintains custodial responsibility for these capital assets.

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2014	Additions	Disposals	Transfers	Balance September 30, 2015
Machinery and Equipment	\$ 125,021	\$ 2,600	\$ -	\$ (15,168)	\$ 112,453
Less: Accumulated Depreciation	(110,975)	(9,439)	-	13,568	(106,846)
Total Capital Assets, Net	<u>\$ 14,046</u>	<u>\$ (6,839)</u>	<u>\$ -</u>	<u>\$ (1,600)</u>	<u>\$ 5,607</u>

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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](http://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, 2015**

**NOTE 4    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Plan Description (Continued)**

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided (Continued)**

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

**FRS Investment Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Tax Collector employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

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. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, 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, 2015, 2014, and 2013 were \$68,101, \$56,124, and \$28,504, 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, 2015:

	Balance October 1, 2014	Net Change	Balance September 30, 2015	Due Within One Year
Accrued Compensated Absences	<u>\$ 8,835</u>	<u>\$ 13,429</u>	<u>\$ 22,264</u>	<u>\$ 2,099</u>

**HARDEE COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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, 2015 were as follows:

**Budget Appropriation** – The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$504,021 for the year ended September 30, 2015. The General Fund of the Tax Collector paid \$101,769 to the Board of County Commissioners for Health Insurance. In addition, \$80,258 and \$3,777 was due to the Board of County Commissioners at September 30, 2015 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

**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 SCHEDULE OF FIDUCIARY  
ASSETS AND LIABILITIES – ALL AGENCY FUNDS  
SEPTEMBER 30, 2015**

	Tax Collector Fund	Motor Vehicle Fund	Total
<b>ASSETS</b>			
Cash	\$ 192,221	\$ 73,123	\$ 265,344
Due from Individuals	35,504	-	35,504
	<u>227,725</u>	<u>73,123</u>	<u>300,848</u>
Total Assets	<u>\$ 227,725</u>	<u>\$ 73,123</u>	<u>\$ 300,848</u>
<b>LIABILITIES</b>			
Due to Board of County Commissioners	\$ 3,174	\$ 603	\$ 3,777
Due to Other Governments	7,196	72,520	79,716
Due to Indigent Health Care Special District	176	-	176
Deposit - Installment Taxes	217,179	-	217,179
	<u>227,725</u>	<u>73,123</u>	<u>300,848</u>
Total Liabilities	<u>\$ 227,725</u>	<u>\$ 73,123</u>	<u>\$ 300,848</u>



**HARDEE COUNTY TAX COLLECTOR  
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY  
NET POSITION – ALL AGENCY FUNDS  
SEPTEMBER 30, 2015**

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015
<b>TAX COLLECTOR FUND</b>				
<b>ASSETS</b>				
Cash	\$ 260,299	\$ 28,266,649	\$ 28,334,727	\$ 192,221
Due from Individuals	-	542,542	507,038	35,504
Total Assets	<u>\$ 260,299</u>	<u>\$ 28,809,191</u>	<u>\$ 28,841,765</u>	<u>\$ 227,725</u>
<b>LIABILITIES</b>				
Due to Individuals	\$ 29,877	\$ 934,627	\$ 964,504	\$ -
Due to Board of County Commissioners	6,770	15,133,221	15,136,817	3,174
Due to Other Governments	6,436	11,990,925	11,990,165	7,196
Due to Indigent Health Care Special District	206	533,239	533,269	176
Deposit - Installment Taxes	217,010	217,179	217,010	217,179
Total Liabilities	<u>\$ 260,299</u>	<u>\$ 28,809,191</u>	<u>\$ 28,841,765</u>	<u>\$ 227,725</u>
<b>MOTOR VEHICLE FUND</b>				
<b>ASSETS</b>				
Cash	\$ 23,559	\$ 3,179,296	\$ 3,129,732	\$ 73,123
Total Assets	<u>\$ 23,559</u>	<u>\$ 3,179,296</u>	<u>\$ 3,129,732</u>	<u>\$ 73,123</u>
<b>LIABILITIES</b>				
Due to Board of County Commissioners	\$ 650	\$ 6,603	\$ 6,650	\$ 603
Due to Other Governments	22,909	3,172,693	3,123,082	72,520
Total Liabilities	<u>\$ 23,559</u>	<u>\$ 3,179,296</u>	<u>\$ 3,129,732</u>	<u>\$ 73,123</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 283,858	\$ 31,445,945	\$ 31,464,459	\$ 265,344
Due from Individuals	-	542,542	507,038	35,504
Total Assets	<u>\$ 283,858</u>	<u>\$ 31,988,487</u>	<u>\$ 31,971,497</u>	<u>\$ 300,848</u>
<b>LIABILITIES</b>				
Due to Individuals	\$ 29,877	\$ 934,627	\$ 964,504	\$ -
Due to Board of County Commissioners	7,420	15,139,824	15,143,467	3,777
Due to Other Governments	29,345	15,163,618	15,113,247	79,716
Due to Indigent Health Care Special District	206	533,239	533,269	176
Deposit - Installment Taxes	217,010	217,179	217,010	217,179
Total Liabilities	<u>\$ 283,858</u>	<u>\$ 31,988,487</u>	<u>\$ 31,971,497</u>	<u>\$ 300,848</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 each major fund and the aggregate remaining fund information of the Hardee County Tax Collector, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Hardee County Tax Collector's basic financial statements, and have issued our report thereon dated January 21, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Hardee County 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 Hardee County Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of Hardee County 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 Hardee County 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 result of that testing, and not to provide an opinion on the effectiveness of Hardee County Tax Collector's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hardee County Tax Collector'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**

Lakeland, Florida  
January 21, 2016

## 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, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated January 21, 2016.

### ***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 Reports and Schedule***

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 21, 2016, 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. This information is disclosed in Note 1 in the financial statements.

The Honorable Jacki Johnson  
Hardee County Tax Collector

**Other Matters**

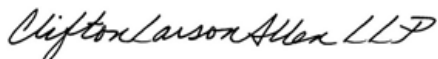
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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. In connection with our audit, we did not have 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 Hardee County Tax Collector and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 21, 2016

**HARDEE COUNTY TAX COLLECTOR  
SCHEDULE OF FINDINGS AND RESPONSES  
CURRENT YEAR AND PRIOR YEARS  
SEPTEMBER 30, 2015**

**Current Year Findings**

No Current Findings Noted

**Prior Years Findings**

Prior Years Findings		Current Year Status			
		Cleared	Partially Cleared	Not Cleared	Reference
2014-001 - Bank Reconciliations	Control Deficiency	X			
2013-01 - Inadequate Segregation of Duties	Material Weakness	X			
2013-02 - Bank Reconciliations	Control Deficiency	X			

## **INDEPENDENT ACCOUNTANTS' REPORT**

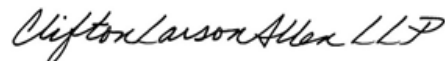
The Honorable Jacki Johnson  
Hardee County Tax Collector  
Hardee County, Florida

We have examined 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, 2015. Management is responsible for Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Tax Collector's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 21, 2016

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**



**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, 2015, and the related notes to the financial statements, which collectively comprise the entity'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.

### ***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, 2015, and the respective changes in financial position and budgetary comparison thereof 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 Hardee County Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2015, 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.

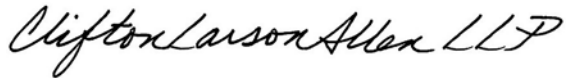
### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hardee County Clerk of the Circuit Court financial statements. The combining schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules are fairly stated in all material respects in relation to the 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 a report on our consideration of the Hardee County Clerk of the Circuit Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hardee County Clerk of the Circuit Court's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
March 8, 2016

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	Major Funds				
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 49,550	\$ 272,357	\$ 228,078	\$ 143,080	\$ 693,065
Due from Individuals	-	10	-	-	10
Due from Other Funds	1,162	22,291	10,613	-	34,066
Due from Other Governments	720	96	-	9,135	9,951
Prepaid Expense	1,233	2,387	-	-	3,620
	<u>1,233</u>	<u>2,387</u>	<u>-</u>	<u>-</u>	<u>3,620</u>
Total Assets	<u>\$ 52,665</u>	<u>\$ 297,141</u>	<u>\$ 238,691</u>	<u>\$ 152,215</u>	<u>\$ 740,712</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ 42,060	\$ 237,310	\$ 2,321	\$ 3,087	\$ 284,778
Due to Other Funds	10,605	7	23,454	-	34,066
Due to Other Governments	-	59,824	-	-	59,824
Total Liabilities	<u>52,665</u>	<u>297,141</u>	<u>25,775</u>	<u>3,087</u>	<u>378,668</u>
<b>FUND BALANCES</b>					
Nonspendable	1,233	2,387	-	-	3,620
Restricted - Clerk Operational Needs	-	-	-	149,128	149,128
Restricted - Official Records	-	-	131,660	-	131,660
Restricted - Court Technology	-	-	7,065	-	7,065
Restricted - Court Operational Needs	-	-	74,191	-	74,191
Unassigned	(1,233)	(2,387)	-	-	(3,620)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>212,916</u>	<u>149,128</u>	<u>362,044</u>
Total Liabilities and Fund Balances	<u>\$ 52,665</u>	<u>\$ 297,141</u>	<u>\$ 238,691</u>	<u>\$ 152,215</u>	<u>\$ 740,712</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, 2015**

	Major Funds				
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	Total Governmental Funds
<b>REVENUES</b>					
Appropriations from Board of County Commissioners	\$ 492,250	\$ -	\$ -	\$ -	\$ 492,250
Intergovernmental	-	426	-	56,811	57,237
Charges for Services	83,179	795,585	85,438	-	964,202
Miscellaneous	1,306	3,474	538	860	6,178
Total Revenues	<u>576,735</u>	<u>799,485</u>	<u>85,976</u>	<u>57,671</u>	<u>1,519,867</u>
<b>EXPENDITURES</b>					
Current:					
General Government:					
Salaries and Benefits	510,197	778,587	31,709	66,451	1,386,944
Operating Expenditures	55,121	20,898	63,529	14,209	153,757
Capital Outlay	11,417	-	25,422	5,020	41,859
Total Expenditures	<u>576,735</u>	<u>799,485</u>	<u>120,660</u>	<u>85,680</u>	<u>1,582,560</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(34,684)	(28,009)	(62,693)
Fund Balances - Beginning of Year	-	-	247,600	177,137	424,737
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,916</u>	<u>\$ 149,128</u>	<u>\$ 362,044</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Appropriations from Board of County Commissioners	\$ 492,250	\$ 492,250	\$ 492,250	\$ -
Charges for Services	80,400	83,180	83,179	(1)
Miscellaneous	-	1,307	1,306	(1)
Total Revenues	572,650	576,737	576,735	(2)
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	522,050	510,197	510,197	-
Operating Expenditures	50,600	55,123	55,121	2
Capital Outlay	-	11,417	11,417	-
Total Expenditures	572,650	576,737	576,735	2
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Board of County Commissioners	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
FINE AND FORFEITURE FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 250	\$ 426	\$ 426	\$ -
Charges for Services	839,477	795,585	795,585	-
Miscellaneous	-	3,474	3,474	-
Total Revenues	839,727	799,485	799,485	-
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	796,290	778,587	778,587	-
Operating Expenditures	43,437	20,898	20,898	-
Total Expenditures	839,727	799,485	799,485	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Distribution of Excess Court				
Revenue to the State of Florida	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<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 BALANCES – BUDGET AND ACTUAL  
PUBLIC RECORDS MODERNIZATION TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 240,419	\$ 333,035	\$ 85,438	\$ (247,597)
Miscellaneous	-	539	538	(1)
Total Revenues	240,419	333,574	85,976	(247,598)
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	17,517	31,709	31,709	-
Operating Expenditures	202,902	273,729	63,529	210,200
Capital Outlay	20,000	28,136	25,422	2,714
Total Expenditures	240,419	333,574	120,660	212,914
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(34,684)	(34,684)
Fund Balances - Beginning of Year	-	-	247,600	247,600
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,916</u>	<u>\$ 212,916</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
CHILD SUPPORT IV – D FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 192,127	\$ 233,947	\$ 56,811	\$ (177,136)
Miscellaneous	-	859	860	1
Total Revenues	192,127	234,806	57,671	(177,135)
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	32,795	66,451	66,451	-
Operating Expenditures	157,832	163,335	14,209	149,126
Capital Outlay	1,500	5,020	5,020	-
Total Expenditures	192,127	234,806	85,680	149,126
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(28,009)	(28,009)
Fund Balances - Beginning of Year	-	-	177,137	177,137
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,128</u>	<u>\$ 149,128</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF FIDUCIARY  
NET POSITION – ALL AGENCY FUNDS  
SEPTEMBER 30, 2015**

**ASSETS**

Cash	\$ 141,411
	<hr/>
Total Assets	\$ 141,411
	<hr/> <hr/>

**LIABILITIES**

Due to Individuals	\$ 95,371
Vouchers Payable	1,261
Due to Other Governments	44,779
	<hr/>
Total Liabilities	\$ 141,411
	<hr/> <hr/>

*See accompanying Notes to Financial Statements.*

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Clerk of Circuit Court (the "Clerk") 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.

**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.

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

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 his duties are used to fund the court functions of the Clerk of Courts.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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. Accordingly, due to the omission of government-wide financial statements and related disclosures, including management's discussion and analysis, these financial statements do not constitute a complete presentation of financial position of the Clerk as of September 30, 2015 and the changes in its financial position for the year ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or when they are considered both measurable and available, and, as such, are susceptible to accrual.

*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, fine and forfeiture, records modernization and child support IV-D funds. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual (GAAP) basis of accounting.

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

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

**Governmental Major Funds**

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

**Special Revenue Funds**

- **Fine and Forfeiture Fund** – The fine and forfeiture fund is established in accordance with Florida Statutes. It is used to account for court fines, fees, service charges, liabilities, and costs.
- **Public Records Modernization Trust Fund** – The records modernization fund is established in accordance with Florida Statutes. It is used to account for court technology, equipment, maintenance of equipment, personnel training, and technical assistance in modernizing the Public Records system of the office, clerk court-related operational needs and program enhancement costs.
- **Child Support IV-D Fund** – The child support IV-D fund is used to account for the child support enforcement grant and related expenditures.

**Other Fund Types - Fiduciary Funds**

- **Agency Funds** – The 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, 2015, there was no fund balance in the General Fund and Fine and Forfeitures and the remaining fund balances in the Public Records Modernization Trust and Child Support IV-D Funds are appropriately classified as restricted.

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.

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

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accumulated Unpaid Vacation and Sick Pay**

Only the amount of unpaid vacation and sick leave that normally would be expendable available financial resources is accrued as current year expenditures. Total available vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. Employees are charged for the last day of vacation or sick leave when the leave is used. Thus, unless it is anticipated that vacation or sick leave will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Accordingly, the liability for compensated absences is not reported in the general fund.

Employees earn annual leave at varying rates depending on the length of service as follows:

<u>Length of Service</u>	<u>Annual Leave Earned</u>
0-10 Years	15 days
11-20 Years	20 days
21 Years and Over	25 days

The maximum permissible accumulation of annual leave 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 of annual leave at December 31 of each year is lost. At termination, employees are paid for all accumulated leave earned.

Sick leave accumulates for employees at the rate of one day per calendar month and is cumulative. At termination, employees are paid for any accumulated sick leave, based on the following schedule:

<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%

**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.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Postemployment Benefit Obligation**

Based on GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. Employees who retire from employment with the Clerk under the Hardee County-sponsored pension plan are also entitled 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 the month of coverage. The OPEB Plan currently covers certain eligible retirees of the Board of County Commissioners and the Constitutional Officers of Hardee County. The liabilities and expenses associated with the OPEB Plan are not included in the financial statements of the Clerk. Such liabilities and expenses are included in the financial statements of Hardee County, Florida.

**Other Significant Accounting Policies**

Chapter 218, Florida Statutes, requires that the Constitutional Officers make an annual report to the Board of County Commissioners within 31 days of the close of their fiscal year, reflecting the excess of revenues over expenditures or the unexpended budget balance as of the close of the fiscal year. In order to comply with the State Statute, it is the policy of the Constitutional Officers that the accounting records be held open several days after the close of their fiscal year in order that all receipts and expenditures applicable to the fiscal year can be recorded in the records. The financial statements prepared on a GAAP basis reflect any receipts or disbursements made after the close of the fiscal year as receivables or payables, as applicable.

**NOTE 2 CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it.

At September 30, 2015, the carrying amount of the Clerk's deposits was \$834,476 and the bank balance was \$839,177. The Clerk's noninterest bearing bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances and interest bearing bank accounts are collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, a qualified public depository, all participating institutions are obligated to reimburse the governmental entity for the loss.



**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 3 CAPITAL ASSETS**

Tangible personal property used in the Clerk's operations is recorded as expenditure in the governmental fund types of the Clerk at the time of purchase. Purchased assets with an initial cost greater than \$1,000 are capitalized at historical cost in the government-wide financial statements of the County, because ownership is vested in the Hardee County Board of County Commissioners, as provided by the Florida Statutes. Donated and confiscated assets are recorded at fair market value at the time received. The Clerk maintains record keeping and custodial responsibility for the capital assets. The Clerk transferred \$44,505 in assets and \$44,505 in related depreciation to the Board of County Commissioners in fiscal year 2015.

The following is a summary of changes in capital assets for which the Clerk is custodian for the year ended September 30, 2015.

	Balance October 1, 2014	Additions	Disposals	Transfers	Balance September 30, 2015
Machinery and Equipment	\$ 510,065	\$ 41,859	\$ -	\$ (44,505)	\$ 507,419
Less: Accumulated Depreciation	<u>(422,244)</u>	<u>(34,505)</u>	<u>-</u>	<u>44,505</u>	<u>(412,244)</u>
Total Capital Assets, Net	<u>\$ 87,821</u>	<u>\$ 7,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,175</u>

**NOTE 4 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.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLAN (CONTINUED)**

**Background (Continued)**

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](http://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.

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.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLAN (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Plan Description (Continued)**

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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. 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.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLAN (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Benefits Provided**

For the fiscal year ended June 30, 2015, 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLAN (CONTINUED)**

**FRS Investment Plan (Continued)**

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. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, 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, 2015, 2014, and 2013 were \$101,859, \$87,550, and \$58,577 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 DUE FROM AND DUE TO OTHER FUNDS**

The balances of due from and due to other funds were as follows at September 30, 2015:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,162	\$ 10,605
Fine and Forfeiture Fund	22,291	7
Public Records Modernization Trust Fund	10,613	23,454
Total	<u>\$ 34,066</u>	<u>\$ 34,066</u>

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 6 COMPENSATED ABSENCES**

The following is a summary of the changes in compensated absences for the year ended September 30, 2015:

	Balance October 1, 2014	Net Additions	Balance September 30, 2015	Due Within One Year
Accrued Compensated Absences	\$ 54,314	\$ 7,391	\$ 61,705	\$ 61,705

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. The long term liabilities are not reported in the financial statements of the Clerk since they are not payable from spendable resources. They are reported in the financial statements of Hardee County, Florida.

**NOTE 7 RELATED PARTY TRANSACTIONS**

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2015 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 \$492,250 for the year ended September 30, 2015.

Various Services – The Board of County Commissioners provides various services to the Clerk. The charges for these services for the fiscal year ended September 30, 2015 amounted to \$214,939.

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
COMBINING SCHEDULE OF  
FIDUCIARY NET POSITION – ALL AGENCY FUNDS  
SEPTEMBER 30, 2015**

	Special Trust	Support	Court Registry	County Witness	Cash Bond	Condemnation Right-of-Way	Total Agency Funds
<b>ASSETS</b>							
Cash	\$ 81,454	\$ 1,261	\$ 10,840	\$ 309	\$ 42,095	\$ 5,452	\$ 141,411
Total Assets	<u>\$ 81,454</u>	<u>\$ 1,261</u>	<u>\$ 10,840</u>	<u>\$ 309</u>	<u>\$ 42,095</u>	<u>\$ 5,452</u>	<u>\$ 141,411</u>
<b>LIABILITIES</b>							
Due to Individuals	\$ 36,969	\$ -	\$ 10,840	\$ 15	\$ 42,095	\$ 5,452	\$ 95,371
Vouchers Payable	-	1,261	-	-	-	-	1,261
Due to Other Governments	44,485	-	-	294	-	-	44,779
Total Liabilities	<u>\$ 81,454</u>	<u>\$ 1,261</u>	<u>\$ 10,840</u>	<u>\$ 309</u>	<u>\$ 42,095</u>	<u>\$ 5,452</u>	<u>\$ 141,411</u>



**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
COMBINING SCHEDULE OF CHANGES IN  
FIDUCIARY NET POSITION – ALL AGENCY FUNDS  
YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Increases	(Decreases)	Balance September 30, 2015
<b>SPECIAL TRUST</b>				
<b>ASSETS</b>				
Cash	\$ 149,302	\$ 1,953,274	\$ (2,021,122)	\$ 81,454
<b>LIABILITIES</b>				
Due to Individuals	\$ 29,323	\$ 98,313	\$ (90,667)	\$ 36,969
Due to Other Governments	119,979	1,678,529	(1,754,023)	44,485
Due to Board of County Commissioners	-	176,432	(176,432)	-
Total Liabilities	<u>\$ 149,302</u>	<u>\$ 1,953,274</u>	<u>\$ (2,021,122)</u>	<u>\$ 81,454</u>
<b>SUPPORT</b>				
<b>ASSETS</b>				
Cash	\$ 745	\$ 22,634	\$ (22,118)	\$ 1,261
<b>LIABILITIES</b>				
Due to Individuals	\$ -	\$ 6,553	\$ (6,553)	\$ -
Vouchers Payable	745	11,317	(10,801)	1,261
Due to Other Governments	-	4,764	(4,764)	-
Total Liabilities	<u>\$ 745</u>	<u>\$ 22,634</u>	<u>\$ (22,118)</u>	<u>\$ 1,261</u>
<b>COURT REGISTRY</b>				
<b>ASSETS</b>				
Cash	\$ 34,503	\$ 199,295	\$ (222,958)	\$ 10,840
<b>LIABILITIES</b>				
Due to Individuals	<u>\$ 34,503</u>	<u>\$ 199,295</u>	<u>\$ (222,958)</u>	<u>\$ 10,840</u>

**HARDEE COUNTY  
CLERK OF THE CIRCUIT COURT  
COMBINING SCHEDULE OF CHANGES IN  
FIDUCIARY NET POSITION – ALL AGENCY FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Increases	(Decreases)	Balance September 30, 2015
<b>COUNTY WITNESS</b>				
<b>ASSETS</b>				
Cash	\$ 309	\$ -	\$ -	\$ 309
<b>LIABILITIES</b>				
Due to Individuals	\$ 15	\$ -	\$ -	\$ 15
Due to Other Governments	294	-	-	294
Total Liabilities	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309</u>
<b>CASH BOND</b>				
<b>ASSETS</b>				
Cash	\$ 23,415	\$ 119,920	\$ (101,240)	\$ 42,095
<b>LIABILITIES</b>				
Due to Individuals	\$ 23,415	\$ 119,920	\$ (101,240)	\$ 42,095
<b>CONDEMNATION RIGHT-OF-WAY</b>				
<b>ASSETS</b>				
Cash	\$ 7,390	\$ 650,368	\$ (652,306)	\$ 5,452
<b>LIABILITIES</b>				
Due to Individuals	\$ 7,390	\$ 650,368	\$ (652,306)	\$ 5,452
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 215,664	\$ 2,945,491	\$ (3,019,744)	\$ 141,411
<b>LIABILITIES</b>				
Due to Individuals	\$ 94,646	\$ 1,074,449	\$ (1,073,724)	\$ 95,371
Vouchers Payable	745	11,317	(10,801)	1,261
Due to Other Governments	120,273	1,683,293	(1,758,787)	44,779
Due to Board of County Commissioners	-	176,432	(176,432)	-
Total Liabilities	<u>\$ 215,664</u>	<u>\$ 2,945,491</u>	<u>\$ (3,019,744)</u>	<u>\$ 141,411</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, 2015, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated March 8, 2016.

**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.

### **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 result 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**

Lakeland, Florida  
March 8, 2016

## 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, Florida Clerk of the Circuit Court (Clerk) as of and for the fiscal year ended September 30, 2015 and have issued our report thereon dated March 8, 2016.

### Auditor's 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 Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and the Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which is dated March 8, 2016 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. This information is disclosed in Note 1 in the financial statements.

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

**Other Matters**

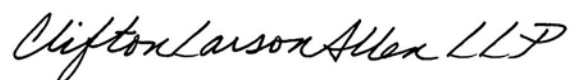
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

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

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

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
March 8, 2016

**INDEPENDENT ACCOUNTANTS' REPORT**

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

We have examined Hardee County Clerk of the Circuit Court's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2015. Management is responsible for Hardee County Clerk of the Circuit Court's compliance with those requirements. Our responsibility is to express an opinion on Hardee County Clerk of the Circuit Court's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Hardee County Clerk of the Circuit Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Hardee County Clerk of the Circuit Court's compliance with specified requirements.

In our opinion, Hardee County Clerk of the Circuit Court complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Hardee County Clerk of the Circuit Court 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**

Lakeland, Florida  
March 8, 2016

**HARDEE COUNTY PROPERTY APPRAISER**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2015**



**HARDEE COUNTY PROPERTY APPRAISER  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Kathy Crawford  
Property Appraiser  
Wauchula, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the major fund of the Hardee County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the entity'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 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 major fund of the Hardee County Property Appraiser as of September 30, 2015, and the respective changes in financial position and budgetary comparison thereof 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 Hardee County Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2015, 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 our report dated January 25, 2016, on our consideration of Hardee County 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hardee County Property Appraiser's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 25, 2016

**HARDEE COUNTY PROPERTY APPRAISER  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2015**

**ASSETS**

Cash	\$ 111,016
	<hr/>
Total Assets	\$ 111,016
	<hr/> <hr/>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Due to Board of County Commissioners	\$ 106,098
Due to Special Taxing Districts	4,918
	<hr/>
Total Liabilities	111,016

**FUND BALANCE**

	<hr/>
	-
	<hr/>
Total Liabilities and Fund Balance	\$ 111,016
	<hr/> <hr/>

*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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services:				
Board of County Commissioners	\$ 687,517	\$ 687,517	\$ 687,517	\$ -
Other Governments	31,869	31,869	31,869	-
Interest Income	200	200	200	-
Miscellaneous	2,649	2,649	2,649	-
Total Revenues	<u>722,235</u>	<u>722,235</u>	<u>722,235</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Personal Services	581,883	570,103	492,644	77,459
Operating Expenditures	137,503	153,080	117,515	35,565
Capital Outlay	-	1,060	1,060	-
Total Expenditures	<u>719,386</u>	<u>724,243</u>	<u>611,219</u>	<u>113,024</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	2,849	(2,008)	111,016	113,024
Other Financing Uses:				
Distribution of Excess Revenues:				
Board of County Commissioners	-	-	(106,098)	(106,098)
Special Taxing Districts	-	-	(4,918)	(4,918)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(111,016)</u>	<u>(111,016)</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,849	(2,008)	-	2,008
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,849</u>	<u>\$ (2,008)</u>	<u>\$ -</u>	<u>\$ 2,008</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Property Appraiser conform to accounting principles generally accepted in the United States of America 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.

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

The Hardee County Property Appraiser (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 accounting principles generally accepted in the United States of America.

**HARDEE COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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.

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.

The County funds a major portion of the operating budget of the Property Appraiser. The payments by the County to fund the operations of the Property Appraiser are recorded as other financing uses, transfers to constitutional officers for governmental fund types in the basic financial statements of the County, and as charges for services revenues on the financial statements of the Property Appraiser.

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.

**HARDEE COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting**

The accounts of the Property Appraiser are organized on the basis of funds and account groups, 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.

**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, 2015, 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 purchased by the Appraiser are recorded as expenditures. Capital assets in excess of \$1,000 are considered capital outlay. Tangible personal property used in the Property Appraiser's operations is reflected in the records of Hardee County as a whole, because ownership is vested in the Hardee County Board of County Commissioners as provided by Florida Statutes.



**HARDEE COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accumulated Unpaid Vacation and Sick Pay**

Only the amounts of unpaid vacation and sick leave that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Total available vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. The Property Appraiser used the last-in, first-out (LIFO) method of recognizing the use of vacation and sick leave hours. Employees are charged for the last day of vacation or sick leave earned when the leave is used. Thus, unless it is anticipated that vacation or sick leave will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Accordingly, the liability for compensated absences is not reported in the General Fund.

Employees earn annual leave at varying rates depending upon the length of service as follows:

<u>Continuous Employment</u>	<u>Annual Leave Earned</u>
1 <sup>st</sup> – 6 <sup>th</sup> Year	10 Days
7 <sup>th</sup> – 9 <sup>th</sup> Year	12 Days
10 <sup>th</sup> – 15 <sup>th</sup> Year	15 Days
16 <sup>th</sup> – 19 <sup>th</sup> Year	17 Days
20 Years Plus	20 Days

The maximum permissible accumulation of annual leave is 160 hours. Any accumulation in excess of 160 hours of annual leave at December 31 of each year is lost. At termination, employees are paid for any accumulated annual leave up to 160 hours.

Sick leave accumulates for employees at the rate of one day per calendar month and is cumulative. At termination, employees are paid for any accumulated sick leave, based upon the following schedule:

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
20 – 24 Years	25%
25 – 29 Years	35.5%
30 Years Plus	50%

**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.

**HARDEE COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Postemployment Benefit Obligations**

Based on GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, certain governmental entities are required to record actuarial accrued liabilities related to Other Post-employment Benefit Plans. The Property Appraiser's employees are included as part of the Post-employment Health Benefits Plan (OPEB Plan) administered by the Board of County Commissioners. The OPEB Plan currently covers certain eligible retirees of the Board of County Commissioners and the Constitutional Officers of Hardee County. The OPEB Plan currently pays certain portions of healthcare insurance premiums of retirees based on years of service and other factors. The liabilities and expenses associated with the OPEB Plan are not included in the financial statements of the Property Appraiser. Such liabilities and expenses are included in the County-wide financial statements.

**Other Significant Accounting Policies**

Chapter 218, Florida Statutes, requires that the Constitutional Officers make an annual report to the Board of County Commissioners, within 31 days of the close of their fiscal year, reflecting the excess of revenues over expenditures or the unexpended budget balance as of the close of the fiscal year. In order to comply with the State Statute, it is the policy of the Constitutional Officers that the accounting records be held open several days after the close of their fiscal year in order that all receipts and expenditures applicable to the fiscal year can be recorded in the records. The financial statements prepared on a GAAP basis reflect any receipts or disbursements made after the close of the fiscal year as receivables or payables, as applicable.

**NOTE 2 CUSTODIAL CREDIT RISK**

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Property Appraiser will not be able to recover the value of its securities that are in the possession of an outside party.

At September 30, 2015, the Property Appraiser's book balance of cash was \$111,016 and the bank balance was \$121,528. The Federal Deposit Insurance Corporation (FDIC) insures the Property Appraiser's bank balances for \$250,000 for each banking relationship and the balances are collateralized pursuant to Chapter 280, Florida Statutes. The Property Appraiser's investment policy requires that deposits be entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

**HARDEE COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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, 2014	Additions	Disposals	Balance September 30, 2015
Machinery and Equipment	\$ 103,126	\$ 1,060	\$ (2,800)	\$ 101,386
Vehicles	70,891	-	-	70,891
Total Capital Assets	174,017	1,060	(2,800)	172,277
Less Accumulated Depreciation	(112,299)	(12,954)	2,800	(122,453)
Total Capital Assets, Net	<u>\$ 61,718</u>	<u>\$ (11,894)</u>	<u>\$ -</u>	<u>\$ 49,824</u>

**NOTE 4 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 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](http://www.dms.myflorida.com)).

**HARDEE COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLAN (CONTINUED)**

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 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 PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 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 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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. 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, 2015, 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 PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLAN (CONTINUED)**

**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. 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 0.04 percent 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. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, 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, 2015**

**NOTE 4 PENSION PLAN (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, 2015, 2014, and 2013 were \$61,137, \$59,245, and \$30,398 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, 2015:

	Balance October 1, 2014	Net Deletions	Balance September 30, 2015	Amount Due Within One Year
Accrued Compensated Absences	<u>\$ 6,556</u>	<u>\$ 1,479</u>	<u>\$ 8,035</u>	<u>\$ 7,835</u>

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. The long-term liabilities are not reported in the financial statements of the Appraiser 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, 2015 were as follows:

**Budget Appropriation** – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$687,517 for the year ended September 30, 2015. At September 30, 2015, \$106,098 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, 2015 amounted to \$71,300.

**HARDEE COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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 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    CONTINGENCIES**

The Property Appraiser is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of legal counsel for the Property Appraiser, the resolution of these matters will not have a materially adverse effect on the financial condition of the Property Appraiser.



**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  
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 major fund of Hardee County Property Appraiser, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Hardee County Property Appraiser's financial statements, and have issued our report thereon dated January 25, 2016.

**Internal Control Over Financial Reporting**

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hardee County 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 result 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**

Lakeland, FL  
January 25, 2016



## MANAGEMENT LETTER

The Honorable Kathy Crawford  
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, 2015, and have issued our report thereon dated January 25, 2016.

### **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 Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which are dated January 25, 2016, 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. In connection with our audit, we did not have any prior audit findings.

### **Official Title and Legal Authority**

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

The Honorable Kathy Crawford  
Hardee County Property Appraiser

**Other Matters**

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

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

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 25, 2016



# CliftonLarsonAllen

## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Kathy Crawford  
Hardee County Property Appraiser  
Wauchula, Florida

We have examined the Hardee County Property Appraiser's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides 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 the aforementioned requirements for the year ended September 30, 2015.

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**

Lakeland, Florida  
January 25, 2016

**HARDEE COUNTY SUPERVISOR OF ELECTIONS**

**FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2015**

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Chet Huddleston  
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), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisor'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 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 Supervisor as of September 30, 2015, and the respective changes in financial position and budgetary comparison thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

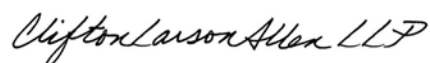
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund of Hardee County that is attributable to the Supervisor. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2015, 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 26, 2016 on our consideration of the Supervisor'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 included under the heading 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 purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 26, 2016

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2015**

**ASSETS**

Cash	\$ 14,144
Accounts Receivable	90
Due from the Board of County Commissioners	-
Prepaid Expenditures	<u>1,597</u>
Total Assets	<u><u>\$ 15,831</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$ 14,911
Due to Board of County Commissioners	<u>920</u>
Total Liabilities	15,831

**FUND BALANCE**

Nonspendable	1,597
Unassigned	<u>(1,597)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 15,831</u></u>

*See accompanying Notes to Financial Statements.*

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts			Variance with Final budget - Over (Under)
	Original	Final	Actual	
REVENUES				
Appropriation from Board of County Commissioners	\$ 302,629	\$ 302,629	\$ 308,629	\$ 6,000
Intergovernmental	6,000	6,000	-	(6,000)
Interest Income	-	-	8	8
Miscellaneous	-	-	705	705
Total Revenues	308,629	308,629	309,342	713
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	201,675	201,675	197,673	(4,002)
Operating Expenditures	100,954	100,954	109,683	8,729
Capital Outlay	6,000	6,000	1,066	(4,934)
Total Expenditures	308,629	308,629	308,422	(207)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	920	920
Other Financing Uses:				
Transfer to the Board of County Commissioners	-	-	(920)	(920)
Total Other Financing Uses	-	-	(920)	(920)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Supervisor conform to accounting principles generally accepted in the United States of America 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.

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

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

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

**Basis of Presentation, 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 accounting principles generally accepted in the United States of America.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The general fund is used to account for all revenues and expenditures applicable to the general operations of the Supervisor. 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 County funds the majority of the operating budget of the Supervisor. The payments by the County to fund the operations of the Supervisor 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.

*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 accounting principles generally accepted in the United States of America. 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. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

The Supervisor'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.

*Refund of "excess fees"* - Florida Statutes provide that the excess of the Supervisor'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.

**Fund Accounting**

The accounts of the Supervisor 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

The purpose of the Supervisor's fund is as follows:

**Governmental Fund**

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

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

The Supervisor 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 will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**Capital Assets**

Capital assets purchased by the Supervisor are recorded as expenditures. Tangible personal property whose purchase cost is greater than \$1,000 that is used in the Supervisor's operations is reflected in the records of Hardee County as a whole, because ownership is vested in the Hardee County Board of County Commissioners as provided by Florida Statutes.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accumulated Annual Leave**

Full time employees earn annual leave at varying rates depending upon the length of service as follows:

<u>Continuous Employment</u>	<u>Annual Leave Earned</u>
1st – 5th Year	10 Days
6th – 10th Year	15 Days
11 Years Plus	20 Days

The maximum permissible accumulation of annual leave is 187.5 hours. Any accumulation in excess of 187.5 hours of annual leave at December 31 of each year is paid out, if funding permits. At termination, employees are paid for any accumulated annual leave up to 187.5 hours.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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**

Based on GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions*, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. Employees who retire from employment with the Supervisor under the Hardee County-sponsored pension plan are also entitled 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 OPEB Plan currently covers eligible retirees based on years of service and other factors. The liabilities and expenses associated with the OPEB Plan are not included in the financial statements of the Supervisor. Such liabilities and expenses are included in the government-wide financial statements of Hardee County, Florida.

**Other Significant Accounting Policies**

Chapter 218, Florida Statutes, requires that the Constitutional Officers submit an annual report to the Board of County Commissioners, within 31 days of the close of their fiscal year, reflecting the excess of revenues over expenditures or the unexpended budget balance as of the close of the fiscal year. In order to comply with the State Statute, it is the policy of the Constitutional Officers that the accounting records be held open several days after the close of their fiscal year in order that all receipts and expenditures applicable to the fiscal year can be recorded in the records. The financial statements prepared on a GAAP basis reflect any receipts or disbursements made after the close of the fiscal year as receivables or payables, as applicable.

**NOTE 2 CUSTODIAL CREDIT RISK**

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Supervisor's deposits may not be returned. All cash deposits are carried at cost and are in financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 2 CUSTODIAL CREDIT RISK (CONTINUED)**

At September 30, 2015, the book balance of cash was \$14,144 and the bank balance was \$26,984. The Supervisor's bank balance is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, a qualified public depository, all participating institutions are obligated to reimburse the governmental entity for the loss.

**NOTE 3 CAPITAL ASSETS**

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

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2014	Additions	Disposals	Balance September 30, 2015
Machinery and Equipment	\$ 189,379	\$ 1,066	\$ -	\$ 190,445
Total Capital Assets	<u>189,379</u>	<u>1,066</u>	<u>-</u>	<u>190,445</u>
Less Accumulated Depreciation	<u>(60,056)</u>	<u>(30,809)</u>	<u>-</u>	<u>(90,865)</u>
Total Capital Assets, Net	<u><u>\$ 129,323</u></u>	<u><u>\$ (29,743)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 99,580</u></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.



**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLANS (CONTINUED)**

Essentially all regular employees of the Supervisor 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](http://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.

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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLAN (CONTINUED)**

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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Benefits Provided**

For the fiscal year ended June 30, 2015, 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. Supervisor 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 0.04 percent 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. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLANS (CONTINUED)**

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

**Contributions**

Participating employer contributions are based upon statewide rates established by the State of Florida. The Supervisor's contributions made during the years ended September 30, 2015, 2014 and 2013 were \$33,590, \$33,604 and \$18,855, respectively, equal to the actuarially determined required contribution requirements for each year.

Additional information about pension plans can be found in the Hardee 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, 2015:

	Balance October 1, 2014	Net Change	Balance September 30, 2015	Due Within One Year
Accrued Compensated Absences	\$ 4,180	\$ (3,744)	\$ 436	\$ -

Accrued compensated absences represent the vested portion of accrued annual leave. See Note 1 for a summary of the Supervisor's compensated absences policy. Long term liabilities are not reported in the financial statements of the Supervisor since they are not payable from spendable resources. Such liabilities and expenses are included in the government-wide financial statements of Hardee County, Florida.

**NOTE 6 RELATED PARTY TRANSACTIONS**

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2015 were as follows:

**Budget Appropriation** – The General Fund of the Supervisor received revenue from the Board of County Commissioners in the amount of \$308,629 for the fiscal year ended September 30, 2015, including \$920 was due to the Board of County Commissioners at September 30, 2015. Furthermore, \$13,336 was paid to the Hardee County Board of County Commissioners for Health Insurance.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 7   RISK MANAGEMENT**

The Supervisor 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

**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 Chet Huddleston  
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 the Hardee County Supervisor of Elections (the Supervisor), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisor's basic financial statements, and have issued our report thereon dated January 26, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Supervisor'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 Supervisor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses Current Year and Prior Years, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses Current Year and Prior Years to be a material weakness as item 2015-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses Current Year and Prior Years to be a significant deficiencies as item 2015-002.

### **Compliance and Other Matters**

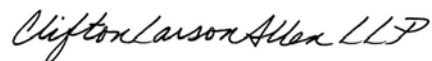
As part of obtaining reasonable assurance about whether the Supervisor's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

### **The Supervisor's Response to Findings**

The Supervisor's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses Current Year and Prior Years. The Supervisor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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**

Lakeland, Florida  
January 26, 2016



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## MANAGEMENT LETTER

The Honorable Chet Huddleston  
Supervisor of Elections  
Hardee County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Hardee County Supervisor of Elections (the Supervisor), Florida as of and for the fiscal year ended September 30, 2015, and we have issued our report thereon dated January 26, 2016.

### 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 Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated January 26, 2016 should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See the Schedule of Findings and Responses Current Year and Prior Years for the status of prior year findings.

### Official Title and Legal Authority

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



**Other Matters**

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

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

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

  
**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 26, 2016

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
SCHEDULE OF FINDINGS AND RESPONSES  
CURRENT YEAR AND PRIOR YEARS (CONTINUED)  
SEPTEMBER 30, 2015**

**Current Year Findings**

**Material Weakness**

**2015-001: Segregation of Duties.**

**Condition:** The Supervisor of Elections hired a third party CPA who signed checks, prepared bank reconciliations, and posted entries to the general ledger.

**Criteria:** Management is responsible for designing and implementing a proper review process for transactions which will ensure proper support for transactions recorded.

**Cause:** It was not evident that the Supervisor reviewed all checks, bank reconciliations, journal entries, and supporting documentation. The Supervisor also resigned effective May 31, 2015 while a new Supervisor was not appointed by the Governor until August 21, 2015.

**Effect:** General ledger accounts are subject to irregularities.

**Recommendation:** We recommend implementing a detailed supervisory review process for checks, bank reconciliations, journal entries, and related supporting documentation.

**Response:** We concur and will work to ensure a review process is properly designed and implemented.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
SCHEDULE OF FINDINGS AND RESPONSES  
CURRENT YEAR AND PRIOR YEARS (CONTINUED)  
SEPTEMBER 30, 2015**

**Significant Deficiency**

**2015-002:**                    **Duplicate Paychecks Issued and Overpayment of the Supervisor of Elections.**

**Condition:**                Paychecks were paid twice in one pay period for all employees. Duplicate checks amounted to \$798.01 for employees and \$1,153.37 for the Supervisor.

**Criteria:**                  Management is responsible for designing and implementing an internal control structure that will provide a proper review process for transactions which will ensure proper support for transactions recorded.

**Cause:**                    Paper checks were issued to these employees, but the direct deposit for the period was not cancelled. No action was taken by the employees to remit the additional funds disbursed.

**Effect:**                    There was a loss of funds by the Public Office as employees were overpaid. The previous Supervisor of Elections was overpaid before resigning from the position. The funds were not recuperated.

**Recommendation:**    We recommend that payroll transactions are reviewed for erroneous disbursements.

**Response:**                We concur and will work to ensure a review process is properly designed and implemented.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS  
SCHEDULE OF FINDINGS AND RESPONSES  
CURRENT YEAR AND PRIOR YEARS (CONTINUED)  
SEPTEMBER 30, 2015**

<b>Prior Years Findings</b>		<b>Current Year Status</b>			
		<b>Cleared</b>	<b>Partially Cleared</b>	<b>Not Cleared</b>	<b>Reference</b>
2014-001 - Improper Financial Statement Closing Process	Material Weakness	X			N/A
2014-002 - Journal entries	Significant Deficiency	X			N/A
2014-003 - Actual expenditures greater than budget	Significant Deficiency	X			N/A
2014-004 - Accrual of vacation time	Control Deficiency	X			2010-08
2013-001 - Journal entries and payroll checks	Significant Deficiency	X			2014-002
2013-002 - Accrual of vacation time	Control Deficiency	X			2014-004
2013-003 - Expenditures exceed approved budget	Control Deficiency	X			N/A



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## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Chet Huddleston  
Hardee County Supervisor of Elections  
Hardee County, Florida

We have examined the Hardee County Supervisor of Elections (the Supervisor), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Supervisor's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Supervisor's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor's compliance with specified requirements.

In our opinion, the Supervisor complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Supervisor 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**

Lakeland, Florida  
January 26, 2016

**HARDEE COUNTY SHERIFF**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2015**

**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 each major fund and the aggregate remaining fund information of the Hardee County Sheriff, Hardee County, Florida (the Sheriff) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the entity'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 each major fund and the aggregate remaining fund information of the Hardee County Sheriff, as of September 30, 2015, and the respective changes in financial position and budgetary comparison thereof 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 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 Hardee County Sheriff. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2015, 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 Hardee County Sheriff's financial statements. The combining statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules are fairly stated in all material respects in relation to the 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 April 26, 2016 on our consideration of the Hardee County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hardee County Sheriff's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 26, 2016

**HARDEE COUNTY SHERIFF  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	General Fund	Other Governmental Funds (Non-Major Funds)	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 923,139	\$ 214,214	\$ 1,137,353
Prepaid Items	499,738	-	499,738
	<u>1,422,877</u>	<u>214,214</u>	<u>1,637,091</u>
Total Assets	<u>\$ 1,422,877</u>	<u>\$ 214,214</u>	<u>\$ 1,637,091</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 22,318	\$ -	\$ 22,318
Accrued Liabilities	404,646	-	404,646
Due to the Board of County Commissioners	995,913	38,565	1,034,478
Total Liabilities	<u>1,422,877</u>	<u>38,565</u>	<u>1,461,442</u>
<b>FUND BALANCES</b>			
Nonspendable	499,738	-	499,738
Restricted	-	175,649	175,649
Unassigned	(499,738)	-	(499,738)
Total Fund Balances	<u>-</u>	<u>175,649</u>	<u>175,649</u>
Total Liabilities and Fund Balances	<u>\$ 1,422,877</u>	<u>\$ 214,214</u>	<u>\$ 1,637,091</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, 2015**

	General Fund	Other Governmental Funds (Non-Major Funds)	Total Governmental Funds
<b>REVENUES</b>			
Appropriations from Board of County Commissioners	\$ 8,224,889	\$ -	\$ 8,224,889
Intergovernmental	47,651	279,978	327,629
Charges for Services	292,879	-	292,879
Fines and Forfeitures	-	5,216	5,216
Interest and Miscellaneous	160,881	90,414	251,295
Total Revenues	<u>8,726,300</u>	<u>375,608</u>	<u>9,101,908</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety:			
Salaries and Benefits	6,363,116	-	6,363,116
Operating Expenditures	1,420,518	189,483	1,610,001
Capital Outlay	231,196	140,102	371,298
Total Expenditures	<u>8,014,830</u>	<u>329,585</u>	<u>8,344,415</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	711,470	46,023	757,493
<b>OTHER FINANCING USES</b>			
Transfers to Board of County Commissioners	(711,470)	-	(711,470)
Total Other Financing Uses	<u>(711,470)</u>	<u>-</u>	<u>(711,470)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	46,023	46,023
Fund Balances - Beginning of Year	<u>-</u>	<u>129,626</u>	<u>129,626</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 175,649</u>	<u>\$ 175,649</u>

See Accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Appropriations from Board of County Commissioners	\$ 8,153,605	\$ 8,153,605	\$ 8,224,889	\$ 71,284
Intergovernmental	-	-	47,651	47,651
Charges for Services	-	-	292,879	292,879
Interest and Miscellaneous	-	-	160,881	160,881
Total Revenues	8,153,605	8,153,605	8,726,300	572,695
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Salaries and Benefits	6,669,353	6,669,353	6,363,116	306,237
Operating Expenditures	1,284,252	1,284,252	1,420,518	(136,266)
Capital outlay	200,000	200,000	231,196	(31,196)
Total Expenditures	8,153,605	8,153,605	8,014,830	138,775
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	711,470	711,470
<b>OTHER FINANCING USES</b>				
Transfer to the Board of County Commissioners	-	-	(711,470)	(711,470)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

See Accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF  
STATEMENT OF FIDUCIARY NET POSITION  
ALL AGENCY FUNDS  
SEPTEMBER 30, 2015**

**ASSETS**

Cash	\$ 63,375
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**LIABILITIES**

Due to Individuals	\$ 63,375
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**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Sheriff conform to accounting principles generally accepted in the United States of America 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 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.

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

The Hardee County Sheriff (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 accounting principles generally accepted in the United States of America.

The governmental funds are maintained on the modified accrual basis of accounting. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or when they are considered both measurable and available, and, as such, are susceptible to accrual.

**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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. 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. The general fund is always reported as a major fund.

**Non-major Governmental Funds**

**Law Enforcement Trust Fund** – The law enforcement trust fund is a special revenue fund which accounts for an assessment added to all fines and forfeitures. These monies can only be used for approved education and training of law enforcement, correctional, and administrative personnel. The education fund is not required to maintain a separate budget, therefore, a comparison of budget to actual revenues and expenditures is not presented in the financial statements.



**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

**Non-Major Governmental Funds (Continued)**

**E911 Fund** – The E911 Fund is a special revenue fund that accounts for proceeds received from 911 fees and grants related to providing E911 services within the County. Funding is provided to the Sheriff by the Florida Department of Management Services and is used to maintain the E911 system which assists Hardee County residents that are in need of law enforcement, fire, and emergency medical responders. The E911 fund is not required to maintain a separate budget; however, a budget was adopted for the current year. A comparison of budget to actual revenues and expenditures is not presented in the financial statements.

**Commissary Fund** – The commissary fund is a special revenue fund which accounts for the commissary operated in the County jail. Revenues are provided by sales of products such as phone cards, candy, toothpaste, etc. to the inmates. Profits from the commissary shall be used for overall inmate welfare. Expenses involved in the commissary operation, including compensation for commissary employees and gratuities for inmates who may assist such employees, may be paid from the profit. The commissary fund is not required to maintain a separate budget; therefore, a comparison of budget to actual revenues and expenditures is not presented in the financial statements.

**Fiduciary Funds**

**Agency Funds** – The 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 on *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, 2015 there was no fund balance in the General Fund and the remaining fund balance in the Education 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. Also, the finance director has been given the authority to assign fund balance for a specific purpose.

**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance and Spending Policies (Continued)**

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.

**Accumulated Unpaid Vacation and Sick Pay**

Only the amounts of unpaid vacation and sick leave that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Total available vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. Employees are charged for the last day of vacation or sick leave earned when the leave is used.

Employees earn annual leave at varying rates depending upon the length of service as follows:

<u>Continuous Employment</u>	<u>Annual Leave Earned</u>
1st Year	84 Hours
2nd – 4th Year	168 Hours
5th – 9th Year	192 Hours
10th – 14th Year	216 Hours
15th – 19th Year	264 Hours
20 Years Plus	288 Hours

Upon termination, employees can be paid for their unused vacation time.

Sick leave accumulates for employees at the rate of one day per calendar month and is cumulative. Upon retirement, employees can be paid for a portion of their unused sick leave based upon their length of employment as follows:

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
20 – 24 Years	25%
25 – 29 Years	37.5%
30 Years Plus	50%

**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.

**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Postemployment Benefit Obligations**

Based on GASB Statement on Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. Employees who retire from employment with the Sheriff with 20 or more years of service may participate in the County Group Health Plan on a single coverage basis upon written request of the retiring member to the Sheriff. This retirement benefit will conclude when the retiree reaches the eligible age to receive full Medicare benefits or obtains health insurance from any other provider. The OPEB Plan currently pays certain portions of healthcare insurance premiums of retirees based on years of service and other factors. The liabilities and expenses associated with the OPEB Plan are not included in the financial statements of the Sheriff. Such liabilities and expenses are included in the financial statements of Hardee County, Florida.

**Other Significant Accounting Policies**

Chapter 218, Florida Statutes, requires that the Constitutional Officers make an annual report to the Board of County Commissioners within 31 days of the close of their fiscal year, reflecting the excess of revenues over expenditures or the unexpended budget balance as of the close of the fiscal year. In order to comply with the State Statute, it is the policy of the Constitutional Officers that the accounting records be held open several days after the close of their fiscal year in order that all receipts and expenditures applicable to the fiscal year can be recorded in the records. The financial statements prepared on a GAAP basis reflect any receipts or disbursements made after the close of the fiscal year as receivables or payables, as applicable.

**NOTE 2 CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that in the event of failure of the counterparty, the Sheriff will not be able to recover the value of its deposits that are in the possession of an outside party.

At September 30, 2015, the carrying amount of the Sheriff's deposits was \$1,200,728 and the bank balance was \$1,349,375. The Sheriff's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship and the balances are collateralized pursuant Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, a qualified public depository, all participating institutions are obligated to reimburse the governmental entity for the loss.

**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 3 CAPITAL ASSETS**

Tangible personal property used in the Sheriff's operations is recorded as expenditure in the governmental fund types of the Sheriff at the time of purchase. Purchased assets with an initial cost greater than \$1,000 are capitalized at historical cost in the government-wide financial statements of the County, because ownership is vested in the Hardee County Board of County Commissioners as provided by the Florida Statutes. Donated and confiscated assets are recorded at fair market value at the time received. The Sheriff maintains record keeping and custodial responsibility for the capital assets.

The following is a summary of changes in capital assets for which the Sheriff is custodian for the year ended September 30, 2015:

	Balance October 1, 2014	Additions	Disposals	Transfers	Balance September 30, 2015
Machinery and Equipment	\$ 3,607,670	\$ 371,299	\$ (96,537)	\$ -	\$ 3,882,432
Less: Accumulated Depreciation	(2,629,378)	(339,945)	95,545	-	(2,873,778)
Total Capital Assets, Net	<u>\$ 978,292</u>	<u>\$ 31,354</u>	<u>\$ (992)</u>	<u>\$ -</u>	<u>\$ 1,008,654</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 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](http://www.dms.myflorida.com)).

**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLANS (CONTINUED)**

***Florida Retirement System Pension Plan***

**Plan Description**

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

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

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 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 SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLANS (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 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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. 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, 2015, 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 SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent 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. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, 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.

**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 4 PENSION PLANS (CONTINUED)**

**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, 2015, 2014, and 2013 were \$773,223, \$716,111, and \$567,487, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in 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, 2015:

	Balance October 1, 2014	Net Additions	Balance September 30, 2015	Due Within One Year
Accrued Compensated Absences	\$ 260,536	\$ 33,979	\$ 294,515	\$ 2,921

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 Hardee County.

**NOTE 6 RELATED PARTY TRANSACTION**

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2015 were as follows:

**Budget Appropriation** - The General Fund of the Sheriff received revenue from the Board of County Commissioners in the amount of \$8,224,889 for the year ended September 30, 2015. At September 30, 2015, \$1,034,478 was due to the Board of County Commissioners from the General and E911 Funds of the Sheriff.



**HARDEE COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 7 RISK MANAGEMENT**

The Sheriff participates in the Florida Sheriff's Self-Insurance Fund and the Sheriff's Automobile Risk Program, which are public entity risk pools that permit the Sheriff to cover the following types of risks:

- Professional Liability
- Public Officials' Liability
- Automobile Physical Damage and Liability
- Money and Securities Coverage
- Flash Roll Money
- Miscellaneous Personal Property
- Public Employee's Blanket Bond

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 professional liability and \$10,000,000 for public officials' coverage. Coverage limits for automobile risk are \$300,000 for bodily injury and \$100,000 for property damage.

The Sheriff provides for workers' compensation coverage under a retrospectively rated commercial insurance policy. Premiums are accrued based on the ultimate cost to-date of the Sheriff's experience for this type of risk.

**NOTE 8 CONTINGENCIES**

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.

## **COMBINING AND INDIVIDUAL FUND SCHEDULES**

**HARDEE COUNTY SHERIFF  
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS  
SEPTEMBER 30, 2015**

**SPECIAL REVENUE FUNDS**

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

**Commissary Fund** – The commissary fund accounts for the commissary operated in the County jail. Revenues are provided by sales of products such as phone cards, candy, toothpaste, etc. to the inmates. Profits from the commissary shall be used for overall inmate welfare. Expenses involved in the commissary operation, including compensation for commissary employees and gratuities for inmates who may assist such employees, may be paid from the profit. The commissary fund is not required to maintain a separate budget.

**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. The law enforcement trust fund is not required to maintain a separate budget.

**E911 Fund** – The E911 Fund accounts for proceeds received from 911 fees and grants related to providing E911 services within the County. The E911 fund is a special revenue fund for which accounts for the 911 system operated in the County. Funding is provided to the Sheriff by the Florida Department of Management Services and is used to maintain the E911 system which assists Hardee County residents that are in need of law enforcement, fire, and emergency medical responders. The E911 fund is not required to maintain a separate budget; however, a budget was adopted for the current year.

**HARDEE COUNTY SHERIFF  
COMBINING BALANCE SHEETS  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	Commissary Fund	Law Enforcement Trust Fund	E-911 Fund	Total All Non-Major Governmental Funds
<b>ASSETS</b>				
Cash	\$ 135,529	\$ 40,120	\$ 38,565	\$ 214,214
Total Assets	<u>\$ 135,529</u>	<u>\$ 40,120</u>	<u>\$ 38,565</u>	<u>\$ 214,214</u>
<b>Liabilities</b>				
Due to the Board of County Commissioners	\$ -	\$ -	\$ 38,565	\$ 38,565
Total Liabilities	<u>-</u>	<u>-</u>	<u>38,565</u>	<u>38,565</u>
<b>FUND BALANCES</b>				
Restricted for Education	-	40,120	-	40,120
Restricted for Inmate Welfare	135,529	-	-	135,529
Total Fund Balances	<u>135,529</u>	<u>40,120</u>	<u>-</u>	<u>175,649</u>
Total Liabilities and Fund Balances	<u>\$ 135,529</u>	<u>\$ 40,120</u>	<u>\$ 38,565</u>	<u>\$ 214,214</u>

**HARDEE COUNTY SHERIFF  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2015**

	Commissary Fund	Law Enforcement Trust Fund	E-911 Fund	Total All Non-Major Governmental Funds
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 279,978	\$ 279,978
Fines and Forfeitures	-	5,216	-	5,216
Miscellaneous	90,165	249	-	90,414
Total Revenues	90,165	5,465	279,978	375,608
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Operating Expenditures	49,607	-	139,876	189,483
Capital Outlay	-	-	140,102	140,102
Total Expenditures	49,607	-	279,978	329,585
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	40,558	5,465	-	46,023
Fund Balances - Beginning of Year	94,971	34,655	-	129,626
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 135,529</u>	<u>\$ 40,120</u>	<u>\$ -</u>	<u>\$ 175,649</u>

**HARDEE COUNTY SHERIFF  
COMBINING STATEMENT OF  
FIDUCIARY NET POSITION – AGENCY FUNDS  
SEPTEMBER 30, 2015**

	<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>
<b>ASSETS</b>								
Cash	<u>\$ 1,396</u>	<u>\$ -</u>	<u>\$ 40,629</u>	<u>\$ 9,720</u>	<u>\$ 8,177</u>	<u>\$ 2,751</u>	<u>\$ 702</u>	<u>\$ 63,375</u>
<b>LIABILITIES</b>								
Due to Individuals	<u>\$ 1,396</u>	<u>\$ -</u>	<u>\$ 40,629</u>	<u>\$ 9,720</u>	<u>\$ 8,177</u>	<u>\$ 2,751</u>	<u>\$ 702</u>	<u>\$ 63,375</u>

**HARDEE COUNTY SHERIFF  
COMBINING SCHEDULE OF CHANGES IN  
FIDUCIARY NET POSITION – AGENCY FUNDS  
YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Increases	(Decreases)	Balance September 30, 2015
<b>SUSPENSE</b>				
<b>ASSETS</b>				
Cash	\$ 734	\$ 68,155	\$ (67,493)	\$ 1,396
<b>LIABILITIES</b>				
Due to Individuals	\$ 734	\$ 68,155	\$ (67,493)	\$ 1,396
<b>COLLECTIONS</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 12,530	\$ (12,530)	\$ -
<b>LIABILITIES</b>				
Due to Individuals	\$ -	\$ 12,530	\$ (12,530)	\$ -
<b>EVIDENCE</b>				
<b>ASSETS</b>				
Cash	\$ 41,816	\$ 16,558	\$ (17,745)	\$ 40,629
<b>LIABILITIES</b>				
Due to Individuals	\$ 41,816	\$ 16,558	\$ (17,745)	\$ 40,629
<b>INMATE</b>				
<b>ASSETS</b>				
Cash	\$ 12,284	\$ 786,607	\$ (789,171)	\$ 9,720
<b>LIABILITIES</b>				
Due to Individuals	\$ 12,284	\$ 786,607	\$ (789,171)	\$ 9,720
<b>YOUTH</b>				
<b>ASSETS</b>				
Cash	\$ 9,177	\$ 145	\$ (1,145)	\$ 8,177
<b>LIABILITIES</b>				
Due to Individuals	\$ 9,177	\$ 145	\$ (1,145)	\$ 8,177
<b>FLOWER</b>				
<b>ASSETS</b>				
Cash	\$ 3,715	\$ -	\$ (964)	\$ 2,751
<b>LIABILITIES</b>				
Due to Individuals	\$ 3,715	\$ -	\$ (964)	\$ 2,751
<b>DRUG TASK FORCE</b>				
<b>ASSETS</b>				
Cash	\$ 5,269	\$ 3,108	\$ (7,675)	\$ 702
<b>LIABILITIES</b>				
Due to Individuals	\$ 5,269	\$ 3,108	\$ (7,675)	\$ 702
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 72,995	\$ 887,103	\$ (896,723)	\$ 63,375
<b>LIABILITIES</b>				
Due to Individuals	\$ 72,995	\$ 887,103	\$ (896,723)	\$ 63,375

**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 each major fund and the aggregate remaining fund information of the Hardee County Sheriff, Hardee County, Florida (the Sheriff) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Hardee County Sheriff's financial statements, and have issued our report thereon dated April 26, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Hardee County 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 Hardee County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hardee County Sheriff's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses current year and prior years, we identified deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 2015-01 of the accompanying Schedule of Findings and Responses Current Year and Prior Years to be a material weakness.



The Honorable Arnold Lanier  
Hardee County Sheriff

### **Compliance and Other Matters**

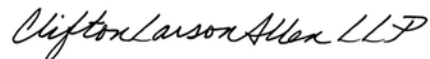
As part of obtaining reasonable assurance about whether the Hardee County Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 Response to Findings**

The Hardee County Sheriff's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses Current Year and Prior Years. The Hardee County 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 it.

### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Lakeland, Florida

April 26, 2016

## 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, Hardee County, Florida (the Sheriff) as of and for the fiscal year ended September 30, 2015, and we have issued our report thereon dated April 26, 2016.

### 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 Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 26, 2016, 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 action has been taken to address the finding and recommendation made in the preceding annual financial audit report for item 2014-01. See the Schedule of Findings and Responses, Current Year and Prior Years.

### Official Title and Legal Authority

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

The Honorable Arnold Lanier  
Hardee County Sheriff

**Other Matters**

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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. In connection with our audit, we did not have 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 Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 26, 2016

**HARDEE COUNTY SHERIFF  
SCHEDULE OF FINDINGS AND RESPONSES  
CURRENT YEAR AND PRIOR YEARS  
SEPTEMBER 30, 2015**

**Current Year Findings**

**Material Weakness**

**2015-001: MATERIAL FINANCIAL STATEMENT ADJUSTMENTS**

**Criteria:** Adjustments for accounts payable, payroll tax liability, prepaid assets, excess fees, and payroll expenses were not posted in the general ledger during the close out process at year-end.

**Condition:** Our audit procedures disclosed material audit adjustments that were necessary in order for the financial statements to be in accordance with U.S. generally accepted accounting principles.

**Cause:** Improper reporting of transactions.

**Effect:** Accounts payable, net assets, and expense balances were materially misstated.

**Recommendation:** Develop a year end closing procedure to calculate and record all adjustments necessary in order for the financial statements to be in accordance with U.S. generally accepted accounting principles.

**Response:** We concur.

**HARDEE COUNTY SHERIFF  
SCHEDULE OF FINDINGS AND RESPONSES  
CURRENT YEAR AND PRIOR YEARS (CONTINUED)  
SEPTEMBER 30, 2015**

**Prior Year Findings**

**Material Weakness**

**2014-001: INADEQUATE SEGREGATION OF DUTIES**

**Criteria:** Management is required to have a system of internal control over accounting and financial reporting in place that will allow management in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. Such controls should be designed to segregate duties.

**Condition:** The duties within the accounting function are not adequately segregated. Currently, the bookkeeper initiates, prepares and disburses checks and also prepares the bank deposits and bank reconciliations. In addition, the bookkeeper has signature authority on bank accounts. We also noted the bookkeeper initiates, prepares and reviews journal entries.

**Cause:** Duties within the accounting function are not adequately segregated.

**Effect:** General ledger accounts are subject to irregularities.

**Recommendation:** Segregate the duties within the accounting department.

**Status:** This comment has been cleared by management.

Prior Years Findings		Current Year Status			
		Cleared	Partially Cleared	Not Cleared	Reference
2014-001 - Inadequate Segregation of Duties	Material Weakness	X			2009-001
2013-001 - Inadequate Segregation of Duties	Material Weakness	X			2009-001
2013-002 - Material Financial Statement Adjustments	Material Weakness	X			2009-003
2013-003 - Transfer of E911 Capital Assets	Material Weakness	X			2013-003



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## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Arnold Lanier  
Hardee County Sheriff  
Hardee County, Florida

We have examined the Hardee County Sheriff, Hardee County, Florida (the Sheriff)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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.

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 26, 2016