



ANNUAL FINANCIAL REPORT



ROGER D. EATON

Clerk of the Circuit Court and County Comptroller



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018
CHARLOTTE COUNTY, FLORIDA

**CHARLOTTE COUNTY
FLORIDA**

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018**

PREPARED BY:

**ROGER D. EATON
CLERK OF THE CIRCUIT COURT
& COUNTY COMPTROLLER**

**KIM WILDER
FINANCE DIRECTOR**

MESSAGE FROM YOUR CLERK AND COUNTY COMPTROLLER



TO THE CITIZENS OF CHARLOTTE COUNTY:

Not resting on our laurels from my first year in office in 2017, your Clerk's Office continued looking for ways to provide efficient services to our local taxpayers while simultaneously reducing our operating budget. I am happy to report 2018 was another successful year.

Following up on the success of our Jury Services app developed and launched by our in-house IT team in 2017, we introduced a new and unique Marriage Scheduling app for both the iPhone and Android devices. With our new online marriage scheduling system, couples can complete an online marriage application and schedule a block of time for their wedding ceremony to be held in our newly designed marriage room in the Charlotte County Justice Center. This state of the art system allows for follow up text messaging and appointment notifications. Since instituting this system, over 200 couples have married in our office. The positive response by couples who have used this new system and ceremony room have been a highlight of 2018.

Your Clerk's Office provided a convenient solution to our citizens wanting to pay their fines and fees with

cash without them having to personally come into the Justice Center during business hours to make their payment. We partnered with nCourt and PayNearMe, financial services technology companies, to create the ability for Charlotte County citizens to pay their fines and fees in cash using a convenient barcode scan at participating merchants such as CVS, 7 Eleven and Dollar General. The new program is convenient, guaranteed, and confidential. This helps working people, as they can now pay after regular working hours. We are the first Clerk's Office in the State of Florida to offer this payment option.

As our office is always looking for excellent staff, we implemented a new internet-based system from NeoGov for job postings and online submission. This highly advanced online system allows us to quickly respond to the office's needs for highly talented candidates in our diverse departments.

Your Clerk's Office for the second year in a row lowered our citizen's tax burden by reducing our budget by 2% and returned \$368,305.00 to the Charlotte County Board of County Commissioners, despite health care

costs rising by over 5% and rising Florida Retirement System (FRS) rates. I am happy to report we have been able to accomplish this in both of my first two years serving as your Clerk of Court. I attribute this to an excellent staff and the implementation of cutting edge software systems which make our office incredibly efficient.

Many citizens do not realize that the Comptroller side of the Clerk's Office directs investment of millions of dollars of Charlotte County funds. Our team continually analyzes the current structure of investments, with a primary focus on providing security, safety, and liquidity of the County's investments. Taking advantage of rising interest rates, we shifted a sizable portion of County funds into US Government agency securities and instruments, which earned a substantially higher yield. In 2018, over \$7.9 million was earned on investments controlled by your Clerk's Office, as compared to \$4.9 million earned in 2017, an increase of 61%.

For the second straight year continuing a 32 consecutive year tradition for Charlotte County, your Clerk's Office has been awarded The Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the year ended September 30, 2017. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government agency and its management.

Not only does our office serve the community, but we strive to be an active supporter of our tight-knit community. We are extremely proud that the Clerk's Office staff raised \$4,800.78 for The Center for Abuse

and Rape Emergencies (CARE) and \$2,530.90 for the Animal Welfare League in 2018, through car washes, bake sales, and other fund raising team events.

My office will continue developing new and innovative ways to provide a better service experience for local citizens, while always being mindful of reducing the burden to local taxpayers. As promised a year ago in my 2017 year in review, our office will never rest on its accomplishments. We will always strive to find better, more cost efficient ways to provide our services to the public. By combining excellent staff and the implementation of advanced technologies, our goal is to provide you with more services for less cost. I look forward to reporting to you this time next year on our 2019 calendar year advancements.

For more information about our office and to access all of our new features, please visit us at CharlotteClerk.com.

Sincerely,



Honorable, Roger D. Eaton
Clerk of the Circuit Court and County Comptroller

TABLE OF CONTENTS

SECTION I - COMBINED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITOR	1 - 3
MANAGEMENT DISCUSSION AND ANALYSIS	4 - 18
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position	19 - 21
Statement of Activities	22 - 23
FUND FINANCIAL STATEMENTS:	
Balance Sheet - Governmental Funds	24 - 25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	27 - 28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	30 - 32
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Charlotte Public Safety	33
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Street and Drainage Districts Maintenance	34
Statement of Net Position - Proprietary Funds	35 - 36
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	37
Statement of Cash Flows - Proprietary Funds	38 - 39
Statement of Fiduciary Net Position - Agency Funds	40
NOTES TO FINANCIAL STATEMENTS	41 - 101
REQUIRED SUPPLEMENTARY INFORMATION - OPEB	102
Schedule of County Contributions - FRS Pension Plan	103 - 104
Schedule of the County's Proportionate Share of the Net Pension Liability - FRS Pension Plan	105 - 106
Schedule of County Contributions - HIS Pension Plan	107 - 108
Schedule of the County's Proportionate Share of the Net Pension Liability - HIS Pension Plan	109 - 110
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
NONMAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet - Nonmajor Governmental Funds	111 - 120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	121- 130
Community Redevelopment Agencies	
Balance Sheet – Charlotte Harbor Community Redevelopment Agency	131
Schedule of Revenues, Expenditures and Changes in Fund Balance - Charlotte Harbor Community Redevelopment Agency	132
Balance Sheet – Murdock Village Community Redevelopment Agency	133
Schedule of Revenues, Expenditures and Changes in Fund Balance - Murdock Village Community Redevelopment Agency	134
Balance Sheet – Parkside Community Redevelopment Agency	135
Schedule of Revenues, Expenditures and Changes in Fund Balance - Parkside Community Redevelopment Agency	136
INTERNAL SERVICE FUNDS	
Combining Statement of Net Position - Internal Service Funds	137
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	138
Combining Statement of Cash Flows - Internal Service Funds	139 - 140

TABLE OF CONTENTS

SECTION I - COMBINED STATEMENTS, CONTINUED

FIDUCIARY FUNDS

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	141
Combining Statement of Changes in Assets and Liabilities - Agency Funds	142 - 143

REPORT OF INDEPENDENT AUDITOR 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	144 - 145
--	-----------

INDEPENDENT AUDITOR'S MANAGEMENT LETTER	146 - 147
--	-----------

REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES AND E911 REQUIREMENTS OF SECTIONS 365.172 AND 365.173, FLORIDA STATUTES	148
---	-----

SCHEDULE OF INSURANCE POLICIES IN FORCE	149
--	-----

SECTION II - CLERK OF THE CIRCUIT COURT

REPORT OF THE INDEPENDENT AUDITOR	1 - 3
--	-------

FUND FINANCIAL STATEMENTS:

Balance Sheet - Governmental Funds	4 - 5
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	6 - 7

FIDUCIARY FUNDS

Statement of Fiduciary Assets and Liabilities - Agency Funds	8 - 9
--	-------

NOTES TO FINANCIAL STATEMENTS	10 - 20
--------------------------------------	---------

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	21
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Modernization Trust Fund	22
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Civil Case Filing Fees	23
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - IV-D	24
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Court Related	25

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUND

Combining Statement of Net Position - Internal Service Fund	26
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Fund	27
Combining Statement of Cash Flows - Internal Service Fund	28 - 29
Combining Statement of Changes on Assets and Liabilities - All Agency Funds	30 - 32

TABLE OF CONTENTS

SECTION II - CLERK OF THE CIRCUIT COURT, CONTINUED

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	33 - 34
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	35 - 36
REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES, ARTICLE V REQUIREMENTS AND DEPOSITORY REQUIREMENTS OF SECTIONS 218.415, 28.35, 28.36 AND 61.181, FLORIDA STATUTES	37

SECTION III - PROPERTY APPRAISER

REPORT OF THE INDEPENDENT AUDITOR	1 - 3
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	5
NOTES TO FINANCIAL STATEMENTS	6 - 14
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	15
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	16 - 17
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	18 - 19
INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT	20

SECTION IV - SHERIFF

REPORT OF THE INDEPENDENT AUDITOR	1 - 3
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	4 - 5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	6 - 7
Statement of Fiduciary Assets and Liabilities - Agency Funds	8 - 9
NOTES TO FINANCIAL STATEMENTS	10 - 23
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - (Non-GAAP) - General Fund	24

TABLE OF CONTENTS

SECTION IV – SHERIFF, CONTINUED

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet - Nonmajor Governmental Funds	25 - 26
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	27 - 28
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	29 - 30

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	31 - 32
---	---------

INDEPENDENT AUDITOR’S MANAGEMENT LETTER	33 - 34
--	---------

INDEPENDENT ACCOUNTANT’S EXAMINATION REPORT	35
--	----

SECTION V - SUPERVISOR OF ELECTIONS

REPORT OF THE INDEPENDENT AUDITOR	1 - 3
--	-------

FUND FINANCIAL STATEMENTS

Balance Sheet - Governmental Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	5

NOTES TO FINANCIAL STATEMENTS	6 - 13
--------------------------------------	--------

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	14
---	----

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	15 - 16
---	---------

INDEENDENT AUDITOR’S MANAGEMENT LETTER	17 - 18
---	---------

INDEPENDENT ACCOUNTANT’S EXAMINATION REPORT	19
--	----

TABLE OF CONTENTS

SECTION VI - TAX COLLECTOR

REPORT OF THE INDEPENDENT AUDITOR	1 - 3
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund	5
Statement of Fiduciary Assets and Liabilities - Agency Funds - Fiduciary Funds	6
NOTES TO FINANCIAL STATEMENTS	7 - 15
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	16
SUPPLEMENTARY INFORMATION	
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds – All Agency Funds	17 - 18
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	19 - 21
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	22 - 23
INDEPENDENT AUDITOR’S MANAGEMENT LETTER	24 - 25
INDEPENDENT ACCOUNTANT’S EXAMINATION REPORT	26

SECTION VII - SINGLE AUDIT

REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE FOR EACH MAJOR FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL	1 - 2
Schedule of Findings and Questioned Costs - Federal Awards Programs and State Financial Assistance Projects	3 - 5
Schedule of Expenditures of Federal Awards	6 - 10
Schedule of State Financial Assistance	11 - 13
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	14
OTHER INFORMATION	
Schedule of Receipts	15

SECTION I

COMBINED FINANCIAL STATEMENTS

***Including
Board of County Commissioners,
Constitutional Officers,
and Component Units
COMMUNITY REDEVELOPMENT AGENCIES***

Report of Independent Auditor

To the Honorable Board of County
Commissioners of Charlotte County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Charlotte County, Florida (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency (collectively the "Community Redevelopment Agencies"), which are presented as supplementary information in the accompanying combining and individual fund financial statements, as of and for the year ended September 30, 2018, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector (collectively, the "Officers"), whose statements reflect 2% of the assets, 1% of the net position, and 7% of the revenues of the County's governmental activities, 17% of the assets, 0% of the fund balance, and 23% of the revenues of the General Fund, and 8% of the assets, 3% of the fund balance, and 3% of the revenues of the aggregate remaining fund information. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Officers, is based solely on the reports of the other auditor. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audits and the reports of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the County as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Charlotte Public Safety Fund, and the Street and Drainage Districts Maintenance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1(r) to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017. Also, as discussed in Note 1(r) to the financial statements, the County early adopted the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective October 1, 2017. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditor 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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements and the financial statements of the Community Redevelopment Agencies. The introductory section, combining and individual fund statements (with the exception of the Community Redevelopment Agencies), the combining schedules, the statistical section, the schedule of state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements (with the exception of the Community Redevelopment Agencies), the combining schedules, the schedule of expenditures of federal awards, the schedule of state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill 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 by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditor, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. Also in our opinion, the schedule of expenditures of federal awards, the schedule of state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cheryl Behrman CPA". The signature is written in a cursive, flowing style.

Orlando, Florida
March 15, 2019

Charlotte County, Florida

MANAGEMENT DISCUSSION AND ANALYSIS

This discussion and analysis of the Charlotte County (the County) financial statements is designed to present the basic financial statements and provide an analytical summary of the financial activities of the County for the fiscal year ended September 30, 2018. The basic financial statements are comprised of the government-wide financial statements, fund financial statements and footnotes. In this Management Discussion and Analysis (MD&A), all amounts in financial charts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

At the close of business September 30, 2018, net position of the County was \$1,291.1 million. Governmental and business-type net positions were \$1,009.2 million and \$281.9 million, respectively.

Total net position of the County increased \$73.9 million or 6.1%, as compared with the prior year.

Governmental activities revenues increased by \$31.1 million to \$368.5 million, which was an increase of 9.2%. Governmental activities expenses decreased by \$0.5 million to \$330.0 million, a decrease of 0.2%. The impact on net position of the excess of revenues over expenses was an increase of \$39.1 million.

Business-type activity revenues increased by \$3.2 million to \$107.7 million which was an increase of 3.1%. Business-type activity expenses increased by \$4.4 million to \$84.2 million which was an increase of 5.5%. The excess of revenues over expenses resulted in an increase in net position of \$23.0 million.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages I-19 - I-23) provide information about the activities of the County as a whole. The fund financial statements provide information on the various types of services provided by different revenue sources, as well as the dollars remaining in those funds at the end of the year. These fund statements, which provide information about significant funds of the County, report operations in greater detail than government-wide statements.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Designed to be more like the financial statements of a private entity, the government-wide financial statements present the bottom line of the County as a whole. The Statement of Net Position (pages I-19 - I-21) combines and consolidates the assets of both governmental and business-type activities into a single, governmental unit, and also takes into account both current and long-term liabilities to present the overall financial health of the government as total net position. The full accrual method is used in compiling the Government-Wide financial statements. The Statement of Activities (pages I-22 - I-23) provides a picture of revenues versus expenses for governmental activities and business-type activities, showing the increases or decreases in net position as a result. Over time, increases or decreases in the County's net positions are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Activities, the County is divided into two types of activities:

- Governmental Activities – This is where most of County activities are reported. All expenses and revenues related to administration, parks and recreation, libraries, public safety, transportation, and capital outlay, for example, are included in this section. Services and capital projects are funded primarily through property tax, franchise fees, communication service fees, state shared revenues, sales tax and impact fees.
- Business-type Activities – This is where our water and sewer operations, and solid waste collection and disposal are reported.
- Component Units – The Charlotte Industrial Development Authority finances and refinances projects for a public purpose and to foster the economic development of the County.

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 and demonstrate compliance with finance related legal requirements. All of the funds can be divided into four categories: governmental funds; proprietary funds; fiduciary funds; and agency funds.

Governmental Fund Financial Statements

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term outflows of expendable resources as well as on balances of expendable resources available at the end of the fiscal year.

The analysis of the major funds of the County begins on page I-24. The fund financial statements are designed to provide the reader with useful information on the major funds, rather than the government as a whole. There are 56 governmental funds. However, only four are classified as major funds in 2018. The County is unique in that it has many Municipal Services Benefit Units/Taxing Units (MSBU/TU's) that provide street and drainage maintenance and certain capital improvements to its property owners payable by assessments. Although accounted for separately, these are grouped together as a major fund in 2018 as Street and Drainage Districts on the fund financial statements presented on pages I-24 - I-25 and I-27 - I-28. Also grouped together in the County's financial statements although accounted for separately are Grant funds, Waterway Maintenance MSBU's, Clerk special revenue funds and Sheriff special revenue funds. These are presented on the fund financial statements presented on pages I-111 through I-130.

Proprietary Fund Financial Statements

Proprietary funds differ from governmental funds primarily in that the revenues are derived from the operations of the proprietary fund. There are two types of proprietary funds: enterprise and internal service. The County maintains enterprise funds for one sanitation district, the landfill operation, and the utility system which provides water and sewer services. These funds are presented on pages I-35 - I-39.

There are five internal service type funds: health insurance trust, self-insurance, accrued compensated absences, vehicle maintenance, and Clerk of the Court. Internal service funds differ from enterprise funds in that the revenues supporting these funds are derived from a fee for the services performed or being provided to departments within the governmental entity. Over time these funds will perform at a break-even level, although in some years a slight profit or loss may be realized. These funds are presented on pages I-137 - I-140.

Fiduciary Fund Financial Statements

Fiduciary funds are used to account for resources held for the benefit of parties outside of county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of these funds are not available to support County programs. The accounting used is much like that of proprietary funds. These funds are presented on pages I-141 - I-143 of this report.

GOVERNMENT – WIDE FINANCIAL ANALYSIS

The following is a condensed summary of net position for the primary government for fiscal years 2018 and 2017:

Charlotte County, Florida
Summary of Net Position
September 30, 2018 and 2017
(\$000's)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 500,399	\$ 473,004	\$ 127,353	\$ 118,690	\$ 627,752	\$ 591,694
Capital Assets	841,337	805,609	347,395	324,751	1,188,732	1,130,360
Total Assets	1,341,736	1,278,613	474,748	443,441	1,816,484	1,722,054
Deferred Outflows						
Deferred Charge on Refunding	1,008	1,064	6,644	8,145	7,652	9,209
OPEB Related	515	-	110	-	625	-
Pension Related	68,320	70,179	4,669	4,533	72,989	74,712
Total Deferred Outflows	69,843	71,243	11,423	12,678	81,266	83,921
Current Liabilities	69,020	65,882	32,533	29,387	101,553	95,269
Non-Current Liabilities	315,116	315,645	170,533	167,274	485,649	482,919
Total Liabilities	384,136	381,527	203,066	196,661	587,202	578,188
Deferred Inflows - Pension Related	16,916	9,877	1,122	664	18,038	10,541
OPEB Related	1,337	-	38	-	1,375	-
Total Deferred Inflows	18,253	9,877	1,160	664	19,413	10,541
Net Position						
Net Investment in Capital Assets	785,083	740,738	212,865	197,286	997,948	938,024
Restricted for Debt Service	-	-	3,286	3,315	3,286	3,315
Restricted for Contractual Obligations	-	-	32,923	25,447	32,923	25,447
Restricted for Special Purpose	182,883	179,781	-	-	182,883	179,781
Unrestricted	41,225	37,934	32,871	32,747	74,096	70,681
Total Net Position	\$ 1,009,191	\$ 958,453	\$ 281,945	\$ 258,795	\$ 1,291,136	\$ 1,217,248

Note - Total net position as of September 30, 2018 includes a restated beginning net position due to the implementation of GASB 75; However, the prior year's beginning net position was not required to be restated.

Total assets for Governmental Activities increased \$63.1 million, or 4.9%. Capital assets, net of depreciation, represented 62.7% of total assets at September 30, 2018, and 63.0% of total assets at September 30, 2017. Capital assets represent land, buildings, improvements, equipment, furniture, vehicles, heavy equipment and infrastructure, net of depreciation. A portion of the \$35.7 million increase in capital assets is additions spent on road infrastructure CIP, including the Midway Expansion to Kings Highway project of \$4 million, the CR775 Rotonda West to Cape Haze widening project of \$4 million, the Piper Road North project of \$6 million, Gulf Cove sidewalk improvements of \$1.5 million, the Tom Adams Bridge rehabilitation project of an additional \$2 million and various pipe installations of \$1.4 million. The remaining increase in capital assets is building additions totaling approximately \$11 million for the jail expansion and \$1.5 million for the fleet maintenance building improvements, Phase 2. The majority of Current and Other Assets represent Cash and Investments at fair value, the value of which increased by \$16.2 million and Murdock Village land held for resale, the value of which decreased by \$6.4 million in FY 2018 due to the pending contract for sale of a portion of the property acreage at a reduced value from the previous appraisal.

Total assets for Business-type Activities increased \$31.3 million, or 7.1% compared to September 30, 2017. Capital Assets in Business Activities increased \$37.4 million, \$6 million of which was spent on the Loveland Grandmaster Liftstation project; \$6 million on the East West Spring Lake sewer project; \$5.9 million on US 41 utility installations; \$1.8 million on Harbor Boulevard water/sewer improvements and \$1 million on Parkside water/sewer improvements. Offsetting this \$37.4 million capital asset increase is a \$14.8 million increase in accumulated depreciation resulting in a net capital asset increase of \$22.6 million. The increase in Current and Other Assets of \$8.7 million is mainly due to an increase in cash and investments attributable to a conservative spending approach to replenish a portion of the reserves spent down in the prior year.

Deferred Outflows and Inflows - Pension related net outflows and inflows of \$54.9 million is a decrease of \$9.3 million resulting from differences between expected and actual investment earnings, experiences, assumptions and proportional share. OPEB related net outflows and inflows of (\$750) thousand is an increase of \$750 thousand resulting from the implementation of GASB 75 as a result of changes of assumptions and other inputs and amounts paid by the County for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017. More information on changes to deferred outflows/inflows can be found in Note 19 of the financial statements. These pension and OPEB related outflows will be recognized over time through amortization, and reflected in pension expense for each of the governmental and enterprise entities. The largest portion of this decrease in deferred inflows related to differences between projected and actual pension plan investment performance.

Total liabilities for Governmental Activities increased \$2.6 million. Current Liabilities increased by \$3.1 million and non-current liabilities decreased by \$0.5 million. The majority of the increase in current liabilities relates to an increase in vouchers payable at year end of which \$1.3 million relates to paving in the Greater Port Charlotte area and \$1.7 million relates to the Harborwalk Phase 1B project in the Charlotte Harbor Redevelopment area. Long-term liabilities for Governmental activities decreased by \$5 million, of which special assessment loans payable increased \$15 million due to the addition of new general government State Revolving Fund loans, loans payable decreased \$1.5 million, bonds payable decreased \$4 million and the total OPEB Liability decreased \$10 million due to the implementation of GASB 75.

Total liabilities for Business-type Activities increased \$6.4 million, of which bonds payable decreased by \$13 million, loans and assessments payable increased by \$19 million, OPEB and pension liability increased \$1 million and landfill closure costs decreased approximately \$.5 million.

Unrestricted Net Position for Governmental Activities increased \$3.3 million. This is due in part to the decrease in the total OPEB liability in the amount of \$9.6 million due to the implementation of GASB 75. Unrestricted net position for Business-type activities decreased \$124 thousand. The effect of changes in pension related liabilities and deferrals on unrestricted net position was negative \$11.5 million for Governmental Activities, and negative \$700 thousand on Business-type Activities.

The restricted net positions are those provided for by resolution of the Board for the issuance of bonds that are restricted by law or that may not be spent otherwise if collected for a specific purpose. County sales tax extension fund balances are examples of specific purpose funds only expendable on previously established sales tax projects, without action by the Board of County Commissioners. With most special revenue funds, the same restriction is true.

The unrestricted balance represents assets that are available for spending at the discretion of the Board of County Commissioners. The unrestricted net position balance of \$74.1 million represents 5.7% of total net position.

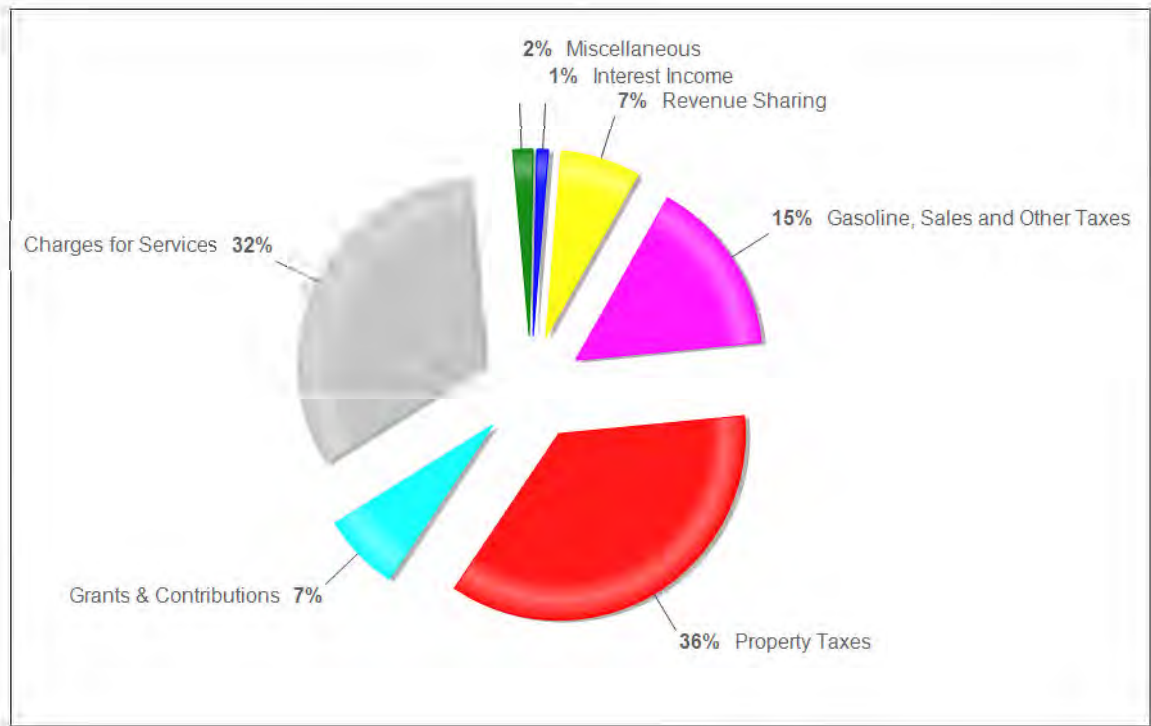
The schedule on the next page compares the revenues and expenses for the primary government for the current and previous fiscal years.

Charlotte County, Florida
Summary of Revenues and Expenses
Fiscal Years ended September 30, 2018 and 2017
(\$000's)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES:						
Program Revenues:						
Charges for Services	\$ 119,739	\$ 109,533	\$ 90,180	\$ 88,062	\$ 209,919	\$ 197,595
Operating Grants and Contributions	14,705	14,671	-	555	14,705	15,226
Capital Grants and Contributions	10,153	5,271	10,164	9,105	20,317	14,376
Total Program Revenues	144,597	129,475	100,344	97,722	244,941	227,197
General Revenues:						
Taxes:						
Property	132,023	121,724	-	-	132,023	121,724
Gasoline	10,192	10,025	-	-	10,192	10,025
Tourist dev	4,160	3,899	-	-	4,160	3,899
Communication services	4,892	5,404	-	-	4,892	5,404
Sales tax	27,009	25,646	-	-	27,009	25,646
Franchise taxes	9,447	9,212	-	-	9,447	9,212
Other	431	466	-	-	431	466
Revenue Sharing	25,441	24,258	-	-	25,441	24,258
Interest income	3,872	3,458	1,117	957	4,989	4,415
Miscellaneous	6,461	3,896	6,237	5,866	12,698	9,762
Total General Revenues	223,928	207,988	7,354	6,823	231,282	214,811
Total Revenues	368,525	337,463	107,698	104,545	476,223	442,008
EXPENSES:						
Program Activities:						
General Government	47,053	63,989	-	-	47,053	63,989
Public safety	139,560	134,939	-	-	139,560	134,939
Physical environment	17,595	14,589	-	-	17,595	14,589
Transportation	71,521	66,956	-	-	71,521	66,956
Economic environment	3,478	3,370	-	-	3,478	3,370
Human services	15,916	16,836	-	-	15,916	16,836
Culture and recreation	31,431	26,623	-	-	31,431	26,623
Interest on long-term debt	3,400	3,114	-	-	3,400	3,114
Business-type Activities:						
Water and Sewer	-	-	63,322	59,683	63,322	59,683
Solid Waste Collection and Disposal	-	-	20,831	20,045	20,831	20,045
Total Expenses	329,954	330,416	84,153	79,728	414,107	410,144
Change in Net Position Before Transfers	38,571	7,047	23,545	24,817	62,116	31,864
Transfers	510	508	(510)	(508)	-	-
Changes in Net Position	39,081	7,555	23,035	24,309	62,116	31,864
Net Position October 1	958,453	950,898	258,795	234,486	1,217,248	1,185,384
Restatement of Net Position	11,657	-	115	-	11,772	-
Net Position October 1, as restated	976,013	-	258,910	-	1,234,923	-
Net Position September 30	\$ 1,009,191	\$ 958,453	\$ 281,945	\$ 258,795	\$ 1,291,136	\$ 1,217,248

Governmental Activities

Revenue by Source



	Revenues	Percent of Total Revenue
Charges for Services	\$ 119,739	32 %
Grants and Contributions	24,858	7 %
Property taxes	132,023	36 %
Gasoline, Sales, and Other Taxes	56,131	15 %
Revenue Sharing	25,441	7 %
Interest income	3,872	1 %
Miscellaneous	6,461	2 %
Totals	<u>\$ 368,525</u>	<u>100 %</u>

Revenues

Total revenues amounted to \$368.5 million. Ad valorem property taxes of \$132.0 million make up 36% of the total revenues. Ad valorem property taxes increased by \$10.3 million, which represents an increase of 8.5% when compared to 2017. Charlotte County experienced a \$1.2 billion increase in property values, an 8.6% increase from 2017. This increase results in an increase in ad valorem revenues of \$10.3 million. Millage rates remained flat with prior year, with the exception of Don Pedro/knight Island Street and Drainage District, which had a millage reduction of .3602 and resulted in a revenue decrease of \$120 thousand from fiscal year 2017.

Charges for Services were \$119.7 million, which represented 32.0% of total revenues and were \$10.2 million higher than 2017. Included in Charges for Services category are fees related to recreational programs, building permit fees, animal control, ambulance fees, court related fines fees and court costs and charges for street and drainage maintenance work to the various municipal service benefit units (MSBU's) within the County. The majority of the increase is in the area of Public Safety, where increased assessment and charges for services were higher than the prior year, and in the area of Physical Environment, under which the new Manasota Key and Don Pedro/Knight Island special assessment fees were collected.

Grants and Contributions were \$24.9 million, which represented 7% of total revenues and were \$4.9 million higher than 2017. Capital grants increased by \$4.8 million due to a new FDOT capital grant award in 2017 of \$4.1 million for the Charlotte Harbor US 41 Gateway Boardwalk project.

Gasoline, sales, and other taxes were \$56.1 million which represented 15% of total revenues and were \$1.5 million higher than 2017 due to improving economic conditions throughout the State. Included in this category are local option fuel taxes, tourist development tax, communication services tax, Florida Power and Light (FPL) franchise fees, and a one cent local option sales tax on Infrastructure, which represents the majority of the positive variance. The County's one cent infrastructure surcharge generated \$27 million in FY 2018 vs \$25.6 million in FY 2017. The current infrastructure sales tax was renewed by voter referendum in November, 2014 and expires on December 31, 2020.

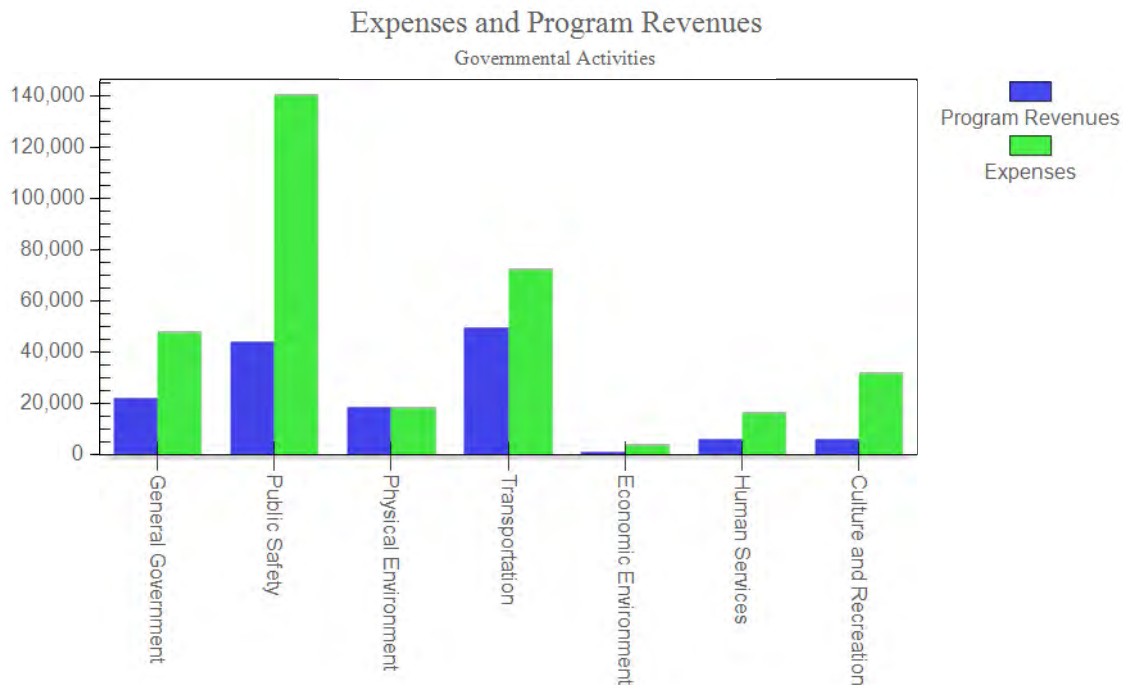
Revenue Sharing was \$25.4 million which represented 7% of total revenues and is \$1.2 million higher than FY 2017. Revenue sharing includes the money sent to local governments from the State sales tax, State gas tax, and the State Housing Initiatives Partnership Program (SHIP) fund and funding for court related operations by the Clerk of Courts. The majority of the increase is related to the local government half cent sales tax distribution from the State, which increased by \$900 thousand.

Interest Income was \$3.9 million, which represents 1% of total revenues and increased \$0.4 million, or 12.0% from FY 2017. This increase is primarily the result of favorable interest rates offset by a decrease in fair market value of investments at year-end. There was a negative FMV adjustment of \$3.5 million in FY 2018 vs. a negative FMV adjustment of \$1 million in FY 2017, which was due to the rising interest rate environment in 2018.

Miscellaneous revenue totaling \$6.5 million is \$2.6 million or 66.7% higher than FY 2017; \$900 thousand of this increase was due to an FDOT reimbursement on the US 41 Utility relocation project. The remainder of the increase was due to an approximate \$1 million increase in the inmate medical stop loss revenue in the Public Safety Fund.

Expenses:

Total expenses of \$330.0 million are \$0.5 million or 0.2% lower than the prior year. The following table shows program revenues relative to expenses, excluding \$3.4 million in interest on long-term debt.



	Program Revenues	Expenses
General Government	\$ 21,803	\$ 47,053
Public Safety	43,569	139,560
Physical Environment	18,013	17,595
Transportation	49,166	71,521
Economic Environment	649	3,478
Human Services	5,854	15,916
Culture and Recreation	5,544	31,431
Totals	<u>\$ 144,597</u>	<u>\$ 326,554</u>

General government expenses of \$47.1 million have decreased by \$16.9 million at the entity wide level, 26.4% less than the prior year. General government expenses include the costs of all the administrative and executive departments, the cost of providing legal counsel, and the cost of the comprehensive planning departments, which include planning, zoning and development. In FY 2017, a pending contract for the purchase of 452 acres within the Murdock Village area resulted in a writedown of \$13.7 million at the entity wide level, which caused increased expenditures in 2017 over 2018. Also in FY 2018, a pending contract for the purchase of 156 acres within the Murdock Village area resulted in a further writedown of \$6.4 million at the entity wide level. Board of County Commissioners expenditures increased \$2.7 million, \$450 thousand of which related to salaries and benefits, \$200 thousand related to tax collector fees, \$900 thousand related to repair and maintenance of buildings and improvements post Hurricane Irma and \$450 thousand related to small equipment purchases. Sheriff expenditures in this category increased \$158 thousand and Tax Collector expenditures increased \$900 thousand. The impact of pension related adjustments for General Government expenses was an increase of \$106 thousand. The impact of OPEB expense was a decrease of \$150 thousand due to the implementation of GASB 75.

Public safety expenses increased \$4.6 million or 3.4%. Public safety expenses include fire protection, law enforcement, emergency medical services, emergency management and the medical examiner. The year to year decrease in pension expense is \$32 thousand. Salaries and benefits for Sheriff employees increased by \$108 thousand. Fire & EMS and other BCC-related public safety departments personal services increased by \$1.9 million. In addition, the Sheriff's OPEB expense decreased \$2.9 million over the prior year as a result of the implementation of GASB 75.

Culture and Recreation expenses increased \$4.8 million or 18.0% compared to the prior year. These expenses include Parks and Recreation, Libraries, Tourism department and the Historical center. Salaries and benefits increased \$500 thousand, purchased services in general increased \$2 million, with \$1.5 million of that in the repairs and maintenance area. The impact of pension expense increases for Culture and Recreation activities was an increase of \$25 thousand. The impact of OPEB expense was a decrease of \$2 thousand.

Economic Environment expenses increased \$0.1 million or 3.0%. This increase occurred in the Economic Development Office of the BOCC in the area of purchased services pertaining to expenses incurred for county owned SHIP properties .

Physical Environment expenses increased \$3.0 million or 20.6% as compared to the prior year. This increase is primarily due to the transfer of an asset of \$3.2 million that was donated/contributed in the prior year but was then transferred in 2018 from Transportation to Physical Environment.

Human Services expenses decreased \$0.9 million or 5.3% below prior year. Contract and Purchased services related to transit programs increased \$290 thousand.

Transportation expenses are \$4.6 million higher than FY 2017. Transportation programs involve bridge, paving and drainage projects and are viewed as significant on-going programs over multiple years. Offsetting this variance is an increase of \$9 million in contract services, which mainly consists of paving expenses among the various MSBU's, a \$900 thousand increase in salaries and benefits and a \$1 million increase in purchased services in the area of public works operating fees.

Interest on long-term debt increased \$286 thousand or 9.2%. This is the result of paydown of debt according to scheduled amortization.

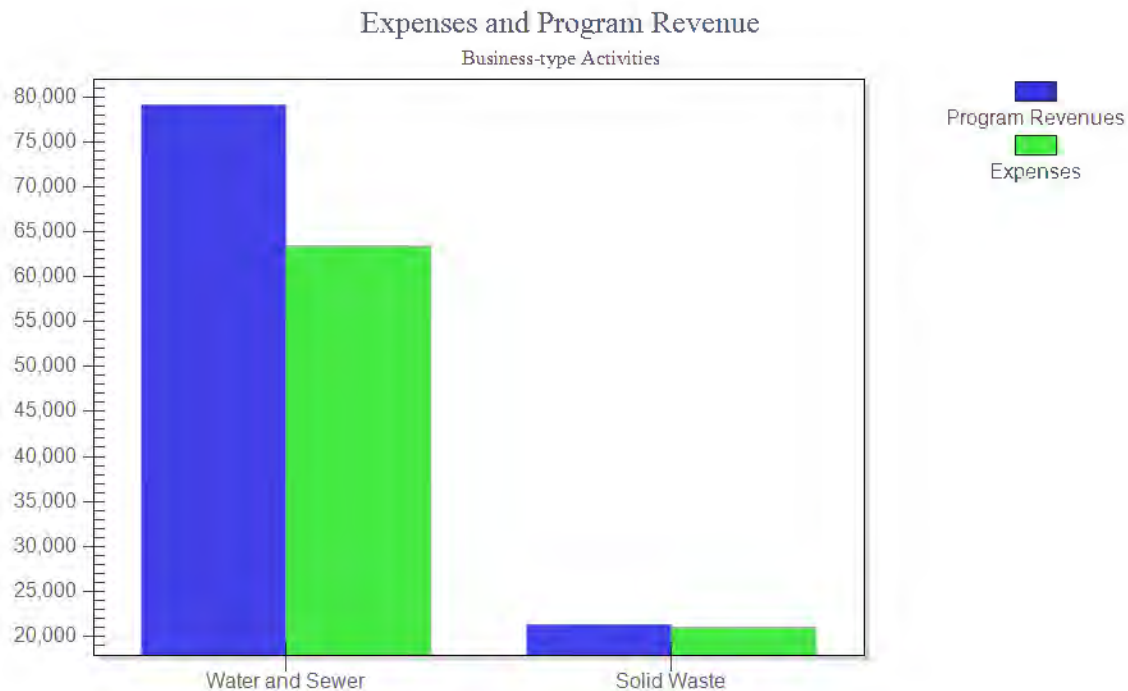
Business-type Activities

Revenues

Revenues from business-type activities increased \$3.2 million or 3.1% compared to the prior year. Program Revenues were 93.2% of revenues, \$2.6 million higher than FY 2017.

In the area of solid waste, Charlotte Sanitation District charges for services of \$21.2 million increased by \$1.5 million or 8% over the prior year due to growth, as rates remained consistent.

Water and sewer charges for services of \$69.0 million increased \$700 thousand or 3% from prior year. The number of gallons sold for Water and Sewer combined increased by 3%; the number of water connections increased by 3,951 and the number of sewer customers increased by 3,154. There were no rate increases for water and sewer during FY 2018. Capital Grants and contributions of \$10.2 million were \$1 million higher than 2017, which was due to increased grants in the Spring Lake assessment area.



	Program Revenue	Expenses
Water and Sewer	\$ 79,116	\$ 63,322
Solid Waste	21,228	20,831
Totals	<u>\$ 100,344</u>	<u>\$ 84,153</u>

Expenses in business-type activities increased by \$4.4 million or 5.5%. Water and Sewer Operating expenses were \$3.6 million or 6.1% higher than 2017, while Solid Waste expenses were \$0.8 million or 3.9% higher than FY 2017.

Water and Sewer expenses of \$63.3 million are \$3.6 million higher than FY 2017. Depreciation expense increased \$1.7 million, central and direct costs increased \$1.5 million and interest expense increased \$1.8 million, primarily as a result of the County no longer capitalizing interest due to implementation of GASB 89. The impacts of pension expense adjustments is a \$650 thousand increase. OPEB expense increased \$28 thousand due to the implementation of GASB 75 and salaries and fringe benefits for the utility increased by \$500 thousand.

Solid waste collection and disposal expenses of \$20.8 million increased by \$0.8 million or 4%. Landfill expenses were \$66 thousand lower than FY 2017. There was no additional Landfill closure cost expense in 2018 due to the updated closure costs estimates being on target. Charlotte Sanitation District expenses increased by \$800 thousand due to a small increase of about \$200 thousand in fees paid to the landfill over the prior year.

Financial Analysis of Governmental Funds

As of September 30, 2018, County governmental funds reported combined ending fund balances of \$392.8 million, an increase of \$10.7 million, or 2.8% compared to the previous year. Of the total fund balance, \$187.3 million represents special revenue funds for which balances must be used for the purpose the revenues were collected. \$137.2 million of the fund balance represents capital project fund balances.

The fund balance of the General Fund decreased \$1.3 million, to \$67.9 million, during the year ending September 30, 2018. General fund revenues increased by \$5.7 million. Ad Valorem taxes increased by \$2.3 million, primarily due to increased valuations as discussed earlier. Miscellaneous revenues increased \$900 thousand, due to increased interest earnings and proceeds from the sale of land. Total General Fund expenditures increased by \$1.3 million. Of that, general government

expenditures decreased \$3.2 million, or 9.2%, \$600 thousand of which was for computer maintenance systems, \$500 thousand in buildings and \$400 thousand of which was decrease in repair and maintenance costs. Public Safety expenditures in the General fund increased by \$2.3 million, of which \$1.1 million was related to Sheriff salaries and wages and \$750 thousand was an increase in the Sheriff's capital expenses. Net Transfers In to the General Fund increased by \$5.3 million. In addition, the beginning fund balance was \$2.1 million lower than the prior year beginning fund balance.

The fund balance of the Public Safety Fund increased by \$0.2 million to \$1.6 million. Expenditures in the Public Safety fund only include those pertaining to the Sheriff's operations, including the corrections facility, court related security and law enforcement. Approximately 65% of the Sheriff's operating budget funds law enforcement operations, 32% funds the correctional facility, and 3% funds the Sheriff's court operations. Ad Valorem taxes increased by \$5.8 million in the Public Safety fund due to valuation increases. The County's direct costs for the Sheriff & County Correctional facility increased by \$700 thousand. Net Transfers Out to the Sheriff to fund all of his operations increased by \$3 million. Year to year beginning fund balances decreased by \$3.7 million. Sheriff excess fees, by approval of the Board of County Commissioners, are now being transferred to a capital projects fund dedicated to Law Enforcement-related infrastructure and are no longer left to accumulate in the Public Safety Fund. In FY 2018, 2.7 million was transferred for that purpose.

Street and Drainage Maintenance combined fund balances increased \$4.9 million to \$73.1 million. There are 36 individual street and drainage units that comprise this fund balance. Assessment Revenue increased by \$700 thousand. Timing of expenditures of paving programs cause year to year fluctuations in fund balance. Expenditures increased by \$11.4 million, mainly due to extensive paving programs in the Deep Creek, Greater Port Charlotte, Gulf Cove, NW Port Charlotte, Peace River Shores, Punta Gorda North, Rotonda Heights and Rotonda Meadows MSBUs. New commercial paper borrowings for paving programs increased fund balance by \$16.2 million. Year to year beginning fund balances increased by \$5.9 million.

General Fund Budgetary Highlights

The budgetary comparison schedule is found on pages I-30 - I-32. During the year the original budget for General Fund revenues and beginning fund balances was amended as follows:

The Revenue amendments in the General Fund totaled a positive \$935 thousand. The amendments consist of intergovernmental grant revenue for emergency management and Transit related grants. Adjustments to the General Fund expenditures budget was \$9.1 million, mainly in the general fund area where a \$6.8 million budget adjustment was made for the Hurricane Irma related expenses in the Hurricane Fund which are pending FEMA reimbursement.

The General Fund balance for FY 2018 was \$6.7 million higher than the final amended budget. Revenues were \$8.3 million higher than budgeted, mostly in the area of Charges for Services. Total expenditures were \$6.6 million lower than budgeted; \$765 thousand lower in Human Services salaries and purchased services, \$800 thousand lower in Culture and Recreation salaries and purchased services, \$4 million in General Government.

Capital Asset and Debt Administration

At September 30, 2018, the County had \$1.2 billion invested in capital assets, including fire equipment, buildings, park facilities, roads, bridges and water and sewer lines.

Charlotte County, Florida Capital Assets September 30, 2018 (\$000's)

	Governmental Activities	Business-type Activities	Total
Land	\$ 181,875	\$ 25,288	\$ 207,163
Buildings	252,855	17,428	270,283
Improvement other than buildings	109,104	434,693	543,797
Equipment	117,929	25,463	143,392
Infrastructure	523,063	-	523,063
Construction in progress	53,803	73,172	126,975
Intangible assets	5,460	39,668	45,128
Less: Accumulated Depreciation and Amortization			
Buildings and improvements	(133,230)	(224,726)	(357,956)
Equipment	(85,323)	(14,513)	(99,836)
Infrastructure	(182,687)	-	(182,687)
Intangible assets	(1,512)	(29,078)	(30,590)
Totals	<u>\$ 841,337</u>	<u>\$ 347,395</u>	<u>\$ 1,188,732</u>

Additional information on the County's capital asset activity can be found in notes to the financial statements (Note 8, Capital Assets) found on pages I-63 - I-64 of this report.

Major projects completed during Fiscal 2018 include the following:

- Edgewater Corridor Phase 2 widening project, the road to be widened to four lanes divided from Harbor to Midway Boulevard to include sidewalks and bike facilities. This project was funded mainly through sales tax, gas tax and road impact fees. The total cost of this project is \$29.8 million.
- Midway Boulevard widening project, the road to be widened to four lanes divided from Sharpe Street to Kings Highway to include increasing the drainage capacity under US 41 at three locations,. This project was funded mainly through sales tax, gas tax and road impact fees. The total cost of this project is \$30.2 million.
- The Jail Expansion Phase I project to include the addition of a 128-bed medical wing to serve clinic, infirmary, mental health and dental needs of detainees and initiate Phase I of energy plant expansion to accommodate the new wing. This project was funded mainly through sales tax and ad valorem funds. The total cost of this project is \$11.4 million.
- CR 775 (Placida Road) widening project to be widened from Cape Haze Drive to Rotonda Boulevard West and also to design and construct several roadway safety improvements in the area. This project was funded mainly through sales tax, gas tax and road impact fees. The total cost of the project is \$12.7 million.

Debt

At September 30, 2018, the County had total bonded debt outstanding of \$0.1 million. This is a decrease of \$15.9 million compared to September 30, 2017 due to scheduled bond payments made throughout the year. Total County debt has increased \$10.1 million, which is attributable to combination of new debt issued in the amount of \$39.3 million offset by debt payments made throughout the year in the amount of \$29.2 million. The County issued new commercial paper loans of \$20.3 million for various paving projects and new state revolving fund loans for \$19 million for various Utility projects. A more detailed discussion of outstanding debt can be found in Note 9 of the financial statements, Long-Term Obligations, on page I-65 of this report and in Note 12, Defeased Debt, on page I-77.

	2018 (\$000's)	2017 (\$000's)	Variance (\$000's)
General Obligation Bonds	\$ 26,330	\$ 28,955	\$ (2,625)
Revenue & Special Assmt. Bonds	112,455	125,700	(13,245)
Notes and Loans Payable	31,163	34,377	(3,214)
Florida Local Government Finance Commission	52,342	41,591	10,751
State Revolving Fund	40,980	22,588	18,392
Total	<u>\$ 263,270</u>	<u>\$ 253,211</u>	<u>\$ 10,059</u>

The County has a current bond rating for its Utility revenue bonds of Aa3 from Moody's and AA- from Standard & Poor's. Charlotte County's Capital Improvement Revenue bonds have a current bond rating of Aa3 from Moody's.

The County's debt from general obligation bonds relates to the referendum passed in 2008, which allowed the County to issue debt for the purchase of environmentally sensitive lands. To date, the .2 mills levied for debt service annually has not produced enough revenue to pay the debt service. In FY 2012, this bond was refinanced and the interest rate was reduced from 4.18% to 2.11%. The net present value of savings from this significant interest rate reduction is \$5.9 million. The decision was made during FY 2012 to use the balance remaining of \$3.3 million from original bond proceeds to finance the debt and make up the shortfall in ad valorem revenues from inception. From inception, through 2018, the ad valorem shortfall totals \$7.4 million. Interest earnings of \$965 thousand, excess tax collector fees of \$320.4 thousand and related grant reimbursement revenues of \$1.1 million also helped to fund the shortfall through 2018. In addition, interfund transfers from the Capital Projects fund totaling \$1.9 million have been made. It is anticipated that there will no longer be a shortfall beginning in FY 2019 and there will no longer be a need for additional transfers from the Capital projects fund.

Revenue Bonds consist mostly of Charlotte County Utility debts which is financed through connection fees and utility operations revenues. Included in revenue bonds is the Series 2015 refinancing of the 2007 Capital Improvement Bonds, which were issued to finance the reconstruction of the Charlotte County Sports Park. The pledged revenue for these bonds is the communication sales tax; however, the County uses a 4th and 5th cent tourist tax, state grant dollars and annual capital contributions from the Rays to actually service the debt.. Through September 30, 2018, the amount available for debt service from the 4th and 5th cent tourist tax exceeded the amount actually needed to service the debt and there remains at year end a balance in that fund of \$1.6 million. Other revenue sources used to service the debt in lieu of tourist tax include interest income of \$108.3 thousand and impact fees of \$701 thousand, which were used to service the debt when tourism taxes were not sufficient in prior years. In addition, there is a net present value savings realized from the 2015 refunding to date of \$333.7 thousand. The total estimated present value savings from the 2015 refinancing over the life of the debt is \$1.5 million.

Notes and Loans payable consists of the Murdock Village note payable to Bank of America, N.A.. In FY 2012, the County renewed the loan with Bank of America, N.A. for Murdock Village, with an interest rate reduction to 2.95% from 3.48%. The balance at Fiscal Year end 2018 is \$31.1 million. The debt reduction is accomplished through a series of interfund transfers from the County's capital projects fund budgeted and appropriated each year during the budget cycle.

The Florida Local Government Finance Commission issues pooled commercial paper to member counties to fund a variety of infrastructure projects at very affordable interest rates. Most of the borrowings in this category relate to paving projects within the various Municipal Services Benefit Units (MSBU's), and the repayment of the debt is made via special assessments within those benefiting units. In 2018, the County increased it's commercial paper borrowings by \$20.3 million to fund several road paving projects.

The State Revolving Fund debt consists mainly of loans relating to water and sewer projects throughout the County, also at very low interest rates, as to make these projects affordable. The repayment of the majority of the debt is made via special assessments within those benefiting units. The remaining loans that are not special assessment-related are repaid through Utilities operating and connection fee funds. In 2018, the County was approved for additional SRF loan funding in the amount of \$19 million to fund various Utility System projects. These loans are cost reimbursement based and repayments on these new loans will begin in 2019 and later. More information can be found on these timelines in Note 9 of the financial statements, Long- term Obligations, on page I-65 of this report.

During 2009, both a debt policy and a reserve policy were adopted by the Board of County Commissioners as a result of a voter referendum to amend the County's Charter. These policies are reviewed and approved by the Board annually during the budget process.

The Constitution of the State of Florida, Section 200.181 of the Florida Statutes, and Charlotte County set no legal debt limit. There is no legal debt limit for General Obligation debt in Charlotte County. Additional information on the long-term debt can be found in notes to the financial statements (Note 9) found on pages I-65 - I-75 of this report.

ECONOMIC FACTORS AND BUDGETS AND RATES FOR NEXT YEAR

County valuations have increased in the upcoming fiscal year by 8.6%, which is the fifth year of increase since the recession, the economy and building industry has turned around. That increase in valuation equates to a \$7.6 million increase in ad valorem revenues county-wide. Net new value has doubled from the previous year. The number of new construction permits issued increased from 1,140 in FY 2017 to 1,711 in FY 2018. Tourism revenues for Charlotte County are at an all time high, having increased 6.7% over the prior year; another signal of economic growth in Charlotte County.

The Board of County Commissioners, at their final budget public hearing held on September 25, 2018, adopted the budget and associated millage rates. The decision was made to hold millage rates flat with FY 2017 for all areas with the exception of the Don Pedro/Knight Island MSBU, which had a millage decrease.

The Board of County Commissioners' strategic goals are being addressed and reflected throughout the budget. At their workshop in January 2018, the Charlotte County Board of County Commissioners set the following priority outcomes:

1. Enhancing community life by clean air and water, conservation of wildlife and natural resources and provide community amenities.
2. Stabilize and maintain County-wide infrastructure.
3. Creating a business climate that promotes a diversified, growing economy consistent with established growth management plans and enhanced quality of life.
4. Ensure quality of natural water resources and provide a safe and reliable water supply.
5. Manage growth and change consistent with the County's comprehensive plan to maximize quality of life with emphasis on efficient processes that support positive business, neighborhood communities, and protect our environmental assets.
6. Maintain a safe and healthy community in which to live.
7. Pursue available funding sources to facilitate providing services to meet community needs.
8. Facilitate the County's capacity to govern and manage effectively in the rapidly changing and challenging environment.
9. Continue to increase the effectiveness of local government and maintain a strong financial condition.

More detail on the Board's Strategic plan can be found on the County's website at www.charlottecountyfl.gov. We are dedicated to ensuring that Charlotte County Government delivers the programs and services at the highest level as prioritized by the Board of County Commissioners and the community.

CONTACT INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Comptroller's Division, Charlotte County Clerk of the Circuit Court, 18500 Murdock Circle, Port Charlotte, Florida 33948. You may also reach the Comptroller's Division by calling 941-743-1413.

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 58,847,954	\$ 9,453,235	\$ 68,301,189	\$ 217,714
Restricted cash and cash equivalents	-	1,431,174	1,431,174	-
Investments	359,876,484	26,912,983	386,789,467	-
Restricted investments	-	13,776,545	13,776,545	-
Restricted investments with trustee	-	3,665,857	3,665,857	-
Accounts and assessments receivable - net	4,002,840	8,589,743	12,592,583	-
Interfund balances	8,806,440	(8,806,440)	-	-
Due from other governments	29,019,740	4,250,655	33,270,395	-
Inventory of supplies, at cost	1,008,586	593,291	1,601,877	-
Land held for resale	35,472,737	-	35,472,737	-
Other assets	3,114,248	887,850	4,002,098	-
Total current assets	500,149,029	60,754,893	560,903,922	217,714
Noncurrent assets:				
Restricted cash	-	4,272,658	4,272,658	-
Restricted investments	-	45,430,121	45,430,121	-
Special assessment receivable - net	-	16,535,635	16,535,635	-
Other assets-long term	250,000	360,084	610,084	-
Capital assets:				
Land	181,875,164	25,288,187	207,163,351	14,796
Buildings	252,854,970	17,428,618	270,283,588	-
Improvement other than buildings	109,103,695	434,693,306	543,797,001	-
Equipment	117,929,104	25,462,514	143,391,618	-
Infrastructure	523,063,166	-	523,063,166	-
Construction in progress	53,803,230	73,171,912	126,975,142	-
Intangible assets	5,459,906	39,667,717	45,127,623	-
Less accumulated depreciation and amortization	(402,751,968)	(268,316,747)	(671,068,715)	-
Total noncurrent assets	841,587,267	413,994,005	1,255,581,272	14,796
Total assets	1,341,736,296	474,748,898	1,816,485,194	232,510
Deferred outflows of resources:				
Deferred charge on refunding	1,008,421	6,644,481	7,652,902	-
Deferred outflow - OPEB related	514,894	110,152	625,046	-
Deferred outflow - Pension related	68,320,340	4,668,454	72,988,794	-
Total deferred outflows of resources	\$ 69,843,655	\$ 11,423,087	\$ 81,266,742	\$ -

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
LIABILITIES				
Current liabilities:				
Accounts and vouchers payable	\$ 19,364,835	\$ 5,550,572	\$ 24,915,407	\$ -
Contracts payable	6,729,642	2,090,107	8,819,749	-
Accrued liabilities	3,341,339	440,422	3,781,761	-
Due to other governmental agencies	2,266,851	-	2,266,851	-
Self-insurance claims payable	4,873,176	-	4,873,176	-
Unearned revenue	2,554,244	976,843	3,531,087	-
Deposits	1,692,880	5,155,468	6,848,348	-
Special assessments loans payable	4,935,600	1,798,689	6,734,289	-
Loans payable	8,004,698	2,032,565	10,037,263	-
Bonds payable	3,775,000	12,515,000	16,290,000	-
Capital lease payable	108,544	-	108,544	-
Accrued compensated absences	4,763,512	99,145	4,862,657	-
Net pension liability	724,864	166,071	890,935	-
Matured interest payable	659,306	1,692,130	2,351,436	-
Matured bonds payable	1,055,000	-	1,055,000	-
Other liabilities	4,170,095	16,272	4,186,367	-
Total current liabilities	69,019,586	32,533,284	101,552,870	-
Noncurrent liabilities:				
Special assessments loans payable	31,059,800	19,750,598	50,810,398	-
Loans payable	36,839,795	20,063,609	56,903,404	-
Bonds payable	41,389,560	85,014,058	126,403,618	-
Accrued compensated absences	9,234,913	986,154	10,221,067	-
Total OPEB liability	32,929,943	1,713,427	34,643,370	-
Net pension liability	160,408,483	11,829,732	172,238,215	-
Unearned revenue	-	20,639,921	20,639,921	-
Landfill closure costs	-	10,535,650	10,535,650	-
Self-insurance claims payable	3,254,000	-	3,254,000	-
Total noncurrent liabilities	315,116,494	170,533,149	485,649,643	-
Total liabilities	384,136,080	203,066,433	587,202,513	-
Deferred inflows of resources:				
Deferred inflow - OPEB related	1,336,616	37,596	1,374,212	-
Deferred inflow - Pension related	16,916,328	1,122,481	18,038,809	-
Total deferred inflow of resources	18,252,944	1,160,077	19,413,021	-

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
NET POSITION				
Net investment in capital assets	\$ 785,082,880	\$ 212,865,467	\$ 997,948,347	\$ 14,796
Restricted for:				
Debt service	-	3,286,139	3,286,139	-
Contractual obligations	-	32,922,471	32,922,471	-
General government	4,962,174	-	4,962,174	-
General government-court related	2,236,435	-	2,236,435	-
Public safety	13,670,759	-	13,670,759	-
Physical environment	35,212,832	-	35,212,832	-
Transportation	102,695,430	-	102,695,430	-
Human services	5,918,920	-	5,918,920	-
Culture and recreation	18,186,168	-	18,186,168	-
Unrestricted	41,225,329	32,871,398	74,096,727	217,714
Total net position	<u>\$ 1,009,190,927</u>	<u>\$ 281,945,475</u>	<u>\$ 1,291,136,402</u>	<u>\$ 232,510</u>

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

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2018

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 39,271,703	\$ 16,218,968	\$ 665,613	\$ 469,471
Court related	7,780,253	4,448,923	-	-
Public safety	139,560,034	42,781,388	145,074	642,285
Physical environment	17,595,320	11,002,491	6,735,649	274,726
Transportation	71,521,456	41,061,132	253,781	7,850,886
Economic environment	3,478,136	442,770	205,939	-
Human services	15,916,153	604,947	5,200,462	49,096
Culture and recreation	31,431,094	3,178,081	1,498,388	867,163
Interest on long-term debt	3,400,152	-	-	-
Total governmental activities	<u>329,954,301</u>	<u>119,738,700</u>	<u>14,704,906</u>	<u>10,153,627</u>
Business-type Activities:				
Water and sewer	63,321,356	68,951,139	-	10,164,416
Solid waste	20,831,302	21,228,711	-	-
Total business-type activities	<u>84,152,658</u>	<u>90,179,850</u>	<u>-</u>	<u>10,164,416</u>
Total primary government	<u>\$ 414,106,959</u>	<u>\$ 209,918,550</u>	<u>\$ 14,704,906</u>	<u>\$ 20,318,043</u>
Component Unit				
Charlotte County Industrial Development Authority	\$ 9,200	\$ -	\$ -	\$ -
Total component unit	<u>\$ 9,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes
Property
Gasoline
Communication services
Tourist development
Other
Sales tax
Franchise taxes
Revenue sharing
Restricted revenue sharing
Unrestricted state shared revenues
Unrestricted revenue sharing
Interest income
Miscellaneous
Transfers
Total general revenues and transfers
Changes in net position
Net position - beginning
Restatement of beginning net position
Net position - beginning, as restated
Net position - ending

Net (Expenses) Revenue and Changes in Net Positions

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Totals	Industrial Development Authority
\$ (21,917,651)	\$ -	\$ (21,917,651)	\$ -
(3,331,330)	-	(3,331,330)	-
(95,991,287)	-	(95,991,287)	-
417,546	-	417,546	-
(22,355,657)	-	(22,355,657)	-
(2,829,427)	-	(2,829,427)	-
(10,061,648)	-	(10,061,648)	-
(25,887,462)	-	(25,887,462)	-
(3,400,152)	-	(3,400,152)	-
<u>(185,357,068)</u>	<u>-</u>	<u>(185,357,068)</u>	<u>-</u>
-	15,794,199	15,794,199	-
-	397,409	397,409	-
-	16,191,608	16,191,608	-
<u>(185,357,068)</u>	<u>16,191,608</u>	<u>(169,165,460)</u>	<u>-</u>
			(9,200)
			<u>(9,200)</u>
132,022,596	-	132,022,596	-
10,192,336	-	10,192,336	-
4,892,323	-	4,892,323	-
4,159,690	-	4,159,690	-
430,911	-	430,911	-
27,009,032	-	27,009,032	-
9,447,366	-	9,447,366	-
4,938,034	-	4,938,034	-
20,503,101	-	20,503,101	-
3,871,821	1,116,832	4,988,653	183
6,461,019	6,237,080	12,698,099	55,720
510,033	(510,033)	-	-
<u>224,438,262</u>	<u>6,843,879</u>	<u>231,282,141</u>	<u>55,903</u>
<u>39,081,194</u>	<u>23,035,487</u>	<u>62,116,681</u>	<u>46,703</u>
958,452,790	258,794,513	1,217,247,303	185,807
11,656,943	115,475	11,772,418	-
<u>970,109,733</u>	<u>258,909,988</u>	<u>1,229,019,721</u>	<u>185,807</u>
<u>\$1,009,190,927</u>	<u>\$ 281,945,475</u>	<u>\$ 1,291,136,402</u>	<u>\$ 232,510</u>

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

CHARLOTTE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	<u>General Fund</u>	<u>Charlotte Public Safety</u>
ASSETS		
Cash and cash equivalents	\$ 21,272,524	\$ 229,278
Investments	51,956,039	2,692,124
Accounts and assessments receivable, net	3,166,269	-
Due from other funds	1,897,193	608,688
Advances to other funds	2,595,955	-
Due from other governmental agencies	5,001,009	-
Inventory of supplies, at cost	-	-
Other assets	938,795	11,474
Total assets	<u>\$ 86,827,784</u>	<u>\$ 3,541,564</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and vouchers payable	\$ 2,497,037	\$ 1,809,515
Contracts payable	-	-
Accrued liabilities	3,900,515	9,351
Due to other funds	4,928,021	117,639
Due to other governmental agencies	2,229,215	-
Advances from other funds	-	-
Deposits	591,762	-
Unearned revenue	582,027	-
Matured interest payable	-	-
Matured bonds payable	-	-
Other liabilities	3,367,764	-
Total liabilities	<u>18,096,341</u>	<u>1,936,505</u>
Deferred Inflows of Resources		
Unavailable revenue	<u>850,424</u>	<u>-</u>
Fund Balance		
Nonspendable	645,541	2,960
Restricted	1,699,024	-
Committed	-	-
Assigned	5,220,528	1,602,099
Unassigned	60,315,926	-
Total fund balances	<u>67,881,019</u>	<u>1,605,059</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 86,827,784</u>	<u>\$ 3,541,564</u>

Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 6,183,287	\$ 2,737,329	\$ 23,953,629	\$ 54,376,047
71,949,702	32,076,998	183,148,552	341,823,415
-	-	776,753	3,943,022
423,278	970,517	6,746,988	10,646,664
-	14,416,940	-	17,012,895
-	-	23,995,919	28,996,928
-	-	842,010	842,010
231,280	100,474	1,429,567	2,711,590
<u>\$ 78,787,547</u>	<u>\$ 50,302,258</u>	<u>\$ 240,893,418</u>	<u>\$ 460,352,571</u>
\$ 3,340,657	\$ 1,277,833	\$ 9,877,319	\$ 18,802,361
2,301,635	307,178	4,056,589	6,665,402
-	-	992,162	4,902,028
-	-	5,510,162	10,555,822
-	-	37,636	2,266,851
-	-	8,597,190	8,597,190
4,952	-	1,096,166	1,692,880
-	-	-	582,027
-	-	383,178	383,178
-	-	1,055,000	1,055,000
-	-	795	3,368,559
<u>5,647,244</u>	<u>1,585,011</u>	<u>31,606,197</u>	<u>58,871,298</u>
<u>-</u>	<u>-</u>	<u>7,854,623</u>	<u>8,705,047</u>
-	-	1,407,765	2,056,266
58,377,494	-	122,806,200	182,882,718
-	19,832,639	8,631,096	28,463,735
14,762,809	28,884,608	71,485,073	121,955,117
-	-	(2,897,536)	57,418,390
<u>73,140,303</u>	<u>48,717,247</u>	<u>201,432,598</u>	<u>392,776,226</u>
<u>\$ 78,787,547</u>	<u>\$ 50,302,258</u>	<u>\$ 240,893,418</u>	<u>\$ 460,352,571</u>

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

CHARLOTTE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2018

Fund balances - total governmental funds.	\$ 392,776,226
Capital assets, net of accumulated depreciation, and amortization used in governmental activities are not financial resources and are, therefore, not reported in the governmental funds.	839,441,065
Land held for resale in governmental activities is derived from capital assets, which are not financial resources, and is, therefore, not reported in the governmental funds.	35,472,737
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	8,705,047
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (See Note 2).	(281,455,546)
The assets and liabilities of Internal Service Funds, in addition to those otherwise allocated, are included in the governmental activities in the Statement of Net Position.	<u>14,251,398</u>
Total net position of governmental activities	<u>\$ 1,009,190,927</u>

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

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2018

	<u>General Fund</u>	<u>Charlotte Public Safety</u>
Revenues:		
Taxes	\$ 31,002,859	\$ 73,142,358
Assessments levied	-	-
Licenses and permits	10,093,163	-
Intergovernmental	20,879,560	-
Charges for services	19,718,889	-
Fines and forfeitures	551,542	1,625
Impact fees	-	-
Miscellaneous	8,659,535	1,467,784
Total revenues	<u>90,905,548</u>	<u>74,611,767</u>
Expenditures:		
Current		
General government	31,729,833	673,224
Court related	1,566,805	-
Public safety	83,025,743	7,289,899
Physical environment	3,871,222	-
Transportation	975,832	-
Economic environment	2,532,113	-
Human services	8,448,749	-
Culture and recreation	15,604,281	-
Capital outlay	-	-
Debt service	108,543	-
Total expenditures	<u>147,863,121</u>	<u>7,963,123</u>
Excess of revenues over/(under) expenditures	<u>(56,957,573)</u>	<u>66,648,644</u>
Other financing sources (uses)		
Issuance of debt	-	-
Transfers in	75,371,050	996,863
Transfers out	<u>(19,671,031)</u>	<u>(67,480,861)</u>
Total other financing sources (uses):	<u>55,700,019</u>	<u>(66,483,998)</u>
Net change in fund balances	(1,257,554)	164,646
Fund balances, October 1, 2017	69,138,573	1,440,413
Restatement of beginning fund balance	-	-
Fund balances, October 1, 2017, as restated	<u>69,138,573</u>	<u>1,440,413</u>
Fund balances, September 30, 2018	<u>\$ 67,881,019</u>	<u>\$ 1,605,059</u>

Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 950,177	\$ 18,601,850	\$ 55,009,644	\$ 178,706,888
28,202,779	-	32,245,582	60,448,361
-	-	6,378,882	16,472,045
-	297,667	18,339,449	39,516,676
-	144,832	20,759,752	40,623,473
-	-	1,254,320	1,807,487
-	-	4,668,404	4,668,404
772,129	368,004	5,534,585	16,802,037
<u>29,925,085</u>	<u>19,412,353</u>	<u>144,190,618</u>	<u>359,045,371</u>
-	-	3,272,951	35,676,008
-	-	5,952,672	7,519,477
-	-	34,829,372	125,145,014
-	-	5,223,072	9,094,294
36,664,876	-	33,110,920	70,751,628
-	-	860,310	3,392,423
-	-	7,587,766	16,036,515
-	-	6,861,132	22,465,413
-	13,913,384	44,831,346	58,744,730
8,445,295	312,340	15,851,251	24,717,429
<u>45,110,171</u>	<u>14,225,724</u>	<u>158,380,792</u>	<u>373,542,931</u>
<u>(15,185,086)</u>	<u>5,186,629</u>	<u>(14,190,174)</u>	<u>(14,497,560)</u>
19,853,000	-	5,454,000	25,307,000
272,223	808,534	27,882,061	105,330,731
(3,000)	(5,897,918)	(12,420,114)	(105,472,924)
<u>20,122,223</u>	<u>(5,089,384)</u>	<u>20,915,947</u>	<u>25,164,807</u>
4,937,137	97,245	6,725,773	10,667,247
68,203,166	42,716,699	194,706,825	376,205,676
-	5,903,303	-	5,903,303
<u>68,203,166</u>	<u>48,620,002</u>	<u>194,706,825</u>	<u>382,108,979</u>
<u>\$ 73,140,303</u>	<u>\$ 48,717,247</u>	<u>\$ 201,432,598</u>	<u>\$ 392,776,226</u>

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

CHARLOTTE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2018

Net change in fund balances - total governmental funds.	\$ 10,667,247
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Position.	74,390,749
Revaluation of land held for resale presented on the Statement of Activities.	(6,354,192)
Depreciation and amortization expense on governmental capital assets included in the Statement of Activities.	(33,376,134)
Issuance of debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position.	(25,307,000)
Bond, loan and note principal payments are presented as expenditures in governmental funds but not in governmental activities.	21,223,978
The net revenues (expenses) of internal service funds (funds to charge self-insurance, health insurance and vehicle maintenance) are reported with governmental activities.	6,793,125
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. In the statement of activities, however, revenues are reported regardless of when available.	5,124,433
In governmental funds expenditures for interest are recognized when paid; however, in the Statement of Activities, interest payable is reported when the liability is incurred.	28,318
The decrease in accrued compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	194,520
In governmental funds, bond premiums and bond refunding expenditures are recognized when paid; however, in the Statement of Activities these items are amortized.	60,000
The increase in other postemployment benefits, deferred outflows, and deferred inflows are reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(2,890,249)
The increase in pension liability, deferred outflows, and deferred inflows related to pensions are reported in the Statement of Activities, but do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds.	(11,473,601)
Change in net position of governmental activities	<u>\$ 39,081,194</u>

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

CHARLOTTE COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 32,022,510	\$ 32,022,510	\$ 31,002,859	\$ (1,019,651)
Licenses and permits	9,442,500	9,442,500	10,093,163	650,663
Intergovernmental	20,541,537	21,029,868	20,879,560	(150,308)
Charges for services	16,467,770	17,126,497	19,718,889	2,592,392
Fines and forfeitures	495,900	495,900	551,542	55,642
Miscellaneous	5,771,158	6,094,563	8,659,535	2,564,972
Less: Reserves	(3,624,496)	(3,624,496)	-	3,624,496
Total revenues	81,116,879	82,587,342	90,905,548	8,318,206
Expenditures:				
Current:				
General government				
Non-court related				
Personal services	25,243,588	25,247,780	23,462,105	1,785,675
Contract/Professional services	4,292,616	4,399,305	3,244,302	1,155,003
Purchased services	3,036,584	3,139,462	2,566,080	573,382
Materials/Supplies	1,503,941	1,752,863	1,822,225	(69,362)
Capital expenditures	861,808	1,081,967	635,121	446,846
Court related				
Personal services	1,276,714	1,131,910	1,127,825	4,085
Contract/Professional services	66,320	125,820	124,030	1,790
Purchased services	226,941	195,741	189,703	6,038
Materials/Supplies	38,935	106,909	102,382	4,527
Capital expenditures	68,623	44,623	22,865	21,758
Sub-total general government	36,616,070	37,226,380	33,296,638	3,929,742
Debt service	-	-	108,543	(108,543)
Total general government	36,616,070	37,226,380	33,405,181	3,821,199
Public safety				
Personal services	66,991,393	65,960,720	65,857,106	103,614
Contract/Professional services	3,023,269	3,040,452	2,895,478	144,974
Purchased services	11,136,556	11,108,882	10,498,752	610,130
Materials/Supplies	652,485	787,780	834,844	(47,064)
Capital expenditures	1,767,213	2,796,881	2,939,563	(142,682)
Total public safety	83,570,916	83,694,715	83,025,743	668,972

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

CHARLOTTE COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Physical environment				
Personal services	1,930,178	1,930,178	1,888,579	41,599
Contract/Professional services	1,195,952	1,529,657	971,435	558,222
Purchased services	457,686	457,686	630,976	(173,290)
Materials/Supplies	239,385	239,385	158,303	81,082
Capital expenditures	40,500	53,000	96,174	(43,174)
Grants & Aids	125,000	125,000	125,755	(755)
Total physical environment	<u>3,988,701</u>	<u>4,334,906</u>	<u>3,871,222</u>	<u>463,684</u>
Transportation				
Personal services	851,201	851,201	842,187	9,014
Contract/Professional services	17,176	17,176	17,176	-
Purchased services	38,039	38,039	45,475	(7,436)
Materials/Supplies	29,614	29,614	14,847	14,767
Capital expenditures	18,000	18,000	56,147	(38,147)
Total transportation	<u>954,030</u>	<u>954,030</u>	<u>975,832</u>	<u>(21,802)</u>
Economic environment				
Personal services	939,602	939,602	797,823	141,779
Contract/Professional services	265,362	265,362	282,774	(17,412)
Purchased services	299,110	299,110	288,543	10,567
Materials/Supplies	47,536	47,536	38,900	8,636
Grants & Aids	1,120,554	1,120,554	1,124,073	(3,519)
Total economic environment	<u>2,672,164</u>	<u>2,672,164</u>	<u>2,532,113</u>	<u>140,051</u>
Human service				
Personal services	2,043,231	2,063,507	1,776,472	287,035
Contract/Professional services	1,076,097	1,036,097	1,013,615	22,482
Purchased services	2,750,368	2,762,568	2,488,433	274,135
Materials/Supplies	725,047	700,129	665,939	34,190
Capital expenditures	310,755	352,755	268,626	84,129
Grants & Aids	2,299,676	2,299,676	2,235,664	64,012
Total human services	<u>9,205,174</u>	<u>9,214,732</u>	<u>8,448,749</u>	<u>765,983</u>

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

CHARLOTTE COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Culture and recreation				
Personal services	6,791,592	6,844,401	6,314,716	529,685
Contract/Professional services	4,571,372	4,572,447	4,249,153	323,294
Purchased services	2,501,477	2,590,502	2,637,256	(46,754)
Materials/Supplies	935,052	955,502	1,145,579	(190,077)
Capital expenditures	1,406,000	1,406,000	1,232,577	173,423
Grants & Aids	25,000	25,000	25,000	-
Total culture and recreation	16,230,493	16,393,852	15,604,281	789,571
Total expenditures	153,237,548	154,490,779	147,863,121	6,627,658
Excess of revenues over/(under) expenditures	(72,120,669)	(71,903,437)	(56,957,573)	14,945,864
Other financing sources (uses):				
Transfers from other funds	74,215,462	73,611,806	75,371,050	1,759,244
Transfers to other funds	(5,024,747)	(12,039,127)	(19,671,031)	(7,631,904)
Total other financing sources (uses)	69,190,715	61,572,679	55,700,019	(5,872,660)
Net change in fund balance	(2,929,954)	(10,330,758)	(1,257,554)	9,073,204
Fund balances, October 1, 2017	71,558,085	71,558,085	69,138,573	(2,419,512)
Fund balances, September 30, 2018	\$ 68,628,131	\$ 61,227,327	\$ 67,881,019	\$ 6,653,692

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

CHARLOTTE COUNTY, FLORIDA
 CHARLOTTE PUBLIC SAFETY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 75,749,642	\$ 75,749,642	\$ 73,142,358	\$ (2,607,284)
Fines and forfeitures	-	-	1,625	1,625
Miscellaneous	-	1,550,000	1,467,784	(82,216)
Less: Reserves	(3,787,482)	(3,787,482)	-	3,787,482
Total revenues	<u>71,962,160</u>	<u>73,512,160</u>	<u>74,611,767</u>	<u>1,099,607</u>
Expenditures:				
Current:				
General government				
Purchased services	<u>676,728</u>	<u>676,728</u>	<u>673,224</u>	<u>3,504</u>
Total general government	<u>676,728</u>	<u>676,728</u>	<u>673,224</u>	<u>3,504</u>
Public safety				
Personal services	354,504	354,504	355,548	(1,044)
Contract/Professional services	1,655,177	3,205,177	3,163,822	41,355
Purchased services	3,483,193	3,483,193	3,287,611	195,582
Materials/Supplies	52,654	52,654	36,173	16,481
Capital expenditures	<u>8,500</u>	<u>388,698</u>	<u>446,745</u>	<u>(58,047)</u>
Total public safety	<u>5,554,028</u>	<u>7,484,226</u>	<u>7,289,899</u>	<u>194,327</u>
Total expenditures	<u>6,230,756</u>	<u>8,160,954</u>	<u>7,963,123</u>	<u>197,831</u>
Excess of revenues over/(under) expenditures	<u>65,731,404</u>	<u>65,351,206</u>	<u>66,648,644</u>	<u>1,297,438</u>
Other financing sources (uses):				
Transfers from other funds	-	-	996,863	996,863
Transfers to other funds	<u>(67,480,861)</u>	<u>(67,480,861)</u>	<u>(67,480,861)</u>	<u>-</u>
Total other financing sources (uses)	<u>(67,480,861)</u>	<u>(67,480,861)</u>	<u>(66,483,998)</u>	<u>996,863</u>
Net change in fund balance	(1,749,457)	(2,129,655)	164,646	2,294,301
Fund balances, October 1, 2017	<u>6,000,001</u>	<u>6,000,001</u>	<u>1,440,413</u>	<u>(4,559,588)</u>
Fund balances, September 30, 2018	<u>\$ 4,250,544</u>	<u>\$ 3,870,346</u>	<u>\$ 1,605,059</u>	<u>\$ (2,265,287)</u>

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

CHARLOTTE COUNTY, FLORIDA
STREET AND DRAINAGE DISTRICTS MAINTENANCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 982,418	\$ 982,418	\$ 950,177	\$ (32,241)
Assessments levied	29,009,814	29,009,814	28,202,779	(807,035)
Intergovernmental	-	-	-	-
Miscellaneous	221,505	221,505	772,129	550,624
Less: Reserves	(1,510,680)	(1,510,680)	-	1,510,680
Total revenues	28,703,057	28,703,057	29,925,085	1,222,028
Expenditures:				
Current				
Transportation				
Contract/Professional services	45,767,239	51,428,017	26,842,281	24,585,736
Purchased services	11,930,663	12,074,110	7,801,576	4,272,534
Materials/Supplies	568,050	568,050	477,597	90,453
Capital expenditures	8,990,001	9,067,001	1,543,422	7,523,579
Sub-total transportation	67,255,953	73,137,178	36,664,876	36,472,302
Debt service	5,528,487	9,103,338	8,445,295	658,043
Total transportation	72,784,440	82,240,516	45,110,171	37,130,345
Total expenditures	72,784,440	82,240,516	45,110,171	37,130,345
Excess of revenues over/(under) expenditures	(44,081,383)	(53,537,459)	(15,185,086)	38,352,373
Other financing sources (uses)				
Proceeds from debt	18,016,000	22,431,000	19,853,000	(2,578,000)
Transfers from other funds	109,412	109,412	272,223	162,811
Transfers to other funds	(3,000)	(3,000)	(3,000)	-
Total other financing sources (uses)	18,122,412	22,537,412	20,122,223	(2,415,189)
Net change in fund balance	(25,958,971)	(31,000,047)	4,937,137	35,937,184
Fund balances, October 1, 2017	63,782,752	64,230,739	68,203,166	3,972,427
Fund balances, September 30, 2018	\$ 37,823,781	\$ 33,230,692	\$ 73,140,303	\$ 39,909,611

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

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist.	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,474,064	\$ 7,778,759	\$ 200,412	\$ 9,453,235	\$ 4,471,907
Restricted cash and cash equivalents	1,743	1,429,431	-	1,431,174	-
Investments	15,926,782	8,709,396	2,276,805	26,912,983	18,053,069
Restricted investments	20,736	13,755,809	-	13,776,545	-
Restricted investments, with trustee	-	3,665,857	-	3,665,857	-
Accounts and assessments receivable - net	229,410	8,360,333	-	8,589,743	59,818
Due from other governmental agencies	59,564	4,191,091	-	4,250,655	22,812
Due from other funds	227,383	54,383	155,973	437,739	349,893
Inventory of supplies, at cost	-	593,291	-	593,291	166,576
Other assets	111,558	657,309	118,983	887,850	652,658
Total current assets:	18,051,240	49,195,659	2,752,173	69,999,072	23,776,733
Noncurrent assets:					
Restricted cash	731,030	3,541,628	-	4,272,658	-
Restricted investments	8,583,573	36,846,548	-	45,430,121	-
Special assessments receivable - net	-	16,535,635	-	16,535,635	-
Other assets, net	-	360,084	-	360,084	-
Capital assets:					
Land	3,274,348	22,013,839	-	25,288,187	-
Buildings	2,309,365	15,119,253	-	17,428,618	2,297,950
Improvements other than buildings	19,847,480	414,845,826	-	434,693,306	40,321
Machinery and equipment	6,896,327	18,566,187	-	25,462,514	236,723
Construction in progress	13,552	73,158,360	-	73,171,912	-
Intangible assets	-	39,667,717	-	39,667,717	-
Less accumulated depreciation and amortization	(18,858,297)	(249,458,450)	-	(268,316,747)	(678,792)
Total noncurrent assets -net	22,797,378	391,196,627	-	413,994,005	1,896,202
Total assets	40,848,618	440,392,286	2,752,173	483,993,077	25,672,935
Deferred outflows of resources:					
Deferred charge on refunding	-	6,644,481	-	6,644,481	-
Deferred outflow - Pension related	494,218	4,174,236	-	4,668,454	244,063
Deferred outflow - OPEB related	11,752	98,400	-	110,152	5,750
Total deferred outflows of resources	\$ 505,970	\$ 10,917,117	\$ -	\$ 11,423,087	\$ 249,813

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist	Total	Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts and vouchers payable	\$ 243,808	\$ 4,221,197	\$ 1,085,567	\$ 5,550,572	\$ 562,474
Contracts payable	-	2,090,107	-	2,090,107	64,240
Accrued liabilities	54,116	386,306	-	440,422	23,755
Due to other governmental agencies	-	-	-	-	-
Due to other funds	88,027	513,064	227,383	828,474	50,000
Self-insurance claims payable	-	-	-	-	3,288,732
Unearned revenue	-	830,445	146,398	976,843	1,972,217
Deposits	22,479	5,132,989	-	5,155,468	-
Loans payable	-	2,032,565	-	2,032,565	-
Special assessment loans payable	-	1,798,689	-	1,798,689	-
Bonds payable	-	12,515,000	-	12,515,000	-
Matured interest payable	-	1,692,130	-	1,692,130	-
Accrued compensated absences	14,158	84,987	-	99,145	191,005
Net pension liability	17,730	148,341	-	166,071	-
Other liabilities	-	16,272	-	16,272	801,536
Total current liabilities	440,318	31,462,092	1,459,348	33,361,758	6,953,959
Noncurrent liabilities:					
Notes, loans, capital leases	-	20,063,609	-	20,063,609	-
Special assessment loans payable	-	19,750,598	-	19,750,598	-
Bonds payable	-	85,014,058	-	85,014,058	-
Advances from other funds	-	8,415,705	-	8,415,705	-
Accrued compensated absences	131,706	854,448	-	986,154	685,726
Other postemployment benefits	182,934	1,530,493	-	1,713,427	89,603
Net pension liability	1,254,761	10,574,971	-	11,829,732	627,384
Unearned revenue	-	20,639,921	-	20,639,921	-
Landfill closure costs	10,535,650	-	-	10,535,650	-
Self-insurance claims payable	-	-	-	-	3,254,000
Total noncurrent liabilities	12,105,051	166,843,803	-	178,948,854	4,656,713
Total liabilities	12,545,369	198,305,895	1,459,348	212,310,612	11,610,672
Deferred inflows of resources:					
Deferred inflow - Pension related	119,168	1,003,313	-	1,122,481	58,715
Deferred inflow - OPEB related	4,011	33,585	-	37,596	1,963
Total deferred inflow of resources	123,179	1,036,898	-	1,160,077	60,678
NET POSITION					
Net investment in capital assets	13,482,775	199,382,692	-	212,865,467	1,896,202
Restricted for debt service	-	3,286,139	-	3,286,139	-
Restricted for contractual obligations	342,783	32,579,688	-	32,922,471	-
Unrestricted	14,860,482	16,718,091	1,292,825	32,871,398	12,355,196
Total net position	\$ 28,686,040	\$ 251,966,610	\$ 1,292,825	\$ 281,945,475	\$ 14,251,398

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

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 6,565,459	\$ 68,951,139	\$ 14,663,252	\$ 90,179,850	\$ 39,367,212
Miscellaneous	589,379	4,987,700	-	5,577,079	316,930
Total operating revenues	7,154,838	73,938,839	14,663,252	95,756,929	39,684,142
Operating expenses:					
Personal services	2,154,934	17,786,194	-	19,941,128	1,508,608
Contractual services	1,375,754	5,536,381	11,682,754	18,594,889	3,082,857
Cost of sales and service	-	11,855,337	-	11,855,337	3,370,904
Depreciation expense and amortization	914,798	14,918,283	-	15,833,081	71,941
Insurance claims	39,520	468,276	-	507,796	19,038,212
Insurance premiums	-	-	-	-	6,038,526
Purchased services	656,928	4,554,104	3,289,973	8,501,005	430,165
Materials & supplies	229,396	3,542,355	-	3,771,751	177,061
Total operating expenses	5,371,330	58,660,930	14,972,727	79,004,987	33,718,274
Operating income (loss)	1,783,508	15,277,909	(309,475)	16,751,942	5,965,868
Nonoperating revenues (expenses)					
Interest revenue	230,090	829,650	57,105	1,116,845	175,031
Interest and fiscal charges	-	(4,660,439)	-	(4,660,439)	-
Gain on abandonment/sale of assets	69,912	102,844	-	172,756	-
Total nonoperating revenues (expenses)	300,002	(3,727,945)	57,105	(3,370,838)	175,031
Income (loss) before contributions and transfers	2,083,510	11,549,964	(252,370)	13,381,104	6,140,899
Capital contributions	69,424	10,094,992	-	10,164,416	-
Transfers in	-	62,157	78,820	140,977	681,146
Transfers out	(60,876)	(590,134)	-	(651,010)	(28,920)
Change in net position	2,092,058	21,116,979	(173,550)	23,035,487	6,793,125
Total net position - beginning	26,641,406	230,686,732	1,466,375	258,794,513	7,475,905
Restatement of beginning net position	(47,424)	162,899	-	115,475	(17,632)
Total net position - beginning, as restated	26,593,982	230,849,631	1,466,375	258,909,988	7,458,273
Total net position - ending	\$ 28,686,040	\$ 251,966,610	\$ 1,292,825	\$ 281,945,475	\$ 14,251,398

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

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Charlotte Sanitation Dist	Total	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 6,489,911	\$ 69,427,849	\$ 14,684,245	\$ 90,602,005	\$ 39,140,466
Cash payments to suppliers for goods and services	(3,176,008)	(26,318,615)	(14,351,326)	(43,845,949)	(12,792,043)
Cash payments to employees for services	(2,072,244)	(17,122,886)	-	(19,195,130)	(1,597,857)
Insurance claims	-	-	-	-	(20,091,061)
Other operating revenues	589,379	5,059,729	-	5,649,108	147,421
Deposits	272	149,052	-	149,324	-
Net cash provided (used) by operating activities	1,831,310	31,195,129	332,919	33,359,358	4,806,926
Cash flows from non-capital financing activities:					
Operating grants	-	1,293,446	-	1,293,446	-
Loans to other funds	-	(462,570)	-	(462,570)	-
Transfer in from other funds/govts	-	18,763	109,327	128,090	(681,146)
Transfers in from other funds	-	48,237	-	48,237	-
Transfers to other funds	(60,876)	(590,133)	-	(651,009)	-
Net cash provided (used) by noncapital financing activities	(60,876)	307,743	109,327	356,194	(681,146)
Cash flows from capital/related financing activities:					
Acquisition of capital assets	(1,441,219)	(38,025,920)	-	(39,467,139)	689,152
Advances from other funds	-	-	-	-	(50,000)
Proceeds from sale of capital assets	557,157	169,140	-	726,297	-
Principal paid on bonds and notes	-	(13,172,864)	-	(13,172,864)	-
Interest/finance costs on bonds/notes	-	(3,461,224)	-	(3,461,224)	-
Capital contributions	69,424	8,745,457	-	8,814,881	-
Capital contributed reduction in assessment receivable	-	2,685,127	-	2,685,127	-
Capital advances from other funds	-	7,490,565	-	7,490,565	(28,920)
Capital advances to other funds	-	-	-	-	-
Proceeds from bonds/notes	-	19,039,971	-	19,039,971	-
Net cash used by capital financing activities	(814,638)	(16,529,748)	-	(17,344,386)	610,232
Cash flows from investing activities:					
Purchase of investment securities	(11,394,043)	(176,128,910)	(15,607,555)	(203,130,508)	(38,405,447)
Proceeds from sale and maturities of investment securities	8,491,835	163,016,963	15,007,353	186,516,151	34,409,619
Interest and dividends on investments	203,785	694,802	54,247	952,834	151,056
Net cash used by investing activities	(2,698,423)	(12,417,145)	(545,955)	(15,661,523)	(3,844,772)
Net increase (decrease) in cash and cash equivalents	(1,742,627)	2,555,979	(103,709)	709,643	891,240
Cash and cash equivalents, October 1, 2017	3,949,464	10,193,839	304,121	14,447,424	3,580,667
Cash and cash equivalents, September 30, 2018	\$ 2,206,837	\$ 12,749,818	\$ 200,412	\$ 15,157,067	\$ 4,471,907

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Charlotte Sanitation Dist	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided from operating activities:					
Operating income (loss)	\$ 1,783,508	\$ 15,277,909	\$ (309,475)	\$ 16,751,942	\$ 5,965,868
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	914,798	14,918,283	-	15,833,081	71,941
Deferred outflows - pension related (decrease)	(13,942)	(121,096)	-	(135,038)	(13,746)
Deferred outflows - OPEB related (decrease)	(11,752)	(98,400)	-	(110,152)	(5,750)
Deferred inflows - pension related (increase)	48,318	410,417	-	458,735	25,131
Deferred inflows - OPEB related (increase)	4,011	33,585	-	37,596	1,963
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	87,523	430,005	-	517,528	(46,456)
Due from constitutional officers	-	1,290	(2,291)	(1,001)	112
Due from other governmental agencies	64,312	-	-	64,312	78,045
Due from other funds - internal	(227,383)	142,911	375,524	291,052	(346,358)
Inventory	-	38,142	-	38,142	(8,124)
Other assets	(34)	(18,719)	(16,037)	(34,790)	(4,660)
Increase (decrease) in:					
Accounts and vouchers payable	(2,222)	668,790	36,041	702,609	166,189
Accrued liabilities	(689)	(69,199)	-	(69,888)	(1,382)
Due to constitutional officers	-	46	-	46	(600)
Due to other governmental agencies	-	(1,058,773)	-	(1,058,773)	-
Due to other funds - internal	(369,906)	(9,600)	227,383	(152,123)	(70,000)
Other liabilities	-	(1,527)	-	(1,527)	41,201
Deposits	272	149,052	-	149,324	-
Accrued compensated absences	9,845	16,499	-	26,344	1,251
Other postemployment benefits	57,817	540,482	-	598,299	1,703
Closing and monitoring costs	(502,282)	-	-	(502,282)	-
Self-insurance claims payable	-	-	-	-	(1,104,195)
Unearned revenue	-	(27,125)	21,774	(5,351)	11,703
Net pension liability	(10,884)	(27,843)	-	(38,727)	43,090
Total adjustments	47,802	15,917,220	642,394	16,607,416	(1,158,942)
Net cash provided by operating activities	\$ 1,831,310	\$ 31,195,129	\$ 332,919	\$ 33,359,358	\$ 4,806,926
Noncash investing, capital and financing activities:					
Gain on disposition of assets	\$ 69,912	\$ 102,844	\$ -	\$ 172,756	\$ -
Acquisition of contributed assets	-	1,349,535	-	1,349,535	-
Change in fair value of investments	(193,328)	(432,866)	(21,175)	(647,369)	(135,643)

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

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 12,820,054
Investments	7,368
Accounts and assessments receivable, net	3,739,011
Due from other governmental agencies	1,330
Due from individuals	12,418
Other assets	23
Total assets	<u>\$ 16,580,204</u>
LIABILITIES	
Due to other governmental agencies	\$ 5,419,655
Due to individuals	690,810
Deposits	5,257,550
Other liabilities	5,212,189
Total liabilities	<u>\$ 16,580,204</u>

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

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies

Organization

Defining the Governmental Reporting Entity

Charlotte County (the "County") is a political subdivision of the State of Florida. The boundaries for Charlotte County are set out in s.7.08 of the Florida Statutes, and the history note to that section sets out its origins. Section 3, ch 3770, 1887 created DeSoto County from a portion of Manatee County. Section 1, ch 8513, 1921, created Charlotte County from part of DeSoto County. Other parts of that 1921 act created Hardee, Highland, and Glades Counties from other parts of DeSoto County. The 1921 act creating Charlotte and the other three counties took effect on April 23, 1921. It is governed by an elected Board of County Commissioners (the "Board"), which is governed by state statutes and regulations. In addition to the members of the Board of County Commissioners, there are five elected Constitutional Officers: Clerk of the Circuit Court; Sheriff; Tax Collector; Property Appraiser; and Supervisor of Elections, which were established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Constitutional Officers maintain separate accounting records and budgets.

The accompanying basic financial statements present the combined financial position and results of operations and changes in cash flows of the applicable fund types governed by the Board of County Commissioners of Charlotte County, Florida and its Constitutional Officers.

As required by accounting principles generally accepted in the United States, the financial statements of the reporting entity include those of Charlotte County (the primary government) and its component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit may be another organization for which the nature, and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

The component units discussed below, which were created by ordinance or resolutions of the Board of County Commissioners, are included in the County's reporting entity, because of the significance of the operational and financial relationships with the County. In conformity with the Governmental Accounting Standards Board (GASB) Statement Number 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity*, the financial statements of the following component units have been included as blended component units. These component units have substantially the same governing body as the County or provide services entirely or almost entirely to the County and the County has an obligation to provide financial support. The following component units are classified as blended component units:

Murdock Village Community Redevelopment Agency: Established by Ordinance 2003-081, pursuant to Chapter 163, Part III, F.S. The purpose of this dependent special district is to organize and direct redevelopment of the Murdock Village Area of Charlotte County. The Board of the Murdock Village CRA is the same as the Board of County Commissioners, which provides substantial funding of operations.

Charlotte Harbor Community Redevelopment Agency: Established by County Resolution 92-251, pursuant to Chapter 163, Part III, F.S. The purpose of this dependent special district is to develop the area known as Charlotte Harbor within Charlotte County. The Board of the Charlotte County CRA is the same as the Board of County Commissioners, which provides substantial funding of operations.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Organization (continued)

Defining the Governmental Reporting Entity (continued)

Parkside Community Redevelopment Agency: Established by County Ordinance 2010-054 and Resolution 2011-259, pursuant to Chapter 163, Part III, F.S. The purpose of this dependent special district is to direct redevelopment in the Parkside area of Charlotte County. The Board of the Parkside CRA is the same as the Board of County Commissioners, which provides substantial funding of operations.

In addition to the above blended component units and in accordance with GASB Statement No. 14, as amended, the County includes as a discretely presented component unit, the Charlotte County Industrial Development Authority.

The Industrial Development Authority (IDA) was established by Ordinance 2006-088, pursuant to Chapter 163, Part III of the Florida Statutes. The purpose is to finance and refinance projects for public purpose and to foster the economic development of the County. The Board is composed of five members, one of whom shall be designated chairman, appointed by the Board of County Commissioners. The Board of County Commissioners must approve the issuance of industrial development bonds, and the IDA retains fees collected in the issuance of such bonds to further promote economic development activities within the County. Florida Statute Section 218 does not require dependent special districts that are component units to issue separate financial statements.

Charlotte County also has a number of independent special districts, whose financial statements are not included in this report, but are subject to independent audit and whose financial statements are made available to the public by the district. These include the Babcock Ranch Community District; the Bermont Drainage District; the Central Charlotte Drainage District; the Charlotte County Airport Authority; the Charlotte Soil and Water Conservation District; the East Charlotte Drainage District and five Community Development Districts (CDD's) established pursuant to 190.005 F.S.

Basic Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the County.

Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole, both the primary government and its component units, and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results with the exception of interfund services provided and used. Fiduciary funds of the government are also eliminated from this presentation since these resources are not available for general government funding purposes. The Statement of Net Position reports all financial and capital resources of Charlotte County's governmental and business-type activities. It is presented in a net position format (assets and deferred outflows of resources less liabilities and deferred inflows of resources equal net position) and shown with three components: net investment in capital assets; restricted net position; and unrestricted net position. The Statement of Activities reports functional categories of programs provided by the County and demonstrates how, and to what degree, those programs are supported by program revenue.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

Program revenues are classified into three categories: charges for services; operating grants and contributions; and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that help support all functions of our government and contribute to the change in the net positions for the fiscal year.

The County reports the following Major Governmental Funds:

The *General Fund* is the government's primary operating fund. It accounts for the operations of the Board of County Commissioners and the Constitutional Officers, including the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector, except those operations required to be accounted for in another fund.

The *Charlotte Public Safety Fund* is a special revenue fund that accounts for taxes, and other fees collected that are used for the purpose of public safety related to law enforcement.

The *Street and Drainage Districts Maintenance Fund* is a special revenue fund that accounts for taxes collected to provide construction and maintenance of roads within certain taxing districts.

The *Capital Projects Fund* is a capital fund that accounts for resources used for the acquisition and/or construction of capital facilities.

All other governmental funds are considered nonmajor.

The County reports the following Major Proprietary Funds:

The *Charlotte County Utility System* accounts for activities related to the county-owned water, and systems.

The *Charlotte County Landfill* accounts for activities related to solid waste disposal for the County.

The County reports the following Nonmajor Proprietary Funds:

The *Charlotte Sanitation District* accounts for activities related to solid waste collection from within the district.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

Additionally, the County reports the following fund types:

Internal Service Funds account for vehicle maintenance, self-insurance, health insurance trust, and accrued compensated absences provided to other departments or agencies of the government, or to other governments on a cost reimbursed basis.

Agency Funds are custodial funds and do not involve measurement of results of operations. These funds are clearing accounts for assets held by the County as an agent for other funds. Fiduciary funds held by the County include: Board: Hurricane Charley Relief Fund; Clerk: Fines and Forfeitures, Tax Deed, Support, Registry of the Court, Intangible Tax, Documentary Stamp and a Charities fund; Sheriff: Prisoners, Individual Depositors, Cash Bond, Evidence fund, and Concession; Tax Collector: Tax Collector, Tax Redemption, License and Tag, Tourist Development and Charities fund. These funds hold funds prior to disbursement or in a custodial capacity.

(a) Fund Accounting

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

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

Charlotte County complies with accounting principles generally accepted (GAAP) in the United States. GAAP includes all relevant GASB pronouncements, and other accounting and financial reporting literature codified by the GASB.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. With the economic resources measurement focus, all assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. Government-wide financial statements and proprietary fund financial statements show increases (revenues) and decreases (expenses) in net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Governmental fund financial statements are presented using the current financial resources and modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds show increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. The County considers all revenues available if they are collected within sixty (60) days after year end, with the exception of the Board's insurance and grant proceeds, for which the period is six months. Primary revenues, such as taxes, special assessments and charges for services, are treated as susceptible to accrual and so have been recognized. Revenues not considered available due to timing are recorded as deferred inflows. Expenditures are recorded when a liability is incurred except for (a) unmatured interest on general long-term debt, which is recorded when due, (b) the noncurrent portion of accrued compensated absences, other postemployment benefits, and early separation incentive program which are recorded in long-term debt on the government-wide financial statements, and (c) claims and judgments which are accrued on the basic financial statements.

Revenues and indirect costs are recorded from a transactional basis directly to the appropriate activity classified by those categories reported in the Statement of Net Position. Interfund activities, as a general rule, in effect, have not been eliminated from the government-wide financial statements.

It is the County's practice to first apply restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net positions are available.

The Proprietary Funds and Agency Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred. The operating statements for the Proprietary Fund types report increases (revenues) and decreases (expenses) in total economic net worth. Operating income and expenses are a measure of the earnings and expenses from the ongoing operation of the proprietary funds. Non-operating income and expenses are due to transactions other than the primary operations of the proprietary funds such as interest revenue and expense, grant revenue, and insurance proceeds.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(c) Budgets and Budgetary Accounting

The Board adopts budgets for all Board funds except Open Space/Habitat, Don Pedro/Knights Island Beach Renourishment, and N. Manasota Key Beach Renourishment. The Property Appraiser and the Tax Collector adopt budgets for their General Funds independently of the Board, which are approved by the Florida Department of Revenue. The Sheriff, Supervisor of Elections and Clerk of the Circuit Court (to the extent of his function as ex officio Clerk to the Board and amounts above his fee structure as Clerk of the Circuit Court) prepare budgets for their General Fund, which are submitted to, and approved by the Board, and are included in the General Fund and the General Fund Budget to Actual Statement. The Special Revenue and Debt Service funds of the Clerk of the Circuit Court, Sheriff and Property Appraiser are not submitted or adopted by the Board, therefore, no Budget to Actual Statements are presented.

Chapters 129 and 200 of the Florida Statutes govern the preparation, adoption and administration of the County's annual budget. The budget is required to be balanced; that is, the total of the estimated revenues, including balances brought forward, shall equal the total of the appropriations and reserves. The following procedures are followed by the Board in establishing the operating budget:

1. On or before July 15, a tentative budget for the fiscal year commencing the following October 1 is presented to the Board.
2. The tentative budget is then reviewed by the Board and any necessary changes are made.
3. Public hearings are conducted to inform the taxpayers of the tentative budget and proposed tax levies and to obtain taxpayer comments.
4. On or before September 30, the budget is legally adopted through passage of a resolution.
5. Transfers among expenditure or revenue accounts may be made during the fiscal year with Board approval if a division remains within its total operating budgets. Transfers between funds, or reserves in any fund, require approval of the Board of County Commissioners.

Changes in the adopted total budget of a fund are made only with Board approval of a budget amendment. Such amendments are made for a receipt from a source not anticipated in the budget and received for a particular purpose, including, but not limited to grants, donations, or reimbursements.

6. Section 129.07 of the Florida Statutes prohibits incurring expenditures in excess of total fund appropriations. Appropriations lapse at year-end.
7. Formal budgetary integration is employed as a management control device during the year in all fund types. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenue.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(c) Budgets and Budgetary Accounting (continued)

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States for all Governmental Fund Types. Capital project costs are budgeted in the year they are anticipated to be obligated. In subsequent years, the unused budget is reappropriated until the project is completed. Proprietary Funds are budgeted on a basis consistent with accounting principles generally accepted in the United States, except that capital and debt related transactions are based on cash receipts and disbursements. Estimated beginning fund balances are considered in the budgetary process, but are not included in the basic financial statements as budgeted revenue. Differences between estimated beginning fund balances and actual fund balances, if material, are submitted to the Board as budget amendments.

The annual budgets serve as the legal authorization for expenditures. In accordance with Florida law, expenditures cannot legally exceed the total amount budgeted for each fund. All Board budget amendments, which change the legally adopted total appropriation for a fund, are required to be approved by the Board. Budgets are legally adopted by resolution at the fund level.

Minor supplemental appropriations were necessary during the year and were affected with Board approved budget amendments. If, during the fiscal year, additional revenues become available for appropriations in excess of those estimated in the budget, the Board may make supplemental appropriations for the year up to the amount of such excess.

(d) Bond Issuance Costs and Bond Discount

Bond discount or premium in the government-wide financial statements and the Proprietary Funds are amortized over the life of the bonds using the straight line method, which approximates the interest method. Revenue Bonds payable in the government-wide financial statements and the Proprietary Funds financial statements are shown net of unamortized bond discount or premium. Debt issuance costs, excluding any portion related to prepaid insurance, are expensed in the period incurred.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as a reservation of fund balance, is employed as an extension of the statutorily required budgetary process under Florida Statutes. Appropriations, even if encumbered, lapse at fiscal year-end. It is the County's intention to substantially honor these lapsed appropriations under authority provided in the subsequent year's budget.

(f) Cash and Investments

The County, for accounting and investment purposes, maintains a cash and investment pool that is available for use by all funds, except those whose cash and investments must be segregated due to legal restrictions.

Interest earned on investments is allocated to the various funds, based upon each funds' equity balance in pooled cash and investments during the allocation period. The County considers highly liquid investments, (including restricted assets) with an original maturity of three months or less when purchased, to be cash equivalents. Gross amounts for purchase and/or sale of investments cannot be segregated by fund.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(g) Accounts Receivable

The accounts receivable of the County are recorded net of allowance for doubtful accounts of \$33,005,015.

(h) Inventory

Inventory in the Transportation Trust, Greater Charlotte Street Light, Vehicle Maintenance, and Charlotte County Utility System funds are valued at cost (average cost method). The inventory reported in the Special Revenue Funds, Internal Service Funds, and Proprietary Funds consist of materials and supplies. The County uses the consumption method of accounting for inventory. No reserve has been established within the fund balances of the Governmental Fund types.

(i) Land Held for Resale

Land held for resale consists of Murdock Village land for which the County is currently seeking developers. The land was purchased over a period of years at an aggregate price of \$105,216,060 and is presented on the government wide financial statements at a net realizable value of \$35,472,737, based upon an independent appraisal provided in September 30, 2018. This value also takes into consideration two subsequent contracted sales of certain parcels, less estimated selling costs. There is a contracted sale with Private Equity Group for 440.21 acres in the amount of \$11,600,000, with closing costs of \$518,000, and a contracted sale with Lost Lagoon, LLC for 156 acres in the amount of \$6,701,675. These are level 2 and 3 fair value measurements under the fair value hierarchy described on page 56.

(j) Capital Assets

Capital assets include land, buildings and improvements, equipment, intangible assets, construction in progress, and infrastructure assets. Intangible assets consist of software, easements, the water supply agreement with the Peace River/Manasota Key Regional Water Supply, obtained through the transfer of water treatment and distribution system and other items purchased in 1991 from General Development Utilities and the hydraulic capacity of the water transmission pipeline across the Peace River, completed in 2013. Infrastructure assets are defined as public domain capital assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the governmental unit. Capital assets are reported in the financial statements in the applicable governmental or business-type activities column, as well as the proprietary fund financial statements. The Board has a threshold for capitalizing capital assets of \$5,000, except as it relates to capitalizing infrastructure, for which the threshold is \$100,000. Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated acquisition value on the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(j) Capital Assets (continued)

The ranges of the useful lives are as follows:

Assets	<u>Years</u>
Buildings	20-40
Infrastructure	20-40
Equipment	5-25
Improvements other than Building	10-45
Intangible Assets	10-35

(k) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This represents a utilization of net position that applies to a future period and so will not be recognized as an expense/expenditure until then. The deferred outflows presented on the Statement of Net Position include deferred charges on refunding, OPEB liability, and pension liability.

Deferred inflows of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. At the governmental fund level this consists of revenues not recognized due to availability criteria under the modified accrual basis. At the Statement of Net Position level, deferred inflows are related to OPEB and pension liability.

(l) Compensated Absences

The County's employees accumulate sick and vacation leave based on the number of years of service. Upon termination of employment, employees can receive payment for accumulated leave, if they meet certain criteria.

In Proprietary Funds, accumulated leave is accrued when earned. The amount of accumulated sick and vacation leave, attributable to Governmental Fund Types, would not normally be liquidated with expendable available resources and are, therefore, only recorded in the government-wide Statement of Net Position and are reported in governmental funds only if they have matured.

The compensated absences liability for accrued vacation leave is measured using the salary rate in effect at the balance sheet date and includes amounts related to benefits associated with accrued paid leave. The liability related to sick leave balances for the Board of County Commissioners is measured using frozen salary rates at such dates set by the Board and ratified by the Union. All constitutional officers use current rates in effect at the balance sheet date for sick leave.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(m) Net Position/Fund Balance Classification

Governmental funds report fund balances as either nonspendable or spendable. Spendable fund balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances.

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The County considers inventories and prepaid items as part of this category.

Spendable Fund Balances:

Restricted Fund Balance: Amounts that are restricted to specific purposes, and are restricted through enabling legislation and are legally enforceable. The legislation that creates the revenue stream must also stipulate the purposes for which that revenue can be used.

Committed Fund Balance: Amounts that are committed for specific purposes by formal action of the government's highest level of decision making authority which, dependent on the nature of the matter, may be in the form of county ordinance, resolution, or agreement, in which are equally binding. These amounts are not subject to legal enforceability as in restricted; however, those amounts cannot be used for any other purpose unless the government removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

Assigned Fund Balance: Amounts that are intended by the government to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself, or (b) a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes. Pursuant to Resolution 2011-239, the Board of County Commissioners, the County Budget Director and the County Finance Officer have the authority to assign fund balance.

Unassigned Fund Balance: Is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, limited, or assigned to specific purposes within the general fund. Any negative fund balances in other governmental funds would also be classified as unassigned.

In determining the classification of total spendable fund balance remaining at the end of the fiscal year when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, expenditures will be applied first to restricted fund balance and then to unrestricted fund balance.

Within unrestricted fund balance, the order in which the expenditures will be applied when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used is as follows: Committed, Assigned, Unassigned.

Government-wide statements and proprietary fund statements utilize an economic resources measurement focus and categorize net position among the following components:

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(m) Net Position/Fund Balance Classification (continued)

Net Investment in Capital Assets - indicates that portion of net position which represents the County's equity in capital assets, less the amount of related debt.

Restricted Net Position - indicates that portion of net position which is segregated due to external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - indicates that portion of net position which is available for general operations.

(n) Capital Contribution

Capital assets contributed by developers, special assessments for capital projects, and capital related grant revenues are reported as capital contribution revenues in the proprietary fund statement of revenues, expenses and changes in fund net position and in the government-wide statement of activities.

(o) Interfund Transactions

The following is a description of the basic types of interfund transactions made during the year and the related accounting policy:

- Transfers of financial resources between funds are recognized in the funds affected in the period in which the interfund receivables and payables arise.
- The County considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary cash needs. Accordingly, the related receipts and payments meet the criteria for reporting at a net amount for purposes of cash flow presentations under GASB Statement No. 9, *Reporting Cash Flows of Propriety and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Accounting*.
- During the course of normal operations, the County had monetary transfers between funds to provide operating funds. These transactions are generally reflected as transfers.
- Transactions which constitute reimbursements of a fund for expenditures initially made from it are accounted for as an expenditure in the reimbursing fund and as a reduction of the expenditure in the fund that is reimbursed.

(p) Unamortized Gains or Losses from Debt Refundings

Gains or losses on debt refunding are shown as a deferred inflow/outflow and amortized over the life of the old debt or new debt, whichever is shorter. Amortization is charged to interest expense.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(q) Use of Estimate

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

(r) New Accounting Pronouncements

Effective October 1, 2017, the County adopted provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 represents a significant change to the reporting requirements for OPEB plans by establishing a net OPEB liability, an actuarially calculated amount representing the OPEB benefits accrued by current employees and retirees of the system. The previous requirements were based on a funding perspective.

Certain estimates and assumptions are involved with the calculation of the net OPEB liability and actual results may differ. The impact of differences between estimated and actual results are presented as deferred inflows of resources or deferred outflows of resources. These deferred inflows and outflows will be applied in the calculation of the OPEB expense, and will impact the net OPEB liability over time, reducing the volatility created by items such as investment performance.

As a result of this change in the accounting principle, certain fiscal year 2018 beginning balances presented in this report differ from the balances presented in the fiscal year 2017 Comprehensive Annual Financial Report. The October 1, 2017 Statement of Net Position balances have been restated as shown under Note 24.

Effective October 1, 2017, the County adopted provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Prior to the implementation of this statement, applicable interest costs of the System were capitalized for assets under construction. The interest became part of the cost of the associated asset and would then be depreciated over the useful life of the asset. Beginning with fiscal year 2018, the interest costs are not reported as an expense for the period in which the expense is incurred. To illustrate the impact of this change, the amount of interest that was capitalized during fiscal year 2017 was \$1,828,555, which would have been included in the interest expense amount if GASB 89 were in effect for that reporting period.

This statement requires prospective appreciation. Therefore, no prior period adjustments have been applied and the interest capitalized prior to this statement continues to be included in the historical cost of the assets.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanations of certain differences between the governmental fund balance sheet and the government-wide statement of net position are as follows:

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.”

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (continued)

The following is a detail of certain liabilities not due and payable in the current period and therefore not reported in the funds on the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position. Amounts shown in this line item are exclusive of internal service fund amounts for each category:

Compensated Absences	\$ 13,121,694
Loans/Promissory Note Payable	44,844,493
Special Assessment Loans Payable	35,995,400
Revenue Bonds Payable	16,745,000
General Obligation Debt	26,330,000
Capital Lease	108,544
Other Postemployment Benefits	32,840,340
Net Pension Liability	160,505,963
Accrued Interest Payable	276,128
Unamortized Premium	2,089,560
Unamortized Deferred Outflow - Loss on Refunding	(1,008,421)
Unamortized Deferred Outflow - Pension and OPEB Related	(68,585,421)
Unamortized Deferred Inflow - Pension and OPEB Related	<u>18,192,266</u>
Net adjustment to reduce Fund Balance-Total Governmental Funds to arrive at Net Position-Governmental Activities	<u><u>\$ 281,455,546</u></u>

Note 3. Property Taxes

All real and tangible personal property taxes are due and payable on November 1 of each year, or as soon thereafter as the tax roll is certified by the County Property Appraiser, and become delinquent on April 1 of the following year. The Tax Collector mails, to each property owner on the tax roll, a notice of taxes levied by the various governmental entities in the County. Discounts are allowed for payment of property taxes before March 1.

Procedures for collecting delinquent taxes, including applicable tax certificate sales, tax deed sales, and tangible personal property seizure sales, are provided by the laws of Florida. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. Property taxes receivable at September 30, 2018, were immaterial and collections were doubtful. Therefore, none are recorded. Key dates in the property tax cycle (latest date, where appropriate) are as follows:

July 1	• Assessment roll certified unless extension granted by Department of Revenue.
Prior to October 1	• Millage resolution approved and taxes levied following certification of assessment roll.
October 1	• Beginning of fiscal year which taxes have been levied.
November 1	• Taxes due and payable or as soon thereafter as the Tax Collector receives tax roll. (Levy date)
30 days after levy date	• Property taxes become due and payable (maximum discount 4 percent).
March 31	• Due Date.
April 1	• Taxes become delinquent. (Lien date)
Prior to June 1	• Tax certificates sold.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 4. Cash and Investments

Deposits

General

All County depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280 of the Florida Statutes (Florida Security for Public Deposits Act) provides procedures for public deposits to insure deposits in banks and savings and loans are collateralized as public funds.

Financial institutions qualifying as public depositories shall deposit with the Treasurer eligible collateral having a fair value equal to or in excess of the average daily balance times the depository collateral – pledging the level required pursuant to Chapter 280 as computed and reported monthly or 25 percent of the average monthly balance, whichever is greater. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit. The bank balance of deposits insured by Federal Depository Insurance or pursuant to Chapter 280 of the Florida Statutes was \$87,526,716 as of September 30, 2018.

Investments

The County is authorized to invest in the following:

- (1) The Local Government Surplus Funds Trust Fund, the State Investment Pool administered by the State Board of Administration.
- (2) The Florida Local Government Investment Trust, administered by the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties.
- (3) Negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by, the United States Government.
- (4) The Florida Fixed Income Trust administered by WaterWalker Investments.
- (5) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government.
- (6) Bonds, debentures, notes or other evidence of indebtedness, including collateralized mortgage obligations and structured notes, issued or guaranteed by United States Government agencies (Federal Instrumentalities) which are not full-faith and credit agencies.
- (7) Non-negotiable interest-bearing time certificates of deposit, money market accounts or savings accounts in banks/savings and loan associations organized under the laws of the United States, doing business and situated in the State, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
- (8) Repurchase agreements (for purchase and subsequent sale) for any of the investments authorized in numbers 3 and 5 above.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 4. Cash and Investments (continued)

Investments (continued)

(9) State and/or local government taxable and tax-exempt debt, General Obligation and/or Revenue Bonds rated at least “Aa” by Moody’s and “AA” by Standard & Poor’s for long-term debt, or rated at least MIG-2 by Moody’s and SP2 by Standard & Poor’s for short-term debt.

(10) Mutual funds comprised of only those investment instruments as authorized in numbers 3, 5, and 8 above.

The County’s investments at September 30, 2018 consisted of the following:

The County invests funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Investments in the SBA consisted of the Florida PRIME at September 30, 2018.

The Florida PRIME has met the criteria as a qualifying pool and was assigned a rating of “AAA_m” by the Standard and Poor’s Rating Service. As of September 30, 2018, the County had a balance of \$51,303,697 in the Florida PRIME. The County’s position in the pool is valued the same as the pool shares based on amortized cost, which approximates fair value, and is treated as cash in financial statement presentation. The Florida PRIME has no limitations or restrictions on withdrawals; however, the Executive Director, in the event of a material event, may limit withdrawals from the fund for 48 hours with the option for the trustees of the fund to extend up to an additional 15 days.

The County’s investment pools also include investments in the Florida Local Government Investment Trust (FLGIT), a public entity investment trust organized under the laws of the State of Florida. At September 30, 2018, the FLGIT portfolio included certain corporate securities. These securities amounted to 19.6% of the FLGIT portfolio. The corporate securities are rated by Standards and Poor’s as “A-” or higher and the mortgage-backed securities are rated “AA+” or higher. FLGIT reports all share information at Net Asset Value (NAV), which reflects fair value accounting. The fair value of the cash position of the County in this external investment pool is the same as the value of the pool shares held by the County. There are no restrictions or terms and conditions on the County in redeeming the investment. Shares are marked to market on a daily basis. There is no regulatory oversight of the external investment pool. The County has no unfunded commitments that are related to this investment. The pool has a current Standard & Poor’s rating of “AAAF” and a volatility rating of “S1”. Standard & Poor’s monitors the fund on a monthly basis.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 4. Cash and Investments (continued)

Investments (continued)

The County's investment pool includes investment in the Florida Fixed Income Trust (FIT), formed through indenture of trust pursuant to Florida Statutes, Sections 163.01 and 218.415. At September 30, 2018, the Florida FIT portfolio included certain corporate securities. These securities amount to 11.8% of the portfolio. The Florida FIT reports all share information at Net Asset Value (NAV), which reflects fair value accounting. The fair value of the position the County has in this external investment pool is the same value of pool shares held by the County. There are no restrictions or terms and conditions on the County redeeming the investments. There is no regulatory oversight of the external investment pool. The County has no unfunded commitments that are related to this investment. The pool has a current Standard & Poor's rating of "AA+f" and a volatility rating of "S1". Standard & Poor's monitors the fund on a monthly basis.

The County's investment policy limits the credit risk of its investments by limiting authorized investments, thus reducing the risk of potential default of investments that are not sound. The County's investments at September 30, 2018 have a Standards and Poor's rating of "AAA" for the direct obligations of the United States Government and each of its agencies and instrumentalities.

In investing public funds, the County strives to maximize return on the portfolio as a whole but will minimize investment risk. The County's formal investment policy provides basic criteria for consideration of length of investments during various periods of interest rate variability, and limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The investments held by the County, including Fiduciary Funds, are measured and recorded using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Observable other than quoted market prices

Level 3: Unobservable and significant

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 4. Cash and Investments (continued)

Investments (continued)

	<u>Fair Value Method</u>	<u>Interest Rate</u>	<u>Maturity Range</u>	<u>Balance at 9/30/18</u>
<u>Investments by Fair Value Level</u>				
Federal National Mortgage Assoc.	Level 2	0.625% - 2.06%	10/18 - 6/26	\$ 58,273,590
Federal Home Loan Mortgage Corp.	Level 2	0.875% - 3.25%	11/18 - 5/23	110,113,512
Federal Home Loan Bank	Level 2	0.875% - 3.00%	12/18 - 4/23	116,482,449
Federal Farm Credit Bank	Level 2	1.03% - 3.00%	11/18 - 3/23	51,130,890
Small Business Admin. Pools	Level 2	5.57% - 5.82%	11/18 - 4/19	<u>79,421</u>
Total Investments Measured at Fair Value				\$ 336,079,862
<u>Investments Measured at Net Asset Value</u>				
Florida Local Government Investment Trust				\$ 47,764,480
Florida Fixed Income Trust				<u>62,159,159</u>
Total Investments Measured at Net Asset Value				\$ 109,923,639
<u>Investments Measured at Amortized Cost</u>				
Florida PRIME				\$ 51,303,697
Federated Money Market				<u>3,665,857</u>
Total Measured at Amortized Cost				\$ 54,969,554
Total Investments and Cash Equivalents				\$ 500,973,055
Florida PRIME Classified as Cash Equivalents				<u>(51,303,697)</u>
Total Investments, Net of Cash Equivalents				<u>\$ 449,669,358</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 5. Accounts and Assessments Receivable

At September 30, 2018, the current portion of accounts and assessments receivable consisted of the following:

	Gross Receivable	Less Allowance for Uncollectible	Net Receivable
<u>Governmental Funds</u>			
Major Governmental Funds			
General Fund			
Board of County Commissioners	\$ 28,421,572	\$ 25,257,007	\$ 3,164,565
Property Appraiser	157	-	157
Sheriff	360	-	360
Clerk of the Circuit Court	1,187	-	1,187
Total General Fund	<u>28,423,276</u>	<u>25,257,007</u>	<u>3,166,269</u>
 Total Major Governmental Funds	<u>28,423,276</u>	<u>25,257,007</u>	<u>3,166,269</u>
<u>Nonmajor Governmental Funds</u>			
Board of County Commissioners	7,898,929	7,197,861	701,068
Sheriff	75,685	-	75,685
Total Non-Major Governmental Funds	<u>7,974,614</u>	<u>7,197,861</u>	<u>776,753</u>
 Internal Service Funds	<u>59,818</u>	<u>-</u>	<u>59,818</u>
 Total Governmental Activities Statement of Net Position	<u>36,457,708</u>	<u>32,454,868</u>	<u>4,002,840</u>
<u>Proprietary Funds</u>			
Charlotte County Landfill	229,410	-	229,410
Utility System (Customers)	8,910,480	550,147	8,360,333
Total Proprietary Funds	<u>9,139,890</u>	<u>550,147</u>	<u>8,589,743</u>
<u>Fiduciary Funds</u>			
Clerk of the Circuit Court	3,739,011	-	3,739,011
Total Fiduciary Funds	<u>3,739,011</u>	<u>-</u>	<u>3,739,011</u>
 Total All Funds	<u>\$ 49,336,609</u>	<u>\$ 33,005,015</u>	<u>\$ 16,331,594</u>

The Utility System (customers) line item includes \$2,818,551 of special assessment receivables, of which \$440,656 is delinquent.

In the event the County's anticipated pledged revenues are insufficient to cover the County's special assessment debt, the County is obligated to appropriate other legally available non-ad valorem funds.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 6. Interfund Balances

A. Due to/from other funds at September 30, 2018:

Receivable Fund	Payable Fund	Amount
General	Charlotte Public Safety	\$ 117,639
	Utility System	46
	Nonmajor Governmental Funds	1,779,508
	Total Due to General Fund	<u>\$ 1,897,193</u>
Charlotte Public Safety	General Fund	\$ 608,688
	Total Due to County Public Safety Fund	<u>\$ 608,688</u>
Street & Drainage Maintenance	General Fund	\$ 372,830
	Utility System	50,448
	Total Due to Street & Drainage Maintenance	<u>\$ 423,278</u>
Capital Projects	General Fund	\$ 3,354
	Internal Service Funds	50,000
	Utility System	462,570
	Nonmajor Governmental Funds	454,593
	Total Due to Capital Projects	<u>\$ 970,517</u>
Charlotte County Landfill	Charlotte Sanitation	\$ 227,383
	Total Due to Charlotte County Landfill	<u>\$ 227,383</u>
Utility System	General Fund	\$ 29,455
	Nonmajor Governmental Funds	24,928
	Total Due to Utility System	<u>\$ 54,383</u>
Charlotte Sanitation	General Fund	\$ 155,973
	Total Due to Charlotte Sanitation	<u>\$ 155,973</u>
Internal Service Funds	General Fund	\$ 3,535
	Nonmajor Governmental Funds	346,358
	Total Due to Internal Service Funds	<u>\$ 349,893</u>
Nonmajor Governmental Funds	General Fund	\$ 3,754,186
	Charlotte County Landfill	88,027
	Nonmajor Governmental Funds	2,904,775
	Total Due to Nonmajor Governmental Funds	<u>\$ 6,746,988</u>
	Total	<u><u>\$ 11,434,296</u></u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 6. Interfund Balances (continued)

The interfund balances between funds results mainly from the time lag between the dates that the goods and services were provided or the expenditure occurs, the recording of the transaction and the date the payment between the funds are made.

B. Interfund Transfers at September 30, 2018:

Transfers In	Transfers Out	Amount
General		
	Charlotte Public Safety	\$ 67,415,213
	Capital Projects	1,137,737
	Charlotte County Landfill	60,876
	Utility System	561,948
	Internal Service Funds	28,920
	Nonmajor Governmental Funds	6,166,356
	Total Transfer to General Fund	<u>\$ 75,371,050</u>
Charlotte Public Safety		
	General Fund	\$ 996,863
	Total Transfer to Charlotte Public Safety Fund	<u>\$ 996,863</u>
Street & Drainage Maintenance		
	General Fund	\$ 162,811
	Nonmajor Governmental Funds	109,412
	Total Transfer to Street & Drainage Maintenance	<u>\$ 272,223</u>
Capital Projects		
	General	\$ 129,277
	Charlotte Public Safety	65,648
	Utility System	28,186
	Nonmajor Governmental Funds	585,423
	Total Transfer to Capital Projects	<u>\$ 808,534</u>
Utility System		
	General Fund	\$ 13,920
	Nonmajor Governmental Funds	48,237
	Total Transfer to Utility System	<u>\$ 62,157</u>
Charlotte Sanitation		
	General Fund	\$ 78,820
	Total Transfer to Charlotte Sanitation	<u>\$ 78,820</u>
Internal Service Funds		
	Nonmajor Governmental Funds	\$ 681,146
	Total Transfer to Internal Service Funds	<u>\$ 681,146</u>
Nonmajor Governmental Funds		
	General Fund	\$ 18,289,340
	Capital Projects	4,760,181
	Street & Drainage Maintenance	3,000
	Nonmajor Governmental Funds	4,829,540
	Total Transfer to Nonmajor Governmental Funds	<u>\$ 27,882,061</u>
	Total	<u><u>\$106,152,854</u></u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 6. Interfund Balances (continued)

Transfers are used to move recurring annual transfers and to move unrestricted revenues to finance various programs that the County must account for in other funds in accordance with budgetary authorizations.

C. Interfund Loans/Advances at September 30, 2018:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Charlotte County Utilities	Capital Projects	\$ 925,140
Parkside Community Redevelopment	Capital Projects	7,588,497
Charlotte County Utilities	Capital Projects	5,903,303
Charlotte Harbor Redevelopment	General Fund	1,008,693
Charlotte County Utilities	General Fund	1,587,262
		<u>\$ 17,012,895</u>

The amount advanced by the Capital Projects Fund to the Charlotte County Utilities Fund relates to a loan made to fund the regional expansion program of the Peace River Manasota Regional Water Supply Authority. This balance is being repaid to the capital project fund over ten years.

The amount advanced by the Capital Projects Fund to Parkside Community Redevelopment Fund relates to a loan to fund improvements in this redevelopment area.

The amount advanced by the Capital Projects Fund to the Charlotte County Utilities Fund relates to a loan to fund utility infrastructure.

The amount advanced by the General Fund to the Charlotte Harbor Redevelopment Fund relates to a loan to fund improvements in this redevelopment area.

The amount advanced by the General Fund to the Charlotte County Utilities Fund relates to a loan made to fund various utility infrastructure.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 7. Restricted Assets

Restricted assets include those provided for by resolutions adopted by the County Commission for the issuance of bonds, or otherwise restricted by the County or required under certain debt agreements. Those restricted assets as of September 30, 2018 are as follows:

	Cash and Cash Equivalents	Investments	Total
<u>Charlotte County Landfill</u>			
Closure and Long Term Monitoring	\$ 704,128	\$ 8,267,692	\$ 8,971,820
Deposits	1,743	20,736	22,479
Deep Injection Well	26,902	315,881	342,783
	<u>732,773</u>	<u>8,604,309</u>	<u>9,337,082</u>
<u>Utility System</u>			
Debt Service	1,429,431	16,784,045	18,213,476
Construction Trust	1,987,275	15,418,437	17,405,712
Renewal & Replacement	1,018,967	11,964,458	12,983,425
Customer Deposits	103,445	5,029,544	5,132,989
Other	431,941	5,071,730	5,503,671
	<u>4,971,059</u>	<u>54,268,214</u>	<u>59,239,273</u>
 Total	 <u>\$ 5,703,832</u>	 <u>\$ 62,872,523</u>	 <u>\$ 68,576,355</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 8. Capital Assets

Capital assets activity for the year ended September 30, 2018 are as follows:

	Governmental Activities Capital Assets 10/1/2017	Additions	Deletions	Governmental Activities Capital Assets 9/30/2018
Governmental Activities				
Capital Assets not Depreciated:				
Land & Other	\$179,835,957	\$ 2,263,269	\$ 224,062	\$ 181,875,164
Easements	2,672,592	1,114,826	-	3,787,418
Construction in Progress	82,840,167	62,551,344	91,588,281	53,803,230
Total Assets not Depreciated	<u>265,348,716</u>	<u>65,929,439</u>	<u>91,812,343</u>	<u>239,465,812</u>
Capital Assets Depreciated:				
Buildings	239,492,153	13,362,817	-	252,854,970
Infrastructure	455,936,552	67,126,614	-	523,063,166
Improvements Other than Buildings	104,600,005	4,503,690	-	109,103,695
Equipment	114,316,699	10,302,752	6,690,347	117,929,104
Intangible Assets	1,672,488	-	-	1,672,488
Total Assets Depreciated	<u>916,017,897</u>	<u>95,295,873</u>	<u>6,690,347</u>	<u>1,004,623,423</u>
Less Accumulated Depreciation and Amortization:				
Buildings	86,812,065	6,526,505	-	93,338,570
Infrastructure	171,503,508	11,183,591	-	182,687,099
Improvements Other than Buildings	35,414,388	4,476,658	-	39,891,046
Equipment	80,679,225	11,026,150	6,382,034	85,323,341
Intangible Assets	1,348,682	163,230	-	1,511,912
Total Accumulated Depreciation and Amortization	<u>375,757,868</u>	<u>33,376,134</u>	<u>6,382,034</u>	<u>402,751,968</u>
Total Depreciable Capital Assets, Net	<u>540,260,029</u>	<u>61,919,739</u>	<u>308,313</u>	<u>601,871,455</u>
Total Governmental Activities Capital Assets, Net of Depreciation and Amortization	<u>\$805,608,745</u>	<u>\$127,849,178</u>	<u>\$ 92,120,656</u>	<u>\$ 841,337,267</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 8. Capital Assets (continued)

	Business-type Capital Assets 10/1/2017	Additions	Deletions	Business-type Capital Assets 9/30/2018
Business-type Activities				
Capital Assets not Depreciated:				
Land & Other	\$ 25,528,797	\$ -	\$ 240,610	\$ 25,288,187
Easements	797,770	37,847	-	835,617
Construction in Progress	76,650,207	32,264,210	35,742,505	73,171,912
Total Assets not Depreciated	<u>102,976,774</u>	<u>32,302,057</u>	<u>35,983,115</u>	<u>99,295,716</u>
Capital Assets Depreciated:				
Buildings	17,428,618	-	-	17,428,618
Improvements Other than Buildings	395,438,511	39,254,795	-	434,693,306
Equipment	23,563,799	3,216,386	1,317,671	25,462,514
Intangible Assets	38,832,100	-	-	38,832,100
Total Assets Depreciated	<u>475,263,028</u>	<u>42,471,181</u>	<u>1,317,671</u>	<u>516,416,538</u>
Less Accumulated Depreciation and Amortization:				
Buildings	9,331,233	298,773	-	9,630,006
Improvements Other than Buildings	202,698,774	12,397,466	-	215,096,240
Equipment	13,796,166	1,721,356	1,004,741	14,512,781
Intangible Assets	27,662,234	1,415,486	-	29,077,720
Total Accumulated Depreciation and Amortization	<u>253,488,407</u>	<u>15,833,081</u>	<u>1,004,741</u>	<u>268,316,747</u>
Total Depreciable Capital Assets, Net	<u>221,774,621</u>	<u>26,638,100</u>	<u>312,930</u>	<u>248,099,791</u>
Total Business Type Activities Capital Assets, Net of Depreciation and Amortization	<u>\$324,751,395</u>	<u>\$ 58,940,157</u>	<u>\$ 36,296,045</u>	<u>\$ 347,395,507</u>

Depreciation and amortization expense was charged to functions on the Statement of Activities as follows:

Governmental Activities:

General Government	\$ 3,527,510
Public Safety	8,566,266
Physical Environment	853,315
Transportation	13,660,812
Economic Environment	4,233
Human Services	784,198
Culture and Recreation	5,810,707
Court Services	169,093
Total	<u>\$ 33,376,134</u>

Business-type Activities:

Utilities	\$ 14,918,283
Landfill	914,798
Total	<u>\$ 15,833,081</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations

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

	Balance as of 10/1/2017	Additions	Deletions	Balance as of 9/30/2018	Due Within One Year
Governmental Activities					
Loans/Promissory Note Payable	\$ 49,052,728	\$ 5,000,000	\$ 9,208,235	\$ 44,844,493	\$ 8,004,698
Special Assessment Loans Payable	23,915,600	20,307,000	8,227,200	35,995,400	4,935,600
Revenue Bonds Payable	17,800,000	-	1,055,000	16,745,000	1,090,000
General Obligation Debt	28,955,000	-	2,625,000	26,330,000	2,685,000
Self-Insurance Claims Payable	9,085,556	-	958,380	8,127,176	4,873,176
Other Postemployment Benefits	42,516,975	-	9,587,032	32,929,943	-
Accrued Compensated Absences	14,312,074	9,468,528	9,782,177	13,998,425	4,763,512
Unamortized Premium	2,205,523	-	115,963	2,089,560	-
Net Pension Liability	158,503,716	2,629,631	-	161,133,347	724,864
Capital Lease	217,087	-	108,543	108,544	108,544
Total	346,564,259	37,405,159	41,667,530	342,301,888	27,185,394
Business-type Activities					
Revenue Bonds	107,900,000	-	12,190,000	95,710,000	12,515,000
Utility Loans Payable	10,896,302	11,534,272	334,400	22,096,174	2,032,565
Special Assessment Loans	14,692,052	7,505,699	648,464	21,549,287	1,798,689
Other Postemployment Benefits	1,115,128	598,299	-	1,713,427	-
Accrued Compensated Absences	1,058,955	1,028,202	1,001,858	1,085,299	99,145
Net Pension Liability	11,532,401	463,402	-	11,995,803	166,071
Landfill Closure	11,037,932	-	502,282	10,535,650	-
Unamortized Premium/(Discount)	2,122,234	-	303,176	1,819,058	-
Total	160,355,004	21,129,874	14,980,180	166,504,698	16,611,470
Long-Term Debt	\$506,919,263	\$ 58,535,033	\$ 56,647,710	\$508,806,586	\$ 43,796,864

Long-term debt liabilities for internal service funds are included as part of the total for government activities, because they predominantly serve the government funds. At year-end, \$876,731 of internal service fund compensated absences are included in the above amount. For governmental activities, compensated absences, claims and judgments, pension liabilities, and postemployment benefit liabilities are generally liquidated by the General Fund.

Other postemployment benefits are funded on a pay-as-you-go basis from the County's general fund when due.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Long-term debt payable at September 30, 2018 is comprised of the following issues:

Revenue Bonds Payable, Business-type Activities

\$23,455,000 Series 2008 Utility Refunding Revenue Bonds, issued to refund the Series 1996B (South Gulf Cove Water Expansion Phase 1) and 1998 Utility Bonds, (the 1998 bonds refunded the 1996A bonds that were issued for reserve account insurance), maturing serially through 2023, interest at 3.94%, secured by a pledge of 100% of the net revenues of the system operations and connection fees. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$25,280,479.

\$ 21,280,000

\$64,900,000 Series 2011 Utility Refunding Revenue Bonds, issued to (1) refund the Series 2001 (issued to purchase the Rotonda Utility System), (2) refund the Series 2003B (issued to refund the Series 1991 bonds, which were issued to purchase the utility system from GDU), (3) refund the Series 2009 (issued for the expansion of the reclaimed water system and the expansion of the Burnt Store reverse osmosis water plant), (4) payoff the \$18,000,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission (issued to finance the expansion of the Burnt Store Utility Reverse Osmosis Water Treatment Plant and to refinance a loan previously made to the County by the Commissions, the proceeds of which were used to finance the acquisition of a utility system from Florida Water Services), (5) to fund the reserve account, (6) to pay the costs of terminating that portion of a Qualified Hedge Agreement relating to the 2003B Bonds and (7) to pay certain expenses relating to issuance and sale of the 2011 Bonds, including the premiums for a Bond Insurance Policy and a Reserve Account Insurance Policy. The bonds mature serially through 2024 at interest rates of 3% - 5.25% and are secured by a pledge of the net revenues derived from the operation of the system and water and sewer connection fees. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$40,635,988.

34,085,000

\$41,385,000 Series 2013 Utility System Refunding Revenue Bonds, issued by Banc of America Preferred Funding Corporation to refund the Series 2003A utility bonds. The 2003A utility bonds refunded the 1993 utility bonds which refunded the 1991 utility bonds that were issued to purchase the utility system from General Development Utility. The 2013 bonds mature in 2021, with interest at 1.44%, secured by a pledge of 100% of the net revenues of the system operations and connections fees. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$20,062,252.

19,495,000

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Revenue Bonds Payable, Business-type Activities, Continued

\$23,955,000 Series 2016 Utility System Refunding Bonds, issued by Banc of America Preferred Funding Corporation to refund the Series 2006 utility bonds, and to advance refund a portion of the Series 2011 utility refunding revenue bonds, as described above. The 2016 bond matures in 2024, with interest at 1.71% secured by a pledge of 100% of the net revenues of the system operations and connection fees. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$22,147,035.

20,850,000

Total Revenue Bonds Payable

\$ 95,710,000

Plus Unamortized Premium

1,819,058

Total Revenue Bonds Payable for Business-type Activities

\$ 97,529,058

Loans Payable, Business-type Activities

\$10,732,071 State of Florida Department of Environment Protection Revolving Loan issued to fund the East Port Reclamation Facility Stage 5 Improvements, Deep Creek Force Main Replacement, Parkside CRA Utility Improvements, and Parkside CRA - Gertrude Avenue to Aaron Street, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .03%. The loan is repayable in forty (40) semiannual payments beginning March 15, 2020. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$10,974,720. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$4,086,859, and an additional \$568,182 in eligible expenditures not yet received.

\$ 4,086,859

\$463,193 State of Florida Department of Environment Protection Revolving Loan issued to fund Utility Clean Water Planning Activities, secured by a pledge of 100% of the net revenues and available sewer connection fees. The interest rate of the loan is 1.03%. The loan is repayable in forty (40) semi-annual payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$513,727.

463,193

\$5,265,800 State of Florida Department of Environment Protection Revolving Loan issued to fund Wastewater Pollution Control Facilities, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is 1.40%. The loan is repayable in forty (40) semiannual payments beginning June 15, 2019. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$6,172,240. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$1,047,450, and an additional \$40,124 in eligible expenditures not yet received.

1,047,450

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Loans Payable, Business-type Activities, Continued

\$10,376,983 State of Florida Department of Environment Protection Revolving Loan issued to fund Utility Improvements for Parkside CRA Ambrose Lane to West Tarpon Boulevard and Fixed Based Automatic Meter Reading System, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .86%. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$11,545,244. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$8,142,852, and an additional \$38,869 in eligible expenditures not yet received.

8,142,852

\$23,766,505 State of Florida Department of Environment Protection Revolving Loan issued to fund Loveland Grand Master Lift Station, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .54%. The loan is repayable in forty (40) semiannual payments beginning June 15, 2019. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$25,337,280. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$3,936,181, and an additional \$1,884,912 in eligible expenditures not yet received.

3,936,181

\$2,616,024 State of Florida Department of Environment Protection Revolving Loan issued to fund East/West Springlake Wastewater Expansion, Vacuum Collection, and Gravity Sanitary Sewer System, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .62%. The loan is repayable in forty (40) semi-annual loan payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$2,841,600. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$1,754,039, and an additional \$97,878 in eligible expenditures not yet received.

1,754,039

\$3,000,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for Midway gravity sewer interceptor and wastewater force main expansion, secured by a pledge of 100% of the net revenues of the system operations. The loan is financed over a five year period. Interest rate is due monthly, calculated in a manner provided in Treasury Regulation Section 1.148-4.

2,665,600

Total Loans Payable for Business-type Activities

\$ 22,096,174

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Special Assessment Loans Payable, Business-type Activities

\$994,724 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 2 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 2 sewer MSBU. The interest rate of the loan is 3.34%. The loan is repayable in forth (40) semi-annual loan payments, beginning October 15, 2001. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$188,500.	\$ 177,955
\$1,738,244 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 2 MSBU water expansion, secured by the collection of assessments of the SGC Ph 2 water MSBU. The interest rate of the loan is 3.52% to 3.57%. The loan is repayable in forty (40) semi-annual loan payments, beginning October 15, 2001. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$345,385.	324,794
\$1,104,928 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 3 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 3 sewer MSBU. The interest rate of the loan is 3.16%. The loan is repayable in forty (40) semi-annual loan payments beginning February 15, 2003. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$248,915.	232,110
\$1,793,615 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 3 MSBU water expansion, secured by the collection of assessments of the SGC Ph 3 water MSBU. The interest rate of the loan is 3.05%. The loan is repayable in forty (40) semi-annual loan payments beginning August 15, 2002. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$455,757.	426,006
\$1,761,769 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 4 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 4 sewer MSBU. The interest rate of the loan is 2.93%. The loan is repayable in forty (40) semi-annual loan payments beginning April 15, 2004. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$632,580.	580,333
\$2,047,527 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 4 MSBU water expansion, secured by the collection of assessments of the SGC Ph 4 water MSBU. The interest rate of the loan is 2.67%. The loan is repayable in forty (40) semi-annual loan payments beginning December 15, 2004. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$805,733.	739,962

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Special Assessment Loans Payable, Business-type Activities, Continued

<p>\$556,822 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 5 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 5 sewer MSBU. The interest rate of the loan is 3.16%. The loan is repayable in forty (40) semi-annual payments beginning November 15, 2005. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$253,525.</p>	227,962
<p>\$863,558 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 5 MSBU water expansion, secured by the collection of assessments of the SGC Ph 5 water MSBU. The interest rate of the loan is 2.81%. The loan is repayable in forty (40) semi-annual payments, beginning February 15, 2006. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$385,433.</p>	347,689
<p>\$170,781 State of Florida Department of Environment Protection Revolving Loan issued to fund the Pirate Harbor MSBU pre-construction sewer expansion, expenses secured by the collections of assessments of the Pirate Harbor MSBU. The interest rate of the loan is 2.63%. The loan is repayable in forty (40) payments beginning March 15, 2010. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$121,391.</p>	104,816
<p>\$1,070,649 State of Florida Department of Environment Protection Revolving Loan issued to fund the Pirate harbor MSBU construction sewer expansion, expenses secured by the collections of assessments of the Pirate Harbor MSBU. The interest rate of the loan is 3.12%. The loan is repayable in forty (40) payments beginning October 15, 2009. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$794,676.</p>	668,300
<p>\$19,351,890 State of Florida Department of Environment Protection Revolving Loan issued to fund the East/West Springlake MSBU construction sewer expansion expenses secured by the collections of assessments of the East/West Springlake MSBU. The interest rate of the loan is .72% for \$16,195,119 and .62% for \$2,929,971. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$21,182,280. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$14,670,066, and an additional \$145,551 in eligible expenditures not yet received.</p>	14,670,066

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Special Assessment Loans Payable, Business-type Activities, Continued

\$3,750,529 State of Florida Department of Environment Protection Revolving Loan issued to fund East/West Springlake Wastewater Expansion, secured by a pledge of 100% of net revenues of the system operations and Assessment Revenues of the MSBU. The interest rate of the loan is .13%. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$3,876,680. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$3,049,294, and \$698,005 in eligible expenditures not yet received.

3,049,294

Total Special Assessment Loans Payable for Business-type Activities

\$ 21,549,287

Total Loans and Bonds Payable for Business-type Activities

\$ 141,174,519

Total principal and interest for utility bonds and loans for 2018 was \$15,675,170. The total pledged revenue less expenses was \$30,011,070, resulting in a debt coverage for 2018 of 1.91%.

The total principal and interest for special assessment loans for 2018 was \$833,290. The total pledged revenue less expenses for 2018 was \$1,411,500, resulting in a debt coverage for 2018 of 1.70%.

Special Assessment Loans Payable, Governmental Activities

\$1,500,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, to refinance a loan previously made for Burnt Store Village, Rotonda Sands N and Rotonda Lakes streets and drainage capital improvements financed over a four year period (2017 - 2021). Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4.

\$ 1,500,000

\$2,494,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, to refinance a loan previously made for dredging NW Charlotte and Suncoast Waterway and paving in Gulf Cove, financed over a five year period (2017-2022). Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4.

2,494,000

\$8,200,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving improvements in Deep Creek, Peace River Shores, Punta Gorda - Urban and Rotonda Heights, financed over a five year period (2016-2021), with a balloon payment of \$5,184,000 in June of 2021. Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4.

6,692,000

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Special Assessment Loans Payable, Governmental Activities, Continued

\$10,125,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving improvements in Harbour Heights, South Gulf Cove and Deep Creek, financed over a five year period (2017-2021), with a balloon payment of \$5,610,600 in December 2021. Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4. 8,996,400

\$13,125,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for paving in Deep Creek N, Punta Gorda N-Urban, South Punta Gorda Heights, South Punta Gorda Heights - W, Cook & Brown Streets and NW Charlotte N, financed over a five year period (2017-2022), with a balloon payment of \$7,273,000 in December, 2022. Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 13,125,000

\$3,188,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for paving in South Gulf Cove N and Suncoast Blvd., financed over a five year period (2018-2023) with a balloon payment of \$1,908,000 in June, 2023. Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 3,188,000

Total Special Assessment Loans Payable for Governmental Activities \$ 35,995,400

Loans/Promissory Note Payable, Governmental Activities

\$7,911,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving improvements, financed over a five year period (2016-2021), with a balloon payment of \$4,011,000 in June 2021. Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. \$ 5,961,000

\$5,000,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for Murdock Village, financed over a five year period (2017-2022). Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 5,000,000

\$3,700,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for Energy Efficiency Capital Improvements, financed over a five year period (2014-2018), with a final balloon payment of \$2,720,000. Interest is due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 2,720,000

The Series A Tax Exempt Commercial Paper Loan Program loans are secured 100% by non-ad valorem pledged revenues. The total principal and interest remaining to be paid on the programs are \$74,820,380 and the total available revenue for the paving and dredging projects was \$74,801,132.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Loans/Promissory Note Payable, Governmental Activities, Continued

\$49,095,000 Promissory Note, Series 2012, issued to finance acquisition of land for the Murdock Village project, through Bank of America. The Promissory Note, Series 2012, is a refinancing of the Series 2009A over a ten year period (2012-2022), with a balloon payment of \$18,234,187. Funding to extinguish the debt is being appropriated through the annual budget process, using a fifteen (15) year amortization schedule until such time a developer is selected and a combination of proceeds from sale and tax increment financing extinguishes the remaining debt. The debt is secured by 100% non-ad valorem pledged revenues, the total principal and interest remaining to be paid on the program is \$34,091,032 and the total available revenue was \$61,522,758 in fiscal year 2018. Interest is due quarterly at the rate of 2.95%.

31,163,493

Total Loans/Promissory Note Payable for Governmental Activities

44,844,493

Total Special Assessments/Loans/Promissory Note Payable for Governmental Activities

\$ 80,839,893

Bonds Payable, Governmental Activities

\$20,250,000 Capital Improvements Revenue Bonds Series 2015, issued to fund the Stadium Improvement, maturing serially through 2036, interest at 2% - 5%. The Capital Improvements Revenue Bonds Series is refinancing the Series 2007 over a twenty two year period (2015-2036). The debt is secured and pledged by 100% Communication Service Tax. The total principal and interest remaining to be paid on the program is \$22,473,947 and the total available revenue is \$4,892,322, in fiscal year 2018.

\$ 16,745,000

\$41,290,000 Limited General Obligation Bond Series 2012, issued to fund Conservation Charlotte, maturing serially through 2026, interest is at 2.11%. This debt is secured and pledged 100% by .2 mills of the ad-valorem tax. The total principal and interest remaining to be paid on the program is \$29,020,150 and the total available revenue was \$2,963,264 in fiscal year 2018.

26,330,000

Total Bonds Payable

\$ 43,075,000

Plus Unamortized Premium

2,089,560

Total Bonds Payable for Governmental Activities

45,164,560

Total Loans and Bonds Payable for Governmental Activities

\$ 126,004,453

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Fiscal Year	Principal	Interest	Total	Interest Rate
2019	\$ 16,346,254	\$ 3,544,720	\$ 19,890,974	0.62% - 5.00%
2020	18,058,696	3,163,879	21,222,575	0.03% - 5.00%
2021	18,462,172	2,741,227	21,203,399	0.03% - 5.00%
2022	18,487,717	2,316,371	20,804,088	0.03% - 5.00%
2023	16,763,293	1,877,678	18,640,971	0.03% - 5.00%
2024 - 2028	41,713,244	2,306,183	44,019,427	0.03% - 3.12%
2029 - 2033	9,184,632	175,759	9,360,391	2.63% - 3.12%
2034 - 2038	339,453	3,900	343,353	2.63% - 3.12%
Subtotal				
Business-type				
Debt	\$ 139,355,461	\$ 16,129,717	\$ 155,485,178	
Premium on Bonds	1,819,058	-	1,819,058	
Total all				
Business-type				
Debt	<u>\$ 141,174,519</u>	<u>\$ 16,129,717</u>	<u>\$ 157,304,236</u>	

Fiscal Year	Principal	Interest	Total	Interest Rate
2019 *	\$ 15,625,298	\$ 2,466,118	\$ 18,091,416	0.51% - 5.00%
2020	14,149,019	2,546,965	16,695,984	0.51% - 5.00%
2021	21,641,685	2,212,391	23,854,076	0.51% - 5.00%
2022	33,673,891	1,781,293	35,455,184	0.51% - 5.00%
2023	14,375,000	958,458	15,333,458	0.51% - 5.00%
2024 - 2028	19,810,000	2,630,723	22,440,723	0.51% - 5.00%
2029 - 2033	3,165,000	484,219	3,649,219	0.51% - 5.00%
2034 - 2038	1,475,000	125,044	1,600,044	0.51% - 5.00%
Subtotal				
Governmental				
Debt	123,914,893	13,205,211	137,120,104	
Premium on Bond	2,089,560	-	2,089,560	
Total All				
Governmental				
Debt	<u>\$ 126,004,453</u>	<u>\$ 13,205,211</u>	<u>\$ 139,209,664</u>	

*Requirements shown for year-ending September 30, 2018 relate to payments due on October 1, 2018.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Restrictive Covenants

Utility System revenue bonds are payable solely from and collateralized by a first lien upon and pledge of the net revenues and certain other fees and charges derived from the operation of the utility system. The pledge of the net revenues derived from the County from these operations does not constitute a lien upon the utility systems or any other property of the County.

The County has established and funded the Closure Reserve Account to ensure the availability of financial resources for the proper closure of the landfill in accordance with Section 403.7125 of the Florida Statutes.

The County has established the Utility System Sinking Fund and Reserve Accounts in accordance with the resolution authorizing the issuance of the utility system revenue bonds. Monies deposited in the sinking fund and reserve accounts are pledged solely for the payment of the principal and interest on the bonds.

The County has established a Renewal and Replacement Fund in accordance with the resolution authorizing the issuance of the utility system revenue bonds. The money deposited in this fund shall only be used for the purpose of paying the cost of major extensions, improvements or extraordinary repairs to the utility system or water facilities.

The Board has pledged Communications Services Taxes (CST) with respect to the Series 2007 Charlotte County Capital Improvement Revenue Bonds, requiring compliance with the flows of funds and establishment of debt service funds and restricted revenue accounts under the Bond resolution.

The covenants of the various loan agreements, authorizing the various Florida Local Government Finance Commissions loans outstanding, include appropriation in the annual budget amounts of non-ad valorem revenues or other legally available funds sufficient to satisfy the loan repayments.

In the opinion of management, the County is compliant with all debt covenants as of September 30, 2018.

Note 10. Conduit Debt Obligations

In accordance with GASB Interpretation No. 2, Disclosure of Conduit Debt Obligations, an interpretation of NCGA Statement 1, the County discloses certain conduit debt obligations. Conduit debt obligations occur when the governmental entity issues debt bearing its name to lower the cost of borrowing for specific governmental or nongovernmental third parties without being liable for repayment of the debt or interest thereon. The County has conduit debt obligations related to bonds issued in the name of the Charlotte County Industrial Development Authority, a discretely presented component unit who is the party responsible for the repayment of this debt. The County has conduit debt as follows:

Charlotte County Industrial Development Authority - \$1,587,961 Charlotte County Industrial Development Authority Refunding Revenue Bond (Charlotte County Family YMCA Project), Series 2010. The principal purpose of this bond is for refunding the Prior Indebtedness (the Series 2000 Bonds), which was used to pay a portion of the costs of the acquisition, construction and equipping of the facilities. This loan has been paid in full, therefore, there is no outstanding principal balance at September 30, 2018.

Charlotte County Industrial Development Authority - \$10,000,000 Charlotte County Industrial Development Authority Town and Country Utilities Project, Series 2015 Bonds. The principal purpose of this bond is to provide funding for infrastructure of utilities servicing the Babcock Ranch development, an approximately 17,787 acre mixed-use master planned project located in Charlotte and Lee Counties. The outstanding principal balance at September 30, 2018 is \$10,000,000.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 11. Lease Obligations

Operating Leases:

The County has entered into various non-cancelable lease agreements for office space under operating leases. In most cases, the County expects that in the normal course of operations these leases will be renewed or replaced by other leases.

Total rental expenditures for all operating leases within governmental activities for the year ended September 30, 2018 were \$620,992. There were no rental expenditures for operating leases within proprietary fund types. The following is a schedule of minimum future rentals on non-cancelable operating leases:

Fiscal Year Ending September 30	Amount
2019	\$ 395,534
2020	198,685
2021	58,071
2022	58,071
2023	19,357
Thereafter	-
Total	<u>\$ 729,718</u>

The County also acts as a lessor in several operating leases, primarily rental of space on communication towers related to cell phone companies and rental of office space. For the year ended September 30, 2018, total rental revenues related to those operating leases were \$222,223.

Capital Leases:

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. The County, as lessee, has one capital lease that began in 2017 that is payable in three years. There were no capital leases in the proprietary fund types. Future minimum lease payments under capital leases as of September 30, 2018 are as follows:

Fiscal Year Ending September 30	Governmental Funds
2019	<u>\$ 108,544</u>
Total minimum lease payments	<u>\$ 108,544</u>

The following schedule shows the leased assets capitalized as of September 30, 2018 by major asset class:

	Governmental Funds Capital Assets
Equipment	\$ 304,605
Less: Accumulated depreciation for entity wide	(31,862)
Carrying value	<u>\$ 272,743</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 12. Defeased Debt

On July 6, 2016 the County issued \$23,955,000 in Utility System Refunding Revenue Bonds, Series 2016, representing a current refunding of the Series 2006 Refunding Bonds and an advance refunding of a portion of the Series 2011 Utility System Refunding Revenue Bonds, plus accrued interest.

These bonds were redeemed through a private placement issue with Banc of America Preferred Funding Corporation. The Series 2016 note will bear interest at a fixed rate of 1.71% per annum.

The amount defeased was as follows:

Series 2011 \$2,060,000 maturing 10/01/2023, callable on 10/01/2021.

Series 2011 \$5,580,000 maturing 10/01/2024, callable on 10/01/2021.

Note 13. Tax Abatements

Charlotte County is authorized, pursuant to Section 196.1995 Florida Statutes, to grant economic development ad valorem tax exemptions after approval via referendum. In 2010, Charlotte County electorate voted to authorize an ad valorem tax exemption incentive.

On April 12, 2016, Charlotte County approved Ordinance No. 2016-18, which approved an ad valorem tax exemption for Cheney Brothers, Inc. (Cheney), a food service distribution company, as an inducement to establish and operate a distribution center and create new jobs in Charlotte County.

Terms of the agreement provided for Cheney to begin construction within thirty months from the date of conveyance and achieve substantial completion within forty-eight (48) months in accordance with all applicable building specifications. In return, Cheney is to receive a 100% ad valorem tax exemption over a ten year term.

Cheney opened in Charlotte County during fiscal year 2016 and employs approximately 500 workers, with long term plans for up to 900 workers.

For fiscal year ended September 30, 2018, Charlotte County's ad valorem taxes were reduced by \$218,240 under this agreement.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 14. Deficit Fund Balances of Individual Funds

The following non-major governmental funds had deficit fund balances at September 30, 2018:

Parkside Community Redevelopment - The current deficit fund balance of \$2,691,368 in this special revenue fund is the result of expenditures incurred prior to receipt of revenues anticipated.

Metropolitan Planning Organization - The current deficit fund balance of \$5,854 in this special revenue fund is the result of expenditures being expensed in anticipation of federal grants being received in the current fiscal year. These grant revenues are expected to be received in the following year.

Transit - The current deficit fund balance of \$200,314 is the result of expenditures being budgeted and expensed in anticipation of federal transit grant funds being received in the current fiscal year. These grant revenues are expected to be received in the following year to offset the deficit fund balance.

The following Internal Services fund at September 30, 2018 had a deficit fund balance:

Health Insurance Trust Fund - The health self insurance fund has a deficit net position of \$167,329, which has been addressed through increasing department contributions by 5% in fiscal year 2018.

Note 15. Other Assets Non-Current

Other assets non-current on the Statement of Net Position Governmental Activities in the amount of \$250,000 is comprised of the long-term portion of Accounts Receivable mortgages funded with State Housing Initiative Program (S.H.I.P.) grant funds.

Other assets non-current on the Statement of Net Position Business-type Activities are related to the Charlotte County Utility System Enterprise Fund, totaling \$360,084, which consists of the long term portion of Unamortized Bond Insurance costs.

Note 16. Non Current Receivables - Net

Special assessments receivable balance is \$19,354,189 of this \$16,535,635 represents the long term portion of assessments receivable for various water and sewer construction projects. Initial assessments are based upon engineering cost estimates and charged to the various benefiting units after a public hearing to set the assessment rates. Currently there are 14 separate water and/or sewer assessments. Typically the construction cost is funded by state revolving fund loans and the usual repayment period is 15-20 years. During construction and up until completion of the project, these costs and assessments may be changed, some requiring further public hearings if over a set maximum amount.

Note 17. Restricted Net Position

The government-wide Statement of Net Position reports \$182,882,718 of restricted net position, which is restricted by debt service, contractual obligations and enabling legislation related as to the use of funds established by Florida Statutes.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans

Florida Retirement System (FRS) - Defined Benefit Pension Plans

General Information about the FRS

The FRS was created in 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).

FRS Pension Plan

Plan Description. The FRS Pension Plan (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 employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the 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 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 Plan may include up to 4 years of credit for military service toward creditable service. The 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 Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the 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 Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five (5) highest fiscal years' earnings. For members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight (8) highest fiscal year's 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. The following chart shows the percentage value for each year of service credit earned.

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
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. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017-18 fiscal year were as follows:

Class	10/1/2017 - 6/30/2018		7/1/2018 - 9/30/18	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer(1)	Employee	Employer(1)
FRS, Regular	3.00	7.92	3.00	8.26
FRS, Elected County Officers	3.00	45.50	3.00	48.70
FRS, Senior Management Service	3.00	22.71	3.00	24.06
FRS, Special Risk Regular	3.00	23.27	3.00	24.50
FRS, Special Risk Administrative	3.00	34.63	3.00	34.98
DROP - Applicable to Members from all of the Above Classes	0.00	13.26	0.00	14.03
FRS, Reemployed Retiree	(2)	(2)	(2)	(2)

Notes:

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy for the period 10/1/17 - 6/30/18 and 1.66 percent for the period 7/1/18 - 9/30/18. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The County's contribution to the Plan totaled \$13,120,603 for the fiscal year ended September 30, 2018, excluding HIS plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2018, the County reported a liability of \$136,734,652 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was .45 percent, which was the same as its proportionate share measured as of June 30, 2017.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$24,141,180. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,583,480	\$ (420,426)
Change of assumptions	44,678,233	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(10,564,419)
Changes in proportion and differences between County FRS contributions and proportionate share of contributions	5,865,909	(2,525,252)
County FRS contributions subsequent to the measurement date	3,669,809	-
Total	<u>\$ 65,797,431</u>	<u>\$ (13,510,097)</u>

The deferred outflows of resources related to pensions totaling \$3,669,809, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2019	\$18,233,324
2020	12,662,958
2021	2,360,380
2022	8,662,810
2023	5,618,323
Thereafter	<u>1,079,730</u>
	<u>\$48,617,525</u>

Actuarial Assumptions. The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00 %	2.90 %	2.90 %	1.80 %
Fixed income	18.00 %	4.40 %	4.30 %	4.00 %
Global equity	54.00 %	7.60 %	6.30 %	17.00 %
Real estate (property)	11.00 %	6.60 %	6.00 %	11.30 %
Private equity	10.00 %	10.70 %	7.80 %	26.50 %
Strategic investments	6.00 %	6.00 %	5.70 %	8.60 %
Total	100.00 %			

Assumed Inflation - Mean 2.60 % 1.90 %

Note: (1) As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent and 7.10 percent for the July 1, 2018 and 2017 actuarial valuation, respectively. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00 percent) of 1 percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$249,546,475	\$ 136,734,652	\$ 43,037,764

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

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

Payables to the Pension Plan. At September 30, 2018, the County reported a payable of \$1,014,831 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2018.

HIS Pension Plan

Plan Description. The HIS Pension Plan (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 September 30, 2018, 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. From October 1, 2017 to June 30, 2018, the contribution rate was 1.66 percent of payroll. From July 1, 2018 to September 30, 2018 the contribution rate was 1.66 percent, 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 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 totaled \$1,867,104 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2018, the County reported a net pension liability of \$36,394,498 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2017-18 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was .34 percent, which was the same as its proportionate share measured as of June 30, 2017.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

HIS Pension Plan (continued)

For the fiscal year ended September 30, 2018, the County recognized HIS pension expense of \$2,965,921. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 557,182	\$ (61,833)
Change of assumptions	4,047,517	(3,847,930)
Net difference between projected and actual earnings on HIS pension plan investments	21,968	-
Changes in proportion and differences between County HIS contributions and proportionate share of HIS contributions	2,063,731	(618,949)
County contributions subsequent to the measurement date	500,965	-
Total	<u>\$ 7,191,363</u>	<u>\$ (4,528,712)</u>

The deferred outflows of resources, totaling \$500,965, was related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2019	\$ 758,603
2020	756,751
2021	607,380
2022	336,396
2023	(229,334)
Thereafter	(68,110)
	<u>\$ 2,161,686</u>

Actuarial Assumptions. The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.87 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

HIS Pension Plan (continued)

Discount Rate. The discount rate used to measure the total pension liability was 3.87 percent and 3.58 percent for the July 1, 2018 and 2017 actuarial valuation, respectively. 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 FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.87 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87 percent) or 1 percentage-point higher (4.87 percent) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
County's proportionate share of the net pension liability	\$ 41,451,201	\$ 36,394,498	\$ 32,179,443

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

Payables to the Pension Plan. At September 30, 2018, the County reported a payable of \$133,063 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

FRS - Defined Contribution Pension Plan

The 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.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

FRS - Defined Contribution Pension Plan (continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2017-18 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over his or her 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 September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

The County's Investment Plan pension expense totaled \$3,729,197 for the fiscal year ended June 30, 2018.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan

Plan Description

In accordance with Section 112.0801, Florida Statutes, because the County provides medical plans to employees of the County and their eligible dependents, the County is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired County employees through a single employer defined benefit plan (the "Plan").

Retired employees (retired on or after 1/1/2004) of the Board of County Commissioners; Clerk of the Circuit Court; Property Appraiser; Supervisor of Elections; and Tax Collector, (the "Agencies") who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for retired employees who have completed 20 years of service with the Agencies who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the Agencies to contribute a per month supplement. The monthly supplement for eligible non-IAFF (International Association of Fire Fighters) retirees retired before October 1, 2008, is \$5.00 per year of service up to \$150.00 per month. The monthly supplement for eligible non-IAFF retirees retiring on or after October 1, 2008, is \$10.00 per year of service up to \$300.00 per month. The monthly supplement for eligible IAFF retirees retired before January 23, 2008, is \$5.00 per year of service up to \$150.00 per month. The monthly supplement for eligible IAFF retirees retiring on or after January 23, 2008, is \$20.00 per year of service up to \$600.00 per month. The monthly supplement is applied to health premium costs purchased from the Agencies. All retirees retiring after January 23, 2008, covered on another plan may elect to receive a monthly check. All supplements cease when the retiree becomes eligible for Medicare. Dependent coverage is available at full premium cost.

The Charlotte County Sheriff's Office contributes 100% of the active health premiums up to age 65 for retirees participating in the group health plan who completed at least 25 years of service with the Sheriff's office. Retirees are then required to reimburse the Sheriff a \$131 monthly subsidy provided by the Florida Retirement System.

Retirees who worked less than 25 years with the Sheriff's office and are participating in the group health plan are required to contribute 100% of active premiums. An employer-provided implicit subsidy for the health plan will still exist for these participants.

All retirees may elect coverage in the dental and/or vision plans offered by the Sheriff's office. However, they must contribute 100% of the active premium rates. Spouse coverage is available, as well, at the active premium rates.

Membership

As of September 30, 2018, membership consisted of:

	<u>Agencies</u>	<u>Sheriff</u>
Inactive employees or beneficiaries currently receiving benefit payments	61	76
Inactive employees entitled to, but not yet, receiving benefit payments	-	-
Active employees	<u>1,295</u>	<u>556</u>
Total	<u><u>1,356</u></u>	<u><u>632</u></u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan (continued)

Funding Policy

Funding for the Plan is on a pay-as-you-go basis from the County's general assets when due. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose.

Total OPEB Liability

The Agencies had an actuarial valuation dated October 1, 2016, with rollforward procedures to the measurement date of October 1, 2017. The Sheriff had an actuarial valuation with a September 30, 2018 measurement date.

The County's total OPEB liability was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

The Actuarial Methods are:

	<u>Agencies</u>		<u>Sheriff</u>	
Actuarial Cost Method	Entry Age		Entry Age	
Asset Valuation Method	Unfunded		Unfunded	
Actuarial Assumptions:				
Discount Rate	3.50%	(1)	4.18%	(1)
Projected Salary Increases	3.70% - 7.80%		6.00%	
Payroll Growth Assumptions	3.25%		3.00%	
Healthcare Cost Trend Rates	6.50%	(2)	8.75%	(3)
Price Inflation Rate	2.60%	(4)	2.50%	(4)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

(1) As required by GASB Statement No. 75, this rate is equal to the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date. Note that the Agency rate has decreased from the previous 4.00% used in the October 1, 2016 actuarial valuation report due to the implementation of GASB 75.

(2) 6.50% for 2017, with a gradual annual declining to 4.40% in 2040 and beyond.

(3) 8.75% for 2017, 8.50% for 2018, grading down to 4.0% in 2073.

(4) Not explicitly used in the valuation except for future projections. Provided for informational purposes only.

Mortality Rates are based on the respective class members RP-2000 mortality tables. All mortality rates are those outlined in the July 1, 2016 FRS actuarial valuation report.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan (continued)

Changes in the Total OPEB Liability

The total OPEB liability as of September 30, 2018 was as follows:

	<u>Agencies</u>	<u>Sheriff</u>	<u>Total</u>
Total OPEB Liability at 9/30/17, as restated	\$ 9,783,278	\$ 23,904,989	\$ 33,688,267
Changes for the year:			
Service cost	485,792	2,003,408	2,489,200
Interest	309,015	932,160	1,241,175
Changes of assumptions or other inputs	(237,578)	(1,326,716)	(1,564,294)
Benefit payments	<u>(606,347)</u>	<u>(604,631)</u>	<u>(1,210,978)</u>
Net changes	<u>(49,118)</u>	<u>1,004,221</u>	<u>955,103</u>
 Total OPEB Liability at 9/30/18	 <u>\$ 9,734,160</u>	 <u>\$ 24,909,210</u>	 <u>\$ 34,643,370</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.1% to 3.5% for all Agencies and a change from 3.64% to 4.18% for the Sheriff based on the two separate actuarial reports obtained.

Sensitivity of the Total OPEB Liability to Changes in Discount Rate

The following presents the total OPEB liability of the Agencies, as well as what the Agencies' total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.5%) or one percent point higher (4.5%) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	<u>\$ 10,332,388</u>	<u>\$ 9,734,160</u>	<u>\$ 9,153,901</u>

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.18%) or one percent point higher (5.18%) than the current discount rate:

	1% Decrease (3.18%)	Current Discount Rate (4.18%)	1% Increase (5.18%)
Total OPEB Liability	<u>\$ 27,430,529</u>	<u>\$ 24,909,210</u>	<u>\$ 22,652,446</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Agencies, as well as what the Agencies' total OPEB liability would be if it were calculated using a "healthcare cost trend rate" that is one percentage point lower (5.5% to 3.4%) or one percentage point higher (7.5% to 5.4%) than the current healthcare cost trend rate:

	1% Decrease 5.5% to 3.4%	Current Trend Rate 6.5% to 4.4%	1% Increase 7.5% to 5.4%
Total OPEB Liability	\$ 9,016,999	\$ 9,734,160	\$ 10,581,263

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a "healthcare cost trend rate" that is one percentage point lower (7.5% to 3.0%) or one percentage point higher (9.5% to 5.0%) than the current healthcare cost trend rate.

	1% Decrease 7.5% to 3.0%	Current Trend Rate 8.5% to 4.0%	1% Increase 9.5% to 5.0%
Total OPEB Liability	\$ 21,572,314	\$ 24,909,210	\$ 28,901,346

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan (continued)

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2018, the Agencies recognized OPEB expense of \$770,564. At September 30, 2018, the Agencies reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Change of assumptions or other inputs	\$ -	\$ (213,336)
Amounts paid by the County for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017	625,046	-
Total	<u>\$ 625,046</u>	<u>\$ (213,336)</u>

For the year ended September 30, 2018, the Sheriff recognized OPEB expense of \$2,780,229. At September 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ (1,160,876)
Total	<u>\$ -</u>	<u>\$ (1,160,876)</u>
	<u>\$ -</u>	<u>\$ (1,160,876)</u>

Amounts reported as deferred outflows of resources related to amounts paid by the County for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017 will be recognized in OPEB expense in the fiscal year ended September 30, 2019 and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended September 30:	Agencies	Sheriff
2019	\$ (24,243)	\$ (165,839)
2020	(24,243)	(165,839)
2021	(24,243)	(165,839)
2022	(24,243)	(165,839)
2023	(24,243)	(165,839)
Thereafter	(92,121)	(331,681)
	<u>\$ (213,336)</u>	<u>\$ (1,160,876)</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 20. Risk Management

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal years 1980 and 1987, the County established the Self Insurance and Health Insurance Funds, respectively included in the financial statements as internal service funds, to account for and finance its uninsured risks of loss. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability is \$1,500,000, workers' compensation is \$1,000,000 and the excess for property is \$150,000,000.

In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$375,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount. Fees in the amount of \$1,906,291 were paid to Cigna Healthcare to administer health insurance claims. Health insurance claims incurred, but not reported of \$1,320,732, were accrued in the health insurance trust fund as of September 30, 2018. The amount accrued was obtained from the health insurance actuary report. This report is available upon request from the County's Risk Management Department.

All funds and Constitutional Officers of the County participate in the programs and make payments to the Self Insurance and Health Insurance Funds based on actuarial estimates of the amounts needed to pay prior and future year claims, which is attributable to expected claim payments exceeding funds available. The claims liability of \$5,222,000 in the Self Insurance Fund and \$1,320,732 in the Health Insurance Trust Fund reported at September 30, 2018 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the self-insurance claims liability amounts in fiscal year 2017 and 2018, are based on an actuarial review at a confidence level of 70% and discounted to present value at an assumed investment yield rate of 4.0% per annum. Changes in the health insurance claims liability amounts for the same periods are the actuarially determined undiscounted amounts.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 20. Risk Management (continued)

Reconciliation of claims liabilities:

	Self Insurance	Board Health Insurance	Sheriff Health Insurance
Balance at October 1, 2016	\$ 5,600,000	\$ 1,335,766	\$ 1,424,518
Current Year Claims and Changes in Estimates	1,900,534	19,469,797	9,011,141
Claim Payments	<u>(1,263,534)</u>	<u>(19,395,636)</u>	<u>(8,997,030)</u>
Balance at September 30, 2017	6,237,000	1,409,927	1,438,629
Current Year Claims and Changes in Estimates	154,508	18,883,704	9,093,397
Claim Payments	<u>(1,169,508)</u>	<u>(18,972,899)</u>	<u>(8,947,582)</u>
Balance at September 30, 2018	<u>\$ 5,222,000</u>	<u>\$ 1,320,732</u>	<u>\$ 1,584,444</u>

The Sheriff participates in the Statewide Florida Sheriff's Self-Insurance Fund. The fund is managed by representatives of the participating Florida Sheriff's offices and provides professional and automobile liability insurance to participating offices. The Florida Sheriff's Self-Insurance Fund provides liability insurance coverage subject to the following limitations: \$5,000,000 per occurrence and an aggregate of \$10,000,000 ultimate net loss per sheriff during any policy period.

Premiums charged to participating sheriffs are based upon amounts believed by management of the fund to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2018, the Sheriff was charged \$756,674 for the self-insurance program.

The Sheriff participates in the Countywide self-insurance program for property liability. For fiscal year ended September 30, 2018, the Sheriff's portion for the self-insurance program, paid by the Board of County Commissioners, was \$404,528.

The Sheriff participates in the Florida Sheriff's Workers' Compensation Self-Insurance Fund. The fund is managed by representatives of participating Florida Sheriff's offices. The total cost for fiscal year ended September 30, 2018 was \$1,063,806.

The Sheriff is self insured for health insurance. The plan is administered by an independent third party that processes the claims. The Sheriff pays the administrator for actual claims and their administrative fee. During the fiscal year, the Sheriff incurred expenses totaling \$9,961,540. In addition to the Self-Insured Plan, the Sheriff and the Charlotte County Board of County Commissioners share expenses in an Employee Health Center Program. This program was developed in hopes to bend the trend and paid medical claims and prescription drug cost. Effectively redirecting claims cost from our medical plan to the clinic will result in a two year net savings after operating cost. The Sheriff and Board of County Commissioners have contracted with CareHere to operate this facility.

The Sheriff purchases commercial stop loss insurance for claims in excess of \$125,000 per person. Total premiums paid during the fiscal year for stop loss coverage totaled \$776,252.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 20. Risk Management (continued)

The Sheriff purchases canine liability, aircraft and marine, life, and disability, independently of the aforementioned self-insurance programs, through third party insurance carriers.

Note 21. Commitments and Contingencies

The County is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency and which, upon audit, may result in a request for reimbursement due to disallowed expense amounts. These amounts, if any, constitute a contingent liability of the County. Accordingly, such liabilities are not reflected within the basic financial statements. The County does not believe any contingent liabilities are material.

The County is currently involved in multiple construction projects in which material commitments for future services have been made. The following are projects in which these obligations have been contracted:

	<u>Committed</u>	<u>Payments</u>
Bridges	\$16,536,110	\$ 15,723,695
Buildings	37,976,555	21,163,054
Dredging	5,636,876	4,930,673
Parks	6,018,867	5,253,770
Paving	36,119,454	23,626,680
Sidewalks	3,644,329	2,375,167
Stormwater	1,722,278	1,543,973
Water/Sewer Improvements	35,614,794	15,572,347
Widening	76,163,707	74,770,011

The County currently has significant encumbrances for the governmental funds. These encumbrances include commitments for future expenditures, based on purchase orders or contracts, where the goods or services have been ordered but not received. They do not include construction contracts as they are listed above.

<u>Major Funds</u>	<u>Encumbrance</u>
General Fund	\$ 1,505,228
Charlotte Public Safety	30,073
Sales Tax Extension 2009	407,531
Road Improvements	728,121
Street & Drainage Districts	
Maintenance	796,754
Sales Tax Extension 2015	1,349,058

Note 22. Miscellaneous Revenues

Miscellaneous revenues in Governmental Activities are composed primarily of monies received from private sources, reimbursements of prior year expenses of \$2,014,549, and sale of surplus equipment of \$1,324,091. For the year ending September 30, 2018, the County recognized \$6,461,019 in miscellaneous revenue.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 23. Recognition of Closure and Post Closure Cost

Federal and State laws require final cover and closure as well as post closure care of the Charlotte County Zemel Road Landfill. Closure cost estimates, including final cover, anticipated costs of equipment and facilities constructed near or after closure and thirty years of monitoring and maintenance costs, subsequent to closing, amount to \$19,879,922. The estimated life of the landfill, and other factors, may change due to population growth, disposal rates, types of material disposed and other changes in landfill technology. A portion of these costs are reported each period as operating expense based on landfill capacity used as of each balance sheet date.

Landfill capacity of approximately 53% has been used to date. The closure cost of \$10,535,650 for this capacity is reflected as a liability at September 30, 2018. Closure and post closure costs of \$9,344,272 remain to be recognized in the estimated 22 years of the remaining useful life.

The Landfill is required by Rule 62-701.630(5)(c) of the Florida Administrative Code to make annual contributions to an interest bearing cash reserve fund. Management believes the Landfill is in compliance with these requirements as of September 30, 2018, with restricted cash and investments of \$8,971,820 held for the purpose of closing the landfill in 2040. In the event closure escrows and interest earnings prove inadequate due to inflation, changes in technology or additional closure/post closure requirements, these costs may need to be covered by charges to future landfill users. The activity in the escrow account for the year ended September 30, 2018 is as follows:

Beginning Balance 9/30/2017	\$ 8,649,144
Deposits	361,306
Interest Earned	133,092
Return Excess Deposits	<u>(171,722)</u>
Ending Balance 9/30/2018	<u>\$ 8,971,820</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 24. Restatements

GASB 75 Adoption

The implementation of GASB 75 resulted in a restatement of beginning net position due to the recording of the total OPEB liability based on GASB 75 criteria as of October 1, 2017 on the Statement of Net Position. As a result of implementing GASB 75, the beginning net position of the County was increased by 11,154,815.

Prior Period Adjustment

During fiscal year 2018, it was determined that Capital Projects Fund incurred expenditures of \$5,903,303 that were deemed to be applicable to the Utility System. The Utility System should have recorded this amount, along with a capital contribution from the Florida Department of Transportation of \$617,603, for a total asset of \$6,520,906. As a result, beginning fund balance of the Capital Projects fund was increased in the amount of \$5,903,303 and beginning net position of the Utility System was increased \$617,603 from that previously reported.

The effect of the restatements on governmental activities and business-type activities is as follows:

	Governmental Activities	Business-Type Activities	Total
Net position beginning as previously stated	\$ 958,452,790	\$258,794,513	\$ 1,217,247,303
GASB adoption	11,656,943	(502,128)	11,154,815
Prior period adjustment	-	617,603	617,603
Net position - beginning, restated	<u>\$ 970,109,733</u>	<u>\$258,909,988</u>	<u>\$ 1,229,019,721</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 25. Expenditures in Excess of Appropriations

The following funds have expenditures in excess of appropriations at September 30, 2018:

Drug Abuse Trust - The \$15,000 in excess of expenditures over appropriations is because funds that were originally budgeted as an Interfund Transfer to the Sheriff were expended for Drug Abuse programs administered by an outside agency.

Crimes Prevention - The \$75,000 in excess of expenditures over appropriations is due to the annual assistance for at risk youth programs being higher than the revenues received from the court system.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 26. Fund Balance Classification

A detailed schedule of governmental fund balances at September 30, 2018 is as follows:

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 842,010	\$ 842,010
Prepays	645,541	2,960	-	-	565,755	1,214,256
Total Nonspendable Fund Balance	<u>645,541</u>	<u>2,960</u>	<u>-</u>	<u>-</u>	<u>1,407,765</u>	<u>2,056,266</u>
Restricted:						
Beach Renourishment	-	-	-	-	8,266,245	8,266,245
Building Department Activities	-	-	-	-	1,800,887	1,800,887
Capital Improvements	-	-	-	-	6,673,850	6,673,850
Court Programs	-	-	-	-	2,236,435	2,236,435
Culture & Recreation	-	-	-	-	1,459,111	1,459,111
Drug Abuse	-	-	-	-	52,217	52,217
Environmental Programs	-	-	-	-	1,018,543	1,018,543
Fire/EMS Services	-	-	-	-	398,057	398,057
Grants	10,482	-	-	-	3,028,542	3,039,024
IT Equipment Replacement	312,480	-	-	-	-	312,480
Law Enforcement	-	-	-	-	222,592	222,592
Public Safety	-	-	-	-	3,186,687	3,186,687
Road Improvements	-	-	-	-	8,790,666	8,790,666
Sales Tax Projects	-	-	-	-	44,164,283	44,164,283
Stormwater Utilities	-	-	-	-	19,011,607	19,011,607
Street/Drainage - Maintenance	-	-	58,377,494	-	-	58,377,494
Street Lighting	-	-	-	-	2,095,127	2,095,127
Tourism	-	-	-	-	3,484,726	3,484,726
Transportation	-	-	-	-	11,459,299	11,459,299
Vehicle Replacement	1,376,062	-	-	-	-	1,376,062
Waterway Maintenance	-	-	-	-	5,457,326	5,457,326
Total Restricted Fund Balance	<u>1,699,024</u>	<u>-</u>	<u>58,377,494</u>	<u>-</u>	<u>122,806,200</u>	<u>182,882,718</u>

Note 26. Fund Balance Classification (continued)

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
Committed:						
Beach Renourishment	-	-	-	-	1,500,000	1,500,000
Capital Improvements	-	-	-	19,832,639	3,144,885	22,977,524
Environmental Programs	-	-	-	-	1,807,646	1,807,646
Fire/EMS Services	-	-	-	-	184,179	184,179
Human Services	-	-	-	-	622,274	622,274
Public Safety	-	-	-	-	4,558	4,558
Redevelopment	-	-	-	-	168,320	168,320
Road Improvement	-	-	-	-	709,616	709,616
Sales Tax Project	-	-	-	-	53,189	53,189
Stadium	-	-	-	-	160,516	160,516
Waterway Maintenance	-	-	-	-	275,913	275,913
Total Committed Fund Balance	-	-	-	19,832,639	8,631,096	28,463,735
Assigned:						
Beach Renourishment	-	-	-	-	2,393,082	2,393,082
Building Department Activities	-	-	-	-	2,315,838	2,315,838
Capital Improvements	-	-	-	28,884,608	42,678	28,927,286
Court Programs	-	-	-	-	947,309	947,309
Culture and Recreation	-	-	-	-	289,265	289,265
Debt Service	-	-	-	-	257,973	257,973
Donations	52,295	-	-	-	-	52,295
Drivers Education Programs	-	-	-	-	9,564	9,564
Drug Abuse Treatment & Education	-	-	-	-	9,281	9,281
Economic Incentive	1,598,325	-	-	-	-	1,598,325
Environmental Programs	-	-	-	-	380,656	380,656
Equipment Replacement	234,944	-	-	-	-	234,944
Fire/EMS Services	-	-	-	-	8,242,245	8,242,245
Grants	-	-	-	-	2,053,824	2,053,824
Human Services	-	-	-	-	259,600	259,600
IT Equipment Replacement	159,405	-	-	-	-	159,405
Law Enforcement	-	-	-	-	36,877	36,877
Public Safety	-	1,602,099	-	-	5,712,757	7,314,856
Radio Communications	-	-	-	-	2,081,067	2,081,067
Redevelopment	-	-	-	-	2,394,269	2,394,269
Road Improvements	-	-	-	-	22,775,132	22,775,132
Sales Tax Projects	-	-	-	-	3,544,418	3,544,418
Stadium	-	-	-	-	37,389	37,389

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 26. Fund Balance Classification (continued)

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assigned, continued						
Stormwater Utilities	-	-	-	-	3,145,574	3,145,574
Street/Drainage - Maintenance	-	-	14,762,809	-	-	14,762,809
Street Lighting	-	-	-	-	627,574	627,574
Tourism	-	-	-	-	292,356	292,356
Transportation	-	-	-	-	11,017,562	11,017,562
Vehicle Replacement	162,541	-	-	-	-	162,541
Waterway Maintenance	-	-	-	-	2,618,783	2,618,783
Other Expenditures	3,013,018	-	-	-	-	3,013,018
Total Assigned Fund Balance	<u>5,220,528</u>	<u>1,602,099</u>	<u>14,762,809</u>	<u>28,884,608</u>	<u>71,485,073</u>	<u>121,955,117</u>
 Unassigned Fund Balance	 <u>60,315,926</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>(2,897,536)</u>	 <u>57,418,390</u>
 Total Fund Balance	 <u>\$ 73,101,547</u>	 <u>\$ 3,207,158</u>	 <u>\$ 87,903,112</u>	 <u>\$ 77,601,855</u>	 <u>\$ 272,917,671</u>	 <u>\$ 514,731,343</u>

CHARLOTTE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY & RELATED RATIOS

	<u>Agencies</u>	<u>Sheriff</u>
Reporting period ending	9/30/2018	9/30/2018
Measurement Date	10/1/2017	9/30/2018
Total OPEB Liability		
Service Cost	\$ 485,792	\$ 2,003,408
Interest	309,015	932,160
Changes of Assumptions	(237,578)	(1,326,716)
Benefit payments	(606,347)	(604,631)
Net change in total OPEB liability	<u>(49,118)</u>	<u>1,004,221</u>
Total OPEB liability - beginning	<u>9,783,278</u>	<u>23,904,989</u>
Total OPEB liability - ending	<u><u>\$ 9,734,160</u></u>	<u><u>\$ 24,909,210</u></u>
Covered employee payroll	\$ 65,246,146	\$ 31,150,845
Total OPEB liability as a percentage of covered employee payroll	14.92 %	79.96 %

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County is showing one year's presentation.

Notes to Schedule:

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

	<u>Agencies</u>	<u>Sheriff</u>
For the period ended 9/30/18	3.50 %	4.18 %
For the period ended 9/30/17	3.10 %	3.64 %

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF COUNTY CONTRIBUTIONS
FRS PENSION PLAN
Last Five Fiscal Years
For the Fiscal Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
Contractually required contribution	11,221,580	11,684,212
Contributions in relation to the contractually required contribution	<u>(11,221,580)</u>	<u>(11,684,212)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>
 County's covered payroll	 81,353,588	 78,361,733
Contributions as a percentage of covered payroll	13.79 %	14.91 %

<u>2016</u>	<u>2015</u>	<u>2014</u>
12,005,898	8,383,621	7,305,112
<u>(12,005,898)</u>	<u>(8,383,621)</u>	<u>(7,305,112)</u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
77,262,180	71,077,363	66,168,496
15.00 %	11.79 %	11.04 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FRS PENSION PLAN
Last Five Fiscal Years
For the Fiscal Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.45 %	0.45 %
County's proportionate share of the net pension liability	\$136,734,652	\$ 134,038,267
County's covered payroll	\$ 81,228,303	\$ 76,983,696
County's proportionate share of the net pension liability as a percentage of its covered payroll	168.33 %	174.11 %
Plan fiduciary net position as a percentage of the total pension liability	84.26 %	83.89 %

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.45 %	0.41 %	0.40 %
\$ 113,555,999	\$ 52,939,591	\$ 24,391,167
\$ 73,551,453	\$ 71,150,877	\$ 66,168,496
154.39 %	74.40 %	36.86 %
84.88 %	92.00 %	96.09 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF COUNTY CONTRIBUTIONS
HIS PENSION PLAN
Last Five Fiscal Years
For the Fiscal Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,855,142	\$ 2,035,831
Contributions in relation to the contractually required contribution	<u>(1,855,142)</u>	<u>(2,035,831)</u>
	<u>\$ -</u>	<u>\$ -</u>
 Contribution deficiency (excess)	 <u>\$ -</u>	 <u>\$ -</u>
 County's covered payroll	 \$112,483,212	 \$108,249,212
Contributions as a percentage of covered payroll	1.65 %	1.88 %

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,783,512	\$ 1,326,125	\$ 1,138,289
<u>(1,783,512)</u>	<u>(1,326,125)</u>	<u>(1,138,289)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$102,116,215	\$ 99,102,351	\$ 91,937,809
1.75 %	1.34 %	1.24 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HIS PENSION PLAN
Last Five Fiscal Years
For the Fiscal Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.34 %	0.34 %
County's proportionate share of the net pension liability	\$ 36,394,498	\$ 35,997,850
County's covered payroll	\$112,444,356	\$ 106,339,590
County's proportionate share of the net pension liability as a percentage of its covered payroll	32.37 %	33.85 %
Plan fiduciary net position as a percentage of the total pension liability	2.15 %	1.64 %

2016	2015	2014
0.33 %	0.32 %	0.32 %
\$ 38,791,128	\$ 32,914,801	\$ 29,787,399
\$ 102,012,629	\$ 99,250,162	\$ 91,937,809
38.03 %	33.16 %	32.40 %
0.97 %	0.50 %	0.99 %

NOTE: Data was unavailable prior to 2014.

**COMBINING & INDIVIDUAL FUND
STATEMENTS & SCHEDULES**

CHARLOTTE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Special Revenue Funds			
	Transportation Trust	Fine and Forfeiture	Law Enforcement Trust	Drug Abuse Trust
ASSETS				
Cash and cash equivalents	\$ 2,235,161	\$ 1,771	\$ 1,073	\$ 4,426
Investments	20,124,713	15,505	12,606	51,973
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	162,209	89,074	-	4,950
Due from other governmental agencies	1,666,131	-	-	-
Inventory of supplies, at cost	645,894	-	-	-
Other assets	254,106	27,609	39	149
Total assets	<u>\$ 25,088,214</u>	<u>\$ 133,959</u>	<u>\$ 13,718</u>	<u>\$ 61,498</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ 989,092	\$ 30,875	\$ -	\$ -
Contracts payable	123,721	-	-	-
Accrued liabilities	268,489	37,541	-	-
Due to other funds	-	2,189	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	32,959	-	-	-
Total liabilities	<u>1,414,261</u>	<u>70,605</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	<u>351,898</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	845,194	27,152	-	-
Restricted	11,459,299	-	-	52,217
Committed	-	-	-	-
Assigned	11,017,562	36,202	13,718	9,281
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>23,322,055</u>	<u>63,354</u>	<u>13,718</u>	<u>61,498</u>
Total liabilities and fund balances (deficits)	<u>\$ 25,088,214</u>	<u>\$ 133,959</u>	<u>\$ 13,718</u>	<u>\$ 61,498</u>

Special Revenue Funds

Law Library	Legal Aid	Radio Communications	Criminal Justice Education	Student Driver Education	Crimes Prevention	Tourist Development Tax Trust	Building Construction Services
\$ 1,558	\$ 545	\$ 163,407	\$ 1,389	\$ 2,293	\$ 7,245	\$ 249,677	\$ 582,632
18,291	6,401	1,918,680	16,308	26,929	85,067	2,900,340	4,048,022
-	-	-	-	-	60,270	-	-
3,139	3,139	6,028	1,603	3,060	73,519	788,580	-
-	-	1,310	50	-	-	789	14,570
-	-	-	-	-	-	-	-
57	25	7,793	47	77	253	21,006	70,745
<u>\$ 23,045</u>	<u>\$ 10,110</u>	<u>\$ 2,097,218</u>	<u>\$ 19,397</u>	<u>\$ 32,359</u>	<u>\$ 226,354</u>	<u>\$ 3,960,392</u>	<u>\$ 4,715,969</u>
\$ -	\$ -	\$ 7,911	\$ -	\$ 22,795	\$ -	\$ 133,801	\$ 326,076
-	-	-	-	-	-	-	59,988
-	-	5,034	-	-	-	18,492	79,321
23,045	-	-	-	-	-	18,188	24,998
-	-	-	-	-	-	-	35,785
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>23,045</u>	<u>-</u>	<u>12,945</u>	<u>-</u>	<u>22,795</u>	<u>-</u>	<u>170,481</u>	<u>526,168</u>
-	-	1,310	-	-	-	789	14,396
-	-	1,896	-	-	-	12,040	58,680
-	-	-	6,003	-	216,589	3,484,726	1,800,887
-	-	-	-	-	-	-	-
-	10,110	2,081,067	13,394	9,564	9,765	292,356	2,315,838
-	-	-	-	-	-	-	-
<u>-</u>	<u>10,110</u>	<u>2,082,963</u>	<u>19,397</u>	<u>9,564</u>	<u>226,354</u>	<u>3,789,122</u>	<u>4,175,405</u>
<u>\$ 23,045</u>	<u>\$ 10,110</u>	<u>\$ 2,097,218</u>	<u>\$ 19,397</u>	<u>\$ 32,359</u>	<u>\$ 226,354</u>	<u>\$ 3,960,392</u>	<u>\$ 4,715,969</u>

CHARLOTTE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

		Special Revenue Funds			
		Greater Charlotte Street Light	Open Space/Habitat	Native Tree Replacement	Boater Revolving
ASSETS					
Cash and cash equivalents	\$	227,796	\$ 48	\$ 150,185	\$ 139,010
Investments		2,674,729	561	1,476,502	1,632,225
Accounts and assessments receivable, net		179	-	-	-
Due from other funds		30,085	-	-	35,666
Due from other governmental agencies		-	-	139,058	142,192
Inventory of supplies, at cost		196,116	-	-	-
Other assets		15,796	2	4,479	5,181
Total assets	\$	<u>3,144,701</u>	<u>\$ 611</u>	<u>\$ 1,770,224</u>	<u>\$ 1,954,274</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts and vouchers payable	\$	155,226	\$ -	\$ 128,593	\$ 181,289
Contracts payable		-	-	-	-
Accrued liabilities		9,319	-	-	-
Due to other funds		7,471	-	-	24,609
Due to other governmental agencies		-	-	-	-
Advances from other funds		-	-	-	-
Matured interest payable		-	-	-	-
Matured bonds payable		-	-	-	-
Other liabilities		-	-	-	-
Deposits		46,475	-	-	-
Total liabilities		<u>218,491</u>	<u>-</u>	<u>128,593</u>	<u>205,898</u>
Deferred inflows of resources					
Unavailable revenue		-	-	-	-
Fund Balances					
Nonspendable		203,509	-	-	-
Restricted		2,095,127	-	-	1,459,111
Committed		-	-	1,342,632	-
Assigned		627,574	611	298,999	289,265
Unassigned		-	-	-	-
Total fund balances (deficits)		<u>2,926,210</u>	<u>611</u>	<u>1,641,631</u>	<u>1,748,376</u>
Total liabilities and fund balances (deficits)	\$	<u>3,144,701</u>	<u>\$ 611</u>	<u>\$ 1,770,224</u>	<u>\$ 1,954,274</u>

Special Revenue Funds

911 and Enhanced 911	Local Housing Assistance Trust	Chester Cole Trust Fund	Mitigation Drainage	Charlotte Harbor Community Redevelopment	Murdock Village Redevelopment	Parkside Community Redevelopment
\$ 108,446	\$ 291,152	\$ 329	\$ 4,501	\$ 64,136	\$ 1,194,403	\$ 463,359
550,135	2,688,625	3,864	52,854	753,061	2,171,689	5,440,648
-	-	-	-	-	-	-
-	195	-	-	249,651	-	-
190,186	-	-	-	2,514,381	-	-
-	-	-	-	-	-	-
1,689	261,321	12	177	1,728	6,667	-
<u>\$ 850,456</u>	<u>\$ 3,241,293</u>	<u>\$ 4,205</u>	<u>\$ 57,532</u>	<u>\$ 3,582,957</u>	<u>\$ 3,372,759</u>	<u>\$ 5,904,007</u>
\$ 40,199	\$ 9,277	\$ 331	\$ 1,000	\$ 1,895,794	\$ -	\$ 457,594
-	-	-	-	322,282	-	119,056
-	6,247	-	-	-	-	-
-	-	-	-	164,101	-	430,228
-	-	-	-	-	-	-
-	-	-	-	1,008,693	-	7,588,497
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,525	-	-	-	1,002,257	-
<u>40,199</u>	<u>19,049</u>	<u>331</u>	<u>1,000</u>	<u>3,390,870</u>	<u>1,002,257</u>	<u>8,595,375</u>
<u>63,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	3,100	-	-	-	-	-
747,083	2,974,588	-	-	-	-	-
-	3,000	1,555	-	168,320	-	-
-	241,556	2,319	56,532	23,767	2,370,502	-
-	-	-	-	-	-	(2,691,368)
<u>747,083</u>	<u>3,222,244</u>	<u>3,874</u>	<u>56,532</u>	<u>192,087</u>	<u>2,370,502</u>	<u>(2,691,368)</u>
<u>\$ 850,456</u>	<u>\$ 3,241,293</u>	<u>\$ 4,205</u>	<u>\$ 57,532</u>	<u>\$ 3,582,957</u>	<u>\$ 3,372,759</u>	<u>\$ 5,904,007</u>

CHARLOTTE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Special Revenue Funds			
	Stump Pass Dredging MSBU	Don Pedro/Knights Island Beach Renourishment	N Manasota Key Beach Renourishment	Impact Fees Trust
ASSETS				
Cash and cash equivalents	\$ 521,048	\$ 42,446	\$ 132,306	\$ 785,390
Investments	6,118,011	498,385	1,553,498	5,871,155
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	10,938	-	-	-
Due from other governmental agencies	5,012,090	-	-	-
Inventory of supplies, at cost	-	-	-	-
Other assets	18,226	1,292	4,036	17,305
Total assets	<u>\$ 11,680,313</u>	<u>\$ 542,123</u>	<u>\$ 1,689,840</u>	<u>\$ 6,673,850</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ 110,594	\$ -	\$ -	\$ -
Contracts payable	256,786	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>367,380</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	<u>1,385,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	6,034,282	542,123	1,689,840	6,673,850
Committed	1,500,000	-	-	-
Assigned	2,393,082	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>9,927,364</u>	<u>542,123</u>	<u>1,689,840</u>	<u>6,673,850</u>
Total liabilities and fund balances (deficits)	<u>\$ 11,680,313</u>	<u>\$ 542,123</u>	<u>\$ 1,689,840</u>	<u>\$ 6,673,850</u>

Special Revenue Funds

Grants	Animal Care Trust Fund	Metropolitan Planning Organization	Habitat Conservation Management	Habitat Conservation Endowment	Waterway Maintenance Districts	Road Revolving	Transit
\$ 51,860	\$ 606	\$ 2,498	\$ 126,701	\$ 32,900	\$ 659,378	\$ 36,425	\$ 5,139
188,915	4,011	29,325	1,072,525	271,914	7,742,253	427,691	1,070
-	-	-	-	-	-	-	20,055
-	50	-	-	-	113,007	-	-
465,665	-	96,142	-	-	-	-	1,841,921
-	-	-	-	-	-	-	-
11,472	12	3,379	3,218	813	23,908	1,310	10,597
<u>\$ 717,912</u>	<u>\$ 4,679</u>	<u>\$ 131,344</u>	<u>\$ 1,202,444</u>	<u>\$ 305,627</u>	<u>\$ 8,538,546</u>	<u>\$ 465,426</u>	<u>\$ 1,878,782</u>
\$ 93,967	\$ -	\$ 1,119	\$ -	\$ -	\$ 29,172	\$ -	\$ 63,889
-	-	-	-	-	55,352	-	-
18,052	-	10,079	-	-	-	-	15,849
527,113	-	126,000	-	-	102,000	-	1,999,358
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
950	-	-	-	-	-	-	-
<u>640,082</u>	<u>-</u>	<u>137,198</u>	<u>-</u>	<u>-</u>	<u>186,524</u>	<u>-</u>	<u>2,079,096</u>
-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
53,954	-	-	716,887	301,656	5,457,326	-	-
-	4,558	-	465,014	-	275,913	370,133	-
23,866	121	-	20,543	3,971	2,618,783	95,293	-
-	-	(5,854)	-	-	-	-	(200,314)
<u>77,830</u>	<u>4,679</u>	<u>(5,854)</u>	<u>1,202,444</u>	<u>305,627</u>	<u>8,352,022</u>	<u>465,426</u>	<u>(200,314)</u>
<u>\$ 717,912</u>	<u>\$ 4,679</u>	<u>\$ 131,344</u>	<u>\$ 1,202,444</u>	<u>\$ 305,627</u>	<u>\$ 8,538,546</u>	<u>\$ 465,426</u>	<u>\$ 1,878,782</u>

CHARLOTTE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Special Revenue Funds			
	Stormwater Utility Districts	Barrier Islands Fire Service	Charlotte County Fire Rescue Service	Little Gasparilla Fire
ASSETS				
Cash and cash equivalents	\$ 1,738,574	\$ 10,538	\$ 744,963	\$ 21
Investments	20,413,897	123,729	8,195,626	247
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	65,258	6,661	268,590	2,296
Due from other governmental agencies	-	-	571,547	-
Inventory of supplies, at cost	-	-	-	-
Other assets	63,599	4,640	273,147	1
Total assets	<u>\$ 22,281,328</u>	<u>\$ 145,568</u>	<u>\$ 10,053,873</u>	<u>\$ 2,565</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ 57,360	\$ 2,357	\$ 120,686	\$ -
Contracts payable	66,787	-	-	-
Accrued liabilities	-	9,456	440,818	-
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>124,147</u>	<u>11,813</u>	<u>561,504</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	-	-	555,087	-
Fund Balances				
Nonspendable	-	4,200	244,921	-
Restricted	19,011,607	4,105	393,952	-
Committed	-	-	184,179	-
Assigned	3,145,574	125,450	8,114,230	2,565
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>22,157,181</u>	<u>133,755</u>	<u>8,937,282</u>	<u>2,565</u>
Total liabilities and fund balances (deficits)	<u>\$ 22,281,328</u>	<u>\$ 145,568</u>	<u>\$ 10,053,873</u>	<u>\$ 2,565</u>

Special Revenue Funds						Debt Service
Charlotte County Health Facility	Event Center	Stadium Maintenance & Operations	Hurricane Fund	Clerk of the Court	Sheriff	Debt Service
\$ 49,999	\$ 1,860	\$ 5,056	\$ 54,975	\$ 3,271,038	\$ 2,363,830	\$ 150,686
587,074	21,844	59,006	645,507	-	-	1,769,328
-	389,414	33,803	45,252	-	75,685	152,095
240	-	52,576	1,800,000	1,978	5,019	42,197
-	-	5,568	5,325,114	177,543	25,000	785,049
-	-	-	-	-	-	-
1,816	-	7,426	-	53,011	-	4,534
<u>\$ 639,129</u>	<u>\$ 413,118</u>	<u>\$ 163,435</u>	<u>\$ 7,870,848</u>	<u>\$ 3,503,570</u>	<u>\$ 2,469,534</u>	<u>\$ 2,903,889</u>
\$ 5,685	\$ 145,210	\$ 33,881	\$ 318,460	\$ 3,980	\$ 4,930	\$ -
-	-	-	115,597	-	-	-
-	-	7,956	-	65,509	-	-
-	267,908	-	97,010	126,994	25,000	1,207,738
-	-	-	-	1,851	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	383,178
-	-	-	-	-	-	1,055,000
-	-	-	-	795	-	-
-	-	10,000	-	-	-	-
<u>5,685</u>	<u>413,118</u>	<u>51,837</u>	<u>531,067</u>	<u>199,129</u>	<u>29,930</u>	<u>2,645,916</u>
-	-	5,568	5,309,823	167,009	-	-
-	-	7,063	-	-	-	-
-	-	-	-	2,236,435	2,439,604	-
617,719	-	98,967	-	-	-	-
15,725	-	-	2,029,958	900,997	-	257,973
-	-	-	-	-	-	-
<u>633,444</u>	<u>-</u>	<u>106,030</u>	<u>2,029,958</u>	<u>3,137,432</u>	<u>2,439,604</u>	<u>257,973</u>
<u>\$ 639,129</u>	<u>\$ 413,118</u>	<u>\$ 163,435</u>	<u>\$ 7,870,848</u>	<u>\$ 3,503,570</u>	<u>\$ 2,469,534</u>	<u>\$ 2,903,889</u>

CHARLOTTE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018

Capital Projects				
	Stadium Improvement	Sales Tax Extension 2009	Sales Tax Extension 2014	Road Improvements
ASSETS				
Cash and cash equivalents	\$ 11,007	\$ 685,212	\$ 3,205,852	\$ 2,818,374
Investments	129,241	8,045,589	37,642,317	28,603,948
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	-	-	-	249,007
Due from other governmental agencies	-	-	4,242,445	779,168
Inventory of supplies, at cost	-	-	-	-
Other assets	357	24,738	112,905	88,263
Total assets	<u>\$ 140,605</u>	<u>\$ 8,755,539</u>	<u>\$ 45,203,519</u>	<u>\$ 32,538,760</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ -	\$ 485,232	\$ 3,356,277	\$ 95,384
Contracts payable	-	1,181,739	879,375	633,388
Accrued liabilities	-	-	-	-
Due to other funds	41,667	21,173	273,372	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>41,667</u>	<u>1,688,144</u>	<u>4,509,024</u>	<u>728,772</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	4,665,989	39,498,294	8,790,666
Committed	61,549	-	53,189	339,483
Assigned	37,389	2,401,406	1,143,012	22,679,839
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>98,938</u>	<u>7,067,395</u>	<u>40,694,495</u>	<u>31,809,988</u>
Total liabilities and fund balances (deficits)	<u>\$ 140,605</u>	<u>\$ 8,755,539</u>	<u>\$ 45,203,519</u>	<u>\$ 32,538,760</u>

Capital Projects		Total Nonmajor Governmental Funds
Infrastructure Fund	Growth Increment Fund	
\$ 270,347	\$ 280,058	\$ 23,953,629
3,174,349	3,288,369	183,148,552
-	-	776,753
2,678,273	-	6,746,988
-	-	23,995,919
-	-	842,010
10,533	10,071	1,429,567
<u>\$ 6,133,502</u>	<u>\$ 3,578,498</u>	<u>\$ 240,893,418</u>

\$ 208,367	\$ 360,916	\$ 9,877,319
212,499	30,019	4,056,589
-	-	992,162
-	-	5,510,162
-	-	37,636
-	-	8,597,190
-	-	383,178
-	-	1,055,000
-	-	795
-	-	1,096,166
<u>420,866</u>	<u>390,935</u>	<u>31,606,197</u>

-	-	7,854,623
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-	-	1,407,765
-	-	122,806,200
-	3,144,885	8,631,096
5,712,636	42,678	71,485,073
-	-	(2,897,536)
<u>5,712,636</u>	<u>3,187,563</u>	<u>201,432,598</u>

<u>\$ 6,133,502</u>	<u>\$ 3,578,498</u>	<u>\$ 240,893,418</u>
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CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Transportation Trust	Fine and Forfeiture	Law Enforcement Trust	Drug Abuse Trust
Revenues:				
Taxes	\$ 5,491,280	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	3,400,563	-	-	-
Charges for services	12,174,268	562,277	-	84,573
Fines and forfeitures	-	-	18,843	-
Impact fees	-	-	-	-
Miscellaneous	723,335	4,415	162	706
Total revenues	<u>21,789,446</u>	<u>566,692</u>	<u>19,005</u>	<u>85,279</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	2,076,695	-	-
Public safety	-	467,966	-	-
Physical environment	392,644	-	-	-
Transportation	22,103,221	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	75,000
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>22,495,865</u>	<u>2,544,661</u>	<u>-</u>	<u>75,000</u>
Excess of revenues over/(under) expenditures	<u>(706,419)</u>	<u>(1,977,969)</u>	<u>19,005</u>	<u>10,279</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	3,000	1,956,701	-	-
Transfers out	(311,339)	-	(25,000)	-
Total other financing sources (uses)	<u>(308,339)</u>	<u>1,956,701</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balances (deficits)	(1,014,758)	(21,268)	(5,995)	10,279
Fund balances, (deficits) October 1, 2017	<u>24,336,813</u>	<u>84,622</u>	<u>19,713</u>	<u>51,219</u>
Fund balances, (deficits) September 30, 2018	<u>\$ 23,322,055</u>	<u>\$ 63,354</u>	<u>\$ 13,718</u>	<u>\$ 61,498</u>

Special Revenue Funds

Law Library	Legal Aid	Radio Communications	Criminal Justice Education	Student Driver Education	Crimes Prevention	Tourist Development Tax Trust	Building Construction Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,159,690	\$ 120
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,863,481
-	-	-	-	-	-	25,000	75,637
36,490	36,490	-	24,481	-	62,691	-	95,714
-	-	90,693	2,483	42,499	-	-	-
-	-	-	-	-	-	-	-
28	265	582,350	186	218	580	25,533	93,289
<u>36,518</u>	<u>36,755</u>	<u>673,043</u>	<u>27,150</u>	<u>42,717</u>	<u>63,271</u>	<u>4,210,223</u>	<u>6,128,241</u>
-	-	823,769	-	-	-	-	-
13,473	-	-	-	-	-	-	-
-	-	-	-	56,454	-	-	6,019,213
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	75,000	-	-	-	75,000	-	-
-	-	-	-	-	-	2,335,592	-
-	-	-	-	-	-	-	-
<u>13,473</u>	<u>75,000</u>	<u>823,769</u>	<u>-</u>	<u>56,454</u>	<u>75,000</u>	<u>2,335,592</u>	<u>6,019,213</u>
<u>23,045</u>	<u>(38,245)</u>	<u>(150,726)</u>	<u>27,150</u>	<u>(13,737)</u>	<u>(11,729)</u>	<u>1,874,631</u>	<u>109,028</u>
-	-	-	-	-	-	-	-
-	44,600	-	-	-	128,149	125,000	-
<u>(23,045)</u>	<u>-</u>	<u>(4,439)</u>	<u>(25,000)</u>	<u>-</u>	<u>(150,000)</u>	<u>(1,424,878)</u>	<u>(106,152)</u>
<u>(23,045)</u>	<u>44,600</u>	<u>(4,439)</u>	<u>(25,000)</u>	<u>-</u>	<u>(21,851)</u>	<u>(1,299,878)</u>	<u>(106,152)</u>
-	6,355	(155,165)	2,150	(13,737)	(33,580)	574,753	2,876
-	3,755	2,238,128	17,247	23,301	259,934	3,214,369	4,172,529
<u>\$ -</u>	<u>\$ 10,110</u>	<u>\$ 2,082,963</u>	<u>\$ 19,397</u>	<u>\$ 9,564</u>	<u>\$ 226,354</u>	<u>\$ 3,789,122</u>	<u>\$ 4,175,405</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Greater Charlotte Street Light	Open Space/Habitat	Native Tree Replacement	Boater Revolving
Revenues:				
Taxes	\$ 3,428,148	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	515,401
Intergovernmental	-	-	139,058	601,184
Charges for services	479,438	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	109,550	6	484,159	16,147
Total revenues	<u>4,017,136</u>	<u>6</u>	<u>623,217</u>	<u>1,132,732</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	1,197,923
Transportation	2,903,806	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	198,362	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>2,903,806</u>	<u>-</u>	<u>198,362</u>	<u>1,197,923</u>
Excess of revenues over/(under) expenditures	<u>1,113,330</u>	<u>6</u>	<u>424,855</u>	<u>(65,191)</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	29,684	-	-	-
Transfers out	(17,455)	-	-	(353,671)
Total other financing sources (uses)	<u>12,229</u>	<u>-</u>	<u>-</u>	<u>(353,671)</u>
Net change in fund balances (deficits)	1,125,559	6	424,855	(418,862)
Fund balances, (deficits) October 1, 2017	1,800,651	605	1,216,776	2,167,238
Fund balances, (deficits) September 30, 2018	<u>\$ 2,926,210</u>	<u>\$ 611</u>	<u>\$ 1,641,631</u>	<u>\$ 1,748,376</u>

Special Revenue Funds

911 and Enhanced 911	Local Housing Assistance Trust	Chester Cole Trust Fund	Mitigation Drainage	Charlotte Harbor Community Redevelopment	Murdock Village Redevelopment	Parkside Community Redevelopment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,048,190	-	-	4,116,647	-	-
765,303	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
79,518	488,369	1,141	740	58,098	39,023	-
844,821	1,536,559	1,141	740	4,174,745	39,023	-
-	-	-	-	-	29,590	1,867,438
-	-	-	-	-	-	-
911,137	-	-	-	-	-	-
-	-	-	66,975	-	-	-
-	-	-	-	4,660,088	-	-
-	853,884	-	-	-	-	-
-	-	1,288	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	9,315,348	-
911,137	853,884	1,288	66,975	4,660,088	9,344,938	1,867,438
(66,316)	682,675	(147)	(66,235)	(485,343)	(9,305,915)	(1,867,438)
-	-	-	-	-	5,000,000	-
-	-	-	-	630,940	4,200,000	1,341,364
-	-	-	-	-	-	-
-	-	-	-	630,940	9,200,000	1,341,364
(66,316)	682,675	(147)	(66,235)	145,597	(105,915)	(526,074)
813,399	2,539,569	4,021	122,767	46,490	2,476,417	(2,165,294)
\$ 747,083	\$ 3,222,244	\$ 3,874	\$ 56,532	\$ 192,087	\$ 2,370,502	\$ (2,691,368)

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Don			
	Stump Pass Dredging MSBU	Pedro/Knights Island Beach Renourishment	N Manasota Key Beach Renourishment	Impact Fees Trust
Revenues:				
Taxes	\$ 1,031,346	\$ -	\$ -	\$ -
Assessments levied	189,252	543,132	1,693,107	-
Licenses and permits	-	-	-	-
Intergovernmental	510,313	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	4,668,404
Miscellaneous	53,958	(1,009)	(3,267)	40,740
Total revenues	<u>1,784,869</u>	<u>542,123</u>	<u>1,689,840</u>	<u>4,709,144</u>
Expenditures:				
Current				
General government	-	-	-	14,271
Court related	-	-	-	-
Public safety	-	-	-	19,080
Physical environment	416,429	-	-	-
Transportation	-	-	-	91,310
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	15,390
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>416,429</u>	<u>-</u>	<u>-</u>	<u>140,051</u>
Excess of revenues over/(under) expenditures	<u>1,368,440</u>	<u>542,123</u>	<u>1,689,840</u>	<u>4,569,093</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	209,901	-	-	-
Transfers out	-	-	-	(1,912,911)
Total other financing sources (uses)	<u>209,901</u>	<u>-</u>	<u>-</u>	<u>(1,912,911)</u>
Net change in fund balances (deficits)	1,578,341	542,123	1,689,840	2,656,182
Fund balances, (deficits) October 1, 2017	8,349,023	-	-	4,017,668
Fund balances, (deficits) September 30, 2018	<u>\$ 9,927,364</u>	<u>\$ 542,123</u>	<u>\$ 1,689,840</u>	<u>\$ 6,673,850</u>

Special Revenue Funds

Grants	Animal Care Trust Fund	Metropolitan Planning Organization	Habitat Conservation Management	Habitat Conservation Endowment	Waterway Maintenance Districts	Road Revolving	Transit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,024,265	-	-
-	-	-	-	-	-	-	-
2,083,951	-	420,466	-	-	-	-	3,424,038
-	628	-	380,901	104,949	-	-	209,076
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
39,972	2,045	(380)	9,611	2,037	73,561	4,040	13,701
<u>2,123,923</u>	<u>2,673</u>	<u>420,086</u>	<u>390,512</u>	<u>106,986</u>	<u>1,097,826</u>	<u>4,040</u>	<u>3,646,815</u>
-	-	436,582	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
66,587	-	-	209,192	-	410,117	-	-
-	-	-	-	-	-	-	-
6,426	-	-	-	-	-	-	-
2,065,471	1,699	-	-	-	-	-	4,246,984
-	-	121,581	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	585,696	-	-
<u>2,138,484</u>	<u>1,699</u>	<u>558,163</u>	<u>209,192</u>	<u>-</u>	<u>995,813</u>	<u>-</u>	<u>4,246,984</u>
<u>(14,561)</u>	<u>974</u>	<u>(138,077)</u>	<u>181,320</u>	<u>106,986</u>	<u>102,013</u>	<u>4,040</u>	<u>(600,169)</u>
-	-	-	-	-	454,000	-	-
297,828	-	19,860	-	-	118,873	-	687,355
<u>(273,279)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(687,666)</u>
<u>24,549</u>	<u>-</u>	<u>19,860</u>	<u>-</u>	<u>-</u>	<u>572,873</u>	<u>-</u>	<u>(311)</u>
9,988	974	(118,217)	181,320	106,986	674,886	4,040	(600,480)
67,842	3,705	112,363	1,021,124	198,641	7,677,136	461,386	400,166
<u>\$ 77,830</u>	<u>\$ 4,679</u>	<u>\$ (5,854)</u>	<u>\$ 1,202,444</u>	<u>\$ 305,627</u>	<u>\$ 8,352,022</u>	<u>\$ 465,426</u>	<u>\$ (200,314)</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Stormwater Utility Districts	Barrier Islands Fire Service	Charlotte County Fire Rescue Service	Little Gasparilla Fire
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments levied	5,250,090	590,588	22,740,941	214,207
Licenses and permits	-	-	-	-
Intergovernmental	409,630	-	64,829	-
Charges for services	-	-	50,678	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	190,460	2,388	707,822	267
Total revenues	<u>5,850,180</u>	<u>592,976</u>	<u>23,564,270</u>	<u>214,474</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	586,484	24,039,101	216,014
Physical environment	2,434,530	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>2,434,530</u>	<u>586,484</u>	<u>24,039,101</u>	<u>216,014</u>
Excess of revenues over/(under) expenditures	<u>3,415,650</u>	<u>6,492</u>	<u>(474,831)</u>	<u>(1,540)</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	28,619	75,910	123,963	1,168
Transfers out	-	-	(98,532)	-
Total other financing sources (uses)	<u>28,619</u>	<u>75,910</u>	<u>25,431</u>	<u>1,168</u>
Net change in fund balances (deficits)	3,444,269	82,402	(449,400)	(372)
Fund balances, (deficits) October 1, 2017	18,712,912	51,353	9,386,682	2,937
Fund balances, (deficits) September 30, 2018	<u>\$ 22,157,181</u>	<u>\$ 133,755</u>	<u>\$ 8,937,282</u>	<u>\$ 2,565</u>

Special Revenue Funds						Debt Service
Charlotte County Health Facility	Event Center	Stadium Maintenance & Operations	Hurricane Fund	Clerk of the Court	Sheriff	Debt Service
\$ 1,333,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,855,587
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	442	98,072	234,859	458,540	-
-	1,715,696	106,326	-	3,239,867	629,906	-
-	-	-	-	1,099,802	-	-
-	-	-	-	-	-	-
7,122	-	92,841	21,668	57,285	3,319	328,452
<u>1,340,507</u>	<u>1,715,696</u>	<u>199,609</u>	<u>119,740</u>	<u>4,631,813</u>	<u>1,091,765</u>	<u>8,184,039</u>
-	-	-	96,760	4,541	-	-
-	-	-	-	3,862,504	-	-
-	-	-	846,620	-	1,667,303	-
-	-	-	28,675	-	-	-
-	-	-	3,352,495	-	-	-
-	-	-	-	-	-	-
1,047,324	-	-	-	-	-	-
-	2,226,847	1,757,653	205,707	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,043,486
<u>1,047,324</u>	<u>2,226,847</u>	<u>1,757,653</u>	<u>4,530,257</u>	<u>3,867,045</u>	<u>1,667,303</u>	<u>5,043,486</u>
<u>293,183</u>	<u>(511,151)</u>	<u>(1,558,044)</u>	<u>(4,410,517)</u>	<u>764,768</u>	<u>(575,538)</u>	<u>3,140,553</u>
-	-	-	-	-	-	-
-	511,151	1,683,378	6,800,000	465,176	-	1,804,647
-	-	(39,726)	-	(612,130)	(30,000)	(4,892,323)
-	511,151	1,643,652	6,800,000	(146,954)	(30,000)	(3,087,676)
293,183	-	85,608	2,389,483	617,814	(605,538)	52,877
340,261	-	20,422	(359,525)	2,519,618	3,045,142	205,096
<u>\$ 633,444</u>	<u>\$ -</u>	<u>\$ 106,030</u>	<u>\$ 2,029,958</u>	<u>\$ 3,137,432</u>	<u>\$ 2,439,604</u>	<u>\$ 257,973</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Capital Projects			
	Stadium Improvement	Sales Tax Extension 2009	Sales Tax Extension 2014	Road Improvements
Revenues:				
Taxes	\$ -	\$ -	\$ 27,009,032	\$ 4,701,056
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	500,004	-	53,189	674,837
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	51,504	112,103	656,549	285,524
Total revenues	<u>551,508</u>	<u>112,103</u>	<u>27,718,770</u>	<u>5,661,417</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	125,348	8,751,176	26,375,011	6,493,444
Debt service	-	-	-	906,721
Total expenditures	<u>125,348</u>	<u>8,751,176</u>	<u>26,375,011</u>	<u>7,400,165</u>
Excess of revenues over/(under) expenditures	<u>426,160</u>	<u>(8,639,073)</u>	<u>1,343,759</u>	<u>(1,738,748)</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	50,000	-	-	1,371,504
Transfers out	(500,004)	(932,564)	-	-
Total other financing sources (uses)	<u>(450,004)</u>	<u>(932,564)</u>	<u>-</u>	<u>1,371,504</u>
Net change in fund balances (deficits)	(23,844)	(9,571,637)	1,343,759	(367,244)
Fund balances, (deficits) October 1, 2017	<u>122,782</u>	<u>16,639,032</u>	<u>39,350,736</u>	<u>32,177,232</u>
Fund balances, (deficits) September 30, 2018	<u>\$ 98,938</u>	<u>\$ 7,067,395</u>	<u>\$ 40,694,495</u>	<u>\$ 31,809,988</u>

Capital Projects		
Infrastructure Fund	Growth Increment Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 55,009,644
-	-	32,245,582
-	-	6,378,882
-	-	18,339,449
-	-	20,759,752
-	-	1,254,320
-	-	4,668,404
48,999	25,455	5,534,585
<u>48,999</u>	<u>25,455</u>	<u>144,190,618</u>
-	-	3,272,951
-	-	5,952,672
-	-	34,829,372
-	-	5,223,072
-	-	33,110,920
-	-	860,310
-	-	7,587,766
-	-	6,861,132
2,695,432	390,935	44,831,346
-	-	15,851,251
<u>2,695,432</u>	<u>390,935</u>	<u>158,380,792</u>
<u>(2,646,433)</u>	<u>(365,480)</u>	<u>(14,190,174)</u>
-	-	5,454,000
2,678,273	2,495,017	27,882,061
-	-	(12,420,114)
<u>2,678,273</u>	<u>2,495,017</u>	<u>20,915,947</u>
31,840	2,129,537	6,725,773
<u>5,680,796</u>	<u>1,058,026</u>	<u>194,706,825</u>
<u>\$ 5,712,636</u>	<u>\$ 3,187,563</u>	<u>\$ 201,432,598</u>

COMMUNITY REDEVELOPMENT AGENCIES

CHARLOTTE COUNTY, FLORIDA
CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
September 30, 2018

ASSETS

Cash and cash equivalents	\$ 64,136
Investments	753,061
Due from other funds - Boater Revolving	24,609
Due from other funds - Restore Act	225,042
Interest receivable on investments	1,728
Due from other governments	<u>2,514,381</u>
 Total assets	 <u><u>\$ 3,582,957</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and vouchers payable	\$ 1,895,794
Contracts payable	322,282
Due to other funds - General	164,101
Advances from other funds - General	<u>1,008,693</u>
Total liabilities	<u>3,390,870</u>
 Fund	
Committed	168,320
Assigned	<u>23,767</u>
Total fund balance	<u>192,087</u>
 Total liabilities and fund balance	 <u><u>\$ 3,582,957</u></u>

CHARLOTTE COUNTY, FLORIDA
 CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 For the Fiscal Year Ended September 30, 2018

Revenue:	
Intergovernmental	\$ 4,116,647
Interest	11,804
Miscellaneous	<u>46,294</u>
Total revenue	<u>4,174,745</u>
Expenditures:	
Current	
Transportation	
Contract/Professional services	27,538
Purchased services	101,240
Capital outlay	<u>4,531,310</u>
Total expenditures	<u>4,660,088</u>
Excess of expenditures over revenues	<u>(485,343)</u>
Other financing sources:	
Transfers from other funds	<u>630,940</u>
Total other financing sources	<u>630,940</u>
Net change in fund balance	145,597
Fund balance, (deficit) October 1, 2017	<u>46,490</u>
Fund balance, September 30, 2018	<u>\$ 192,087</u>

CHARLOTTE COUNTY, FLORIDA
MURDOCK VILLAGE COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
September 30, 2018

ASSETS

Cash and cash equivalents	\$ 1,194,403
Investments	2,171,689
Interest receivable on investments	<u>6,667</u>
Total assets	<u><u>\$ 3,372,759</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	
Deposit	<u>\$ 1,002,257</u>
Total liabilities	<u>1,002,257</u>
 Fund Balance	
Assigned	<u>2,370,502</u>
Total fund balance	<u>2,370,502</u>
 Total liabilities and fund balance	<u><u>\$ 3,372,759</u></u>

CHARLOTTE COUNTY, FLORIDA
MURDOCK VILLAGE COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2018

Revenue:	
Interest	\$ 39,023
Total revenue	<u>39,023</u>
Expenditures:	
Current	
General Government	
Contract/Professional services	12,019
Purchased services	17,571
Debt service	9,315,348
Total expenditures	<u>9,344,938</u>
Excess of expenditures over revenues	<u>(9,305,915)</u>
Other financing sources:	
Proceeds from debt	5,000,000
Transfers from other funds	4,200,000
Total other financing sources	<u>9,200,000</u>
Net change in fund balance	(105,915)
Fund balance, October 1, 2017	<u>2,476,417</u>
Fund balance, September 30, 2018	<u>\$ 2,370,502</u>

CHARLOTTE COUNTY, FLORIDA
PARKSIDE COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
September 30, 2018

ASSETS

Cash and cash equivalents	\$ 463,359
Investments	<u>5,440,648</u>
Total assets	<u><u>\$ 5,904,007</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and vouchers payable	\$ 457,594
Contracts payable	119,056
Due to other funds - Capital Projects	430,228
Advances from other funds - Capital Projects	<u>7,588,497</u>
Total liabilities	<u>8,595,375</u>
Fund Balance (deficit)	
Unassigned	<u>(2,691,368)</u>
Total fund balance (deficit)	<u>(2,691,368)</u>
Total liabilities and fund balance (deficit)	<u><u>\$ 5,904,007</u></u>

CHARLOTTE COUNTY, FLORIDA
PARKSIDE COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2018

Expenditures:

Current

General Government

Contract/Professional services	\$ 17,860
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Purchased services	188,424
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Capital outlay	<u>1,661,154</u>
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Total expenditures	<u>1,867,438</u>
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Excess of revenues (under) expenditures	<u>(1,867,438)</u>
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Other financing sources:

Transfers from other funds	<u>1,341,364</u>
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Total other financing sources	<u>1,341,364</u>
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Net change in fund balance	(526,074)
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Fund balance, (deficit) October 1, 2017	<u>(2,165,294)</u>
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Fund balance, (deficit) September 30, 2018	<u><u>\$ (2,691,368)</u></u>
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CHARLOTTE COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2018

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,386,856	\$ 2,085,453	\$ 82,154	\$ 102,088	\$ 815,356	\$ 4,471,907
Investments	14,973,733	1,276,361	962,073	840,902	-	18,053,069
Accounts and assessments receivable, net	16,765	43,053	-	-	-	59,818
Due from other funds	-	-	349,893	-	-	349,893
Due from other governmental agencies	5,931	-	16,881	-	-	22,812
Inventory of supplies, at cost	-	-	166,576	-	-	166,576
Other assets	49,110	585,385	18,163	-	-	652,658
Total current assets	16,432,395	3,990,252	1,595,740	942,990	815,356	23,776,733
Noncurrent assets:						
Capital assets:						
Buildings	-	-	2,297,950	-	-	2,297,950
Improvements other than buildings	-	-	40,321	-	-	40,321
Machinery and equipment	9,696	-	227,027	-	-	236,723
Less accumulated depreciation	(9,696)	-	(669,096)	-	-	(678,792)
Total capital assets (net)	-	-	1,896,202	-	-	1,896,202
Total assets	16,432,395	3,990,252	3,491,942	942,990	815,356	25,672,935
Deferred outflows of resources:						
Deferred outflow - Pension related	56,126	32,372	155,565	-	-	244,063
Deferred outflow - OPEB related	1,202	674	3,874	-	-	5,750
Total deferred outflow of resources	57,328	33,046	159,439	-	-	249,813
Total Assets	16,489,723	4,023,298	3,651,381	942,990	815,356	25,922,748
LIABILITIES						
Current liabilities:						
Accounts and vouchers payable	19,616	286,169	256,689	-	-	562,474
Contracts payable	-	-	64,240	-	-	64,240
Accrued liabilities	4,648	2,494	16,613	-	-	23,755
Due to other funds	-	-	50,000	-	-	50,000
Self-insurance claims payable	1,968,000	1,320,732	-	-	-	3,288,732
Other liabilities	-	801,536	-	-	-	801,536
Unearned revenue	-	1,972,217	-	-	-	1,972,217
Accrued compensated absences	1,507	-	6,648	-	182,850	191,005
Total current liabilities	1,993,771	4,383,148	394,190	-	182,850	6,953,959
Noncurrent liabilities:						
Accrued compensated absences	13,400	10,871	28,949	-	632,506	685,726
Self-insurance claims payable	3,254,000	-	-	-	-	3,254,000
Other postemployment benefits	18,738	10,513	60,352	-	-	89,603
Net pension liability	141,112	81,390	404,882	-	-	627,384
Total noncurrent liabilities	3,427,250	102,774	494,183	-	632,506	4,656,713
Total liabilities	5,421,021	4,485,922	888,373	-	815,356	11,610,672
Deferred inflows of resources:						
Deferred inflow - Pension related	13,085	7,548	38,082	-	-	58,715
Deferred inflow - OPEB related	410	230	1,323	-	-	1,963
Total deferred inflows of resources	13,495	7,778	39,405	-	-	60,678
NET POSITION						
Net Investment in Capital Assets	-	-	1,896,202	-	-	1,896,202
Unrestricted	10,752,134	(167,329)	827,401	942,990	-	12,355,196
Total net position (deficit)	\$ 10,752,134	\$ (167,329)	\$ 2,723,603	\$ 942,990	\$ -	\$ 14,251,398

CHARLOTTE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
Operating revenues:						
Charges for services	\$ 5,758,771	\$ 28,403,378	\$ 4,409,632	\$ 795,431	\$ -	\$ 39,367,212
Miscellaneous	172,416	(6,113)	7,633	-	142,994	316,930
Total operating revenues	<u>5,931,187</u>	<u>28,397,265</u>	<u>4,417,265</u>	<u>795,431</u>	<u>142,994</u>	<u>39,684,142</u>
Operating expenses:						
Personal services	199,350	117,704	738,359	453,195	-	1,508,608
Contractual services	358,917	2,776,942	(53,002)	-	-	3,082,857
Depreciation expense and amortization	-	-	71,941	-	-	71,941
Insurance claims	154,508	18,883,704	-	-	-	19,038,212
Insurance premiums	2,300,885	3,737,641	-	-	-	6,038,526
Purchased services	4,636	21,185	243,215	-	161,129	430,165
Materials & Supplies	52,359	10,801	113,901	-	-	177,061
Cost of sales and service	-	-	3,370,904	-	-	3,370,904
Total operating expenses	<u>3,070,655</u>	<u>25,547,977</u>	<u>4,485,318</u>	<u>453,195</u>	<u>161,129</u>	<u>33,718,274</u>
Operating income (loss)	<u>2,860,532</u>	<u>2,849,288</u>	<u>(68,053)</u>	<u>342,236</u>	<u>(18,135)</u>	<u>5,965,868</u>
Nonoperating revenues						
Interest revenue	140,180	10,386	6,330	-	18,135	175,031
Total nonoperating revenues	<u>140,180</u>	<u>10,386</u>	<u>6,330</u>	<u>-</u>	<u>18,135</u>	<u>175,031</u>
Income (loss) before contributions and transfers	3,000,712	2,859,674	(61,723)	342,236	-	6,140,899
Transfers in	-	-	681,146	-	-	681,146
Transfers out	(3,049)	-	(25,871)	-	-	(28,920)
Change in net position	<u>2,997,663</u>	<u>2,859,674</u>	<u>593,552</u>	<u>342,236</u>	<u>-</u>	<u>6,793,125</u>
Total net position - beginning as previously stated	7,753,744	(3,031,416)	2,152,823	600,754	-	7,475,905
Restatement of beginning net position	<u>727</u>	<u>4,413</u>	<u>(22,772)</u>	<u>-</u>	<u>-</u>	<u>(17,632)</u>
Total net position (deficit) - ending	<u>\$ 10,752,134</u>	<u>\$ (167,329)</u>	<u>\$ 2,723,603</u>	<u>\$ 942,990</u>	<u>\$ -</u>	<u>\$ 14,251,398</u>

CHARLOTTE COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
Cash flows from operating activities:						
Cash received from customers	\$ 5,758,771	\$ 28,379,385	\$ 4,063,885	\$ 795,431	\$ 142,994	\$ 39,140,466
Cash payments to suppliers for goods and services	(2,709,310)	(6,461,960)	(3,459,644)	-	(161,129)	(12,792,043)
Cash payments to employees for services	(186,700)	(109,801)	(848,161)	(453,195)	-	(1,597,857)
Insurance claims	(1,169,508)	(18,921,553)	-	-	-	(20,091,061)
Other operating revenues	161,656	(6,111)	(8,124)	-	-	147,421
Net cash provided (used by) operating activities	<u>1,854,909</u>	<u>2,879,960</u>	<u>(252,044)</u>	<u>342,236</u>	<u>(18,135)</u>	<u>4,806,926</u>
Cash flows from noncapital financing activities:						
Operating transfers from other funds	-	-	(681,146)	-	-	(681,146)
Net cash provided by non capital financing activities	<u>-</u>	<u>-</u>	<u>(681,146)</u>	<u>-</u>	<u>-</u>	<u>(681,146)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	689,152	-	-	689,152
Advances from other funds	-	-	(50,000)	-	-	(50,000)
Capital transfers (to) from other funds	(3,049)	-	(25,871)	-	-	(28,920)
Net cash used by capital financing activities	<u>(3,049)</u>	<u>-</u>	<u>613,281</u>	<u>-</u>	<u>-</u>	<u>610,232</u>
Cash flows from investing activities:						
Purchase of investment securities	(7,906,727)	(22,515,186)	(5,344,530)	(887,849)	(1,751,155)	(38,405,447)
Proceeds from sale and maturities of investment securities	5,164,973	21,526,235	5,531,172	556,527	1,630,712	34,409,619
Interest and dividends on investments	121,687	3,663	7,571	-	18,135	151,056
Net cash provided (used) by investing activities	<u>(2,620,067)</u>	<u>(985,288)</u>	<u>194,213</u>	<u>(331,322)</u>	<u>(102,308)</u>	<u>(3,844,772)</u>
Cash and cash equivalents:						
Net change in cash and cash equivalents	(768,207)	1,894,672	(125,696)	10,914	(120,443)	891,240
Cash and cash equivalents, October 1, 2017	<u>2,155,063</u>	<u>190,781</u>	<u>207,850</u>	<u>91,174</u>	<u>935,799</u>	<u>3,580,667</u>
Cash and cash equivalents, September 30, 2018	<u>\$ 1,386,856</u>	<u>\$ 2,085,453</u>	<u>\$ 82,154</u>	<u>\$ 102,088</u>	<u>\$ 815,356</u>	<u>\$ 4,471,907</u>

CHARLOTTE COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
Reconciliation of operating income (loss) to net cash provided (used) from operating activities:						
Operating income (loss)	\$ 2,860,532	\$ 2,849,288	\$ (68,053)	\$ 342,236	\$ (18,135)	\$ 5,965,868
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense and amortization	-	-	71,941	-	-	71,941
Deferred outflows - pension related - (decrease)	(2,299)	(2,113)	(9,334)	-	-	(13,746)
Deferred outflows - OPEB related - (decrease)	(1,202)	(674)	(3,874)	-	-	(5,750)
Deferred inflows - pension related - (increase)	5,664	3,377	16,090	-	-	25,131
Deferred inflows - OPEB related - (increase)	410	230	1,323	-	-	1,963
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(10,760)	(35,696)	-	-	-	(46,456)
Due from constitutional officers	-	-	112	-	-	112
Due from other governments	-	77,546	499	-	-	78,045
Due from other funds	-	-	(346,358)	-	-	(346,358)
Inventory	-	-	(8,124)	-	-	(8,124)
Other assets	(145)	(77)	(4,438)	-	-	(4,660)
Increase (decrease) in:						
Accounts and vouchers payable	7,487	7,663	151,039	-	-	166,189
Accrued liabilities	209	20	(1,611)	-	-	(1,382)
Accrued compensated absences	1,163	88	-	-	-	1,251
Other postemployment benefits	1,081	622	-	-	-	1,703
Unearned revenue	-	11,703	-	-	-	11,703
Other liabilities	-	51,346	(10,145)	-	-	41,201
Due to constitutional officers	-	(600)	-	-	-	(600)
Due to other funds	-	-	(70,000)	-	-	(70,000)
Self-insurance claims payable	(1,015,000)	(89,195)	-	-	-	(1,104,195)
Net pension liability increase	7,769	6,432	28,889	-	-	43,090
Total adjustments	(1,005,623)	30,672	(183,991)	-	-	(1,158,942)
Net cash provided (used) by operating activities:	\$ 1,854,909	\$ 2,879,960	\$ (252,044)	\$ 342,236	\$ (18,135)	\$ 4,806,926
Noncash investing, capital and financing activities:						
Change in fair value of investments	\$ (118,474)	\$ (14,767)	\$ (2,402)	\$ -	\$ -	\$ (135,643)

CHARLOTTE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2018

	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Total Agency Funds
ASSETS					
Cash and cash equivalents	\$ 628	\$ 6,350,809	\$ 378,632	\$ 6,089,985	\$ 12,820,054
Investments	7,368	-	-	-	7,368
Accounts and assessments receivable, net	-	3,739,011	-	-	3,739,011
Due from other governmental agencies	-	5	-	1,325	1,330
Due from individuals	-	-	-	12,418	12,418
Other assets	23	-	-	-	23
Total assets	<u>\$ 8,019</u>	<u>\$ 10,089,825</u>	<u>\$ 378,632</u>	<u>\$ 6,103,728</u>	<u>\$ 16,580,204</u>
LIABILITIES					
Due to other governmental agencies	\$ -	\$ 4,589,603	\$ 175,062	\$ 654,990	\$ 5,419,655
Due to individuals	-	-	203,570	487,240	690,810
Deposits	-	296,052	-	4,961,498	5,257,550
Other liabilities	8,019	5,204,170	-	-	5,212,189
Total liabilities	<u>\$ 8,019</u>	<u>\$ 10,089,825</u>	<u>\$ 378,632</u>	<u>\$ 6,103,728</u>	<u>\$ 16,580,204</u>

CHARLOTTE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS

For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
BOARD OF COUNTY COMMISSIONERS				
Assets				
Cash	\$ 1,204	\$ 628	\$ 1,204	\$ 628
Investments	6,730	1,334	696	7,368
Other assets	15	23	15	23
	<u>\$ 7,949</u>	<u>\$ 1,985</u>	<u>\$ 1,915</u>	<u>\$ 8,019</u>
Liabilities				
Other liabilities	\$ 7,949	\$ 153	\$ 83	\$ 8,019
	<u>\$ 7,949</u>	<u>\$ 153</u>	<u>\$ 83</u>	<u>\$ 8,019</u>
CLERK OF THE CIRCUIT COURT				
Assets				
Cash	\$ 5,559,080	\$ 75,814,087	\$ 75,022,358	\$ 6,350,809
Accounts receivable	3,622,518	382,075	265,582	3,739,011
Due from other governments	-	22	17	5
	<u>\$ 9,181,598</u>	<u>\$ 76,196,184</u>	<u>\$ 75,287,957</u>	<u>\$ 10,089,825</u>
Liabilities				
Vouchers payable	\$ -	\$ 12,513,614	\$ 12,513,614	\$ -
Due to other governments	4,246,821	28,294,444	27,951,662	4,589,603
Deposits	310,197	744,604	758,749	296,052
Other liabilities	4,624,580	12,481,359	11,901,769	5,204,170
	<u>\$ 9,181,598</u>	<u>\$ 54,034,021</u>	<u>\$ 53,125,794</u>	<u>\$ 10,089,825</u>
SHERIFF				
Assets				
Cash	\$ 203,510	\$ 2,293,700	\$ 2,118,578	\$ 378,632
	<u>\$ 203,510</u>	<u>\$ 2,293,700</u>	<u>\$ 2,118,578</u>	<u>\$ 378,632</u>
Liabilities				
Due to other governments	\$ 42,719	\$ 796,223	\$ 663,880	\$ 175,062
Due to individuals	160,791	1,456,010	1,413,231	203,570
	<u>\$ 203,510</u>	<u>\$ 2,252,233</u>	<u>\$ 2,077,111</u>	<u>\$ 378,632</u>

CHARLOTTE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS

For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
TAX COLLECTOR				
Assets				
Cash	\$ 5,744,338	\$396,243,739	\$395,898,092	\$ 6,089,985
Due from other governments	1,437	2,996,976	2,997,088	1,325
Due from individuals	8,181	849,729	845,492	12,418
	<u>\$ 5,753,956</u>	<u>\$400,090,444</u>	<u>\$399,740,672</u>	<u>\$ 6,103,728</u>
Liabilities				
Due to other governments	\$ 593,731	\$ 40,599,928	\$ 40,538,669	\$ 654,990
Due to individuals	302,991	15,428,436	15,244,187	487,240
Deposits	4,857,234	433,367,943	433,263,679	4,961,498
	<u>\$ 5,753,956</u>	<u>\$489,396,307</u>	<u>\$489,046,535</u>	<u>\$ 6,103,728</u>
TOTAL - AGENCY FUNDS				
Assets				
Cash	\$11,508,132	\$474,352,154	\$473,040,232	\$ 12,820,054
Investments	6,730	1,334	696	7,368
Accounts receivable	3,622,518	382,075	265,582	3,739,011
Due from other governmental agencies	1,437	2,996,998	2,997,105	1,330
Due from individuals	8,181	849,729	845,492	12,418
Other assets	15	23	15	23
	<u>\$15,147,013</u>	<u>\$478,582,313</u>	<u>\$477,149,122</u>	<u>\$ 16,580,204</u>
Liabilities				
Vouchers payable	\$ -	\$ 12,513,614	\$ 12,513,614	\$ -
Due to other governments	4,883,271	69,690,595	69,154,211	5,419,655
Due to individuals	463,782	16,884,446	16,657,418	690,810
Deposits	5,167,431	434,112,547	434,022,428	5,257,550
Other liabilities	4,632,529	12,481,512	11,901,852	5,212,189
	<u>\$15,147,013</u>	<u>\$545,682,714</u>	<u>\$544,249,523</u>	<u>\$ 16,580,204</u>

**Report of Independent Auditor 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***

To the Honorable Board of County
Commissioners of Charlotte County, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Charlotte County, Florida, (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 15, 2019. We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency, which are presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended September 30, 2018, as listed in the table of contents. Our report includes a reference to another auditor who audited the financial statements of the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 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*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Cheryl Behrman" followed by a stylized flourish.

Orlando, Florida
March 15, 2019

Independent Auditor's Management Letter

To the Honorable Board of County
Commissioners of Charlotte County, Florida:

Report on the Financial Statements

We have audited the financial statements and the related notes to the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Charlotte County, Florida ("the County"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 15, 2019. We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency, which are presented as supplementary information in the accompanying combining and individual fund financial statements, as of and for the year ended September 30, 2018. We did not audit the financial statements of the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector (collectively, the "Officers"), whose statements reflect 2% of the assets, 1% of the net position, and 7% of the revenues of the County's governmental activities, 17% of the assets, 0% of the fund balance, and 23% of the revenues of the General Fund, and 8% of the assets, 3% of the fund balance, and 3% of the revenues of the remaining fund information. The financial statements of the Officers were audited by another auditor whose reports have been furnished to us, and our opinions, insofar as they relate to data included for the Officers, are based solely on the reports of the other auditor.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*; and Chapter 10.550, Rules of the Auditor General.

This letter excludes consideration of the Officers, which were audited by another auditor and for which separate management letters have been issued.

Other Reporting Requirements

We have issued our Report of Independent Auditor 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*; Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Policies and E911 Requirements of Sections 365.172 and 365.173, Florida Statutes. Disclosures in those reports and schedule, which are dated March 15, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Sections 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. Refer to Note 1 in the notes to the financial statements regarding the creation of the Charlotte County, Florida and each component unit.

Financial Condition and Management

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

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

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

Deepwater Horizon Oil Spill

Section 10.556(10)(e), Rules of the Auditor General, requires a determination of the County's compliance with Federal and State laws, rules, regulations, contracts or grant agreements related to the receipt and expenditure of funds related to the Deepwater Horizon oil spill. The County's Deepwater Horizon oil spill funds received are unrestricted and, therefore, do not have related compliance requirements.

Additional Matters

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

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Cheryl Behrman" followed by a stylized flourish.

Orlando, Florida
March 15, 2019

**Report of Independent Accountant on Compliance
With Local Government Investment Policies and E911 Requirements of
Sections 365.172 and 365.173, Florida Statutes**

To the Honorable Board of County
Commissioners of Charlotte County, Florida

We have examined the Charlotte County, Florida's (the "County's") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, and E911 requirements of Sections 365.172 and 365.173, Florida Statutes, during the year ended September 30, 2018. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, and E911 requirements of Sections 365.172 and 365.173, Florida Statutes, during the year ended September 30, 2018.

The purpose of this report is to comply with the audit requirements of Sections 218.415, 365.172, and 365.173, Florida Statutes, and Rules of the Auditor General.



Orlando, Florida
March 15, 2019

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF INSURANCE POLICIES IN FORCE
FOR FISCAL YEAR 2017-18

Broker: Gehring Group Professional Services

<u>INSURER</u>	<u>RISK</u>	<u>COVERAGE</u>	<u>PREMIUM</u>	<u>IMPACTED DEPT.</u>
Florida Municipal Insurance Trust	Property <i>Eff: 10/01/17</i>	\$150,000,000	\$1,581,788	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Liability Package <i>Eff: 10/01/17</i>	\$ 1,500,000	\$ 101,855	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Auto Liab w/Phys <i>Eff: 10/01/17</i>	\$ 1,500,000	\$ 107,829	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Public Officials <i>Eff: 10/01/17</i>	\$ 1,500,000	\$ 140,972	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	XS WC <i>Eff: 10/01/17</i>	\$ 1,000,000	\$ 265.993	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Boiler & Machinery <i>Eff: 10/01/17</i>	\$ 50,000,000	Included in FMIT Program	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Inland Marine <i>Eff: 10/01/17</i>	\$ 8,698,747 (Schedule on File)	Included in FMIT Program	BCC Depts, Elected Officials
Travelers'	Commercial Crime <i>Eff: 10/01/17 (3 Yr)</i>	\$ 1,000,000	\$ 5,499	BCC Depts. & Elected Officials
Commerce & Industry	Storage Tank <i>Eff: 12/11/17</i>	\$ 1,000,000/ \$ 2,000,000	\$ 22,638	BCC Depts.
Allied World Assurance Company	Pollution Liability <i>Eff: 10/01/17</i>	\$ 1,000,000/ \$ 20,000,000	\$ 18,134	Utilities Department
Wright Flood	Flood Insurance	Various	\$ 196,966	Various
Hartford	Statutory AD&D <i>Eff: 10/01/17</i>	\$ 71,407 71,407 201,980	\$ 33,994	Sheriff & Fire Dept.