

**HENDRY COUNTY,  
FLORIDA**

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

**PREPARED BY:**

**BARBARA S. BUTLER  
CLERK OF THE CIRCUIT COURT**

**STEVE CLARK  
FINANCE DIRECTOR**



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**HENDRY COUNTY, FLORIDA**

**COMBINED  
FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**INCLUDING  
BOARD OF COUNTY COMMISSIONERS,  
CONSTITUTIONAL OFFICERS,  
AND COMPONENT UNIT**

**SECTION I**



## **Report of Independent Auditor**

To the Honorable Board of County  
Commissioners of Hendry 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, and the aggregate discretely presented component unit and remaining fund information of Hendry County, Florida (the "County"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 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, and the aggregate discretely presented component unit and remaining fund information of the County as of September 30, 2018, and respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, County Transportation Trust Fund, and the Solid Waste Disposal Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

### ***Change in Accounting Principle***

As discussed in Note 1. I. and 14 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* during the year ended September 30, 2018. Our opinion is not modified with respect to this matter.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining statements and schedules and statistical section as provided 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 and state financial assistance 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 Chapter 10.550, *Rules of the Auditor General*, and are also not a required part of the basic financial statements.

The combining statements and schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedure in accordance with auditing standards generally accepted in the United States of America.

*Other Information, Continued*

In our opinion, the combining statements and schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
May 30, 2019

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**MANAGEMENT  
DISCUSSION & ANALYSIS**





# **Hendry County, Florida**

## **Management's Discussion and Analysis**

This discussion and analysis of Hendry County's (the "County") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities 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. We hope this will assist readers in identifying significant financial issues and changes in the County's financial position.

### ***Financial Highlights***

- At the close of fiscal year 2018 the County's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources, resulting in net assets and deferred outflows of \$63,773,969 a decrease of (\$3,624,116) over last year or 5.38 percent. Governmental and business-type assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$48,025,143 and \$15,748,826, respectively, which was a decrease of (\$3,504,168) for governmental assets and deferred outflows, or 6.80 percent and a decrease of (\$119,948) for business-type assets and deferred outflows or, 1 percent.
- Total revenues for governmental activities were \$54,933,831, which was an increase of \$3,784,003 over prior year.
- Total expenses for governmental activities were \$57,073,076, which was an increase of \$3,431,976 over prior year.
- Noncurrent liabilities are reported at \$33,246,437 on September 30, 2018 for governmental activities and \$8,277,376 for business-type activities.
- Capital Assets net of depreciation are reported at \$81,503,930 on September 30, 2018 for all fund types.

### ***Government-Wide Financial Statements***

The government-wide financial statements (statement of net assets and statement of activities) concentrate on the County as a whole and do not emphasize fund types but rather a governmental or a business-type classification, which are presented in separate columns. The governmental and business-type activities comprise the primary government and are reported separate from the component unit for which the County is accountable.

General governmental and intergovernmental revenues support the governmental activities, whereas the business-type activities are primarily supported by user fees and charges for services. The purpose of the government-wide financial statements is to allow the user to be able to analyze the County's total financial position.

The statement of activities reflect the expenses of a given function or segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes are reported under general revenue.

## ***Fund Financial Statements***

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

The County's funds are presented in separate fund financial statements. These funds are presented on a governmental fund financial statement and a proprietary fund financial statement. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in Governmental Accounting Standards Board Statements Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

The County adopts an annual budget for all funds. A budgetary comparison has been presented for the General Fund, County Transportation Trust Fund, and Solid Waste Disposal Fund, which compares not only actual results to budget but also the original adopted budget to final budget.

## ***Governmental Fund Financial Statements***

Governmental fund financial statements are prepared on the modified accrual basis using current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

Four of the County's governmental funds, the General Fund, County Transportation Trust Fund, Solid Waste Disposal Fund, and Capital Projects Fund are classified as major funds. All other governmental funds are combined into a single column on the governmental fund financial statements. Individual fund data for the non-major funds are found in combining statement as supplemental financial data.

## ***Proprietary Fund Financial Statements***

Proprietary fund financial statements like government-wide financial statements are prepared on the full accrual basis. Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund.

The County reports their Port LaBelle Utility System in the proprietary fund financial statement. This enterprise fund represents our water and sewer system that the county owns and operates.

## ***Fiduciary Fund Financial Statement***

The fiduciary fund financial statement is not included in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The only type of fiduciary funds the County maintains, agency funds, are used to account for assets held by the County as an agent for individuals.

## Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the County is in a better or worse condition from the prior year. In fiscal year ending 2003 GASB 34 was implemented and reporting requirements changed significantly.

The following is a condensed summary of net position for the primary government for fiscal years 2017 and 2018 with increases and decreases.

Hendry County, Florida  
Summary of Net Position with Prior Year Comparison  
September 30, 2018

	Governmental Activities 2017	Governmental Activities 2018	Governmental Activities Inc / (Dec)	Business-type Activities 2017	Business-type Activities 2018	Business-type Activities Inc / (Dec)	All Activities Total 2018	All Activities Total Inc / (Dec)
Current & Other assets	\$ 26,784,849	\$ 18,463,386	\$ (8,321,463)	\$ 6,079,679	\$ 5,589,595	\$ (490,084)	\$ 24,052,981	\$ (8,811,547)
Capital assets	59,768,718	62,596,897	2,828,179	19,906,433	18,907,033	(999,400)	81,503,930	1,828,779
Deferred outflows	12,264,230	11,570,020	(694,210)	201,510	186,624	(14,886)	11,756,644	(709,096)
Total assets and deferred outflows	98,817,797	92,630,303	(6,187,494)	26,187,622	24,683,252	(1,504,370)	117,313,555	(7,691,864)
Current & Other liabilities	12,897,089	7,858,841	(5,038,248)	1,418,108	604,649	(813,459)	8,463,490	(5,851,707)
Non-current liabilities	32,882,138	33,246,437	364,299	8,613,690	8,277,376	(336,314)	41,523,813	27,985
Deferred inflows	1,509,259	3,499,882	1,990,623	287,050	52,401	(234,649)	3,552,283	1,755,974
Total liabilities and deferred inflows	47,288,486	44,605,160	(2,683,326)	10,318,848	8,934,426	(1,384,422)	53,539,586	(4,067,748)
Net position:								
Invested in capital assets, net of related debt	57,867,659	61,418,804	3,551,145	11,433,745	10,805,456	(628,289)	72,224,260	2,922,856
Restricted	3,982,234	833,736	(3,148,498)	-	3,067,969	3,067,969	3,901,705	(80,529)
Unrestricted	(10,320,582)	(14,227,397)	(3,906,815)	4,435,029	1,875,401	(2,559,628)	(12,351,996)	(6,466,443)
Total Net Position	\$ 51,529,311	\$ 48,025,143	\$ (3,504,168)	\$ 15,868,774	\$ 15,748,826	\$ (119,948)	\$ 63,773,969	\$ (3,624,116)

Investment in capital assets, net of related debt is the largest portion of the net assets. This represents capital assets (land, buildings, improvements, equipment, furniture, vehicles, and infrastructure), net of accumulated depreciation, and the outstanding related debt used to acquire the assets.

The restricted net position balance of \$3,901,705 in 2018 represents contractual obligations and capital project requirements in 2018.

The unrestricted net position balance of (\$12,351,996) represents assets that are available for spending at the County's discretion, however, it is important to note that this balance is county wide and there are restrictions within each source of funds as to what these funds can be used for.

The largest decrease in asset type for fiscal year ending in 2018 was unrestricted assets for governmental activities.

## Governmental Activities Analysis

Governmental Revenue Accounts had an increase of (7 percent) from 2017 to 2018. The majority of this variance is due to increases in ad-valorem taxes and intergovernmental. The increase in Ad Valorem Taxes is associated with a slight upward turn of our economy in Hendry County as well as the State. The increase in Grant income is associated with slightly more grant funding in Fiscal Year 2018. Expenses increased 6 percent in 2018. These increases are directly related to increases in Salaries, Benefits in the Public Safety activities and Hurricane Irma expenses. The Hendry County Board of County Commissioners, Hendry County Staff as well as all Hendry County Constitutional Officials have worked diligently to become more efficient and cost effective over the past few years and will continue this process into the future.

## Business Activities Analysis

The Port LaBelle Utility System had increases in both revenue due to the increase of economy in the Port LaBelle area. New homes were built and existing inventory purchases causing revenues to increase. Expenses appear lower in fiscal year 2018, however, this is due to a reduction in expense realized in relation to pension and OPEB related liabilities and expenses.

The following schedule represents Summary of Revenues and Expenditures and Changes in Net Position for the year September 30, 2018.

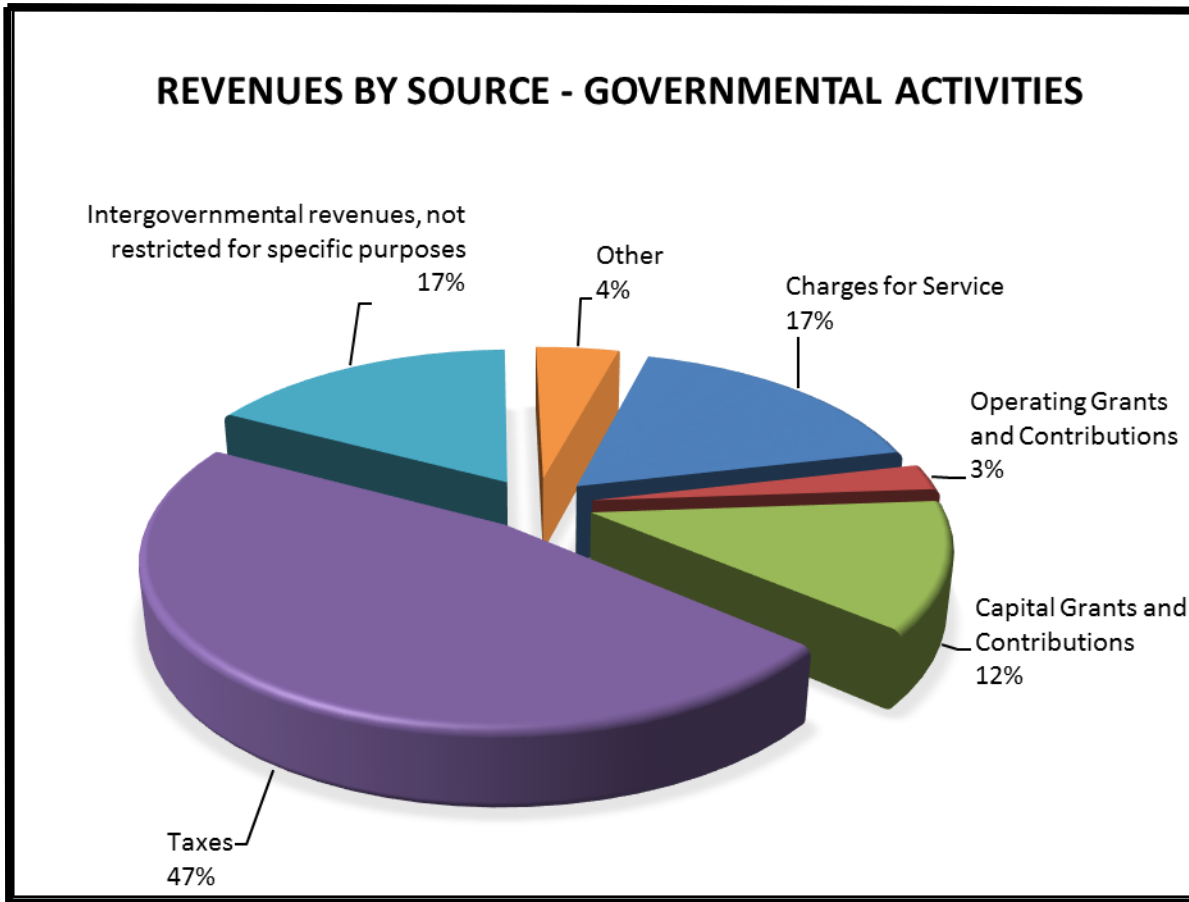
Hendry County, Florida  
Summary of Revenues, Expenses and Changes in Net Position  
As of September 30, 2018

	Governmental Activities 2017	Governmental Activities 2018	Business-type Activities 2017	Business-type Activities 2018	Total 2018
Revenues:					
Program Revenues:					
Charges for Service	\$ 9,116,157	\$ 9,429,003	\$ 1,690,008	\$ 1,919,488	\$ 11,348,491
Operating Grants and Contributions	649,358	1,391,950	-	-	1,391,950
Capital Grants and Contributions	6,420,205	6,765,779	-	-	6,765,779
General Revenues:					
Taxes	23,574,231	25,626,189	-	-	25,626,189
Impact Fees	-	-	-	-	-
Intergovernmental revenues, not restricted for specific purposes	8,956,841	9,244,841	-	-	9,244,841
Other	2,433,036	2,476,069	233,645	102,085	2,578,154
Total Revenues	<u>51,149,828</u>	<u>54,933,831</u>	<u>1,923,653</u>	<u>2,021,573</u>	<u>56,955,404</u>
Expenses:					
Program Activities:					
General Government	16,019,599	14,197,807	-	-	14,197,807
Court Related	1,477,944	1,689,211	-	-	1,689,211
Public Safety	22,551,221	26,306,983	-	-	26,306,983
Physical Environment	3,390,649	3,435,473	-	-	3,435,473
Transportation	7,172,437	7,300,637	-	-	7,300,637
Economic environment	761,460	983,078	-	-	983,078
Human Services	1,121,979	1,027,149	-	-	1,027,149
Culture and recreation	1,058,187	2,063,943	-	-	2,063,943
Interest on long-term debt	87,624	68,795	-	-	68,795
Business-type activities:					
Water and wastewater	-	-	2,519,660	2,111,004	2,111,004
	<u>53,641,100</u>	<u>57,073,076</u>	<u>2,519,660</u>	<u>2,111,004</u>	<u>59,184,080</u>
Increase in net position	(2,491,272)	(2,139,245)	(596,007)	(89,431)	(2,228,676)
Beginning Net position, October 1	54,020,583	50,164,388	* 16,464,781	15,838,257	* 66,002,645
Ending Net position, September 30	<u>\$ 51,529,311</u>	<u>\$ 48,025,143</u>	<u>\$ 15,868,774</u>	<u>\$ 15,748,826</u>	<u>\$ 63,773,969</u>

\* Net Position for 2018 is restated due to a change in accounting principle related to GASB 75.

**Governmental Activities**

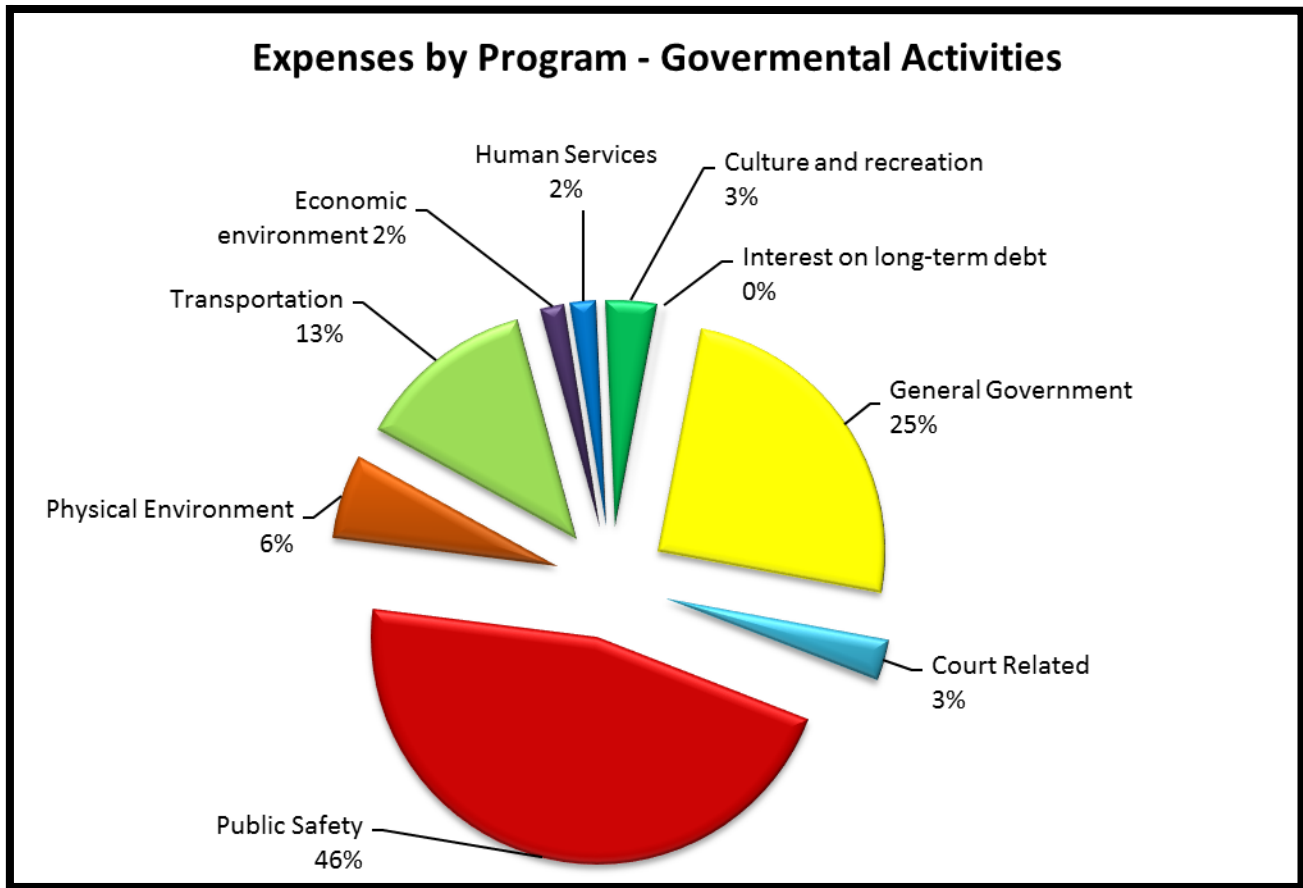
The following is a chart of revenues by source for governmental activities by percent of total revenues for fiscal year 2018.



<u>Revenue Source</u>	<u>Revenues</u>	<u>Percent of Total Revenue</u>
Charges for Service	\$ 9,429,003	17%
Operating Grants and Contributions	1,391,950	3%
Capital Grants and Contributions	6,765,779	12%
Taxes	25,626,189	47%
Intergovernmental revenues, not restricted for specific purposes	9,244,841	17%
Other	2,476,069	5%
	<u>\$ 54,933,831</u>	<u>100%</u>

**Governmental Activities - Continued**

The following is a chart of expenses by program for governmental activities for fiscal year 2018.

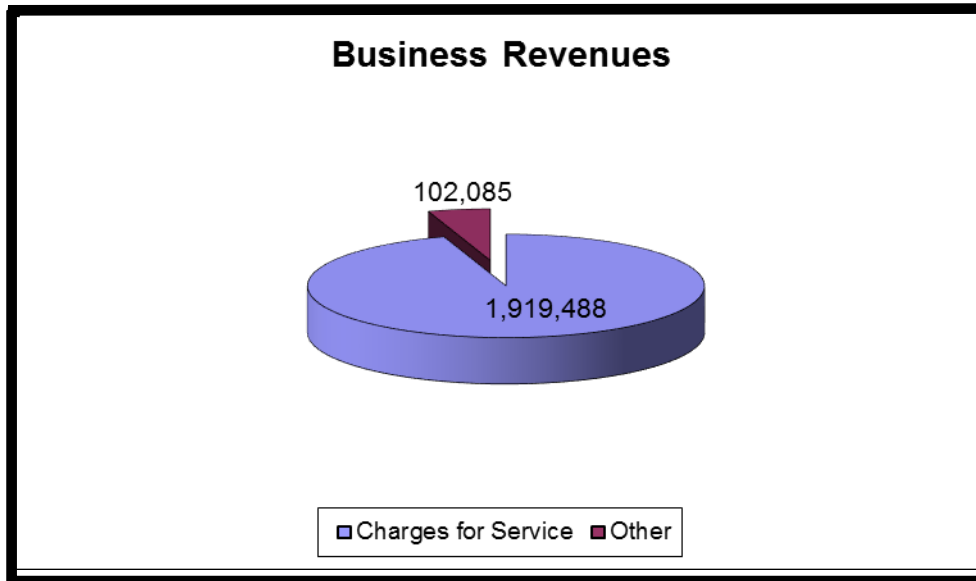


<u>Program</u>	<u>Expenses</u>	<u>Percent of Total Expense</u>
General Government	\$ 14,197,807	25%
Court Related	1,689,211	3%
Public Safety	26,306,983	46%
Physical Environment	3,435,473	6%
Transportation	7,300,637	13%
Economic environment	983,078	2%
Human Services	1,027,149	2%
Culture and recreation	2,063,943	4%
Interest on long-term debt	68,795	0%
Totals	<u>\$ 57,073,076</u>	<u>100%</u>

***Business-Type Activities***

The following is a chart of Revenues by Source for our Business Activities for fiscal year 2018. Our Business Activities consist of Port LaBelle Utilities. Total Revenues created from Charges for Services consisted of \$1,919,488. This represents charges for water/sewer usage. Other revenues totaling \$102,085 resulted from a special assessment, interest revenue and miscellaneous charges.

All business type expenditures for fiscal year 2018 consisted of water and wastewater expenses to operate Port LaBelle Utility Systems and administrative fees.



## ***Financial Analysis of the Government's Funds***

### ***Governmental Funds***

Governmental funds use the current financial resources measurement focus that focus on near-term inflows and outflows. The General Fund is the general operating fund that is used to account for all financial resources, except those required to be accounted for in another fund. The Fine & Forfeiture fund is comprised to fund the Hendry County Sheriff's office, probation department, courthouse security, mandated costs for law enforcement, and other misc. items to do with the same.

### ***Proprietary Funds***

Proprietary funds are comprised of enterprise funds and internal service funds. An enterprise fund is used to account for activities for which a fee is charged to external users for goods and services. Internal service funds are those that provide a service, primarily within the government, and charge a recovery fee.

### ***Capital Assets***

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, improvements other than buildings, machinery and equipment, and infrastructure. Total Capital assets total \$81,503,930. This is an increase of \$1,859,686 over prior year.

### ***Debt Administration***

At September 30, 2018, the County had a total of governmental and business-type long-term liabilities of \$42,472,688. Governmental liabilities of \$33,834,760 mostly consisted of pension related liabilities of \$26,969,990, other post-employment benefits of \$3,592,380, and notes and capital leases payable of \$1,178,093. Additionally, business-type liabilities of \$8,637,928 mostly consisted of revenue bonds of \$6,305,700 and notes payable of \$1,826,784.

### ***Request for information***

This financial report is designed to provide the reader an overview of the County. Questions regarding any information provided in this report should be directed to: Hendry County Clerk of Courts, Finance Department, 25 East Hickpochee Avenue, LaBelle, FL 33935, phone (863) 675-5322.



**BASIC  
FINANCIAL STATEMENTS**



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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,202,419	\$ 689,337	\$ 7,891,756
Investments, at fair value	4,478,213	-	4,478,213
Prepaid expenses	102,269	-	102,269
Receivables (net)	179,610	2,719,409	2,899,019
Interfund balances	1,012,934	(930,859)	82,075
Due from other governments	5,487,941	12,832	5,500,773
Restricted assets:			
Cash and cash equivalents	-	882,353	882,353
Investments, at fair value	-	2,185,616	2,185,616
Amortized bond costs (net)	-	30,907	30,907
Capital assets:			
Non-depreciable	21,667,168	537,006	22,204,174
Depreciable, net	40,929,729	18,370,027	59,299,756
<b>TOTAL ASSETS</b>	<b>81,060,283</b>	<b>24,496,628</b>	<b>105,556,911</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	11,570,020	186,624	11,756,644
<b>LIABILITIES</b>			
Accounts payable	2,698,836	20,881	2,719,717
Accrued liabilities	1,000,063	33,105	1,033,168
Unearned revenue	1,131,783	-	1,131,783
Due to other governments	1,176,168	-	1,176,168
Other liabilities	154,002	-	154,002
Liabilities payable from restricted assets:			
Current portion of long term debt	588,323	360,552	948,875
Customer deposits	1,109,666	190,111	1,299,777
Noncurrent liabilities:			
Due in more than one year	33,246,437	8,277,376	41,523,813
<b>TOTAL LIABILITIES</b>	<b>41,105,278</b>	<b>8,882,025</b>	<b>49,987,303</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	3,158,796	52,401	3,211,197
Related to OPEB	341,086	-	341,086
<b>TOTAL DEFERRED INFLOWS</b>	<b>3,499,882</b>	<b>52,401</b>	<b>3,552,283</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	61,418,804	10,805,456	72,224,260
Restricted for:			
Contractual obligations	-	3,067,969	3,067,969
General government	833,736	-	833,736
Unrestricted	(14,227,397)	1,875,401	(12,351,996)
<b>TOTAL NET POSITION</b>	<b>\$ 48,025,143</b>	<b>\$ 15,748,826</b>	<b>\$63,773,969</b>

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

HENDRY COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
September 30, 2018

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental Activities :				
General government	\$ 14,197,807	\$ 5,554,263	\$ 21,245	\$ 470,964
Court related	1,689,211	49,202	-	-
Public safety	26,306,983	1,857,409	411,509	343,961
Physical environment	3,435,473	188,638	-	90,909
Transportation	7,300,637	1,719,484	-	5,803,632
Economic environment	983,078	53,308	570,041	-
Culture and recreation	1,027,149	6,699	389,155	18,879
Human services	2,063,943	-	-	37,434
Interest on long-term debt	68,795	-	-	-
<b>Total governmental activities</b>	<b>57,073,076</b>	<b>9,429,003</b>	<b>1,391,950</b>	<b>6,765,779</b>
Business-type Activities :				
Water and Wastewater	2,111,004	1,919,488	-	-
<b>Total primary government</b>	<b>\$ 59,184,080</b>	<b>\$ 11,348,491</b>	<b>\$ 1,391,950</b>	<b>\$ 6,765,779</b>

General revenues :

  Taxes

    Property taxes

    Gasoline taxes

    Communications taxes

    Other taxes

  Licenses and permits

  Fines and forfeitures

  Intergovernmental revenues

  Miscellaneous

Total general revenues

Change in net position

Net position, beginning

  Restatement of beginning net position

Net position, beginning, as restated

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (8,151,335)	\$ -	\$ (8,151,335)
(1,640,009)	-	(1,640,009)
(23,694,104)	-	(23,694,104)
(3,155,926)	-	(3,155,926)
222,479	-	222,479
(359,729)	-	(359,729)
(612,416)	-	(612,416)
(2,026,509)	-	(2,026,509)
(68,795)	-	(68,795)
<u>(39,486,344)</u>	<u>-</u>	<u>(39,486,344)</u>
-	(191,516)	(191,516)
<u>(39,486,344)</u>	<u>(191,516)</u>	<u>(39,677,860)</u>
16,059,194	-	16,059,194
3,701,781	-	3,701,781
61,402	-	61,402
5,803,812	-	5,803,812
892,360	-	892,360
226,581	-	226,581
8,125,900	-	8,125,900
2,476,069	102,085	2,578,154
<u>37,347,099</u>	<u>102,085</u>	<u>37,449,184</u>
<u>(2,139,245)</u>	<u>(89,431)</u>	<u>(2,228,676)</u>
51,529,311	15,868,774	67,398,085
(1,364,923)	(30,517)	(1,395,440)
<u>50,164,388</u>	<u>15,838,257</u>	<u>66,002,645</u>
<u>\$ 48,025,143</u>	<u>\$ 15,748,826</u>	<u>\$ 63,773,969</u>

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

	General	County Transportation Trust	Solid Waste Disposal	Capital Projects
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,110,634	\$ 4,130	\$ 63,471	\$ 259,699
Investments	176,294	7,044	2,087	443,037
Prepaid expenses	79,309	-	-	-
Receivables (net)	27,315	77,843	177	-
Due from other funds	6,185,288	3,710,000	1,775,000	-
Due from other governments	2,211,526	1,603,228	37,171	737,448
<b>Total assets</b>	<b>\$ 10,790,366</b>	<b>\$ 5,402,245</b>	<b>\$ 1,877,906</b>	<b>\$ 1,440,184</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 872,970	\$ 673,783	\$ 148,482	\$ 139,304
Accrued liabilities	895,262	71,530	1,276	-
Due to other funds	8,627,052	252,450	35,356	945,801
Due to other governments	1,174,424	1,744	-	-
Unearned revenue	65,690	-	-	-
Deposits	68,156	950,665	-	-
Other liabilities	972	-	-	-
<b>Total liabilities</b>	<b>11,704,526</b>	<b>1,950,172</b>	<b>185,114</b>	<b>1,085,105</b>
Fund balances				
Nonspendable - prepaid expenses	79,309	-	-	-
Restricted	-	-	-	-
Assigned	(413,655)	3,452,073	1,692,792	355,079
Unassigned	(579,814)	-	-	-
<b>Total fund balances</b>	<b>(914,160)</b>	<b>3,452,073</b>	<b>1,692,792</b>	<b>355,079</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,790,366</b>	<b>\$ 5,402,245</b>	<b>\$ 1,877,906</b>	<b>\$ 1,440,184</b>

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

Other Governmental Funds	Total Governmental Funds
\$ 4,764,485	\$ 7,202,419
3,849,751	4,478,213
22,960	102,269
74,275	179,610
263,950	11,934,238
898,568	5,487,941
<u>\$ 9,873,989</u>	<u>\$ 29,384,690</u>

\$ 864,297	\$ 2,698,836
31,995	1,000,063
1,060,645	10,921,304
-	1,176,168
1,066,093	1,131,783
90,845	1,109,666
153,030	154,002
<u>3,266,905</u>	<u>18,191,822</u>

-	79,309
754,427	754,427
5,852,657	10,938,946
-	(579,814)
<u>6,607,084</u>	<u>11,192,868</u>
<u>\$ 9,873,989</u>	<u>\$ 29,384,690</u>

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

Fund Balances - total governmental funds \$ 11,192,868

Capital assets used in governmental activities are not financial resources  
and are therefore not reported in the governmental funds:

Non-depreciable governmental capital assets	\$ 21,667,168	
Depreciable governmental capital assets, net	<u>40,929,729</u>	62,596,897

Long-term liabilities are not due and payable in the current period and  
therefore are not reported in the governmental funds:

Notes payable	(715,132)	
Capital leases	(462,961)	
Other Post Employment Benefits	(3,592,380)	
Net Pension liability	(26,969,990)	
Deferred outflows related to pensions	11,570,020	
Deferred inflows related to pensions	(3,158,796)	
Deferred inflows related to OPEB	(341,086)	
Compensated absences	<u>(2,094,297)</u>	<u>(25,764,622)</u>

Net position of governmental activities \$ 48,025,143

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

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

	General	County Transportation Trust	Solid Waste Disposal
<b>REVENUES</b>			
Taxes	\$ 16,183,340	\$ 1,289,709	\$ 1,934,843
Licenses and permits	93,090	15	-
Intergovernmental	6,428,295	5,923,892	90,909
Charges for services	6,621,670	475,214	188,637
Fines and forfeitures	-	-	-
Miscellaneous	1,445,969	36,340	15,551
Total revenues	<u>30,772,364</u>	<u>7,725,170</u>	<u>2,229,940</u>
<b>EXPENDITURES</b>			
Current			
General government	11,313,761	-	-
Court related	1,197,183	-	-
Public safety	21,858,133	-	-
Physical environment	487,566	-	2,065,981
Transportation	-	4,754,024	-
Economic environment	404,520	-	-
Culture and recreation	109,738	-	-
Human services	1,045,127	-	-
Capital outlay			
General government	158,041	-	-
Public safety	571,748	-	-
Physical environment	9,103	-	-
Transportation	-	2,693,126	-
Debt service			
Principal retirement	591,441	100,615	-
Interest and fiscal charges	58,923	3,343	-
Total expenditures	<u>37,805,284</u>	<u>7,551,108</u>	<u>2,065,981</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(7,032,920)</u>	<u>174,062</u>	<u>163,959</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from issuance of debt	367,475	-	-
Proceeds from sale of capital assets	7,492	-	-
Transfers in	16,374,350	-	-
Transfers out	(14,525,750)	-	-
Total other financing sources (uses)	<u>2,223,567</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(4,809,353)</u>	<u>174,062</u>	<u>163,959</u>
Fund balances, October 1, 2017	<u>3,895,193</u>	<u>3,278,011</u>	<u>1,528,833</u>
Fund balances, September 30, 2018	<u>\$ (914,160)</u>	<u>\$ 3,452,073</u>	<u>\$ 1,692,792</u>

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 2,953,917	\$ 3,264,380	\$ 25,626,189
116,997	682,258	892,360
138,338	3,702,195	16,283,629
-	2,143,482	9,429,003
-	226,581	226,581
5,439	972,770	2,476,069
<u>3,214,691</u>	<u>10,991,666</u>	<u>54,933,831</u>
793,438	440,733	12,547,932
-	388,025	1,585,208
-	2,134,543	23,992,676
-	702,236	3,255,783
-	2,200,205	6,954,229
-	501,729	906,249
-	852,398	962,136
-	-	1,045,127
91,781	2,623,699	2,873,521
-	112,674	684,422
-	73,045	82,148
-	-	2,693,126
-	86,277	778,333
-	6,529	68,795
<u>885,219</u>	<u>10,122,093</u>	<u>58,429,685</u>
<u>2,329,472</u>	<u>869,573</u>	<u>(3,495,854)</u>
-	-	367,475
-	-	7,492
-	238,732	16,613,082
(1,718,732)	(368,600)	(16,613,082)
<u>(1,718,732)</u>	<u>(129,868)</u>	<u>374,967</u>
610,740	739,705	(3,120,887)
(255,661)	5,867,379	14,313,755
<u>\$ 355,079</u>	<u>\$ 6,607,084</u>	<u>\$ 11,192,868</u>

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

Net change in fund balances - total governmental funds: \$(3,120,887)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which depreciation, amortization and capital asset adjustments were above capital outlays in the current period. 2,840,287

Debt proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments	\$ 778,333	
Decrease in other post employment benefits	45,876	
Proceeds from issuance of debt	<u>(367,475)</u>	456,734

Some expenditures reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The net changes associated with these expenses/expenditures are as follow:

Increase in compensated absences	(180,581)	
Pension expenditures	<u>(2,134,798)</u>	<u>(2,315,379)</u>

Change in net position of governmental activities \$(2,139,245)

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

HENDRY COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 16,586,714	\$ 16,593,459	\$ 16,183,340	\$ (410,119)
Licenses and permits	70,780	97,870	93,090	(4,780)
Intergovernmental	5,637,026	6,651,264	6,428,295	(222,969)
Charges for services	5,885,798	6,256,550	6,621,670	365,120
Miscellaneous	352,000	744,175	1,445,969	701,794
Total revenues	<u>28,532,318</u>	<u>30,343,318</u>	<u>30,772,364</u>	<u>429,046</u>
<b>EXPENDITURES</b>				
Current				
General government	10,100,593	10,109,531	11,313,761	(1,204,230)
Court related	1,269,629	1,269,629	1,197,183	72,446
Public safety	15,862,624	17,372,990	21,858,133	(4,485,143)
Physical environment	455,727	494,042	487,566	6,476
Economic environment	419,703	395,433	404,520	(9,087)
Culture and recreation	118,221	110,636	109,738	898
Human services	1,065,620	1,022,767	1,045,127	(22,360)
Capital Outlay				
General government	120,635	157,849	158,041	(192)
Public safety	290,585	441,561	571,748	(130,187)
Physical environment	15,000	9,088	9,103	(15)
Debt service				
Principal retirement	350,500	387,715	591,441	(203,726)
Interest and fiscal charges	200	24,916	58,923	(34,007)
Contingency	162,131	125,700	-	125,700
Total expenditures	<u>30,231,168</u>	<u>31,921,857</u>	<u>37,805,284</u>	<u>(5,883,427)</u>
Deficiencies of revenues under expenditures	<u>(1,698,850)</u>	<u>(1,578,539)</u>	<u>(7,032,920)</u>	<u>(5,454,381)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of debt	-	-	367,475	367,475
Proceeds from sale of capital assets	-	7,492	7,492	-
Transfers in	17,526,451	17,526,451	16,374,350	(1,152,101)
Transfers out	(15,986,419)	(16,213,700)	(14,525,750)	1,687,950
Total other financing sources (uses)	<u>1,540,032</u>	<u>1,320,243</u>	<u>2,223,567</u>	<u>903,324</u>
Net change in fund balances	(158,818)	(258,296)	(4,809,353)	(4,551,057)
Fund balances - October 1, 2017	158,818	(41,704)	3,895,193	3,936,897
Fund balances - September 30, 2018	<u>\$ -</u>	<u>\$ (300,000)</u>	<u>\$ (914,160)</u>	<u>\$ (614,160)</u>

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

HENDRY COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COUNTY TRANSPORTATION TRUST  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,253,898	\$ 1,289,709	\$ 1,289,709	\$ -
Intergovernmental	13,483,827	14,298,233	5,923,892	(8,374,341)
Charges for services	413,691	475,214	475,229	15
Miscellaneous	15,125	36,340	36,340	-
Total revenues	<u>15,166,541</u>	<u>16,099,496</u>	<u>7,725,170</u>	<u>(8,374,326)</u>
<b>EXPENDITURES</b>				
Current				
Transportation	10,102,820	9,880,315	4,754,024	5,126,291
Capital outlay				
Transportation	5,112,900	5,854,700	2,693,126	3,161,574
Debt service				
Principal & interest retirement	104,000	103,958	103,958	-
Total expenditures	<u>15,319,720</u>	<u>15,838,973</u>	<u>7,551,108</u>	<u>8,287,865</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(153,179)</u>	<u>260,523</u>	<u>174,062</u>	<u>(86,461)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	335,162	335,162	-	(335,162)
Transfers out	(150,000)	(563,702)	-	563,702
Total other financing sources	<u>185,162</u>	<u>(228,540)</u>	<u>-</u>	<u>228,540</u>
Net change in fund balance	31,983	31,983	174,062	142,079
Fund balance-October 1, 2017	<u>(31,983)</u>	<u>(31,983)</u>	<u>3,278,011</u>	<u>3,309,994</u>
Fund balance- September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,452,073</u>	<u>\$ 3,452,073</u>

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

HENDRY COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SOLID WASTE DISPOSAL  
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,681,425	\$ 1,934,843	\$ 1,934,843	\$ -
Intergovernmental	90,909	90,909	90,909	-
Charges for services	102,000	188,637	188,637	-
Miscellaneous	12,692	16,059	15,551	(508)
Total revenues	<u>1,887,026</u>	<u>2,230,448</u>	<u>2,229,940</u>	<u>(508)</u>
<b>EXPENDITURES</b>				
Current				
Physical environment	<u>1,969,163</u>	<u>2,030,625</u>	<u>2,065,981</u>	<u>(35,356)</u>
Total expenditures	<u>1,969,163</u>	<u>2,030,625</u>	<u>2,065,981</u>	<u>(35,356)</u>
Excess (deficiencies) of revenues over (under) expenditures	(82,137)	199,823	163,959	(35,864)
Fund balance - October 1, 2017	<u>82,137</u>	<u>(199,823)</u>	<u>1,528,833</u>	<u>1,728,656</u>
Fund balance - September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,692,792</u>	<u>\$ 1,692,792</u>

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

HENDRY COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
For the Fiscal Year Ended September 30, 2018

		Business-type Activities Enterprise Fund
		<u>Port LaBelle Utility System</u>
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$	689,337
Receivables (net)		2,719,409
Due from other funds		105,000
Due from other governments		12,832
Restricted Assets:		
Cash and cash equivalents	\$	882,353
Investments, at fair value		2,185,616
Total Restricted Assets		<u>3,067,969</u>
Total current assets		<u>6,594,547</u>
Noncurrent Assets		
Amortized bond costs, net		<u>30,907</u>
Capital Assets		
Non-depreciable		537,006
Depreciable		29,252,677
Less: accumulated depreciation		<u>(10,882,650)</u>
Total Capital Assets, net		<u>18,907,033</u>
Total noncurrent assets		<u>18,937,940</u>
<b>Total assets</b>		<u>25,532,487</u>
<b>Deferred outflows of resources</b>		
Related to pensions		<u>186,624</u>

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



Business-type Activities  
Enterprise Fund  

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Port LaBelle  
Utility System  

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**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

**Liabilities**

Current liabilities	
Accounts payable	20,881
Accrued liabilities	33,105
Due to other funds	1,035,859
Total current liabilities	<hr/> 1,089,845 <hr/>
Current liabilities payable from restricted assets	
Notes payable	178,052
Bonds payable	182,500
Customer deposits	190,111
Total current liabilities payable from restricted assets	<hr/> 550,663 <hr/>
Noncurrent liabilities	
Accrued compensated absences	31,316
Notes payable	1,648,732
Bonds payable	6,123,200
Net OPEB liability	30,517
Net pension liability	443,611
Total noncurrent liabilities	<hr/> 8,277,376 <hr/>
<b>Total liabilities</b>	<hr/> <b>9,917,884</b> <hr/>
<b>Deferred inflows of resources</b>	
Related to pensions	<hr/> 52,401 <hr/>
<b>Net position</b>	
Invested in capital assets, net of related debt	10,805,456
Restricted for contractual obligations	3,067,969
Unrestricted	1,875,401
<b>Total net position</b>	<hr/> <b>\$ 15,748,826</b> <hr/>

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

	Business-type Activities <u>Enterprise Fund</u>
	<u>Port LaBelle Utility System</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,919,488
Miscellaneous	77,585
	<hr/>
Total operating revenues	1,997,073
	<hr/>
<b>OPERATING EXPENSES</b>	
Personal services	192,417
Contractual services	208,214
Repairs and maintenance	164,974
Depreciation and amortization	968,492
Office	32,061
Supplies	51,613
Utilities	96,301
Other expense	279,376
	<hr/>
Total operating expenses	1,993,448
	<hr/>
Operating income (loss)	3,625
	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest revenue	24,500
Interest and fiscal charges	(117,556)
	<hr/>
Total non-operating (expenses)	(93,056)
	<hr/>
Change in net position	(89,431)
	<hr/>
Total net position, October 1, 2017, as restated	15,838,257
	<hr/>
Total net position, September 30, 2018	\$ 15,748,826
	<hr/> <hr/>

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

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

	Business-type Activities Enterprise Funds
	<u>Port LaBelle Utility System</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 2,165,647
Net cash received from other funds	114,699
Cash payments to suppliers for goods and services	(854,660)
Cash payments to employees for services	(422,713)
	1,002,973
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Deposits collected from customers less deposits refunded to customers	4,559
	4,559
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Principal paid on notes payable and revenue bonds	(340,201)
Interest paid on notes payable and revenue bonds	(117,556)
	(457,757)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest on investments	24,500
	24,500
Net increase in cash and cash equivalents	574,275
Cash and cash equivalents on October 1, 2017	997,415
	\$ 1,571,690
Cash and cash equivalents on September 30, 2018	\$ 1,571,690

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

Business-type Activities  
Enterprise Funds

Port LaBelle  
Utility System

Reconciliation of operating income (loss) to net cash provided  
 by operating activities:

Operating income (loss)	\$ 3,625
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Adjustments to reconcile operating income (loss) to net cash  
 provided by operating activities:

Depreciation and amortization	968,492
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Changes in assets and liabilities:

(Increase) decrease in:

Accounts receivable	178,430
---------------------	---------

Due from other funds	(105,000)
----------------------	-----------

Due from other governments	(9,856)
----------------------------	---------

Increase (decrease) in:

Accounts payable	(22,121)
------------------	----------

Accrued liabilities	(85)
---------------------	------

Due to other funds	219,699
--------------------	---------

Deferred outflows - pension related (increase) decrease	14,886
---	--------

Deferred inflows - pension related increase (decrease)	(234,649)
--	-----------

Net pension liability increase (decrease)	(10,448)
---	----------

Total adjustments	999,348
-------------------	---------

Net cash provided by operating activities	\$ 1,002,973
---	--------------

HENDRY COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
As of September 30, 2018

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,098,524
Receivables (net)	10,797
	\$ 2,109,321
	\$ 2,109,321
<b>LIABILITIES</b>	
Accounts payable	78,072
Due to other constitutional officers	31,251
Due to other governments	1,188,813
Due to individuals	238,353
Due to other funds	82,075
Deposits	490,757
	\$ 2,109,321
	\$ 2,109,321

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

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Hendry County (the "County") was created in 1923 by the Laws of Florida 1923, Chapter 23-9369 as amended, Section 7.26, Florida Statutes and is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board") which is a body of elected Constitutional Officers of Hendry County. 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 financial statements present the combined financial position and results of operations and changes in cash flows of the County of the applicable fund types governed by the Board of County Commissioners of Hendry County, Florida and its Constitutional Officers.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Hendry 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.

Blended component units are legally separate entities that are in substance part of the County's operation, as they either have governing bodies that are substantively the same as the Board and there is a financial benefit or burden relationship between the Board and the component unit, or they provide their services exclusively or almost exclusively to the County government. The financial transactions of these component units are merged in with transactions of the County as part of the primary government. The blended component unit of the County is as follows:

East Hendry County Drainage District

The District maintains the canals, ditches and storm water treatment areas located in East Hendry County. By Petition of the Hendry County Board of County Commissioners, pursuant to the provisions of Laws of Florida, Chapter 67-1443, the creation of the East Hendry County Drainage District was approved by court order on October 9, 1984.

Hendry County also has a number of independent special districts, whose financials are not included in this report, but are subject to independent audit and whose financials are made available to the public by the District. These include the Bolles Drainage District, the Central County Water Control District, the Clewiston Drainage District, the Collins Slough Water Control District, the Devil's Garden Water Control District, the Gerber Groves Water control District, the Hendry Hilliard Water Control District, the Hendry County Hospital Authority, the Area Housing Commission of Clewiston and the Hendry-LaBelle Recreation Board.

**B. Government-Wide and Fund 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 Board.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**B. Government-Wide and Fund Financial Statements, Continued**

The government-wide financial statements (the statement of net position and the statement of activities) report on the Board as a whole and do not emphasize fund types but rather a governmental or a business-type classification, which are presented in separate columns. These statements report on the Board as a whole, both the primary government and its component units, and provide a consolidated financial picture of the Board of County Commissioners. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results.

The Statement of Net Position reports all financial and capital resources of the Board's governmental and business-type activities. It is presented in a net position format (assets less liabilities equal net position) and shown with three components: amounts invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The statement of activities reflects the expenses of a given function or segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions and capital grants and contributions directly associated with a given function. Taxes are reported under general revenue.

Program revenues are classified into three categories; charges for services, operating grants and contributions and capital grants and contributions. Charges 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 helps support all functions of our government and contribute to the change in the net position for the fiscal year.

The Board's major funds are presented in separate columns on the governmental fund financial statements and the proprietary fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in GASB 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

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

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

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

The government-wide financial statements are prepared on a full accrual basis using the economic resources measurement focus, as are the proprietary fund financial statements.



**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued**

Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all of the eligibility requirements have been met.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund and include user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest and other miscellaneous earnings. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations such as interest expense.

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. The Board considers all revenues available if they are collected within sixty days after year-end. Primary revenues, such as property taxes, special assessments, intergovernmental revenues, charges for services, sales and franchise taxes, rents and interest are treated as susceptible to accrual under the modified accrual basis and have been recognized as revenues.

Expenditures reported in governmental fund financial statements are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule includes principal and interest on general long-term debt, which is recognized when due, the noncurrent portion of accrued compensated absences and other post employment benefits.

The business-type activities reported in the government-wide financial statements and proprietary funds follow private sector standards issued prior to December 1, 1989, to the extent those standards do not conflict with Governmental Accounting Standards Board statements. However, pursuant to Government Accounting Standards Board Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Board has elected not to apply accounting standards issued after November 30, 1989, by the Financial Accounting Standards Board.

When both restricted and unrestricted resources are available, restricted resources will be used first for incurred expenses, and then unrestricted as needed.

The Board reports the following major governmental funds:

**General Fund**

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

**County Transportation Trust Fund**

The *County Transportation Trust Fund* accounts for revenues received and expended for the construction and maintenance of roadways.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**Solid Waste Disposal Fund**

The *Solid Waste Disposal Fund* is used to account for the activities related to the solid waste disposal program.

**Capital Projects Fund**

The *Capital Projects Fund* accounts for revenues received from the infrastructure surtax.

**Non-major Governmental Funds**

The non-major governmental funds are a combination of special revenue, debt service and capital projects funds.

The Board reports the following major proprietary fund:

**The Port LaBelle Utility System**

The *Port LaBelle Utility System* accounts for activities related to the county-owned water and systems.

Additionally, the Board reports Agency Funds. 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. These funds hold assets prior to disbursement or in a custodial capacity.

**E. Budgets and Budgetary Accounting**

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 County 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 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) Section 129.07 of the Florida Statutes prohibits incurring expenditures in excess of total fund appropriations.
- (6) Formal budgetary integration is employed as a management control device during the year in all Governmental Fund Types. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenue.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**E. Budgets and Budgetary Accounting (continued)**

- (7) Budgets for General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- (8) Formal budgetary integration is employed as a management control device during the year in all Governmental Fund Types. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenue.

The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. The Board must approve all budget amendments, which change the legally adopted total appropriation for a fund.

If, during the fiscal year, additional revenues become available for appropriation in excess of those estimated in the budget, the Board may make supplemental appropriations by resolution for the year up to the amount of such excess. During the fiscal year the Board, in accordance with Florida Statutes, approved various supplemental appropriations. Appropriations lapse at fiscal year-end.

**F. Assets, Liabilities, and Net Position or Fund Equity**

**Cash and Investments**

The Board considers cash and cash equivalents to be cash on hand, demand deposits, highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased, and those included in the internal investment pool.

For accounting and investment purposes, the Board maintains a cash pool that is available for use by all funds except those whose cash and investments may be segregated due to legal or other restrictions.

Interest earned on investments in the pool is allocated to the various funds based upon each fund's equity balance in the pool during the allocation period.

**Inventories**

Inventories, consisting primarily of materials and supplies, are stated at cost, which approximates fair market value. The "first-in, first-out" method of accounting is used to determine cost. All inventories are recorded as expenditures, or expenses, as they are used (consumption method).

**Capital Assets**

Capital assets include property, plant and equipment. Infrastructure assets are defined as public domain fixed 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 government unit. Pursuant to GASB Statement No. 34, the County, a Phase 3 government, has elected to report infrastructure retroactively. Retroactive infrastructure is reported at the estimated historical cost.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**F. Assets, Liabilities, and Net Position or Fund Equity (continued)**

Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities column, as well as the proprietary fund financial statements. The threshold for capitalizing property, plant, and equipment is \$5,000. The threshold for capitalizing infrastructure is \$100,000. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated fair market value at the time received.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Florida Statutes require that the Board maintain accountability for all assets used in operations, except those maintained by the Sheriff.

The ranges of the useful lives are as follows:

Asset	Years
Buildings	30-50
Infrastructure	10-100
Improvements other than Buildings	6-50
Equipment	3-35
Computer Equipment	3-10
Furniture	4-20
Vehicles & Rolling Stock	3-15

**Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as expended until then. The Board presents deferred outflows associated with pensions and other post employment benefits to be expensed over future periods.

**Deferred inflows of resources** are reported in governmental activities to offset receivables and deposits that do not meet the availability criterion under the modified accrual basis of accounting. The Board presents amounts associated with pensions and other post employment benefits as deferred inflows of resources.

**Compensated Absences**

The Board maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from Board service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. This is accounted for pursuant to GASB Statement Number 16, *Accounting for Compensated Absences*.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**F. Assets, Liabilities, and Net Position or Fund Equity (continued)**

**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, as well as long-term receivables from which proceeds are not restricted, committed or assigned.

**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 governments' highest level of decision making authority. 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 limited. 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.

**Unassigned Fund Balance:** 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.

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

**Invested in Capital Assets, Net of Related Debt** – 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.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**H. New Accounting Pronouncements**

Effective October 1, 2014, the County adopted provisions GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68.

**I. Restatement for implementation of GASB Statement No. 75**

Net position, beginning of year, as reported in the Statement of Activities, was restated for the effect of implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on contribution requirements under GASB Statement No. 45. See Note 14 Other Postemployment Benefits (OPEB).

	Governmental Activities	Business- Type Activities
Total OPEB liability, beginning of year, as previously reported	\$ 2,273,333	\$ -
Restatement for implementation of GASB Statement No. 75	1,364,923	30,517
Total OPEB liability, beginning of year, as restated	\$ 3,638,256	\$ 30,517
Net position, beginning of year, as previously reported	\$ 51,529,311	\$ 15,868,774
Restatement for implementation of GASB Statement No. 75	(1,364,923)	(30,517)
Net position, beginning of year, as restated	\$ 50,164,388	\$ 15,838,257

**NOTE 2 - PROPERTY TAXES**

Property taxes become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of each year.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 2 - PROPERTY TAXES, (CONTINUED)**

No accrual for the property tax levy becoming due in November 2018 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period. Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided by Florida Statutes and are performed by the Hendry County Tax Collector.

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. There was no significant delinquent property taxes receivable at September 30, 2018.

Important dates in the property tax cycle are as follows:

- Assessment roll certified- July 1
- Millage resolution approved- no later than 93 days following certification of assessment roll
- Beginning of fiscal year for which taxes have been levied- October 1
- Taxes due and payable (levy date)- November 1
- Property taxes payable (maximum discount of 4 percent)- 30 days after levy date
- Due date- March 31
- Taxes become delinquent (lien date)- April 1
- Tax certificate sold- prior to June 1

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

As of September 30, 2018, the County has the following non-major governmental funds with deficit fund balances. The County anticipates these deficits to be resolved in the next fiscal year(s) as noted below:

**Deficit Fund Balances**

The East Hendry County Recreational MSBU has a deficit fund balance of \$45,448. It is anticipated that the deficit will be resolved in the next fiscal year as expenditures will be less than revenues.

The East Hendry County Fire District has a deficit fund balance of \$545,568. It is anticipated that the deficit will continue to decrease as expenditures will continue being less than revenues.

The Court Technology Fund has a deficit fund balance of \$10,511. It is anticipated that the deficit will be resolved in the next fiscal year as expenditures will be less than revenues.

The General fund has a deficit fund balance of \$914,160. This was the result of expenditures from natural disaster Hurricane Irma, the majority of which will be reimbursed by FEMA. This receivable does not meet the County's revenue recognition policy and, therefore, no revenue or receivable has been recorded. This deficit will be eliminated when the grant funds are received and/or receivable which is anticipated to occur in fiscal year 2019.

**Deficit Net Position**

The County's unrestricted net position balance was again a deficit and totaled \$(14,148,088), due substantially from recording the current year actuarially determined net OPEB liability of approximately \$3.6 million. The beginning net position has been negative due to the previously recorded actuarially recorded net pension liability.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Budgetary Compliance**

The County incurred unbudgeted expenditures from natural disaster Hurricane Irma for which related FEMA Disaster Grant revenue was not recognized. Due to the timing of the natural disaster and the expected approval of FEMA Disaster Grant funding, the County has not recognized the revenue. Additionally, the Hendry County Board of County Commissioners approved a temporary loan to the Hendry County Sheriff's Office in order to cover additional expenditures incurred due to the natural disaster. The Hendry County Sheriff's Office will eliminate this temporary loan upon receipt of reimbursement from the Federal Emergency Management Agency (FEMA).

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

All County depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, *Florida Statutes* "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities.

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. County depositories are banks designated as qualified depositories by the State Treasurer. The County's bank balance of deposits insured by Federal Depository Insurance or pursuant to Chapter 280 of the Florida Statutes was \$11,966,339 as of September 30, 2018.

Board investments are made in accordance with the provisions of Section 218.415, *Florida Statutes* "Investment of Local Government Surplus Funds." Authorized investments include U.S. Government obligations, passbook savings accounts, tax-exempt State and municipal securities, certificates of deposit, Local Government Surplus Funds Investment Pool Trust Fund (SBA), the Florida Local Government Investment Trust (FLGIT), treasury bills, and any other investments authorized by Chapter 218, *Florida Statutes*. There were no violations of this policy during the fiscal year.

The Board adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," as amended by GASB Number 79, "Certain External Investment Pools and Pool Participants." *Florida Statutes* and Board policy authorize investments in PRIME, an external 2a7-like investment pool. The Fund is publicly traded and may lose principal. PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. PRIME has a Standard & Poor's rating of AAAM at September 30, 2018 and meets all of the necessary criteria to elect to measure all of the investments in PRIME at amortized cost. In terms of interest rate risk, PRIME had a weighted average days to maturity (WAM) of 33 days and a weighted average life (WAL) of 72 days at September 30, 2018. PRIME was not exposed to any foreign currency risk nor did it participate in a securities lending program during the period from October 1, 2017 through September 30, 2018.



**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS, CONTINUED**

There are currently no limitations as to the frequency of redemptions; however, PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), *Florida Statutes*.

The County's investment in PRIME represented less than 1% of the PRIME's total investments. Investments held in PRIME include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. These short-term investments are stated at cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

At September 30, 2018, the County reported PRIME investments of \$28,158 at fair value.

At September 30, 2018, the County reported investments in the Florida Local Government Investment Trust (FLGIT) of \$4,450,055.

The County maintained investments in Treasury Securities at the Bank of New York Mellon in in the amount of \$2,185,616, at fair value, as of September 30, 2018.

In accordance with GASB 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3*, certain risks about investments must be disclosed.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The Board limits its exposure to interest risk by holding all securities until maturity. The Treasury Securities had a weighted average days to maturity (WAM) of 37 days and a weighted average life (WAL) of 77 days at September 30, 2018.

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt.

Custodial credit is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer.

Foreign currency risk is the risk that fluctuations in the currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments.

Treasury Securities are not considered to have credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS, CONTINUED**

Fair Value Measurements

In accordance with GASB 72, *Fair Value Measurement and Applications*, the framework for measuring fair value provided a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

US government securities are valued at the closing price reported in the active market in which the individual security is traded and are assigned a Level 1 input.

**NOTE 5 - ACCOUNTS RECEIVABLE**

At September 30, 2018, receivables were as follows:

<u>Enterprise:</u>	<u>Labelle Utility</u>
Accounts receivable	\$ 2,719,409
Less: allowance for bad debt	-
Total receivables	<u>\$ 2,719,409</u>

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 6 - SPECIAL ASSESSMENT**

In connection with the Port LaBelle Utility System (PLUS), the Board has commenced a phased construction program to provide utility service to vacant lots in Units 1–9 in Hendry County and Unit 102 in Glades County. The costs of the improvements are to be financed by special assessments levied against individual lots. The remaining balance of the assessment (if any) is to be paid over a twenty-year period through the real estate tax collection process. Interest at 7% is to be charged on the unpaid balance. The special assessment rate for lots in Hendry County is \$975 per lot, and the rate per lot in Glades County is \$1,080 per lot.

**NOTE 7 - RESTRICTED ASSETS AND LIABILITIES**

Restricted assets of the proprietary fund represent monies to be restricted for special assessments, renewal and replacement, capital improvements and construction, and customer deposits under the terms of outstanding bond agreements, resolutions, and other contractual agreements.

Restricted assets reported on the proprietary fund statement of net position at September 30, 2018, were as follows:

**Port LaBelle Utility**

Restricted cash and cash Equivalents	\$ 882,353
Restricted investments, at fair value	<u>2,185,616</u>
Total restricted assets	<u><u>\$ 3,067,969</u></u>

Assets restricted for debt service are for the payment of bond principal and interest and bond reserve requirements. Assets restricted for renewal and replacement are for the payment of unusual or extra-ordinary maintenance or repairs. Additionally, assets are restricted for capital improvements and construction. Customer deposits are advance payments held until certain conditions are met.

Liabilities payable from restricted assets were at September 30, 2018 comprised of the following:

**Port LaBelle Utility**

Current portion of long-term debt	\$ 360,552
Customer deposits	<u>190,111</u>
Total	<u><u>\$ 550,663</u></u>

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**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 8 - CAPITAL ASSETS**

During the year ended September 30, 2018, the following changes in capital assets occurred:

<i><b>Governmental Activities</b></i>	Beginning Balance 10/01/2017	Increases	Decreases	Adjustments	Ending Balance 09/30/2018
Capital Assets not being depreciated:					
Land	\$ 6,713,121	\$ 29,711	\$ -	\$ -	\$ 6,742,832
Construction in progress	9,450,572	5,474,064	-	(300)	14,924,336
Total capital assets not being depreciated	<u>16,163,693</u>	<u>5,503,775</u>	<u>-</u>	<u>(300)</u>	<u>21,667,168</u>
Capital assets being depreciated:					
Buildings and improvements	129,430,637	56,691	-	-	129,487,328
Furniture and equipment	31,363,079	954,221	(2,406,826)	-	29,910,474
Total capital assets being depreciated	<u>160,793,716</u>	<u>1,010,912</u>	<u>(2,406,826)</u>	<u>-</u>	<u>159,397,802</u>
Less accumulated depreciation for:					
Buildings and improvements	(90,341,834)	(2,282,296)	-	1,580,955	(91,043,175)
Furniture and equipment	(26,846,856)	(1,082,226)	2,085,129	(1,580,945)	(27,424,898)
Total accumulated depreciation	<u>(117,188,690)</u>	<u>(3,364,522)</u>	<u>2,085,129</u>	<u>10</u>	<u>(118,468,073)</u>
Total capital assets being depreciated, net	<u>43,605,026</u>	<u>(2,353,610)</u>	<u>(321,697)</u>	<u>10</u>	<u>40,929,729</u>
<b>Total governmental activities capital assets, net</b>	<u>\$ 59,768,719</u>	<u>\$ 3,150,165</u>	<u>\$ (321,697)</u>	<u>\$ (290)</u>	<u>\$ 62,596,897</u>
<i><b>Business-Type Activities:</b></i>					
Capital assets not being depreciated:					
Land	\$ 537,006	\$ -	\$ -	\$ -	\$ 537,006
Total capital assets not being depreciated	<u>537,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537,006</u>
Capital assets being depreciated:					
Buildings and improvements	29,070,139	-	-	-	29,070,139
Furniture and equipment	182,538	-	-	-	182,538
Total capital assets being depreciated	<u>29,252,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,252,677</u>
Less accumulated depreciation for:					
Buildings and improvements	(9,694,329)	(961,682)	-	-	(10,656,011)
Furniture and equipment	(219,829)	(6,810)	-	-	(226,639)
Total accumulated depreciation	<u>(9,914,158)</u>	<u>(968,492)</u>	<u>-</u>	<u>-</u>	<u>(10,882,650)</u>
Total capital assets being depreciated, net	<u>19,338,519</u>	<u>(968,492)</u>	<u>-</u>	<u>-</u>	<u>18,370,027</u>
<b>Total business-type activities capital assets, net</b>	<u>\$ 19,875,525</u>	<u>\$ (968,492)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,907,033</u>

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 8 - CAPITAL ASSETS (CONTINUED)**

Depreciation costs were charged to functions/ programs as follows:

**Governmental activities:**

General government	\$ 754,313
Court related	26,380
Public safety	897,073
Physical environment	179,690
Transportation	346,408
Economic environment	76,829
Culture and recreation	65,013
Human services	<u>1,018,816</u>
Total depreciation cost for governmental activities	<u>\$ 3,364,522</u>

**Business-type activities:**

Water and wastewater depreciation cost	<u>\$ 968,492</u>
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**NOTE 9 - LONG-TERM DEBT**

**Business Type - Revenue Bonds and Notes Payable**

**Revenue Bonds**

The Board issued revenue bonds for business-type activities. The descriptions and balances of the outstanding revenue bonds as of September 30, 2018, were as follows:

\$4,700,000 Hendry County, Water and Sewer System Revenue Bonds, Series 1996, bearing interest of 5% payable on September 1, 1996 and annually thereafter on September 1, with principal maturing from September 1, 1997 to September 1, 2035.	\$ 3,113,700
\$3,689,000 Hendry County, Water and Sewer System Revenue Bonds, Series 2007, bearing interest of 4.125% payable on September 1, 2007 and annually thereafter on September 1, with principal maturing from September 1, 2010 to September 1, 2046.	<u>3,192,000</u>
<b>Total business-type - revenue bonds</b>	<b><u>6,305,700</u></b>

**Notes Payable**

\$1,430,705 bank loan, bearing interest at a rate of 7%, 15 annual payments of \$157,084. Final payment due September 2026.	937,994
\$1,355,656 bank loan, bearing interest at a rate of 7%, 15 annual payments of \$148,844. Final payment due September 2026.	<u>888,790</u>
<b>Total business-type - notes payable</b>	<b><u>1,826,784</u></b>
<b>Total Business-Type - Revenue Bonds and Notes Payable</b>	<b><u>\$ 8,132,484</u></b>

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**Government Funds - Notes Payable, Capital Leases, & Other Payables**

**Notes Payable**

\$650,000 loan from a financial institution for the purchase of airplane hangars bearing interest at a rate of 2.625%, annual payments of differing values. Final payment due January 2019.	\$ 56,073
\$260,000 bank loan for the purchase of a new 800MHz communication system, bearing interest at a rate of 2.99%, with equal annual payments of \$37,143. Final payment due December 28, 2019.	37,142
\$79,926 bank loan for the purchase of a new EMS rescue truck, bearing interest at a rate of 2.875%, with equal annual payments of \$17,427. Final payment due July 2019.	16,908
\$140,000 bank loan for the purchase of a new EMS rescue truck, bearing interest at a rate of 2.85%, with equal annual payments of \$37,529. Final payment due March 2019.	36,489
\$140,000 bank loan for the purchase of a new EMS rescue truck, bearing interest at a rate of 2.85%, with equal annual payments of \$37,529. Final payment due July 2019.	31,863
\$85,000 bank loan for the implementation of new lights for the West Recreation District, bearing interest at a rate of 2.75%, with equal annual payments of \$15,561. Final payment due December 2020.	44,602
\$391,943 bank loan for the purchase of ambulatory machinery and equipment, bearing interest of 2.69%, with equal annual payments of \$89,400. Final payment is due April 2021.	235,215
\$87,482 bank loan for the purchase of a new EMS truck, bearing interest at a rate of 2.45%, with equal annual payments of \$18,803. Final payment is due May 2021.	53,758
\$146,313 bank loan for the purchase of a new ambulance, bearing interest at a rate of 3.15%, with equal annual payments of \$39,503. Final payment is due July 2021.	111,283
\$113,398 bank loan for the purchase of five new vehicles, bearing interest at a rate of 2.50%, with equal annual payments of \$24,409. Final payment is due July 2022.	91,799
<b>Total governmental - notes payable</b>	<b><u>715,132</u></b>

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**Government Funds - Notes Payable, Capital Leases, & Other Payables (continued)**

**Capital Leases**

On January 7, 2015 the Sheriff entered into a leasing agreement for one 2015 Ford Interceptor SUV for \$51,293 bearing interest at a rate of 6.50%, requiring quarterly payments of \$3,666. Final payment due January 7, 2019.	7,158
On January 23, 2015 the Sheriff entered into a leasing agreement for van for the jail for \$36,649 bearing interest at a rate of 6.50%, requiring quarterly payments of \$2,620. Final payment due January 23, 2019.	5,114
On January 7, 2015 the Sheriff entered into a leasing agreement for eight police interceptor sedans for \$324,959 bearing interest at a rate of 6.50%, requiring quarterly payments of \$23,228. Final payment due January 7, 2019.	40,269
On May 20, 2016, the Sheriff entered into a leasing agreement for nine police interceptor sedans for \$405,912 bearing interest at a rate of 13.30%, requiring quarterly payments of \$27,061. Final payment due June 1, 2020.	130,047
On August 4, 2017 the Sheriff entered into a leasing agreement for six Chevrolet SUV for \$367,475 bearing interest at a rate of 3.52%, requiring quarterly payments of \$24,721. Final payment due August 4, 2021.	280,373
<b>Total governmental - capital leases</b>	<b>462,961</b>
<b>Total Governmental Funds - Debt Service Requirements</b>	<b><u><u>\$ 1,178,093</u></u></b>

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**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

The annual debt service requirements at September 30, 2018, were as follows:

Fiscal Year(s)	Government Funds Long-Term Debt		Business-type Long-Term Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 588,323	\$ 39,732	\$ 360,552	\$ 418,668	\$ 948,875	\$ 458,400
2020	302,584	19,758	381,016	397,703	683,600	417,461
2021	256,591	6,078	394,771	374,470	651,362	380,548
2022	30,595	595	425,320	350,830	455,915	351,425
2023	-	-	450,435	325,740	450,435	325,740
2024	-	-	477,039	299,112	477,039	299,112
2025	-	-	505,311	270,851	505,311	270,851
2026-2030	-	-	1,678,652	1,000,083	1,678,652	1,000,083
2031-2035	-	-	1,729,029	621,496	1,729,029	621,496
2036-2047	-	-	1,730,360	496,533	1,730,360	496,533
<b>Total</b>	<b>\$ 1,178,093</b>	<b>\$ 66,163</b>	<b>\$ 8,132,485</b>	<b>\$ 4,555,486</b>	<b>\$ 9,310,578</b>	<b>\$ 4,621,649</b>

**Bond Resolutions**

The resolution for the bonds established certain accounts and determined the order in which certain revenues are to be deposited into those accounts. In addition, there are various other covenants established by the official statements and Board resolutions, including such items as debt service coverage, reporting requirements, and maintenance of facilities. Management believes that it has complied, in all material respects, with these covenants.

The 1996 Series Bonds pledge the net revenues of the utility system for the payment of the principal, redemption price and the interest on the bonds. The Board covenants to fix, establish, and maintain rates and to collect such revenues from the product and services to provide in each fiscal year net revenues which at least equal the annual debt service on all of the outstanding bonds.

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**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**Bond Resolutions (continued)**

Changes in bonded and other indebtedness of the Board for the year ended September 30, 2018, was as follows:

	Beginning Balance 10/1/2017	Additions	Reductions	Ending Balance 9/30/2018	Due Within One Year
<b><u>Governmental Activities</u></b>					
Notes Payable	\$ 1,158,770	\$ -	\$ (443,638)	\$ 715,132	\$ 350,032
Capital Leases	430,181	367,475	(334,695)	462,961	238,291
Other Post Employment Benefits (restated)	3,638,256	455,288	(501,164)	3,592,380	-
FRS Pension Liability	21,941,264	3,697,167	(3,905,743)	21,732,688	-
HIS Liability	5,237,675	531,505	(531,878)	5,237,302	-
Compensated Absences	1,954,802	180,581	(41,086)	2,094,297	-
Total governmental activities long-term liabilities	<u>\$ 34,360,948</u>	<u>\$ 5,232,016</u>	<u>\$(5,758,204)</u>	<u>\$ 33,834,760</u>	<u>\$ 588,323</u>
<b><u>Business-Type Activities</u></b>					
<b><u>Port LaBelle Utility Systems</u></b>					
Notes Payable	\$ 1,993,188	\$ -	\$ (166,404)	\$ 1,826,784	\$ 178,052
Revenue Bonds	6,479,500	-	(173,800)	6,305,700	182,500
Other Post Employment Benefits (restated)	30,517	-	-	30,517	-
FRS Pension liability	353,936	190,853	(201,674)	343,115	-
HIS Liability	101,123	28,837	(27,464)	102,496	-
Compensated Absences	27,147	4,169	-	31,316	-
Total business-type activities long-term liabilities	<u>\$ 8,985,411</u>	<u>\$ 223,859</u>	<u>\$ (569,342)</u>	<u>\$ 8,639,928</u>	<u>\$ 360,552</u>

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 10 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

**Landfill Closure**

The landfill stopped accepting solid waste on December 1, 1992, and finished placing the required cover on the landfill during the fiscal year ended September 30, 1994. The County completed post closure care requirements during fiscal year 2017 in accordance with landfill laws and and Subpart H of 40 Code of Federal Regulations, Part 264, as adopted by reference in Rule 62-701.630 of the Florida Administrative Code (FAC).

The County continually conducts monitoring to detect any potential incidents of environmental contamination. If any contamination is detected, the County will submit a plan to the Florida Department of Environmental Protection to remedy the problems discovered. The County does not believe that any additional liabilities arising from the closed landfill remedial actions would materially affect the County's financial condition.

**NOTE 11 - CONTINGENCIES**

**Grants and Assistance**

Activities of certain funds of the Board are financed in whole or in part by various forms of grants and assistance, principally from the federal government. There can be no absolute assurance that such assistance will continue in the future at the present levels. Amounts received from grantor agencies are subject to audit or adjustment by the grantor agencies. Also, any amounts disallowed could constitute liabilities of the applicable funds.

**Litigation**

The Board, in accordance with the normal conduct of its affairs, is involved in various judgments, claims, and litigation. It is expected that the final settlement of these matters will not materially affect the financial statements of the Board.

**NOTE 12 - RETIREMENT PLAN**

**Florida Retirement System:**

**General Information** - All of the employees of the primary government participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan").

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, *Florida Administrative Code*. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

[www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**Pension Plan**

**Plan Description** – The Pension 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 other classes.

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

*Senior Management Service Class (SMSC)*- Members in senior management positions.

*Special Risk Class*- Members who are employed in public safety and meet the criteria to qualify for this class.

**Benefits Provided** - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

**Pension Plan (continued)**

**Benefits provided (continued)-** Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three 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 three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

**Contributions** – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

**Pension Plan (continued)**

**Contributions (continued)** - The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 22.71% and 24.06%; special risk 23.27% and 24.50%; special risk administration 34.63% and 34.98%; rehired regular class 5.16% and 5.16%; and DROP participants 13.26% and 14.03%. These employer contribution rates include 1.66% HIS Plan subsidy and .06% administrative fee.

The County's contributions to the Pension Plan totaled \$1,809,113 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 liability of \$22,074,803 for its proportionate share of the Pension 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 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was 0.073%, which was a decrease of 0.002% from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$3,570,148 excluding HIS. 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	\$ 1,870,068	\$ (67,875)
Change of assumptions	7,212,972	-
Net difference between projected and actual earnings on Pension Plan investments	-	(1,705,548)
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	1,067,086	(737,597)
County Pension Plan contributions subsequent to the measurement date	512,060	-
<b>Total</b>	<b>\$ 10,662,186</b>	<b>\$ (2,511,020)</b>

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

**Pension Plan (continued)**

The deferred outflows of resources related to the Pension Plan, totaling \$512,060 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2019	2,870,962
2020	2,084,674
2021	420,789
2022	1,335,040
2023	823,032
Thereafter	104,609

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

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

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables, updated to better anticipate expected future experience for those members while in FRS covered employment.

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.

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**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

**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:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate (property)	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.5%
Total	<u>100.0%</u>			
Assumed Inflation - Mean		2.6%		1.9%

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

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<u>1%, Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability/(asset)	\$ 40,287,441	\$ 22,074,803	\$ 6,926,144

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

**Pension Plan (continued)**

**Pension Plan Fiduciary Net Position** - Detailed information regarding the Pension 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 \$148,950 payable for outstanding contributions to the Pension Plan.

**HIS Plan**

**Plan Description** – The 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. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**Contributions** – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution was 1.66%. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation.

In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled \$271,273 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 liability of \$5,366,772 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 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was 0.0507%, which was an increase of 0.0008% from its proportionate share measured as of June 30, 2017.



**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

**HIS Plan (continued)**

For the fiscal year ended September 30, 2018, the County recognized HIS expense of \$428,871. 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	\$ 82,163	\$ (9,118)
Change of assumptions	596,851	(567,420)
Net difference between projected and actual earnings on HIS Plan investments	3,240	-
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	347,291	(123,639)
County HIS Plan contributions subsequent to the measurement date	64,913	-
Total	<u>\$ 1,094,458</u>	<u>\$ (700,177)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$64,913 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2019	\$ 107,251
2020	106,978
2021	102,421
2022	59,344
2023	(32,211)
Thereafter	(14,415)

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

**HIS Plan (continued)**

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

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables, updated to better anticipate expected future experience for those members while in FRS covered employment.

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.

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

**Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following represents the County’s proportionate share of the net pension liability calculated using the discount rate of 3.87%, 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 one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1%, Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
County's proportionate share of the net pension liability	\$ 6,080,578	\$ 5,338,798	\$ 4,720,481

**HIS Plan Fiduciary Net Position** - Detailed information regarding 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 HIS Plan** - At September 30, 2018, the County reported a payable of \$22,443 for outstanding contributions to the HIS Plan.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 12 - RETIREMENT PLAN (CONTINUED)**

**Investment Plan**

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

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Board employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension 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 the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2017-18 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class--3.30%, Special Risk Administrative Support class--4.95%, Special Risk class--11.00%, Senior Management Service class--4.67% and County Elected Officers class--8.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended 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 Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan contributions totaled \$484,917 for the fiscal year ended September 30, 2018.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 13 - RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

The County is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, workers' compensation, health and auto physical damage. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums). To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third parties. The Fund is fully funded annually.

Major uninsurable risks include damages to infrastructure assets and damages or governmental fines due to seepage, pollution or contamination of any kind. Since the amounts of loss cannot be reasonably estimated and the likelihood is undeterminable, no provision for such occurrences is included in these financial statements.

**NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS**

**Implementation of New GASB Statement**

During fiscal year 2018, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on contribution requirements, under GASB Statement No. 45. See the last section of this note for information on the effect of implementation on beginning net position in the government wide and proprietary fund financial statements. See restatement of for implementation of GASB Statement No. 75 at note 1. I, above.

**County OPEB Plan Description**

In accordance with Section 112.0801, *Florida Statutes*, because the Board provides medical plans to employees of the County and their eligible dependents, the Board is also required to provide retirees the opportunity to participate in the group employee health plan. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of the active participants cost of participation.

**Participant Count**

As of September 30, 2018, membership consisted of:

1.	Active Employees	359
2.	Retired Participants (plus covered spouses)	52
	Total Participants: (1) + (2)	<u>411</u>

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Participant Averages**

Active Participants	
Average age	45.2
Average service	8.2
Retirees average age	67.9

**Net OPEB Liability Assumptions**

The County's net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% per year
Salary increases	3.00% per year
Investment rate of return	N/A

Mortality rates were based on the RP-2014 White Collar mortality table backed off to 2006 and projected generationally with Scale MP-2018 for the Regular Class and Elected Officials and RP-2014 Blue Collar mortality table backed off to 2006 and projected generationally with Scale MP-2018 for the Special Risk Class.

The most recent retirement and withdrawal experience study covered the period from July 1, 2008 to June 30, 2013.

Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates were taken from the Bond Buyer 20-Bond GO index as of the measurement dates.

**Actuarial Standards of Practice**

Actuarial Standards of Practice No. 6 ("ASOP 6") provides guidance on measuring retiree group benefits obligations and determining retiree group benefits periodic costs or actuarially determined contributions.

Actuarial Standards Practice No. 35 ("ASOP 35") requires that each demographic and other noneconomic assumption should be reasonable individually and in conjunctions with one another. At each measurement date, the actuary should consider whether the selected assumptions continue to be reasonable. If the actuary determines that one or more of the previously selected assumptions are no longer reasonable, the actuary will perform an experience study to determine the best estimate for the Plan's population.

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Standards of Practice, (Continued)**

Actuarial Standards of Practice No. 27 Revised (“ASOP 27”) requires that each economical assumption be reasonable based on the following characteristics: (a) appropriate for the purpose of the measurement; (b) reflects the actuary's professional judgement; (c) takes into account historical and current economic data that is relevant as of the measurement date; (d) reflects the actuary's estimate of future experience, observation of the estimates inherent in market data, or a combination thereof; and (e) has no significant bias. Given the uncertain nature of the items for which assumptions are selected, different actuaries will apply different professional judgement and may choose different reasonable assumptions. As a result, arrange of reasonable assumptions may develop both for an individual actuary and across actuarial practice.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2017	\$ 2,273,333	\$ -	\$ 2,273,333
Restatement	1,395,440	-	1,395,440
Balances at September 30, 2017, as restated	<u>3,668,773</u>	<u>-</u>	<u>3,668,773</u>
Changes for the year:			
Service cost	324,922	-	324,922
Interest on the total OPEB liability	142,870	-	142,870
Employer contributions	-	115,734	(115,734)
Changes in assumptions	(397,934)	-	(397,934)
Benefit payments	(115,734)	(115,734)	-
Net Changes	<u>(45,876)</u>	<u>-</u>	<u>(45,876)</u>
Balances at September 30, 2018	<u>\$ 3,622,897</u>	<u>\$ -</u>	<u>\$ 3,622,897</u>

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**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the Net OPEB Liability**

**Impact of change in Discount Rate**

The following presents the net OPEB liability of the County, calculated using the discount rate of 4.24%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.24%) or 1% higher (5.24%) than the current rate:

	1% Decrease (3.24%)	Current Discount Rate (4.24%)	1% Increase (5.24%)
Net OPEB Liability	\$ 4,101,294	\$ 3,622,897	\$ 3,228,191

**Impact of change in Healthcare Trend Rates**

The following presents the net OPEB liability of the County, calculated using a healthcare cost trend rates of 1% higher than the assumed healthcare cost trend rates for all years and a healthcare cost trend rate that is 1% lower than the assumed health care cost trend rates for all years:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 3,328,064	\$ 3,622,897	\$ 3,974,926

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

Since certain OPEB expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts increase the OPEB expense, they are labeled as deferred outflows and amounts that decrease the OPEB expense are labeled as deferred inflows. These outflows and inflows are amortized on a level dollar basis with no interest added for the deferred inflows. These outflows and inflows are amortized on a level dollar basis with no interest added for the deferred amounts. Deferred experience gain/losses and changes in assumptions are amortized over the average remaining service lives of all employees that are provided with benefits through the OPEB plan at the beginning of the measurement period. Investment gains/losses are amortized over a five year period. The following shows the summary of the deferred outflows and inflows as of September 30, 2018:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ -	\$ (341,086)

**HENDRY COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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

<u>Year ended September 30:</u>	<u>Amounts</u>
2019	\$ (56,848)
2020	(56,848)
2021	(56,848)
2022	(56,848)
2023	(56,848)
Thereafter	(56,846)
	<u>\$ (341,086)</u>

The change in the total OPEB liability during fiscal year 2018 as well as the beginning and ending total OPEB liability is shown below:

	<u>Total OPEB Liability</u>
Balances at September 30, 2017	\$ 2,273,333
Restatement	1,395,440
Balances at September 30, 2017, as restated	<u>3,668,773</u>
Changes for the fiscal year:	
Service cost	324,922
Interest	142,870
Change in benefit terms	-
Difference between expected and actual experience	-
Change in assumptions	(397,934)
Benefit payments	(115,734)
Net change in Total OPEB Liability	<u>(45,876)</u>
Balance at September 30, 2018	<u>3,622,897</u>



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE - BALANCE SHEET**  
**GENERAL FUND**  
As of September 30, 2018

	<u>Board of County Commissioners</u>	<u>Clerk of Circuit Court</u>	<u>Property Appraiser</u>	<u>Sheriff</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 819,209	\$ 121,079	\$282,858	\$ 489,645
Investments	176,294	-	-	-
Prepaid expenses	79,309	-	-	-
Receivables (net)	23,536	3,779	-	-
Due from other funds	6,103,213	42,497	-	-
Due from other governments	1,848,327	105,769	-	257,430
Total assets	<u>\$ 9,049,888</u>	<u>\$ 273,124</u>	<u>\$282,858</u>	<u>\$ 747,075</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 684,294	\$ 27,070	\$ -	\$ 136,002
Accrued liabilities	116,889	24,159	11,027	705,731
Due to other funds	8,627,052	-	-	-
Due to other governments	6,337	221,895	271,831	300,000
Unearned revenue	46,693	-	-	18,997
Deposits	68,156	-	-	-
Other liabilities	972	-	-	-
Total liabilities	<u>9,550,393</u>	<u>273,124</u>	<u>282,858</u>	<u>1,160,730</u>
Fund balances				
Assigned	-	-	-	(413,655)
Unassigned	(500,505)	-	-	-
Total fund balances	<u>(500,505)</u>	<u>-</u>	<u>-</u>	<u>(413,655)</u>
Total liabilities and fund balances	<u>\$ 9,049,888</u>	<u>\$ 273,124</u>	<u>\$282,858</u>	<u>\$ 747,075</u>

<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Total</u>
\$ 26,728	\$ 371,115	\$ 2,110,634
-	-	176,294
-	-	79,309
-	-	27,315
-	39,578	6,185,288
-	-	2,211,526
<u>\$ 26,728</u>	<u>\$ 410,693</u>	<u>\$ 10,790,366</u>

\$ -	\$ 25,604	\$ 872,970
-	37,456	895,262
-	-	8,627,052
26,728	347,633	1,174,424
-	-	65,690
-	-	68,156
-	-	972
<u>26,728</u>	<u>410,693</u>	<u>11,704,526</u>

-	-	(413,655)
-	-	(500,505)
-	-	(914,160)
<u>\$ 26,728</u>	<u>\$ 410,693</u>	<u>\$ 10,790,366</u>

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GENERAL FUND  
As of September 30, 2018

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
<b>REVENUES</b>				
Taxes	\$ 16,183,340	\$ -	\$ -	\$ -
Licenses and permits	93,090	-	-	-
Intergovernmental	6,025,576	21,245	-	381,474
Charges for services	2,036,740	1,041,192	1,377,181	312,731
Fines and Forfeitures	-	-	-	-
Miscellaneous	1,150,080	13,108	1,804	271,925
Total revenues	25,488,826	1,075,545	1,378,985	966,130
<b>EXPENDITURES</b>				
Current				
General government	7,156,106	1,057,656	1,085,762	-
Court related	-	1,016,688	-	180,495
Public safety	8,587,673	-	-	13,270,460
Physical environment	487,566	-	-	-
Economic environment	404,520	-	-	-
Culture and recreation	109,738	-	-	-
Human services	1,045,127	-	-	-
Capital outlay				
General government	136,649	-	21,392	-
Public safety	150,976	-	-	420,772
Physical environment	9,103	-	-	-
Transportation	-	-	-	-
Debt service				
Principal retirement	256,746	-	-	334,695
Interest and fiscal charges	24,916	-	-	34,007
Total expenditures	18,369,120	2,074,344	1,107,154	14,240,429
Excess (deficiencies) of revenues over (under) expenditures	7,119,706	(998,799)	271,831	(13,274,299)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds for financing capital assets	-	-	-	367,475
Proceeds from sale of capital assets	-	-	-	7,492
Transfers in	1,868,600	1,165,019	-	12,815,051
Transfers out	(13,713,378)	(166,220)	(271,831)	-
Total other financing sources (uses)	(11,844,778)	998,799	(271,831)	13,190,018
Net change in fund balances	(4,725,072)	-	-	(84,281)
Fund balances - October 1, 2017	4,224,567	-	-	(329,374)
Fund balances - September 30, 2018	\$ (500,505)	\$ -	\$ -	\$ (413,655)

Supervisor of Elections	Tax Collector	Total
\$ -	\$ -	\$ 16,183,340
-	-	93,090
-	-	6,428,295
-	1,853,826	6,621,670
-	-	-
8,241	811	1,445,969
<u>8,241</u>	<u>1,854,637</u>	<u>30,772,364</u>
507,193	1,507,044	11,313,761
-	-	1,197,183
-	-	21,858,133
-	-	487,566
-	-	404,520
-	-	109,738
-	-	1,045,127
-	-	158,041
-	-	571,748
-	-	9,103
-	-	-
-	-	591,441
-	-	58,923
<u>507,193</u>	<u>1,507,044</u>	<u>37,805,284</u>
<u>(498,952)</u>	<u>347,593</u>	<u>(7,032,920)</u>
-	-	367,475
-	-	7,492
525,680	-	16,374,350
(26,728)	(347,593)	(14,525,750)
<u>498,952</u>	<u>(347,593)</u>	<u>2,223,567</u>
-	-	(4,809,353)
-	-	3,895,193
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (914,160)</u>

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND, NON-GAAP BASIS  
As of September 30, 2018

	Board of County Commissioners		Clerk of Circuit Court	
	Budget	Actual	Budget	Actual
<b>REVENUES</b>				
Taxes	\$ 16,593,459	\$ 16,183,340	\$ -	\$ -
Licenses and permits	97,870	93,090	-	-
Intergovernmental	6,269,790	6,025,576	-	21,245
Charges for services	1,954,829	2,036,740	996,476	1,041,192
Fines and forfeitures	-	-	-	-
Miscellaneous	472,250	1,150,080	-	13,108
Total revenues	<u>25,388,198</u>	<u>25,488,826</u>	<u>996,476</u>	<u>1,075,545</u>
<b>EXPENDITURES</b>				
Current				
General government	5,523,237	7,156,106	1,165,000	1,057,656
Court related	-	-	996,476	1,016,688
Public safety	4,283,055	8,587,673	-	-
Physical environment	494,042	487,566	-	-
Economic environment	395,433	404,520	-	-
Culture and recreation	110,636	109,738	-	-
Human services	1,022,767	1,045,127	-	-
Capital outlay				
General government	136,649	136,649	-	-
Public safety	150,976	150,976	-	-
Physical environment	9,088	9,103	-	-
Transportation	-	-	-	-
Debt Service				
Principal retirement	302,715	256,746	-	-
Interest and fiscal charges	24,916	24,916	-	-
Contingency	-	-	-	-
Total expenditures	<u>12,453,514</u>	<u>18,369,120</u>	<u>2,161,476</u>	<u>2,074,344</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>12,934,684</u>	<u>7,119,706</u>	<u>(1,165,000)</u>	<u>(998,799)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	3,020,720	1,868,600	1,165,000	1,165,019
Transfers out	(16,213,700)	(13,713,378)	-	(166,220)
Total other financing sources (uses)	<u>(13,192,980)</u>	<u>(11,844,778)</u>	<u>1,165,000</u>	<u>998,799</u>
Net change in fund balances	(258,296)	(4,725,072)	-	-
Fund balances - October 1, 2017	258,296	4,224,567	-	-
Fund balances - September 30, 2018	<u>\$ -</u>	<u>\$ (500,505)</u>	<u>\$ -</u>	<u>\$ -</u>

Property Appraiser		Sheriff		Supervisor of Elections	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	381,474	381,474	-	-
1,377,149	1,377,181	312,731	312,731	-	-
-	-	-	-	-	-
-	1,804	271,925	271,925	-	8,241
<u>1,377,149</u>	<u>1,378,985</u>	<u>966,130</u>	<u>966,130</u>	<u>-</u>	<u>8,241</u>
1,280,249	1,085,762	-	-	525,680	507,193
-	-	273,153	180,495	-	-
-	-	13,089,935	13,270,460	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,200	21,392	-	-	-	-
-	-	290,585	420,772	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	85,000	334,695	-	-
-	-	-	34,007	-	-
75,700	-	50,000	-	-	-
<u>1,377,149</u>	<u>1,107,154</u>	<u>13,788,673</u>	<u>14,240,429</u>	<u>525,680</u>	<u>507,193</u>
-	271,831	(12,822,543)	(13,274,299)	(525,680)	(498,952)
-	-	-	367,475	-	-
-	-	7,492	7,492	-	-
-	-	12,815,051	12,815,051	525,680	525,680
-	(271,831)	-	-	-	(26,728)
<u>-</u>	<u>(271,831)</u>	<u>12,822,543</u>	<u>13,190,018</u>	<u>525,680</u>	<u>498,952</u>
-	-	-	(84,281)	-	-
-	-	(300,000)	(329,374)	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (300,000)</u>	<u>\$ (413,655)</u>	<u>\$ -</u>	<u>\$ -</u>

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND, NON-GAAP BASIS  
(CONTINUED)  
As of September 30, 2018

	Tax Collector		Total		Variance - Positive (Negative)
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 16,593,459	\$ 16,183,340	\$ (410,119)
Licenses and permits	-	-	97,870	93,090	(4,780)
Intergovernmental	-	-	6,651,264	6,428,295	(222,969)
Charges for services	1,615,365	1,853,826	6,256,550	6,621,670	365,120
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	811	744,175	1,445,969	701,794
Total revenues	1,615,365	1,854,637	30,343,318	30,772,364	429,046
<b>EXPENDITURES</b>					
Current					
General government	1,615,365	1,507,044	10,109,531	11,313,761	(1,204,230)
Court related	-	-	1,269,629	1,197,183	72,446
Public safety	-	-	17,372,990	21,858,133	(4,485,143)
Physical environment	-	-	494,042	487,566	6,476
Economic environment	-	-	395,433	404,520	(9,087)
Culture and recreation	-	-	110,636	109,738	898
Human services	-	-	1,022,767	1,045,127	(22,360)
Capital outlay					
General government	-	-	157,849	158,041	(192)
Public safety	-	-	441,561	571,748	(130,187)
Physical environment	-	-	9,088	9,103	(15)
Transportation	-	-	-	-	-
Debt Service					
Principal retirement	-	-	387,715	591,441	(203,726)
Interest and fiscal charges	-	-	24,916	58,923	(34,007)
Contingency	-	-	125,700	-	125,700
Total expenditures	1,615,365	1,507,044	31,921,857	37,805,284	(5,883,427)
Excess (deficiencies) of revenues over (under) expenditures	-	347,593	(1,578,539)	(7,032,920)	(5,454,381)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of debt	-	-	-	367,475	367,475
Proceeds from sale of capital assets	-	-	7,492	7,492	-
Transfers in	-	-	17,526,451	16,374,350	(1,152,101)
Transfers out	-	(347,593)	(16,213,700)	(14,525,750)	1,687,950
Total other financing sources (uses)	-	(347,593)	1,320,243	2,223,567	903,324
Net change in fund balances	-	-	(258,296)	(4,809,353)	(4,551,057)
Fund balances - October 1, 2017	-	-	(41,704)	3,895,193	3,936,897
Fund balances - September 30, 2018	\$ -	\$ -	\$ (300,000)	\$ (914,160)	\$ (614,160)



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**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds					
	Law Enforcement Trust	Section 8 Housing	Court Technology Fund	Local Affordable Housing	Emergency 911	Port Labelle Street Lighting District
<b>ASSETS</b>						
Cash and cash equivalents	\$ 55,317	\$ 36,208	\$ 169	\$ 1,058,964	\$ 96,591	\$ 60,266
Investments, at fair value	-	-	289	10,095	164,781	-
Prepaid expenses	-	-	-	-	-	-
Receivables (net)	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	1,245	4,031	-	54,089	-
<b>Total assets</b>	<b>\$ 55,317</b>	<b>\$ 37,453</b>	<b>\$ 4,489</b>	<b>\$ 1,069,059</b>	<b>\$ 315,461</b>	<b>\$ 60,266</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 427	\$ -	\$ 94	\$ 12,977	\$ 4,638
Accrued liabilities	-	302	-	302	869	-
Due to other funds	-	-	15,000	-	17,657	1,169
Unearned revenue	-	-	-	974,636	-	-
Deposits	-	-	-	5,400	-	-
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>729</b>	<b>15,000</b>	<b>980,432</b>	<b>31,503</b>	<b>5,807</b>
<b>Fund balances</b>						
Restricted	-	-	-	-	-	-
Assigned	55,317	36,724	(10,511)	88,627	283,958	54,459
<b>Total fund balances (deficits)</b>	<b>55,317</b>	<b>36,724</b>	<b>(10,511)</b>	<b>88,627</b>	<b>283,958</b>	<b>54,459</b>
<b>Total liabilities and fund balances</b>	<b>\$ 55,317</b>	<b>\$ 37,453</b>	<b>\$ 4,489</b>	<b>\$ 1,069,059</b>	<b>\$ 315,461</b>	<b>\$ 60,266</b>

Special Revenue Funds

East Hendry County Drainage District	East Hendry County Fire District	West Hendry County Fire District	Mid-County MSBU	East Hendry County Recreational MSBU	West Hendry County Recreational MSBU	Airport Sears MSBU	Felda MSBU
\$ 92,754	\$ 113	\$ 251,244	\$ 268,647	\$ 153,969	\$ 159,276	\$ 355,296	\$ 121,211
158,235	193	428,612	458,303	106	271,719	606,123	206,782
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	263,950	-	-	-	-	-
10	1,015	4,166	1,251	129	20,367	-	-
<u>\$ 250,999</u>	<u>\$ 1,321</u>	<u>\$ 947,972</u>	<u>\$ 728,201</u>	<u>\$ 154,204</u>	<u>\$ 451,362</u>	<u>\$ 961,419</u>	<u>\$ 327,993</u>
\$ 4,545	\$ 145,325	\$ 164,183	\$ -	\$ 4,187	\$ 139	\$ 7,858	\$ -
-	8,886	3,628	-	1,095	5,064	-	-
1,112	392,678	11,560	3,873	41,340	26,559	4,553	2,807
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	153,030	-	-	-
<u>5,657</u>	<u>546,889</u>	<u>179,371</u>	<u>3,873</u>	<u>199,652</u>	<u>31,762</u>	<u>12,411</u>	<u>2,807</u>
-	-	-	-	-	-	-	-
245,342	(545,568)	768,601	724,328	(45,448)	419,600	949,008	325,186
<u>245,342</u>	<u>(545,568)</u>	<u>768,601</u>	<u>724,328</u>	<u>(45,448)</u>	<u>419,600</u>	<u>949,008</u>	<u>325,186</u>
\$ 250,999	\$ 1,321	\$ 947,972	\$ 728,201	\$ 154,204	\$ 451,362	\$ 961,419	\$ 327,993

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds					
	North Labelle MSBU	Four Corners MSBU	Wheeler Road MSBU	Hooker's Point Lighting	Mosquito Control	Phillips Road MSBU
<b>ASSETS</b>						
Cash and cash equivalents	\$ 93,160	\$ 129,313	\$ 113,894	\$ 8,701	\$ 185,266	\$ 1,397
Investments, at fair value	158,928	220,604	194,299	14,844	316,059	2,382
Prepaid expenses	-	-	-	-	-	-
Receivables (net)	-	-	-	-	2,007	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	249	-	1,198	-
Total assets	<u>\$ 252,088</u>	<u>\$ 349,917</u>	<u>\$ 308,442</u>	<u>\$ 23,545</u>	<u>\$ 504,530</u>	<u>\$ 3,779</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 469	\$ -	\$ -	\$ 937	\$ 29,265	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	2,962	2,877	3,124	21	12,845	-
Unearned revenue	-	-	-	-	-	-
Deposits	-	-	-	-	3,506	-
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>3,431</u>	<u>2,877</u>	<u>3,124</u>	<u>958</u>	<u>45,616</u>	<u>-</u>
Fund balances						
Restricted	-	-	-	-	-	-
Assigned	248,657	347,040	305,318	22,587	458,914	3,779
Total fund balances (deficits)	<u>248,657</u>	<u>347,040</u>	<u>305,318</u>	<u>22,587</u>	<u>458,914</u>	<u>3,779</u>
Total liabilities and fund balances	<u>\$ 252,088</u>	<u>\$ 349,917</u>	<u>\$ 308,442</u>	<u>\$ 23,545</u>	<u>\$ 504,530</u>	<u>\$ 3,779</u>

Special Revenue Funds

Sky Valley MSBU	Building Projects	Property Appraiser	Clerk of Circuit Court's Modernization Trust Fund	Sheriff's Gun Range Fund	Sheriff's Training Fund	Sheriff's Equitable Sharing Program Fund	Sheriff's Commissary
\$ 8,304	\$51,940	\$160,112	\$ 218,056	\$ 41,363	\$ 1,172	\$ 2,724	\$ 514,840
14,166	-	-	-	-	-	-	-
-	-	-	22,960	-	-	-	-
-	7,826	-	-	-	-	-	15,144
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 22,470</u>	<u>\$59,766</u>	<u>\$160,112</u>	<u>\$ 241,016</u>	<u>\$ 41,363</u>	<u>\$ 1,172</u>	<u>\$ 2,724</u>	<u>\$ 529,984</u>
\$ 287	\$ 1,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,573
-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	5,366	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>305</u>	<u>6,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,573</u>
-	-	-	241,016	-	-	-	513,411
22,165	53,072	160,112	-	41,363	1,172	2,724	-
<u>22,165</u>	<u>53,072</u>	<u>160,112</u>	<u>241,016</u>	<u>41,363</u>	<u>1,172</u>	<u>2,724</u>	<u>513,411</u>
<u>\$ 22,470</u>	<u>\$59,766</u>	<u>\$160,112</u>	<u>\$ 241,016</u>	<u>\$ 41,363</u>	<u>\$ 1,172</u>	<u>\$ 2,724</u>	<u>\$ 529,984</u>

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds				
	Supervisor of Elections Federal Election Activities Fund	Supervisor of Elections Cyber Security Fund	Supervisor of Elections Albert Fund	Fines and forfeitures	LaBelle Airport Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,865	\$ 68,127	\$ 13,845	\$ 139,099	\$ 10
Investments, at fair value	-	-	-	110,959	18
Prepaid expenses	-	-	-	-	-
Receivables (net)	-	-	-	-	21,329
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	133,441	469,657
<b>Total assets</b>	<b>\$ 2,865</b>	<b>\$ 68,127</b>	<b>\$ 13,845</b>	<b>\$ 383,499</b>	<b>\$ 491,014</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 21,762	\$ 407,834
Accrued liabilities	-	-	-	3,279	1,007
Due to other funds	-	-	-	343,600	13,758
Unearned revenue	2,865	68,127	13,845	-	-
Deposits	-	-	-	1,500	35,977
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>2,865</b>	<b>68,127</b>	<b>13,845</b>	<b>370,141</b>	<b>458,576</b>
Fund balances					
Restricted	-	-	-	-	-
Assigned	-	-	-	13,358	32,438
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,358</b>	<b>32,438</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,865</b>	<b>\$ 68,127</b>	<b>\$ 13,845</b>	<b>\$ 383,499</b>	<b>\$ 491,014</b>

Special Revenue Funds

Airglades Airport Fund	Seven K Estates MSBU	Murray Road MSBU	Building Department	Total Non-Major Governmental Funds
\$ 157,718	\$ 6	\$ 9,661	\$ 132,887	\$ 4,764,485
269,061	10	16,482	226,701	3,849,751
-	-	-	-	22,960
27,969	-	-	-	74,275
-	-	-	-	263,950
191,808	1,693	-	14,219	898,568
<u>\$ 646,556</u>	<u>\$ 1,709</u>	<u>\$ 26,143</u>	<u>\$ 373,807</u>	<u>\$ 9,873,989</u>
.				
\$ 31,693	\$ 600	\$ -	\$ 9,176	\$ 864,297
1,007	-	-	6,556	31,995
136,687	-	-	26,445	1,060,645
6,620	-	-	-	1,066,093
39,096	-	-	-	90,845
-	-	-	-	153,030
<u>215,103</u>	<u>600</u>	<u>-</u>	<u>42,177</u>	<u>3,266,905</u>
-	-	-	-	754,427
<u>431,453</u>	<u>1,109</u>	<u>26,143</u>	<u>331,630</u>	<u>5,852,657</u>
<u>431,453</u>	<u>1,109</u>	<u>26,143</u>	<u>331,630</u>	<u>6,607,084</u>
<u>\$ 646,556</u>	<u>\$ 1,709</u>	<u>\$ 26,143</u>	<u>\$ 373,807</u>	<u>\$ 9,873,989</u>

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds					
	Law Enforcement Trust	Section 8 Housing	Court Technology Fund	Local Affordable Housing	Emergency 911	Port Labelle Street Lighting District
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,025
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	272,157	-	179,315	74,000	-
Charges for services	-	53,308	49,202	-	156,215	-
Fines and forfeitures	6,423	-	-	-	-	-
Miscellaneous	-	-	19	2,750	1,027	-
Total revenues	<u>6,423</u>	<u>325,465</u>	<u>49,221</u>	<u>182,065</u>	<u>231,242</u>	<u>77,025</u>
<b>EXPENDITURES</b>						
Current						
General government	-	-	78,925	-	-	-
Court related	-	-	-	-	-	-
Public safety	12,759	-	-	-	228,218	-
Physical environment	-	-	-	-	-	59,277
Transportation	-	-	-	-	-	-
Economic environment	-	320,691	-	181,038	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>12,759</u>	<u>320,691</u>	<u>78,925</u>	<u>181,038</u>	<u>228,218</u>	<u>59,277</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(6,336)</u>	<u>4,774</u>	<u>(29,704)</u>	<u>1,027</u>	<u>3,024</u>	<u>17,748</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	20,000	33,732	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>20,000</u>	<u>33,732</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,336)	24,774	4,028	1,027	3,024	17,748
Fund balances - September 30, 2017	61,653	11,950	(14,539)	87,600	280,934	36,711
Fund balances - September 30, 2018	<u>\$ 55,317</u>	<u>\$ 36,724</u>	<u>\$ (10,511)</u>	<u>\$ 88,627</u>	<u>\$ 283,958</u>	<u>\$ 54,459</u>



Special Revenue Funds

East Hendry County Drainage District	East Hendry County Fire District	West Hendry County Fire District	Mid-County MSBU	East Hendry County Recreational MSBU	West Hendry County Recreational MSBU	Airport Sears MSBU	Felda MSBU
\$ 72,885	\$ 617,915	\$ 540,305	\$ 293,707	\$ 333,240	\$ 505,987	\$ 93,574	\$ 23,178
-	-	-	-	-	-	-	-
-	55,415	110,829	-	-	-	-	-
-	-	-	-	1,485	-	-	-
-	-	-	-	-	-	-	-
1,050	(828)	5,013	3,844	2,539	4,055	5,175	1,741
<u>73,935</u>	<u>672,502</u>	<u>656,147</u>	<u>297,551</u>	<u>337,264</u>	<u>510,042</u>	<u>98,749</u>	<u>24,919</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	636,999	450,397	-	-	-	-	-
30,110	-	-	-	-	-	44,615	9,352
-	-	-	154,135	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	286,187	566,211	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	56,691	-
-	-	33,509	-	-	-	-	-
-	-	2,723	-	-	-	-	-
<u>30,110</u>	<u>636,999</u>	<u>599,303</u>	<u>154,135</u>	<u>286,187</u>	<u>566,211</u>	<u>101,306</u>	<u>9,352</u>
<u>43,825</u>	<u>35,503</u>	<u>56,844</u>	<u>143,416</u>	<u>51,077</u>	<u>(56,169)</u>	<u>(2,557)</u>	<u>15,567</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
43,825	35,503	56,844	143,416	51,077	(56,169)	(2,557)	15,567
201,517	(581,071)	711,757	580,912	(96,525)	475,769	951,565	309,619
<u>\$ 245,342</u>	<u>\$ (545,568)</u>	<u>\$ 768,601</u>	<u>\$ 724,328</u>	<u>\$ (45,448)</u>	<u>\$ 419,600</u>	<u>\$ 949,008</u>	<u>\$ 325,186</u>

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)  
NON-MAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds					
	North Labelle MSBU	Four Corners MSBU	Wheeler Road MSBU	Hooker's Point Lighting	Mosquito Control	Phillips Road MSBU
<b>REVENUES</b>						
Taxes	\$ 50,418	\$ 17,215	\$ 108,246	\$ 19,777	\$ 488,311	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	32,468	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	1,529	1,751	1,775	138	27,451	20
Total revenues	<u>51,947</u>	<u>18,966</u>	<u>110,021</u>	<u>19,915</u>	<u>548,230</u>	<u>20</u>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Court related	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	75,330	26,235	53,625	12,074	382,166	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>75,330</u>	<u>26,235</u>	<u>53,625</u>	<u>12,074</u>	<u>382,166</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(23,383)</u>	<u>(7,269)</u>	<u>56,396</u>	<u>7,841</u>	<u>166,064</u>	<u>20</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(23,383)	(7,269)	56,396	7,841	166,064	20
Fund balances - September 30, 2017	272,040	354,309	248,922	14,746	292,850	3,759
Fund balances - September 30, 2018	<u>\$ 248,657</u>	<u>\$ 347,040</u>	<u>\$ 305,318</u>	<u>\$ 22,587</u>	<u>\$ 458,914</u>	<u>\$ 3,779</u>

Special Revenue Funds

Sky Valley MSBU	Building Projects	Property Appraiser	Clerk of Circuit Court's Modernization Trust Fund	Sheriff's Gun Range Fund	Sheriff's Training Fund	Sheriff's Equitable Sharing Program Fund	Sheriff's Commissary
\$ 14,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	25,000	-	63,633	-	-	-	-
-	-	124,485	-	13,429	-	-	-
-	-	-	-	-	-	-	-
129	72,173	1,241	-	22	3,172	1	236,675
<u>14,419</u>	<u>97,173</u>	<u>125,726</u>	<u>63,633</u>	<u>13,451</u>	<u>3,172</u>	<u>1</u>	<u>236,675</u>
-	101,011	112,500	86,985	12,166	7,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	124,734
6,025	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	16,354
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>6,025</u>	<u>101,011</u>	<u>112,500</u>	<u>86,985</u>	<u>12,166</u>	<u>7,000</u>	<u>-</u>	<u>141,088</u>
<u>8,394</u>	<u>(3,838)</u>	<u>13,226</u>	<u>(23,352)</u>	<u>1,285</u>	<u>(3,828)</u>	<u>1</u>	<u>95,587</u>
-	-	-	-	-	-	-	-
-	(25,000)	-	-	-	-	-	-
-	(25,000)	-	-	-	-	-	-
8,394	(28,838)	13,226	(23,352)	1,285	(3,828)	1	95,587
13,771	81,910	146,886	264,368	40,078	5,000	2,723	417,824
<u>\$ 22,165</u>	<u>\$ 53,072</u>	<u>\$ 160,112</u>	<u>\$ 241,016</u>	<u>\$ 41,363</u>	<u>\$ 1,172</u>	<u>\$ 2,724</u>	<u>\$ 513,411</u>

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)  
NON-MAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds				
	Supervisor of Elections Federal Election Activities Fund	Supervisor of Elections Cyber Security Fund	Supervisor of Elections Albert Fund	Fines and Forfeitures	LaBelle Airport Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	5,055	5,003	-	17,466	2,684,213
Charges for services	-	-	-	501,089	541,110
Fines and forfeitures	-	-	-	220,158	-
Miscellaneous	-	-	-	142,205	124,659
Total revenues	<u>5,055</u>	<u>5,003</u>	<u>-</u>	<u>880,918</u>	<u>3,349,982</u>
<b>EXPENDITURES</b>					
Current					
General government	5,097	5,003	-	32,046	-
Court related	-	-	-	388,025	-
Public safety	-	-	-	198,007	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	950,136
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay					
General government	-	-	-	51,576	2,572,123
Physical environment	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	52,768
Interest and fiscal charges	-	-	-	-	3,806
Total expenditures	<u>5,097</u>	<u>5,003</u>	<u>-</u>	<u>669,654</u>	<u>3,578,833</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(42)</u>	<u>-</u>	<u>-</u>	<u>211,264</u>	<u>(228,851)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	185,000	-
Transfers out	-	-	-	(343,600)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(158,600)</u>	<u>-</u>
Net change in fund balances	(42)	-	-	52,664	(228,851)
Fund balances - September 30, 2017	42	-	-	(39,306)	261,289
Fund balances - September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,358</u>	<u>\$ 32,438</u>

Special Revenue Funds

Airglades Airport Fund	Seven K Estates MSBU	Murray Road MSBU	Building Department	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 8,307	\$ -	\$ 3,264,380
-	-	-	682,258	682,258
177,641	-	-	-	3,702,195
703,159	-	-	-	2,143,482
-	-	-	-	226,581
331,549	1,693	-	202	972,770
<u>1,212,349</u>	<u>1,693</u>	<u>8,307</u>	<u>682,460</u>	<u>10,991,666</u>
-	-	-	-	440,733
-	-	-	-	388,025
-	-	-	483,429	2,134,543
-	35	3,392	-	702,236
1,095,934	-	-	-	2,200,205
-	-	-	-	501,729
-	-	-	-	852,398
-	-	-	-	2,623,699
-	-	-	-	73,045
-	-	-	-	86,277
-	-	-	-	6,529
<u>1,095,934</u>	<u>35</u>	<u>3,392</u>	<u>483,429</u>	<u>10,122,093</u>
<u>116,415</u>	<u>1,658</u>	<u>4,915</u>	<u>199,031</u>	<u>869,573</u>
-	-	-	-	238,732
-	-	-	-	(368,600)
-	-	-	-	(129,868)
116,415	1,658	4,915	199,031	739,705
315,038	(549)	21,228	132,599	5,867,379
<u>\$ 431,453</u>	<u>\$ 1,109</u>	<u>\$ 26,143</u>	<u>\$ 331,630</u>	<u>\$ 6,607,084</u>

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REQUIRED  
SUPPLEMENTARY  
INFORMATION

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**COMBINING SCHEDULE - BALANCE SHEET**  
**FIDUCIARY FUNDS**  
As of September 30, 2018

	Clerk of Circuit Court	Sheriff	Tax Collector	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,312,653	\$ 126,908	\$ 658,963	\$ 2,098,524
Receivables (net)	3,730	7,067	-	10,797
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,316,383</u>	<u>\$ 133,975</u>	<u>\$ 658,963</u>	<u>\$ 2,109,321</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 78,072	\$ -	\$ -	\$ 78,072
Due to other constitutional officers	-	-	31,251	31,251
Due to other governments	1,182,867	5,946	-	1,188,813
Due to individuals	12,947	128,029	97,377	238,353
Due to other funds	42,497	-	39,578	82,075
Deposits	-	-	490,757	490,757
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 1,316,383</u>	<u>\$ 133,975</u>	<u>\$ 658,963</u>	<u>\$ 2,109,321</u>



**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
For the Fiscal Year Ended September 30, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
<b><i>Clerk of Circuit Court</i></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,120,937	\$ 8,090,214	\$ 7,898,498	\$ 1,312,653
Receivables (net)	4,690	5,809	6,769	3,730
Total assets	<u>\$ 1,125,627</u>	<u>\$ 8,096,023</u>	<u>\$ 7,905,267</u>	<u>\$ 1,316,383</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 73,465	\$ 3,520,136	\$ 3,515,529	\$ 78,072
Due to other governments	1,008,918	3,080,928	2,906,979	1,182,867
Due to individuals	11,526	16,070	14,649	12,947
Due to other funds	31,718	593,451	582,672	42,497
Total liabilities	<u>\$ 1,125,627</u>	<u>\$ 7,210,585</u>	<u>\$ 7,019,829</u>	<u>\$ 1,316,383</u>
<b><i>Sheriff</i></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 175,651	\$ 631,698	\$ 680,441	\$ 126,908
Receivables (net)	-	7,067	-	7,067
Total assets	<u>\$ 175,651</u>	<u>\$ 638,765</u>	<u>\$ 680,441</u>	<u>\$ 133,975</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 6,135	\$ 48,007	\$ 48,196	\$ 5,946
Due to individuals	133,254	494,699	499,924	128,029
Due to other funds	36,262	95,163	131,425	-
Total liabilities	<u>\$ 175,651</u>	<u>\$ 637,869</u>	<u>\$ 679,545</u>	<u>\$ 133,975</u>
<b><i>Tax Collector</i></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,385,121	\$77,117,683	\$ 77,843,841	\$ 658,963
Total assets	<u>\$ 1,385,121</u>	<u>\$77,117,683</u>	<u>\$ 77,843,841</u>	<u>\$ 658,963</u>
<b>LIABILITIES</b>				
Due to other constitutional officers	\$ 38,125	\$ 22,451	\$ 29,325	\$ 31,251
Due to other governments	352,171	57,846,748	58,198,919	-
Due to individuals	361,464	5,003,730	5,267,817	97,377
Due to other funds	46,906	1,754,479	1,761,807	39,578
Deposits	586,455	1,498,635	1,594,333	490,757
Total liabilities	<u>\$ 1,385,121</u>	<u>\$66,126,043</u>	<u>\$ 66,852,201</u>	<u>\$ 658,963</u>

	Beginning Balance	Additions	Deletions	Ending Balance
<b>TOTAL</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,681,709	\$ 85,839,595	\$ 86,422,780	\$ 2,098,524
Receivables (net)	4,690	12,876	6,769	10,797
Total assets	<u>\$ 2,686,399</u>	<u>\$ 85,852,471</u>	<u>\$ 86,429,549</u>	<u>\$ 2,109,321</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 73,465	\$ 3,520,136	\$ 3,515,529	\$ 78,072
Due to other constitutional officers	38,125	22,451	29,325	31,251
Due to other governments	1,367,224	60,975,683	61,154,094	1,188,813
Due to individuals	506,244	5,514,499	5,782,390	238,353
Due to other funds	114,886	2,443,093	2,475,904	82,075
Deposits	586,455	1,498,635	1,594,333	490,757
Total liabilities	<u>\$ 2,686,399</u>	<u>\$ 73,974,497</u>	<u>\$ 74,551,575</u>	<u>\$ 2,109,321</u>

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Fiscal Year Ended September 30, 2018

**Schedule of the County's Proportionate Share of Net Pension Plan Liability**  
**Florida Retirement System Pension Plan**  
Fiscal Year Ended September 30, 2018  
For the Last Three Fiscal Years Ended June 30

	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
County's proportion of the net pension liability	0.07300%	0.07537%	0.07325%	0.06703%	0.06420%
County's proportionate share of the net pension liability	\$ 22,074,803	\$ 22,294,200	\$ 18,496,380	\$ 8,657,429	\$ 3,917,027
County's covered-employee payroll	\$ 13,217,447	\$ 13,087,294	\$ 12,162,212	\$ 11,951,308	\$ 11,095,372
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	59.88%	58.70%	65.75%	72.44%	35.30%
Plan fiduciary net position as a percentage of the total pension liability	80.69%	83.19%	84.88%	92.00%	96.09%

Note: Data was unavailable prior to 2014

**Schedule of the County's Contributions to the Florida Retirement System Pension Plan**  
Fiscal Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,809,113	\$ 1,787,412	\$ 1,598,337	\$ 1,877,742	\$ 1,701,137
Contributions in relation to the contractually required contribution	<u>(1,809,113)</u>	<u>(1,787,412)</u>	<u>(1,598,337)</u>	<u>1,877,742</u>	<u>1,701,137</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 12,964,821	\$ 13,264,354	\$ 12,110,054	\$ 11,951,308	\$ 11,095,372
Contributions as a percentage of covered-employee payroll	13.95%	13.48%	13.20%	15.71%	15.33%

Note: Data was unavailable prior to 2014

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Fiscal Year Ended September 30, 2018

**Schedule of the County's Proportionate Share of Health Insurance Subsidy Plan Liability**

Fiscal Year Ended September 30, 2018

For the Last Three Fiscal Years Ended June 30

	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
County's proportion of the HIS Plan liability	0.05070%	0.04993%	0.04734%	0.00473%	0.04660%
County's proportionate share of the HIS Plan liability	\$ 5,366,772	\$ 5,338,798	\$ 5,587,709	\$ 4,828,351	\$ 4,356,955
County's covered-employee payroll	\$ 17,326,036	\$ 15,959,182	\$ 14,890,780	\$ 14,489,748	\$ 13,530,942
County's proportionate share of the HIS Plan liability as a percentage of its covered-employee payroll	30.98%	33.45%	37.52%	33.32%	32.20%
Plan fiduciary net position as a percentage of the total HIS Plan	1.67%	1.64%	0.97%	0.50%	0.99%

Note: Data was unavailable prior to 2014

**Schedule of the County's Contributions to the Health Insurance Subsidy Plan**

Fiscal Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 271,273	\$ 269,317	\$ 247,253	\$ 197,705	\$ 171,106
Contributions in relation to the contractually required contribution	<u>(271,273)</u>	<u>(269,317)</u>	<u>(247,253)</u>	<u>(197,705)</u>	<u>(171,106)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 16,351,775	\$ 16,223,884	\$ 14,894,726	\$ 14,489,748	\$ 13,530,942
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.36%	1.26%

Note: Data was unavailable prior to 2014

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Fiscal Year Ended September 30, 2018

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**Schedule of Changes in Net OPEB Liability**

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Schedule of Changes in Net OPEB Liability

Total OPEB Liability	
Service Cost	\$ 324,922
Interest	142,870
Change in benefit terms	-
Difference between expected and actual experience	-
Change in assumptions	(397,934)
Benefit payments	(115,734)
Net change in Total OPEB Liability	<u>(45,876)</u>
Total OPEB Liability - beginning, as restated	<u>3,668,773</u>
Total OPEB Liability - ending	<u><u>3,622,897</u></u>

Plan Fiduciary Net Position	
Contributions - Employer	115,734
Contributions - Members	-
Net investment income	-
Benefit payments	(115,734)
Administrative expenses	-
Other	-
Net change in Plan Fiduciary Net Position	<u>-</u>
Plan Fiduciary Net Position - beginning	<u>-</u>
Plan Fiduciary Net Position - ending	<u>-</u>
Net OPEB Liability	<u><u>\$ 3,622,897</u></u>

Plan fiduciary net position as a percentage of the total OPEB Liability -

Covered employee Payroll -

Plan net OPEB liability as a percentage of the covered employee payroll N/A

Since GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented for fiscal year 2018, the total OPEB liability was not available prior to fiscal year 2018.

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Fiscal Year Ended September 30, 2018

<b>Schedule of OPEB Contributions</b>					
Last 10 Fiscal Years					
		Fiscal Year Ending September 30:			
		2018	2017	2016	2015
Actuarially Determined Contribution*	\$	410,944			
Contribution in Relation to the Actuarially Determined Contribution		115,734			
Contribution Deficiency (Excess)	\$	295,210			
Covered Employee Payroll			N/A		
Contributions as a Percentage of Covered Employee Payroll			N/A		
		Fiscal Year Ending September 30:			
		2014	2013	2012	2011
Actuarially Determined Contribution*					
Contribution in Relation to the Actuarially Determined Contribution					
Contribution Deficiency (Excess)					
Covered Employee Payroll					
Contributions as a Percentage of Covered Employee Payroll					
		Fiscal Year Ending September 30:			
		2010	2009		
Actuarially Determined Contribution*					
Contribution in Relation to the Actuarially Determined Contribution					
Contribution Deficiency (Excess)					
Covered Employee Payroll					
Contributions as a Percentage of Covered Employee Payroll					

\*Since GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was first implemented for fiscal year 2018, the actuarially determined contribution was not available prior to fiscal year 2018. The actuarial determined contribution was not specifically obtained for fiscal year 2018, however, the actuarially determined OPEB expense (without deductions for claim payments or contributions) was used instead because it indicated the annual change in the County's total OPEB liability with deferred recognition provided for certain items.

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Fiscal Year Ended September 30, 2018

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**OPEB Plan Provisions**

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A summary of the postemployment health plan eligibility, plan benefits and contributions are as follows:

Credited Service Total completed years of employment as defined under the Florida Retirement System (FRS).

Eligibility for Insurance Coverage

Tier 1 (enrolled in FRS before 7/1/11)  
Regular Class and Elected Officials

Age 62 and 6 years of service or 30 years of service, regardless of age, is normal retirement. Employees may retire early at age 43 and 6 years of service. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 8 years of service.

Special Risk Class

Age 55 and 6 years of service or 25 years of special risk service, regardless of age, is normal retirement. Employees may retire early at age 36 and 6 years of service. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 8 years of service.

Tier 2 (enrolled in FRS on or after 7/1/11)  
Regular Class and Elected Officials

Age 65 and 8 years of service or 33 years of service, regardless of age, is normal retirement. Employees may retire early at age 43 and 8 years of service. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 8 years of service.

Special Risk Class

Age 60 and 8 years of service or 30 years of special risk service, regardless of age, is normal retirement. Employees may retire early at age 36 and 8 years of service. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 8 years of service.

Health Contributions

Retiree

100% of the Active Premium Rate.

County

Remaining amount necessary for payment of claims.

Active monthly premium rates

	AWOM	AQOX	AQOY	AQNS
Employee Only	\$ 803	\$ 970	\$ 890	\$ 674
Employee Plus Spouse	1,474	1,781	1,633	1,236
Employee Plus Child(ren)	1,411	1,705	1,563	1,184
Employee Plus Family	1,605	1,939	1,778	1,347

Life Insurance Benefit

Employee-elected ranging from \$3,500 to \$15,000.

Actuarial Methods

Actuarial Cost Method

The actuarial cost method used to determine the actuarial accrued liability and the normal cost for financial reporting purposes is the Entry Age Actuarial Cost Method. The accrued liability and the normal cost are used to determine the County's financial disclosure requirement. Under this method, the cost of each individual's benefit is allocated on a level percent of payroll basis between the time employment starts (entry age) and the assumed retirement date. The normal cost is the amount allocated for a given year and actuarial liability is the accumulation of prior normal costs as of the determination date. The total actuarial liability for retirement benefits is the sum of the actuarial liability for all members.

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Fiscal Year Ended September 30, 2018

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**OPEB Actuarial Methods and Assumptions**

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Actuarial Methods, Continued

Asset Cost Method N/A

Actuarial Valuation Frequency An actuarial valuation is prepared biennially with a 'roll-forward' valuation in the interim year, provided no significant events have occurred during the interim year warranting a new measurement. This year's fiscal 2018 valuation was based on a full valuation.

Amortization Method Level dollar amortization for differences between expected and actual experience with regard to economic or demographic factors and for changes in assumptions, the amounts will be amortized over a closed period equal to the average of the expected remaining service lives of all participants (including inactives) determined at the beginning of the measurement period. The differences between projected and actual earnings on OPEB plan investments will be recognized over a closed five-year period.

Actuarial Assumptions

Valuation Date September 30, 2018

Measurement Date September 30, 2018

Measurement Period October 1, 2017 to September 30, 2018

Reporting Date September 30, 2018

	September 30:	
	2018 Valuation	2017 Valuation
Interest Rate		
Discount Rate	4.24%	3.63%
Expected Long-term Rate of Return	N/A	N/A
Municipal bond rate	4.24%	3.63%

Inflation 2.50% per year

Salary Increase 3.00% per year

Mortality Table RP-2014 White Collar mortality table backed off to 2006 and projected generationally with Scale MP-2018 for the Regular Class and Elected Officials and RP-2014 Blue Collar mortality table backed off to 2006 and projected generationally with Scale MP-2018 for the Special Risk Class.

For the prior valuation, the following assumptions were used: Regular Class and Elected Officials: Female: RP-2000 Generational, 100% Annuitant White Collar, Scale BB; Male: RP-2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB; Special Risk Class: Female: RP-2000 Generational, 100% Annuitant White Collar, Scale BB; Male: RP-2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Rates of Disability None

Rates of Withdrawal Rates from the July 1, 2018 FRS Pension Actuarial Report using a composite table based on years of service without reflecting the age component (age 40 rates were used).



**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Fiscal Year Ended September 30, 2018

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**OPEB Actuarial Methods and Assumptions - Continued**

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Actuarial Assumptions, Continued

Rates of Retirement	The following rates for withdrawal are from the July 1, 2018 FRS Pension Actuarial Report as follows:															
Tier 1																
Regular Class	100% are assumed to retire at age 62 and 6 years of service or upon completion of 30 years of service, regardless of age.															
Special Risk Class	100% are assumed to retire at age 55 and 6 years of service or upon completion of 25 years of special risk service, regardless of age.															
Tier 2																
Regular Class	100% are assumed to retire at age 65 and 8 years of service or upon completion of 33 years of service, regardless of age.															
Special Risk Class	100% are assumed to retire at age 60 and 8 years of service or upon completion of 30 years of special risk service, regardless of age.															
Percentage electing coverage and plan	It is assumed that 25% of eligible actives will elect to continue medical coverage upon retirement. Active participants are assumed to elect the same plans they are enrolled in as actives upon retirement. If an employee has waived active medical coverage, he/she is assumed to not participate in the postretirement medical plan.															
Spousal coverage and age	50% of eligible actives are assumed to be married and elect spouse coverage at retirement. Actual spouse data was used for current retirees. Husbands are assumed to be three years older than their wives.															
Collection date of census data and asset information	September 30, 2018															
Medicare Eligibility	All participants are assumed to be eligible for Medicare upon attainment of age 65.															
Full Attribution Age	Age at which retirement rate is 100%.															
Claims and Expense Assumptions																
Health Per Capita Costs	Health per capita costs by selected ages used for the valuation are as follows:															
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Age</th> <th style="text-align: center; border-bottom: 1px solid black;">Retiree Cost</th> <th style="text-align: center; border-bottom: 1px solid black;">Spouse Cost</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">55</td> <td style="text-align: center;">\$ 11,999</td> <td style="text-align: center;">\$ 10,149</td> </tr> <tr> <td style="text-align: center;">60</td> <td style="text-align: center;">14,702</td> <td style="text-align: center;">12,435</td> </tr> <tr> <td style="text-align: center;">62</td> <td style="text-align: center;">16,052</td> <td style="text-align: center;">13,577</td> </tr> <tr> <td style="text-align: center;">64</td> <td style="text-align: center;">17,591</td> <td style="text-align: center;">14,879</td> </tr> </tbody> </table>	Age	Retiree Cost	Spouse Cost	55	\$ 11,999	\$ 10,149	60	14,702	12,435	62	16,052	13,577	64	17,591	14,879
Age	Retiree Cost	Spouse Cost														
55	\$ 11,999	\$ 10,149														
60	14,702	12,435														
62	16,052	13,577														
64	17,591	14,879														
Health Care Trend Rates	Annual health increase rates begin at an increased rate in 2018 of 8.50% and continues to increase at a decreased rate. Each annually increased rate declines by 0.25% - 0.50%. Year 2073 and beyond are estimated to have a pre-Medicare rate increase of 4.00%.															
Retiree Contributions	Retiree contributions are assumed to increase at the same rate as the medical trend rates.															
Changes from Prior Valuation																
Actuarial Methods	Actuarial Cost method was updated from Entry Age Normal ("EAN") level dollar under GASB 45 to EAN level percentage of pay as required under GASB 75 in the beginning of measurement year. Actuarial gains and losses are being amortized as required by GASB 75.															

**HENDRY COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
 Fiscal Year Ended September 30, 2018

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**OPEB Actuarial Methods and Assumptions - Continued**

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Changes from Prior Valuation, Continued

Interest rate	The discount rate was updated from 4.00% under GASB 45 to 3.63% and 4.24% as of September 30, 2017 and September 30, 2018, respectively, in accordance with GASB 75.
Health Per Capita Costs	Health per capita costs were changed to the rates shown above based on updated premium information, aging factors and census data.
Mortality Table	The mortality table was updated from the following: Regular Class and Elected Officials: Female: RP-2000 Generational, 100% Annuitant White Collar, Scale BB; Male: RP-2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB; Special Risk Class: Female: RP-2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB to RP-2014 White Collar mortality table backed off to 2006 and projected generationally with Scale MP-2018 for the Special Risk Class.
Salary Increase	Salary increases rate was set at 3.00%
Withdrawal and Retirement	Withdrawal and retirement rates have been updated to those used in the July 1, 2018 FRS Pension Actuarial Valuation Report.

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**Health Care Development**

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General Description	Benefits provided are pre-65 retiree medical, prescription drug, dental and vision coverage to eligible retirees and their dependents.
Plan Options	Pre-65 retirees and their eligible dependents can elect one of the following four plans: Plan 3748, Plan 0727, Plan 03559 or Plan 05901. For the purposes of the valuation, age adjusted premiums are used as the basis for developing starting costs for retirees and their eligible spouses.
Information Provided for Study	Fully-insured premium rates for blended active/pre-65 population were provided.
Analysis of Data	Average ages and average costs were calculated for the groups. The average costs that were calculated reflect the expected cost for the average plan design within the group and also reflect the average age.
Determination of Starting Per Capita Medical Costs	<p>As represented to us, the same premium rates are charged to the active pre-65 retiree groups for the medical plan. As such, the premium rates are viewed as composite rates for the combined groups. According to GASB 75, when an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. The resulting "implicit rate subsidy", as defined in GASB 75, is the difference between the calculated claims cost and the cost upon which retiree contributions are determined (in this case, the premium rates). Retiree premiums were estimated for the pre-65 retiree group as if they were rated on a stand-alone basis. The premium rates being charged were adjusted to reflect a premium for a pre-65 retiree group only. The results were then disaggregated into age-specific starting costs based on age/age ages and assumptions on the relations of costs increasing age.</p> <p>Retirees pay 100% of the premium amount for dental and vision coverage. Since costs typically remain stable as a participant gets older, dental and vision coverage were not valued.</p>

**SUPPLEMENTARY  
REPORTS**

**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 Hendry 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, and the aggregate discretely presented component units and remaining fund information of Hendry County, Florida, (the "County") as of and for the fiscal 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 May 30, 2019.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's basic 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

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

A handwritten signature in blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive, flowing style.

Punta Gorda, Florida  
May 30, 2019

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# **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 the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General***

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

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

We have audited Hendry County, Florida's (the "County") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*; and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state financial assistance projects for the year ended September 30, 2018. The County's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state financial assistance projects.

***Auditor's Responsibility***

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

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



***Opinion of Each Major Federal Program and State Financial Assistance Project***

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

***Report on Internal Control over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and correct, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Punta Gorda, Florida  
May 30, 2019

**HENDRY COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended September 30, 2018

FEDERAL AGENCY <i>Pass-through entity</i> Federal Program - Project Name	Federal CFDA Number	Contract / Grant Number	Federal Expenditures	Transfers to Subrecipients
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Passed through the Federal Emergency Management Agency</i>				
Emergence Management Preparedness & Assistance (EMPG)	97.042	18-FG-7A-09-36-01-201	\$ 30,035	\$ -
Emergence Management Preparedness & Assistance (EMPG)	97.042	19-FG-AF-09-36-01-135	967	-
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>			<b>31,002</b>	<b>-</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed through State of Florida, Department of Revenue</i>				
Title IV Child Support Enforcement	93.563	COC26	21,245	-
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>21,245</b>	<b>-</b>
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>				
<i>Help America Vote Act Requirements Payments</i>				
Voting System Equipment	90.401	MOA#2015-2016-0003-HEN	20,343	-
Federal Election Administration Activities	90.401	MOA#2017-2018-0001-HEN	2,675	-
Elections Security	90.401	MOA#2018-2019-001-BH	5,003	-
<b>TOTAL U.S. ELECTION ASSISTANCE COMMISSION</b>			<b>28,021</b>	<b>-</b>
<b>DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed through State of Florida, Department of Transportation</i>				
Highway Planning and Construction Cluster -				
OLD CR78 Sidewalk Project	20.205	FM#435016-1-38-01	795	-
CR78 Sidewalk Project	20.205	FM#428105-1-5801	325,388	-
CR78 Sidewalk Project	20.205	FM#428105-1-6801	72,320	-
<b>TOTAL DEPARTMENT OF TRANSPORTATION - Highway Planning and Construction Cluster</b>			<b>398,503</b>	<b>-</b>
<b>FEDERAL AVIATION ADMINISTRATION</b>				
<i>Airport Improvement Program -</i>				
LaBelle Airport-Master Plan Update	20.106	FAA#03-12-0125-009-2016	168,959	-
Install Weather Reporting Equipment (AWOS III P/T)	20.106	FAA#03-12-0012-006-2017	161,512	-
Rehabilitate General Aviation Apron	20.106	FAA#3-12-0125-010-2018	86,268	-
<b>TOTAL FEDERAL AVIATION ADMINISTRATION</b>			<b>416,739</b>	<b>-</b>
<b>DEPARTMENT OF JUSTICE - BUREAU OF JUSTICE ASSISTANCE</b>				
<i>Passed through State of Florida Department of Law Enforcement</i>				
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-JAGC-HEND-2-F9-066	24,860	25,021
<i>Passed through State of Florida Attorney General</i>				
ARRA Recovery Act - Public Safety Partnership and Community Policing -				
COPS Hiring Recovery Program (CHRP)	16.710	2017UMWX0149	130,126	-
COPS Hiring Recovery Program (CHRP)	16.710	2015UMWX0024	70,827	-
			200,953	-
Bulletproof Vest Partnership Program	16.607	195829	8,386	-
			8,386	-
State Criminal Alien Assistance Program (SCAAP)	16.606	2015-AP-BX-0722	8,465	-
State Criminal Alien Assistance Program (SCAAP)	16.606	2016-AP-BX-0784 2	1,869	-
			10,334	-
Victims of Crime Act (VOCA) Grant	16.575	0-0012	37,743	-
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<b>282,276</b>	<b>25,021</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed through State of Florida Department of Community Affairs</i>				
Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitation - Section 8 Voucher Program				
	14.856	A3405	272,157	-
Community Development Block Grant (CDBG)	14.228	17DB-OL-09-36-01-H11	21,936	-
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>294,093</b>	<b>-</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 1,471,879</b>	<b>\$ 25,021</b>

The notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**HENDRY COUNTY, FLORIDA**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
For the Fiscal Year Ended September 30, 2018

STATE AGENCY State Project - Project Name	State CSFA Number	Grant / Contract Number	State Expenditures	Transfers to Subrecipients
<b>STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES</b>				
Wireless 911 Emergency Telephone System	72.001	17-11-11	\$ 74,000	\$ -
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES</b>			<b>74,000</b>	<b>-</b>
<b>STATE OF FLORIDA DEPARTMENT OF HEALTH</b>				
Emergency Medical Services (EMS) Matching Awards - Emergency Medical Grant	64.005	C5026	3,815	-
Emergency Medical Grant	64.005	C6026	9,516	-
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF HEALTH</b>			<b>13,331</b>	<b>-</b>
<b>STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION</b>				
Small County Road Assistance Program (SCRAP) - Francisco Street Project	55.016	FM435018-1-5801	374,078	-
W.C. Owen Ave Project	55.016	FM#436651-1-5402	5,840	-
Ft Denaud Rd from Ft Denaud Bridge to Huggets Rd	55.016	FM#436652-1-5402	28,706	-
Resurfacing CR835 (SCRAP)	55.016	FM#4385801-54-02	9,674	-
Forrey Drive (Cowboy Way to SR80)	55.016	FM#438570-1-5401	106,887	-
Lewis Blvd (Georgia Ave to US27)	55.016	FM#438571-1-5401	98,725	-
CR835 From 6.75 Miles of US27 to 6.75 Miles of US27 (SCRAP)	55.016	FM#438580-1-54-02	9,674	-
			<u>633,584</u>	<u>-</u>
Small County Outreach Program - W.C. Owen Ave Project (SCOP)	55.009	FM#436651-1-5401	76,382	-
Ft Denaud Rd from Ft Denaud Bridge to Huggets Rd (SCOP)	55.009	FM#436652-1-5401	115,113	-
CR835 From 6.75 Miles of US27 to 5.75 Miles of US27 (SCOP)	55.009	FM4385801-54-01	17,198	-
Resurfacing CR 835 (SCOP)	55.009	FM#438580-1-54-01	17,198	-
			<u>225,891</u>	<u>-</u>
County Incentive Grant Program - Helms Road Extension Construction From SR29 to SR80	55.008	FM#419948-3-5801	2,294,475	-
Aviation Development Grants - Traffic Signal Maintenance and Compensation Agreement	55.004	FM#412670-01-8801	8,853	-
Aviation Development	55.004	FMS441509-1-94-01	2,377	-
Rodeo Drive at LaBelle Airport	55.004	FM431876-1-9401	54,707	-
LaBelle Airport Rehab Airfield Markings	55.004	FM441247-1-94-01	71,165	-
LaBelle Airport Reconstruct Lights & Modify Funway & Payment	55.004	FM441248-1-94-01	115,030	-
LaBelle Airport Master Plan	55.004	FM439855-1-9401	18,773	-
LaBelle Airport Rehab Aircraft Apron & Modify Airfield Lighting	55.004	FM#443418-1-9401	9,585	-
Airglades Airport - AWOS	55.004	FM#441201-1-9401	17,947	-
General Aviation Terminal Building-LaBelle Airport	55.004	FM#429210-1-9401	2,517,241	-
			<u>2,815,678</u>	<u>-</u>
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION</b>			<b>5,969,628</b>	<b>-</b>
<b>STATE OF FLORIDA DEPARTMENT OF EDUCATION EDUCATION AND COMMISSIONER OF EDUCATION</b>				
Coach Aaron Feis Guardian Program -	48.140	90210	36,739	-
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF EDUCATION</b>			<b>36,739</b>	<b>-</b>
<b>STATE OF FLORIDA DEPARTMENT OF STATE AND SECRETARY OF STATE</b>				
Acquisition, Restoration of Historic Properties - Historic Preservation of Old County Courthouse	45.032	SC709	47,241	-
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF STATE</b>			<b>47,241</b>	<b>-</b>
<b>STATE OF FLORIDA DEPARTMENT OF FINANCIAL SERVICES</b>				
Volunteer Firefighter Grant Assistance Program	43.006	NONE	166,244	-
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF FINANCIAL SERVICES</b>			<b>166,244</b>	<b>-</b>

The notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**HENDRY COUNTY, FLORIDA**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE - (CONTINUED)**  
For the Fiscal Year Ended September 30, 2018

STATE AGENCY State Project - Project Name	State CSFA Number	Grant / Contract Number	State Expenditures	Transfers to Subrecipients
<b><u>STATE OF FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u></b>				
Hendry County, Dalla B Townsend AG Center	42.041	22943	1,497	-
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</b>			<b>1,497</b>	<b>-</b>
<b><u>STATE OF FLORIDA HOUSING FINANCE CORPORATION</u></b>				
State Housing Initiatives Partnership Program (SHIP)	40.901	NONE	179,315	-
Division of Community Development - Competitive Florida Partnership Grant	40.038	P0282	33,170	-
<b>TOTAL STATE OF FLORIDA HOUSING FINANCE CORPORATION</b>			<b>212,485</b>	<b>-</b>
<b><u>STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u></b>				
Statewide Surface Water Restoration and Wastewater Projects - DEP-Force Main from Airglades Airport to Clewiston	37.039	S0857	227,043	
DEP-Water Restoration Assistance	37.039	S0858	67,554	-
			294,597	-
Small County Solid Waste Grant	37.012	SC815	90,909	-
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			<b>385,506</b>	<b>-</b>
<b><u>STATE OF FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR</u></b>				
Emergency Management Programs - Emergency Management Preparedness & Assistance Base Grant	31.063	18-BG-W9-09-36-01-234	95,091	-
Emergency Management Preparedness & Assistance Base Grant	31.063	18-BG-21-096-36-01-018	23,938	-
<b>TOTAL STATE OF FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR</b>			<b>119,029</b>	<b>-</b>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b>\$ 7,025,700</b>	<b>\$ -</b>

The notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

# **HENDRY COUNTY, FLORIDA**

## **NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

**YEAR ENDED SEPTEMBER 30, 2018**

### **NOTE 1 – GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the federal and state activity of Hendry County, Florida (the “County”). The County reporting entity is defined in Note 1 to the County’s Basic Financial Statements for the fiscal year ended September 30, 2018. All federal financial assistance programs received directly from federal agencies, as well as federal financial assistance programs passed through other government agencies, are included in the schedule.

The Schedule is presented in accordance with Uniform Guidance.

### **NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to the County’s Basic Financial Statements for the fiscal year ended September 30, 2018.

The County has elected to not use the 10 percent de minimis indirect cost rate as covered in 2 CFR 200.414 (f) Indirect Costs.

### **NOTE 3 – CONTINGENCIES**

Grant monies received by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of September 30, 2018, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

### **NOTE 4 – MAJOR FEDERAL PROGRAM DETERMINATION**

Major federal program determination has been completed in accordance with the Uniform Guidance.

### **NOTE 5 – MAJOR STATE PROJECT DETERMINATION**

Major state program determination has been completed in accordance with the Florida Single Audit Act.

# HENDRY COUNTY, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COST - FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS YEAR ENDED SEPTEMBER 30, 2018

### Part I – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Significant deficiency(ies)?	___ Yes <u>X</u> None reported
Noncompliance material to financial statements noted?	___ Yes <u>X</u> No

#### Federal Awards and State Projects

Internal control over major programs:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Significant deficiency(ies) identified?	___ Yes <u>X</u> None reported
Type of auditor’s report issued on compliance for major federal programs and state projects:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes <u>X</u> No
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 for state projects?	___ Yes <u>X</u> No
Identification of major federal programs and state projects:	

#### Federal Programs:

	<u>CFDA No.</u>
DEPARTMENT OF TRANSPORTATION –	
Airport Improvement Program	20.106
Highway Planning and Construction Cluster	20.205

#### State Projects:

	<u>CSFA No.</u>
STATE OF FLORIDA DEPARTMENT OF FINANCIAL SERVICES–	
Volunteer Firefighter Grant Assistance Program	43.006
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION–	
Aviation Grant Programs	55.004
County Incentive Grant Program	55.008

**HENDRY COUNTY, FLORIDA**  
SCHEDULE OF FINDINGS AND QUESTIONED COST -  
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS  
(CONTINUED)

YEAR ENDED SEPTEMBER 30, 2018

**Part I – Summary of Auditor’s Results – (Continued)**

Dollar threshold used to determine Type A programs:

<b>Federal programs:</b>	
Uniform Guidance	\$ 750,000
<b>State projects</b>	\$ 300,000

Auditee qualified as low-risk auditee?  Yes  No

**Part II – Financial Statement Findings**

This section identifies significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**Part III – Federal Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

**Part IV – State Project Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

**HENDRY COUNTY, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN –  
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**Prior Year Audit Findings:**

**U.S. DEPARTMENT OF JUSTICE – CFDA 16.710 - Public Safety Partnership and Community Policing Grant**

**Statement of Condition 2017-01:** The Sheriff's finance department inadvertently miscalculated salary related expenses, which were reimbursed by the Department of Justice's Public Safety Partnership and Community Policing Grant.

**Corrective Action:** The Sheriff made changes to internal control policies to add additional oversight to the grants program.

**Corrective Action Plan:**

There were no audit findings in the current year independent auditor's reports that required corrective action.



## **Independent Auditor's Management Letter**

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

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

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

### **Auditor's Responsibility**

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

### **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 the 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 an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 30, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address the finding (2017-001) made in the preceding annual financial audit report.

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

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

### **Financial Condition and Management**

Section 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied 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 identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

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

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

### **Special District Component Units**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



Punta Gorda, Florida  
May 30, 2019

366 East Olympia Avenue  
Punta Gorda, Florida 33950  
Phone: 941.639.6600  
Fax: 941.639.6115

**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 Hendry County, Florida:

**Report on Compliance**

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

**Scope**

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

**Opinion**

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



Punta Gorda, Florida  
May 30, 2019



HENDRY COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT

September 30, 2018

FINANCIAL STATEMENTS,  
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR

**SECTION II**



## **Report of Independent Auditor**

To the Honorable Barbara S. Butler,  
Clerk of the Circuit Court  
Hendry County, Florida

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

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2018 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### ***Basis of Presentation***

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

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 15 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining financial statements listed in the Other Financial Information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



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

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

*Ashley, Brown & Co.*

Punta Gorda, Florida  
May 30, 2019

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# FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 Balance Sheet - Governmental Funds  
 September 30, 2018

	General Fund	Modernization Trust Fund	Total
<b>ASSETS</b>			
Cash	\$ 121,079	\$ 218,056	\$ 339,135
Accounts Receivable	3,779	-	3,779
Due from Other Funds	42,497	-	42,497
Due from Other Governments	105,769	-	105,769
Prepaid Expenses	-	22,960	22,960
	<u>273,124</u>	<u>241,016</u>	<u>514,140</u>
Total Assets	<u>\$ 273,124</u>	<u>\$ 241,016</u>	<u>\$ 514,140</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 27,070	\$ -	\$ 27,070
Accrued liabilities	24,159	-	24,159
Due to BOCC	166,220	-	166,220
Due to Other Governments	55,675	-	55,675
	<u>273,124</u>	<u>-</u>	<u>273,124</u>
Total Liabilities	<u>273,124</u>	<u>-</u>	<u>273,124</u>
 <b>Fund Balance</b>			
Restricted	-	241,016	241,016
	<u>-</u>	<u>241,016</u>	<u>241,016</u>
Total Liabilities and Fund Balance	<u>\$ 273,124</u>	<u>\$ 241,016</u>	<u>\$ 514,140</u>

*See accompanying notes.*

HENDRY COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Governmental Funds  
 For the Fiscal Year Ended September 30, 2018

	<u>General Fund</u>	<u>Modernization Trust Fund</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ 21,245	\$ 63,633	\$ 84,878
Charges for Services	1,041,192	-	1,041,192
Miscellaneous	13,108	-	13,108
Total Revenues	<u>1,075,545</u>	<u>63,633</u>	<u>1,139,178</u>
Expenditures			
General Government	1,057,656	86,985	1,144,641
Court Related	1,016,688	-	1,016,688
Total Expenditures	<u>2,074,344</u>	<u>86,985</u>	<u>2,161,329</u>
Excess of revenues over (under) expenditures	<u>(998,799)</u>	<u>(23,352)</u>	<u>(1,022,151)</u>
Other financing sources (uses)			
Operating transfers in	1,165,019	-	1,165,019
Operating transfers out	(166,220)	-	(166,220)
Total other financing sources (uses)	<u>998,799</u>	<u>-</u>	<u>998,799</u>
Excess of revenues and other sources sources over (under) expenditures and other sources	-	(23,352)	(23,352)
Fund Balance - October 1, 2017	<u>-</u>	<u>264,368</u>	<u>264,368</u>
Fund Balance - September 30, 2018	<u>\$ -</u>	<u>\$ 241,016</u>	<u>\$ 241,016</u>

*See accompanying notes.*

CLERK OF THE CIRCUIT COURT  
Statement of Fiduciary Assets and Liabilities- Agency Funds  
September 30, 2018

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 1,312,653
Accounts Receivable	40
Due from Other Governments	<u>3,690</u>
Total Assets	<u><u>\$ 1,316,383</u></u>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 78,072
Due to Other Funds	42,497
Due to Other Governments	1,182,867
Due to Individuals	<u>12,947</u>
Total Liabilities	<u><u>\$ 1,316,383</u></u>

*See accompanying notes.*

HENDRY COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Clerk, as an elected constitutional officer was established by the Constitution of the State of Florida, Article VIII, Section 1 (d). As such, the Clerk's special purpose financial statements are included in the government wide financial statements of Hendry County, the primary government. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established by Statement of Governmental Accounting Standards Board Number 14, "Financial Reporting Entity," there are no component units included in the Clerk's financial statements.

(a) Fund Accounting

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

**Governmental Funds**

General Fund

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk, which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners and the State of Florida, are shown as operating transfers out.

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Public Records Modernization Trust fund is used to account revenues generated from the additional service charge on most recorded instruments as defined in Sections 28.24 (12)(d) and 28.24 (12)(e)1, F.S. The funds shall be used exclusively to fund court-related technology needs of the Clerk as defined in Section 29.008(1)(f)2 and (h), F.S. The excess of such revenues over expenditures for the fiscal year are retained by the Clerk in the fund.

**Fiduciary Funds**

Agency Funds

The Agency Funds are used to account for assets held by public officials in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

HENDRY COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**Governmental Funds**

The General Fund and Special Revenue Funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. General operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Fiduciary Funds**

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Basis of Accounting**

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

The modified accrual basis of accounting is followed by all funds. The modification in such method from the accrual basis is that revenues are recorded when they become measurable and available to finance operations of the current year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include:

1. Principal and interest on general long-term debt, which is recognized when due; and
2. Expenditures are not divided between years by the recording of prepaid expenses.

**Budgetary Process**

Chapter 218, Florida Statutes, governs the preparation, adoption and administration process of the Clerk's annual budget. The Clerk's budget, however, is prepared in two parts. One portion relates to the State court system, including Recording, and is required to be filed with the State Court Administrator. The remaining portion relates to the requirements of the Clerk as ex officio to the Board, Clerk of the Board of County Commissioners, County Auditor and custodian, or treasurer, of all County funds. The budget for this portion is submitted to and approved by the Board of County Commissioners. However, the budget in total is required to be filed with the State Court Administrator.

The annual budget serves as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. All budgets are prepared on the modified accrual basis. The level of control for appropriations is exercised at the functional level.



HENDRY COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Encumbrances**

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

(c) Assets, Liabilities and Equity

**Capital Assets**

Acquisitions of tangible personal property are recorded as expenditures in the General Fund at the time of purchase. These assets are reported to the Hendry County, Florida, Board of County Commissioners and are recorded in the government wide financial statements.

**Compensated Absences**

The Clerk's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated annual and sick leave.

As of September 30, 2018, the Clerk had \$101,617 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Hendry County, Florida.

Statement of Governmental Accounting Standards Board No. 16, "Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the financial statements of Hendry County has been accrued in accordance with this criteria.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Clerk to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**Fund Balances**

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2018, the Clerk had \$241,016 in restricted fund balance in the Modernization Trust Fund.

HENDRY COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The excess of such revenues over expenditures for the fiscal year are retained by the Clerk in the fund to fund court-related technology needs of the Clerk, as defined in Section 29.008(1)(f)2 and (h), F.S.

Committed fund balances are fund balances constrained for specific purposes imposed by the Clerk's formal action of highest level of decision making authority. As of September 30, 2018, the Clerk had no committed fund balances.

Assigned fund balances are fund balances are constrained by the Clerk's intent to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2018, the Clerk had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2018, the Clerk had no unassigned fund balances because all excess revenues within the general fund are required to be remitted to the Board.

**New Accounting Standards**

Beginning with fiscal year 2014, the Clerk implemented GASB No. 63: *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement requires a Statement of Fiduciary Net Position (rather than net assets) format which segregates deferred inflows and deferred outflows from assets and liabilities, respectively. Specific items required to be broken out as deferred inflows or deferred outflows are discussed in GASB Statements 53 and 60. These items are derivative instruments and service concession arrangements, respectively. None of these items affect the Clerk at this time. The other position of GASB Statement is nomenclature. Statement No. 64; *Derivative Instruments: Application of Hedge Accounting Termination Provisions* is not applicable to the Clerk.

**NOTE 2 - CASH AND CASH INVESTMENTS**

During the fiscal year, the Clerk maintained deposits in interest-bearing savings and checking accounts. At September 30, 2018, the bank balance of all accounts was \$1,747,128 and the book balance of deposits was \$1,651,253.

The Clerk had \$535 of cash on hand at September 30, 2018.

The deposits whose values exceeded the limits of federal depository insurance are entirely insured or collateralized pursuant to the Public Depository Security Act of the State of Florida, Chapter 280 of the Florida Statutes.

The Clerk held no investments during the fiscal year.

HENDRY COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
Notes to Financial Statements  
September 30, 2018

**NOTE 3 - RETIREMENT PLAN**

**Plan Description**

The Clerk of the Circuit Court's employees participate in the Florida Retirement System (FRS). As provided by Chapters 12I and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments (where applicable), and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested regular class members with less than 30 years of service may retire before age 62 and are entitled to a retirement benefit payable monthly also equal to 1.6% of their final average compensation for each year of credited service based on the five highest years of salary, with a 5% reduction for each year under age 62. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011, by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 22.71% and 24.06%; special risk 23.27% and 24.50%; special risk administration 34.63% and 34.98%; and DROP participants 13.26% and 14.03%. During the fiscal year ended September 30, 2018, the Clerk of the Circuit Court contributed to the plan an amount equal to 9.00% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month.

HENDRY COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 Notes to Financial Statements  
 September 30, 2018

**NOTE 3 - RETIREMENT PLAN - (Continued)**

The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution 0.06 percent of payroll by forfeited benefits of plan members.

The Clerk of the Circuit Court recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$97,467, \$20,140, and \$8,767 respectively, for the fiscal year ended September 30, 2018. The Clerk of the Circuit Court's payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$23,052, and \$5,461, respectively. The Clerk of the Circuit Court is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site [www.ams.mvflorida.com/retirement](http://www.ams.mvflorida.com/retirement).

**NOTE 4 - GENERAL LONG-TERM DEBT**

The following changes in general long-term debt occurred during the year ended September 30, 2018:

Long-term debt payable at October 1, 2017	\$ 105,925
Increase (decrease) in accrued compensated absences	<u>(4,308)</u>
Long-term debt payable at September 30, 2018	<u><u>\$ 101,617</u></u>

General long-term debt is comprised of the noncurrent portion of compensated absences. Employees of the Clerk are entitled to paid annual leave, based on length of service and job classification.

HENDRY COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
Notes to Financial Statements  
September 30, 2018

**NOTE 5 - INSURANCE**

The Clerk participates in the County-wide insurance program. The Hendry County, Florida, Board of County Commissioners is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, worker's compensation, health, and auto physical damage. The pool assesses each member its pro-rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers. The fund is fully funded annually. The premiums for this coverage are paid by the various Constitutional Officers and Board of County Commissioners on a per employee coverage basis.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2018, the Clerk was charged \$367,134.

**NOTE 6 - CONTINGENCIES**

The Clerk is involved from time to time in certain routine litigation, the substance of which as other liabilities for recoveries, would not materially affect the financial position of the Clerk.

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS**

The Clerk provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Clerk. The Clerk is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Clerk's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

HENDRY COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
GENERAL FUND

Schedule 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)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 21,245	\$ 21,245
Charges for Services	996,476	996,476	1,041,192	44,716
Miscellaneous	-	-	13,108	13,108
<b>Total Revenues</b>	<b>996,476</b>	<b>996,476</b>	<b>1,075,545</b>	<b>79,069</b>
<b>Expenditures</b>				
General Government				
Personal Services	895,000	895,000	823,959	71,041
Operating Expenses	270,000	270,000	233,697	36,303
Court Related				
Personal Services	903,727	903,727	950,123	(46,396)
Operating Expenses	92,749	92,749	66,565	26,184
<b>Total Expenditures</b>	<b>2,161,476</b>	<b>2,161,476</b>	<b>2,074,344</b>	<b>87,132</b>
Excess of expenditures over revenues	(1,165,000)	(1,165,000)	(998,799)	166,201
<b>Other financing sources (uses)</b>				
Operating transfers in	1,165,000	1,165,000	1,165,019	19
Operating transfers out	-	-	(166,220)	(166,220)
<b>Total other financing sources (uses)</b>	<b>1,165,000</b>	<b>1,165,000</b>	<b>998,799</b>	<b>(166,201)</b>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund Balance - October 1, 2017	-	-	-	-
Fund Balance - September 30, 2018	\$ -	\$ -	\$ -	\$ -

**OTHER FINANCIAL  
INFORMATION**



HENDRY COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 Combining Statement of Fiduciary Assets and Liabilities- Agency Funds  
 September 30, 2018

	<u>Operating Trust</u>	<u>Registry</u>	<u>Fines and Forfeitures</u>	<u>Christmas Club</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 576,075	\$ 210,952	\$ 512,679	\$ 12,947	\$ 1,312,653
Accounts Receivable	40	-	-	-	40
Due from Other Governments	3,690	-	-	-	3,690
<b>Total Assets</b>	<b><u>\$ 579,805</u></b>	<b><u>\$ 210,952</u></b>	<b><u>\$ 512,679</u></b>	<b><u>\$ 12,947</u></b>	<b><u>\$ 1,316,383</u></b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 52,034	\$ 1,607	\$ 24,431	\$ -	\$ 78,072
Due to Other Funds	-	-	42,497	-	42,497
Due to Other Governments	527,771	209,345	445,751	-	1,182,867
Due to Individuals	-	-	-	12,947	12,947
<b>Total Liabilities</b>	<b><u>\$ 579,805</u></b>	<b><u>\$ 210,952</u></b>	<b><u>\$ 512,679</u></b>	<b><u>\$ 12,947</u></b>	<b><u>\$ 1,316,383</u></b>

HENDRY COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds  
 For the fiscal year ended September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<b>OPERATING TRUST</b>				
<b>ASSETS</b>				
Cash	\$ 487,093	\$ 5,629,706	\$ 5,540,724	\$ 576,075
Accounts Receivable	10	2,119	2,089	40
Due from Other Governments	4,680	3,690	4,680	3,690
<b>Total Assets</b>	<u>\$ 491,783</u>	<u>\$ 5,635,515</u>	<u>\$ 5,547,493</u>	<u>\$ 579,805</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 18,041	\$ 1,932,967	\$ 1,898,974	\$ 52,034
Due to Other Funds	-	-	-	-
Due to Other Governments	473,742	2,169,015	2,114,986	527,771
<b>Total Liabilities</b>	<u>\$ 491,783</u>	<u>\$ 4,101,982</u>	<u>\$ 4,013,960</u>	<u>\$ 579,805</u>
 <b>REGISTRY OF COURT</b>				
<b>ASSETS</b>				
Cash	\$ 205,609	\$ 643,497	\$ 638,154	\$ 210,952
<b>Total Assets</b>	<u>\$ 205,609</u>	<u>\$ 643,497</u>	<u>\$ 638,154</u>	<u>\$ 210,952</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 321,278	\$ 319,671	\$ 1,607
Due to Other Governments	205,609	327,350	323,614	209,345
<b>Total Liabilities</b>	<u>\$ 205,609</u>	<u>\$ 648,628</u>	<u>\$ 643,285</u>	<u>\$ 210,952</u>

**HENDRY COUNTY, FLORIDA**  
**CLERK OF THE CIRCUIT COURT**  
 Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds  
 (Continued)  
 For the fiscal year ended September 30, 2018

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2018</u>
<b>CHRISTMAS CLUB</b>				
<b>ASSETS</b>				
Cash	\$ 11,526	\$ 16,070	\$ 14,649	\$ 12,947
Total Assets	<u>\$ 11,526</u>	<u>\$ 16,070</u>	<u>\$ 14,649</u>	<u>\$ 12,947</u>
<b>LIABILITIES</b>				
Due to Individuals	\$ 11,526	\$ 16,070	\$ 14,649	\$ 12,947
Total Assets	<u>\$ 11,526</u>	<u>\$ 16,070</u>	<u>\$ 14,649</u>	<u>\$ 12,947</u>
 <b>FINES AND FORFEITURES</b>				
<b>ASSETS</b>				
Cash	\$ 416,709	\$ 1,800,941	\$ 1,704,971	\$ 512,679
Total Assets	<u>\$ 416,709</u>	<u>\$ 1,800,941</u>	<u>\$ 1,704,971</u>	<u>\$ 512,679</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 55,424	\$ 1,265,891	\$ 1,296,884	\$ 24,431
Due to Other Funds	31,718	593,451	582,672	42,497
Due to Other Governments	329,567	584,563	468,379	445,751
Total Liabilities	<u>\$ 416,709</u>	<u>\$ 2,443,905</u>	<u>\$ 2,347,935</u>	<u>\$ 512,679</u>

**HENDRY COUNTY, FLORIDA**  
**CLERK OF THE CIRCUIT COURT**  
 Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds  
 (Continued)  
 For the fiscal year ended September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 1,120,937	\$ 8,090,214	\$ 7,898,498	\$ 1,312,653
Accounts Receivable	10	2,119	2,089	40
Due from Other Governments	4,680	3,690	4,680	3,690
<b>Total Assets</b>	<b><u>\$ 1,125,627</u></b>	<b><u>\$ 8,096,023</u></b>	<b><u>\$ 7,905,267</u></b>	<b><u>\$ 1,316,383</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 73,465	\$ 3,520,136	\$ 3,515,529	\$ 78,072
Due to Other Funds	31,718	593,451	582,672	42,497
Due to Other Governments	1,008,918	3,080,928	2,906,979	1,182,867
Due to Individuals	11,526	16,070	14,649	12,947
<b>Total Liabilities</b>	<b><u>\$ 1,125,627</u></b>	<b><u>\$ 7,210,585</u></b>	<b><u>\$ 7,019,829</u></b>	<b><u>\$ 1,316,383</u></b>

**SUPPLEMENTARY  
REPORTS**

**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 Barbara S. Butler,  
Clerk of the Circuit Court  
Hendry County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Clerk of the Circuit Court, (the "Clerk") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated May 30, 2019, for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
May 30, 2019

## **Independent Auditor's Management Letter**

To the Honorable Barbara S. Butler,  
Clerk of the Circuit Court  
Hendry County, Florida

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

We have audited the financial statements of the Hendry County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 30, 2019.

### ***Auditor's Responsibility***

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

### ***Other Reporting Requirements***

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Report of Independent Accountant on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 30, 2019, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

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

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

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



***Financial Management***

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

***Additional Matters***

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

***Purpose of the Letter***

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

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
May 30, 2019

**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***

To the Honorable Barbara S. Butler,  
Clerk of the Circuit Court  
Hendry County, Florida

***Report on Compliance***

We have examined the Hendry County, Florida Clerk of the Circuit and County Courts' (the "Clerk's") compliance with the local government investment policy requirements of 218.415, *Florida Statutes*, Article V requirements of Sections 28.35 and 28.36, *Florida Statutes*, and depository requirements for alimony transactions, support, maintenance and support payments of Section 61.181, *Florida Statutes*, for the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

***Scope***

Our examination was conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

***Opinion***

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



Punta Gorda, Florida  
May 30, 2019

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER

September 30, 2018

FINANCIAL STATEMENTS,  
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR

**SECTION III**



## **Report of Independent Auditor**

To the Honorable Dena R. Pittman,  
Property Appraiser  
Hendry County, Florida

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

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

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

## ***Emphasis of Matter***

### ***Basis of Presentation***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each fund of Hendry County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 12 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2019, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters under the heading REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Punta Gorda, Florida  
May 30, 2019

*Ashley, Brown & Co.*

# FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Balance Sheet - Governmental Funds  
September 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	<u>\$ 282,858</u>	<u>\$ 160,112</u>	<u>\$ 442,970</u>
<b>Total Assets</b>	<u><u>\$ 282,858</u></u>	<u><u>\$ 160,112</u></u>	<u><u>\$ 442,970</u></u>
 <b>LIABILITIES AND FUND EQUITY</b>			
Liabilities			
Due to Board of County Commissioners	\$ 271,831	\$ -	\$ 271,831
Accrued Wages	<u>11,027</u>	<u>-</u>	<u>11,027</u>
<b>Total Liabilities</b>	<u>282,858</u>	<u>-</u>	<u>282,858</u>
Fund Equity			
Fund Balance Assigned	<u>-</u>	<u>160,112</u>	<u>160,112</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 282,858</u></u>	<u><u>\$ 160,112</u></u>	<u><u>\$ 442,970</u></u>



HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds  
For the Fiscal Year Ended September 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Charges for Services	\$ 1,377,181	\$ 124,485	\$ 1,501,666
Miscellaneous	1,804	1,241	3,045
<b>Total Revenues</b>	<u>1,378,985</u>	<u>125,726</u>	<u>1,504,711</u>
<b>Expenditures</b>			
General Government			
Personal Services	979,590	74,700	1,054,290
Operating Expenditures	106,172	37,800	143,972
Capital Outlay	21,392	-	21,392
<b>Total Expenditures</b>	<u>1,107,154</u>	<u>112,500</u>	<u>1,219,654</u>
<b>Excess of Revenues over Expenditures</b>	<u>271,831</u>	<u>13,226</u>	<u>285,057</u>
<b>Other financing (uses) sources</b>			
Operating transfers out	<u>(271,831)</u>	<u>-</u>	<u>(271,831)</u>
<b>Total other financing (uses) sources</b>	<u>(271,831)</u>	<u>-</u>	<u>(271,831)</u>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	-	13,226	13,226
<b>Fund balances - October 1, 2017</b>	<u>-</u>	<u>146,886</u>	<u>146,886</u>
<b>Fund balances - September 30, 2018</b>	<u>\$ -</u>	<u>\$ 160,112</u>	<u>\$ 160,112</u>

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Property Appraiser is an elected Constitutional Officer of Hendry County (County), a political subdivision of the State of Florida. The position of Property Appraiser was established by Article VIII, Section 1 (d) of the State of Florida Constitution.

Under Chapter 192, Florida Statutes, the Property Appraiser is charged with determining the just value of real and tangible personal property located within the County. The Property Appraiser functions as a Constitutional County Officer subject to the general oversight of the Florida Department of Revenue. The office receives compensation from several taxing authorities in the County, based on the budget approved by the Department of Revenue, as provided in Section 192.091, Florida Statutes.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Property Appraiser and its component units. Component units are entities for which the government is considered to be financially accountable. Financial accountability is determined on the basis of the Property Appraiser's ability to significantly influence operations, select the governing authority, and participate in fiscal management. Based on application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in these financial statements.

(a) Fund Accounting

The accounts of the Property Appraiser are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts which comprise its assets, liabilities, fund equities, revenues, and expenditures. The various funds are grouped by type in the financial statements. The Property Appraiser utilizes the following governmental funds:

**General Fund**

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

**Special Revenue Fund**

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

The modified accrual basis of accounting is followed by the General Fund and the Special Revenue Fund. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations which are recognized when paid.

**Budgetary Requirements**

Expenditures of the General Fund are controlled by appropriations in accordance with the budgetary requirements set forth in the Florida Statutes. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the State of Florida Department of Revenue.

The General Fund budget is prepared on the modified accrual basis of accounting.

The Property Appraiser follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before June 1 of each year the Property Appraiser shall, concurrently submit an annual budget to the Florida Department of Revenue and to the Board of County Commissioners. Budgetary control is established at the functional level.
2. On or before August 15 the Department shall make its final budget amendments or changes to the budget and shall provide notice thereof to the Property Appraiser and the Board of County Commissioners.
3. The budget for the General Fund is adopted on a basis consistent with generally accepted governmental accounting principles.

A budget was not adopted for the Special Revenue Fund, as it is not required.

**Encumbrances**

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Property Appraiser.

(c) Assets, Liabilities, and Equity

**Compensated Absences**

The Property Appraiser's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated leave.

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

(c) Assets, Liabilities, and Equity (Continued)

The liability shown in the County's financial statement has been accrued in accordance with this criteria. At September 30, 2018, the Property Appraiser had \$48,590 in long-term compensated absences payable.

"Statement of Government Accounting Standards Board Number 16, Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the County's basic financial statements has been accrued in accordance with this criteria.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Property Appraiser to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**Fund Balances**

Assigned: Assigned fund balances are constrained by the Property Appraiser's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned: Fund balance that has not been reported in any other classification.

When both assigned and unassigned resources are available for use, it is the Property Appraiser's policy to use assigned resources first, then unassigned resources as needed.

**NOTE 2 - CASH AND INVESTMENTS**

During the fiscal year, cash consisted of an interest-bearing bank account. The funds in the bank account were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer by financial institutions which comply with the requirements of Florida statutes and have been designated as qualified public depositories by the State Treasurer.

At September 30, 2018, the book balance of deposits was \$442,970 for the Property Appraiser and the bank balance was \$478,226.

Florida Statutes authorize the Property Appraiser to invest in the Local Government Surplus Funds Trust Fund administered by the State Treasurer; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest bearing time deposits or savings accounts in financial institutions located in Florida and organized under Federal or Florida laws.

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Notes to Financial Statements  
September 30, 2018

**NOTE 3 - AMOUNTS DUE TO FUNDING ENTITIES AND EXCESS FUNDS**

Substantial funding for the operations of the Property Appraiser is provided by the Hendry County Board of County Commissioners. The amount of such funding is estimated in the budgeting process and by Statute, any excess of revenues over expenditures which would otherwise exist is returned to the appropriate funding entity and is, therefore, reflected as a liability and an operating transfer out in the accompanying financial statements.

**NOTE 4 - GENERAL LONG-TERM DEBT**

**Changes in General Long-Term Debt**

Changes in the general long-term debt of the Property Appraiser for the year ended September 30, 2018, are summarized below:

	Compensated Absences
General long-term debt at 10/1/2017	\$ 80,484
Increase in accrued compensated absences	(31,894)
General long-term debt at 9/30/2018	\$ 48,590

**NOTE 5 - GENERAL FIXED ASSETS**

Tangible personal property used by the Property Appraiser in his operations is shown in the statement of net position of the Board of County Commissioners. In addition, office space used in the Property Appraiser's operations is provided at no cost by the Board of County Commissioners.

**NOTE 6 - RETIREMENT PLAN**

**Plan Description**

The Property Appraiser's employees participate in the Florida Retirement System (FRS). As provided by Chapters 12I and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments (where applicable), and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Notes to Financial Statements  
September 30, 2018

**NOTE 6 - RETIREMENT PLAN - (Continued)**

**Plan Description - (Continued)**

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested regular class members with less than 30 years of service may retire before age 62 and are entitled to a retirement benefit payable monthly also equal to 1.6% of their final average compensation for each year of credited service based on the five highest years of salary, with a 5% reduction for each year under age 62. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011, by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 22.71% and 24.06%; rehired regular service 5.16% and 5.16%; and DROP participants 13.26% and 14.03%. During the fiscal year ended September 30, 2018, the Property Appraiser contributed to the plan an amount equal to 8.11% of covered payroll.

**Funding Policy**

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Notes to Financial Statements  
September 30, 2018

**NOTE 6 - RETIREMENT PLAN - (Continued)**

**Funding Policy - (Continued)**

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll from by forfeited benefits of plan members.

The Property Appraiser recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$34,460, \$11,365 and \$55,536, respectively, for the fiscal year ended September 30, 2018. The Property Appraiser's payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$20,857, and \$3,763, respectively. The Property Appraiser is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68, effective October 1, 2014.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site [www.ams.mvflorida.com/retirement](http://www.ams.mvflorida.com/retirement).

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS**

The Property Appraiser provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Property Appraiser. The Property Appraiser is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Property Appraiser's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**NOTE 8 - CONTINGENCIES**

The Property Appraiser is involved from time to time in certain routine litigation, the substance of which as either liabilities or recoveries, would not materially affect the financial position of the Property Appraiser.

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
Notes to Financial Statements  
September 30, 2018

**NOTE 9 - RISK MANAGEMENT**

The Property Appraiser participates in the County-wide insurance program. The Hendry County, Florida, Board of County Commissioners is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, worker's compensation, health, and auto physical damage. The pool assesses each member its pro-rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers. The fund is fully funded annually. The premiums for this coverage are paid by the various Constitutional Officers and Board of County Commissioners on a per employee coverage basis.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2018, the Property Appraiser was charged \$223,500.

**NOTE 10 - SUBSEQUENT EVENTS**

On October 8, 2018, the Property Appraiser entered into an agreement with Pictometry International Corporation for the purchase, installation and training of the new appraising software. The Property Appraiser disbursed an initial payment of \$8,830 upon signing the agreement. The contract payments are as follows:

**Purchase Order 1 - Licensed Software, Implementation and Training**

Initial payment upon execution of signed agreement	October 2018	\$	8,830
First payment	March 2019		26,490
Second payment	February 2020		35,321
Third payment	February 2021		35,321
	<b>Total Purchase Order 1</b>		<b>105,962</b>

**Purchase Order 2 - Maintenance**

Maintenance Payment 1	FY 2021		37,191
Maintenance Payment 2	FY 2022		37,191
Maintenance Payment 3	FY 2023		37,191
	<b>Total Purchase Order 2</b>		<b>111,573</b>

Total Commitment to Pictometry International Corporation		<b>\$</b>	<b>217,535</b>
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REQUIRED  
SUPPLEMENTARY  
INFORMATION

HENDRY COUNTY, FLORIDA  
PROPERTY APPRAISER  
GENERAL FUND  
Schedule 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				
Charges for Services	\$ 1,370,457	\$ 1,377,149	\$ 1,377,181	\$ 32
Miscellaneous	-	-	1,804	1,804
Total Revenues	<u>1,370,457</u>	<u>1,377,149</u>	<u>1,378,985</u>	<u>1,836</u>
Expenditures				
General Government				
Personal Services	1,081,761	1,124,884	979,590	145,294
Operating Expenditures	155,365	155,365	106,172	49,193
Capital Outlay	21,200	21,200	21,392	(192)
Non-Operating	112,131	75,700	-	75,700
Total Expenditures	<u>1,370,457</u>	<u>1,377,149</u>	<u>1,107,154</u>	<u>269,995</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>271,831</u>	<u>271,831</u>
Other financing sources (uses)				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(271,831)</u>	<u>(271,831)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(271,831)</u>	<u>(271,831)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - October 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SUPPLEMENTARY  
REPORTS**

**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 Dena R. Pittman,  
Property Appraiser  
Hendry 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 major fund and the aggregate remaining fund information of the Hendry County, Florida, Property Appraiser, (the "Property Appraiser") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated May 30, 2019.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 June exist that have not been identified.

## **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
May 30, 2019

## **Independent Auditor's Management Letter**

To the Honorable Dena R. Pittman,  
Property Appraiser  
Hendry County, Florida

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

We have audited the financial statements of the Hendry County, Florida, Property Appraiser, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 30, 2019.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Examination Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 30, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

## **Financial Management**

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

## **Additional Matters**

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

## **Purpose of the Letter**

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

A handwritten signature in blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive, flowing style.

Punta Gorda, Florida  
May 30, 2019

## **Report of Independent Accountant on Compliance With Local Government Investment Policies**

To the Honorable Dena R. Pittman,  
Property Appraiser  
Hendry County, Florida

### **Report on Compliance**

We have examined the Hendry County, Florida, Property Appraiser's (the "Property Appraiser") compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies, for the year ended September 30, 2018. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance.

### **Scope**

Our examination was conducted in accordance with AICPA Professional Standards, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

### **Opinion**

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



Punta Gorda, Florida  
May 30, 2019



HENDRY COUNTY, FLORIDA  
SHERIFF

September 30, 2018

FINANCIAL STATEMENTS,  
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR

**SECTION IV**



## **Report of Independent Auditor**

To the Honorable Steve Whidden,  
Sheriff  
Hendry County, Florida

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

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

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2018 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### ***Basis of Presentation***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each fund of Hendry County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## ***Other Matters***

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining financial statements listed in the Other Financial Information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
May 30, 2019

# FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA  
SHERIFF  
Balance Sheet - Governmental Funds  
September 30, 2018

	General	Commissary	Non-Major Governmental	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 489,645	\$ 514,840	\$ 45,259	\$ 1,049,744
Accounts Receivable	-	15,144	-	15,144
Due from other Governments	257,430	-	-	257,430
<b>Total Assets</b>	<b>\$ 747,075</b>	<b>\$ 529,984</b>	<b>\$ 45,259</b>	<b>\$ 1,322,318</b>
 <b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 136,002	\$ 16,573	\$ -	\$ 152,575
Accrued Liabilities	705,731	-	-	705,731
Unearned Revenue	18,997	-	-	18,997
Due to Board of County Commissioners	300,000	-	-	300,000
<b>Total Liabilities</b>	<b>1,160,730</b>	<b>16,573</b>	<b>-</b>	<b>1,177,303</b>
<b>Fund Equity</b>				
Fund Balance				
Assigned	(413,655)	-	45,259	(368,396)
Restricted	-	513,411	-	513,411
<b>Total Fund Equity</b>	<b>(413,655)</b>	<b>513,411</b>	<b>45,259</b>	<b>145,015</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 747,075</b>	<b>\$ 529,984</b>	<b>\$ 45,259</b>	<b>\$ 1,322,318</b>

See accompanying notes.

HENDRY COUNTY, FLORIDA  
SHERIFF  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds  
For the Fiscal Year Ended September 30, 2018

	General Fund	Commissary	Non-Major Governmental	Total Governmental Funds
<b>Revenues</b>				
Intergovernmental	\$ 381,474	\$ -	\$ -	\$ 381,474
Charges for Services	312,731	-	13,429	326,160
Fines and Forfeitures	-	-	3,169	3,169
Commission	-	235,845	-	235,845
Miscellaneous	271,925	830	26	272,781
<b>Total Revenues</b>	<b>966,130</b>	<b>236,675</b>	<b>16,624</b>	<b>1,219,429</b>
<b>Expenditures</b>				
<b>Law Enforcement</b>				
Personnel Services	7,805,700	-	-	7,805,700
Operating Expenditures	1,760,667	-	19,166	1,779,833
Capital Outlay	414,035	-	-	414,035
<b>Debt Service</b>				
Principal	334,695	-	-	334,695
Interest	34,007	-	-	34,007
<b>Corrections</b>				
Personnel Services	2,820,401	97,096	-	2,917,497
Operating Expenditures	883,692	27,638	-	911,330
Capital Outlay	6,737	16,354	-	23,091
<b>Judicial</b>				
Personnel Services	180,495	-	-	180,495
<b>Total Expenditures</b>	<b>14,240,429</b>	<b>141,088</b>	<b>19,166</b>	<b>14,400,683</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(13,274,299)</b>	<b>95,587</b>	<b>(2,542)</b>	<b>(13,181,254)</b>
<b>Other Financing Sources and (Uses)</b>				
Proceeds for financing capital leases	367,475	-	-	367,475
Proceeds from sale of capital assets	7,492	-	-	7,492
Operating Transfers in	12,815,051	-	-	12,815,051
Operating Transfers out	-	-	-	-
<b>Total other Financing Sources (Uses)</b>	<b>13,190,018</b>	<b>-</b>	<b>-</b>	<b>13,190,018</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(84,281)</b>	<b>95,587</b>	<b>(2,542)</b>	<b>8,764</b>
<b>Fund Balance - October 1, 2017</b>	<b>(329,374)</b>	<b>417,824</b>	<b>47,801</b>	<b>136,251</b>
<b>Fund Balance - September 30, 2018</b>	<b>\$ (413,655)</b>	<b>\$ 513,411</b>	<b>\$ 45,259</b>	<b>\$ 145,015</b>

See accompanying notes.



HENDRY COUNTY, FLORIDA  
SHERIFF  
Statement of Fiduciary Assets and Liabilities- Agency Funds  
September 30, 2018

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 126,908
Accounts Receivable	<u>7,067</u>
Total assets	<u><u>\$ 133,975</u></u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 5,946
Due to Other Funds	-
Due to Individuals	<u>128,029</u>
Total Liabilities	<u><u>\$ 133,975</u></u>

HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Sheriff is an elected constitutional officer of Hendry County, a political subdivision of the State of Florida. The position of Sheriff was established by Article VIII, Section 1(d) of the Constitution of the State of Florida.

The duties and responsibilities of the Sheriff are concerned with law enforcement, judicial process and corrections. The operations are financed by appropriations made by the Board of County Commissioners pursuant to the approved budget.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Sheriff and its component units. Component units are entities for which the government is considered to be financially accountable. Financial accountability is determined on the basis of the Sheriff's ability to significantly influence operations, select the governing authority and participate in fiscal management.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in these financial statements.

(a) Fund Accounting

The accounts of the Sheriff are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. The various funds are grouped by type in the financial statements. The Sheriff utilizes the following funds:

**Governmental Funds**

General Fund

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Sheriff which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

Special Revenue Funds

Special Revenue Funds are operating funds used to account for revenues (other than expendable trusts or capital projects), the use of which is restricted or designated. The Commissary Fund is used to account for the receipts and disbursements relating to the inmates of the Hendry County Jail. This fund is restricted to purchases of items for the benefit of the inmates.

**Fiduciary Funds**

Agency Funds

The Agency Funds are used to account for assets held by public officials in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**Governmental Funds**

The General Fund and Special Revenue Funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balance (net current assets) is considered a measure of available, spendable or appropriable resources. General operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Basis of Accounting**

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include:

1. Principal and interest on general long-term debt, which is recognized when due; and
2. Expenditures are not divided between years by the recording of prepaid expenses.

**Budgetary Process**

Chapter 30, of the Florida Statutes, governs the preparation, adoption and administration process of the District's annual budget. A budget is only required to be prepared for the General Fund. The budget and amendments, if any, for the General Fund are required to be submitted to and approved by the Board of County Commissioners. The budget is prepared on the modified accrual basis. The level of control for appropriations is exercised at the functional level.

As the Sheriff's Office does not have a legally adopted budget for the Commissary Special Revenue fund, a budgetary comparison for this fund is not presented.

**Encumbrances**

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Sheriff.

(c) Assets, Liabilities, and Equity

**Capital Assets**

Acquisitions of tangible personal property are recorded as expenditures at the time of purchase. These assets are reported to the Board of County Commissioners and are recorded in the County's basic financial statements.

HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Compensated Absences**

It is the Sheriff's policy to permit employees to accumulate a limited amount of earned, but unused, sick and annual leave, which will be paid upon separation of service. Vacation is accrued as a liability when benefits are earned by the employee. The Sheriff uses the vesting method to accrue sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

As of September 30, 2018, the Sheriff had long-term compensated absences payable of \$1,299,873. This amount is reported in the government-wide financial statements of Hendry County, Florida.

Statement of Governmental Accounting Standards Board No. 16, "Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the financial statements of Hendry County has been accrued in accordance with this criteria.

**Fund Balances**

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2018, the Sheriff had \$513,411 in restricted fund balance in the Commissary Special Revenue. This amount is restricted to purchases of items for the benefit of the inmates at Hendry County Jail.

Committed fund balances are fund balances constrained for specific purposes imposed by the Sheriff's formal action of highest level of decision making authority. As of September 30, 2018, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2018, the Sheriff had no unassigned fund balances because all excess revenues within the general fund are required to be remitted to the Board and there were no negative residual balances in the special revenue fund.

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

HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Sheriff to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CASH AND INVESTMENTS**

**Cash**

At September, 30 2018, the carrying amount of the Sheriff's deposits was \$1,166,550 and the bank balance was \$1,300,309. The Sheriff held petty cash on hand as of September 30, 2018 in the amount of \$10,102. These deposits were entirely covered during the year and at year-end by federal depository insurance or by collateral pursuant to the Public Depository Act of the State of Florida (Florida Statute Chapter 280). All Sheriff depositories are banks designated as qualified depositories by the State Treasurer.

**Investments**

Florida Statutes authorize the Sheriff to invest in the Local Government Surplus Funds Trust Fund administered by the State Treasurer; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under Federal or Florida laws; securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Act of 1940 provided the portfolio is limited to United States Government obligations. The Sheriff did not have any investments during the year or at year end.

**NOTE 3 - GENERAL FIXED ASSETS**

Changes in general fixed assets are as follows:

	Beginning Balance <u>10/1/2017</u>	Increases	Decreases	Ending Balance <u>9/30/2018</u>
Equipment	\$ 5,981,277	\$ 386,980	\$ (2,406,826)	\$ 3,961,431
Less: Accumulated Depreciation	<u>(4,771,523)</u>	<u>(441,813)</u>	<u>2,085,129</u>	<u>(3,128,207)</u>
Total Equipment being depreciated, net	<u>\$ 1,209,754</u>	<u>\$ (54,833)</u>	<u>\$ (321,697)</u>	<u>\$ 833,224</u>

**NOTE 4 - COMMITMENTS AND CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 4 - COMMITMENTS AND CONTINGENCIES - (Continued)**

The Sheriff, in accordance with the normal conduct of its affairs, is involved in various judgments, claims and litigations. It is expected that the final settlement of these matters will not materially affect the financial statements of the Sheriff.

**Operating Leases**

On July 18, 2018, the Sheriff entered into a leasing agreement for twenty-one vehicles in the amount of \$466,405 for a twelve month term. The final payment is due on June 18, 2019. At the end of the term, or sooner if the lessor requests the vehicles back, the Sheriff returns the vehicles and receives a credit for future operating leases based on the gain of the sales price over the RBV. The balance at September 30, 2018 was

\$ 457,642

**NOTE 5- LONG-TERM LIABILITIES**

Long-term liabilities are comprised of the following as of September 30, 2018:

**Capital Leases**

On January 7, 2015 the Sheriff entered into a leasing agreement for one 2015 Ford Interceptor SUV for \$51,293 bearing interest at a rate of 6.50%, requiring quarterly payments of \$3,666. Final payment due January 7, 2019.

\$ 7,158

On January 23, 2015 the Sheriff entered into a leasing agreement for van for the jail for \$36,649 bearing interest at a rate of 6.50%, requiring quarterly payments of \$2,620. Final payment due January 23, 2019.

5,114

On January 7, 2015 the Sheriff entered into a leasing agreement for eight police interceptor sedans for \$324,959 bearing interest at a rate of 6.50%, requiring quarterly payments of \$23,228. Final payment due January 7, 2019.

40,269

On May 20, 2016 the Sheriff entered into a leasing agreement for nine police interceptor sedans for \$405,912 bearing interest at a rate of 13.30%, requiring quarterly payments of \$27,061. Final payment due June 1, 2020.

130,047

On August 4, 2017 the Sheriff entered into a leasing agreement for six Chevrolet SUV for \$367,475 bearing interest at a rate of 3.52%, requiring quarterly payments of \$24,721. Final payment due August 4, 2021.

280,373

**Total Capital Leases**

462,961

**Compensated Absences**

Employees of the Sheriff's Office are entitled to paid sick time, personal and comp time based on length of service and job classification.

1,299,873

**TOTAL LONG-TERM LIABILITIES**

\$ 1,762,834

HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 5- LONG-TERM LIABILITIES - (Continued)**

The annual debt service requirements at September 30, 2018, were as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 238,291	\$ 22,058	\$ 260,349
2020	127,922	10,051	137,973
2021	96,748	2,136	98,884
Total Capital leases	462,961	<u>\$ 34,245</u>	<u>\$ 497,206</u>
Compensated Absences	<u>1,299,873</u>		
<b>TOTAL LONG-TERM LIABILITIES</b>	<b><u>\$ 1,762,834</u></b>		

Changes in long-term liabilities for the year ended September 30, 2018, was as follows:

	<u>Beginning Balance 10/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 9/30/2018</u>	<u>Due Within One Year</u>
Capital Leases	\$ 430,181	\$ 367,475	\$ (334,695)	\$ 462,961	\$ 238,291
Compensated absences	1,126,715	173,158	-	1,299,873	-
	<u>\$ 1,556,896</u>	<u>\$ 540,633</u>	<u>\$ (334,695)</u>	<u>\$ 1,762,834</u>	<u>\$ 238,291</u>

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HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 6 - RETIREMENT PLAN**

**Plan Description**

The Sheriff's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Service, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested regular class members with less than 30 years of service may retire before age 62 and are entitled to a retirement benefit payable monthly also equal to 1.6% of their final average compensation for each year of credited service based on the five highest years of salary, with a 5% reduction for each year under age 62. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 24.06% and 22.71%; special risk 23.27% and 24.50%; special risk administration 34.63% and 34.98%; rehired regular class 5.16% and 5.16%; and DROP participants 13.26% and 14.03%. During the fiscal year ended September 30, 2018, the Sheriff contributed to the plan an amount equal to 17.70% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.



HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 6 - RETIREMENT PLAN - (Continued)**

For those members who elect participation in the Investment plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected the State Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved instrument choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll by forfeited benefits of plan members.

The Sheriff recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan, and the defined contribution plan, amounting to \$908,369, \$117,136, and \$372,192, respectively, for the fiscal year ended September 30, 2018. The Sheriff's payments after June 30, 2018, the measurement date used to determine net pension liability associated with the Pension Plan and the HIS Plan, amounted to \$258,040 and \$26,298, respectively. The Sheriff is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB No. 68, *Accounting and Financial Reporting for Pensions*- an amendment of GASB No. 27, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB No. 68, effective October 1, 2014.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: [www.dms.myflorida.com/retirement](http://www.dms.myflorida.com/retirement)

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS**

The Sheriff provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Sheriff. The Sheriff is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Sheriff's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

HENDRY COUNTY, FLORIDA  
SHERIFF  
Notes to Financial Statements  
September 30, 2018

**NOTE 8 - RELATED PARTY TRANSACTIONS**

The Sheriff is a constitutional county officer whose appropriations are approved by the Board of County Commissioners. The Board has agreed to provide certain operating expenditures for the Sheriff. The Board paid all property and casualty insurance and workers' compensation premiums for the Sheriff.

**NOTE 9 - RISK MANAGEMENT**

The Sheriff is exposed to various risk of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff is a member of a public entity risk pool which is a cooperative group of governmental entities joining together to finance an exposure, liability, or risk.

The pool provides coverage for, liability, public officials liability automobile physical damage, general liability, and automobile liability. The costs of the property and casualty insurance and workers' compensation are accounted for in the General Fund of the Board of County Commissioners.

**NOTE 10 - DEFICIT FUND BALANCE**

At September 30, 2018, the general fund reported a deficit in fund balance of \$413,655. The deficit fund balance is attributed to unanticipated staff costs related to Hurricane Irma. The Sheriff has applied for FEMA reimbursement in the amount of \$393,936 and will seek to underspend the 2018-19 fiscal year budget in order to make up for the shortfall.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

HENDRY COUNTY, FLORIDA  
SHERIFF  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General Fund, **Non-GAAP Basis**  
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 381,474	\$ 381,474	\$ -
Charges for Services	-	312,731	312,731	-
Miscellaneous	-	271,925	271,925	-
Total Revenues	<u>-</u>	<u>966,130</u>	<u>966,130</u>	<u>-</u>
Expenditures				
Law Enforcement				
Personnel Services	7,466,945	8,196,794	7,805,700	391,094
Operating Expenditures	1,221,215	1,454,653	1,760,667	(306,014)
Capital Outlay	262,085	262,085	46,560	215,525
Debt Service	85,000	85,000	368,702	(283,702)
Contingency	30,000	30,000	-	30,000
Total Law Enforcement	<u>9,065,245</u>	<u>10,028,532</u>	<u>9,981,629</u>	<u>46,903</u>
Corrections				
Personnel Services	2,629,953	2,640,288	2,820,401	(180,113)
Operating Expenditures	798,200	798,200	883,692	(85,492)
Capital Outlay	28,500	28,500	6,737	21,763
Contingency	20,000	20,000	-	20,000
Total Corrections	<u>3,476,653</u>	<u>3,486,988</u>	<u>3,710,830</u>	<u>(223,842)</u>
Judicial				
Personal Services	<u>273,153</u>	<u>273,153</u>	<u>180,495</u>	<u>92,658</u>
Total Judicial	<u>273,153</u>	<u>273,153</u>	<u>180,495</u>	<u>92,658</u>
Total Expenditures	<u>12,815,051</u>	<u>13,788,673</u>	<u>13,872,954</u>	<u>(84,281)</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(12,815,051)</u>	<u>(12,822,543)</u>	<u>(12,906,824)</u>	<u>(84,281)</u>
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	-	7,492	7,492	-
Operating Transfers In	12,815,051	12,815,051	12,815,051	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>12,815,051</u>	<u>12,822,543</u>	<u>12,822,543</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	(84,281)	(84,281)
Fund Balance - October 1, 2017	<u>-</u>	<u>(300,000)</u>	<u>(329,374)</u>	<u>(29,374)</u>
Fund Balance - September 30, 2018	<u>\$ -</u>	<u>\$ (300,000)</u>	<u>\$ (413,655)</u>	<u>\$ (113,655)</u>

Note- The Sheriff did not include in the budget, amounts borrowed and expended for the capital lease of vehicles in the amount of \$367,475, as it was a non-cash transaction that did not require additional transfers in from the Hendry County Board of County Commissioners. The actual Law Enforcement capital outlay expense as indicated above in the amount of \$46,560 in addition to the \$367,475 non-budgeted amounts equals the total for Law Enforcement capital outlay of \$414,035 as indicated in the Statement of Revenues, Expenditures, Changes in Fund Balance on page 5.

OTHER  
FINANCIAL  
INFORMATION

HENDRY COUNTY, FLORIDA  
SHERIFF  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2018

	<u>Training</u>	<u>Equitable Sharing Program</u>	<u>Gun Range</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 1,172	\$ 2,724	\$ 41,363	\$ 45,259
Total assets	<u>\$ 1,172</u>	<u>\$ 2,724</u>	<u>\$ 41,363</u>	<u>\$ 45,259</u>
<b>FUND EQUITY</b>				
Fund Balances Assigned	<u>\$ 1,172</u>	<u>\$ 2,724</u>	<u>\$ 41,363</u>	<u>\$ 45,259</u>
Total Fund Equity	<u>\$ 1,172</u>	<u>\$ 2,724</u>	<u>\$ 41,363</u>	<u>\$ 45,259</u>

HENDRY COUNTY, FLORIDA  
SHERIFF

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year Ended September 30, 2018

	Training	Equitable Sharing Program	Gun Range	Total Non-Major Governmental Funds
Revenues				
Charges for Services	\$ -	\$ -	\$ 13,429	\$ 13,429
Collections	3,169	-	-	3,169
Miscellaneous	3	1	22	26
Total Revenues	<u>3,172</u>	<u>1</u>	<u>13,451</u>	<u>16,624</u>
Expenditures				
Operating Expenses	<u>7,000</u>	<u>-</u>	<u>12,166</u>	<u>19,166</u>
Total Expenditures	<u>7,000</u>	<u>-</u>	<u>12,166</u>	<u>19,166</u>
Excess of Revenues Over (Under) Expenditures	(3,828)	1	1,285	(2,542)
Fund Balances - October 1, 2017	<u>5,000</u>	<u>2,723</u>	<u>40,078</u>	<u>47,801</u>
Fund Balances - September 30, 2018	<u>\$ 1,172</u>	<u>\$ 2,724</u>	<u>\$ 41,363</u>	<u>\$ 45,259</u>

HENDRY COUNTY, FLORIDA  
SHERIFF  
Combining Statement of Fiduciary Assets and Liabilities- Agency Funds  
September 30, 2018

	<u>Mounted Patrol</u>	<u>Impound Fees</u>	<u>Special Fund</u>	<u>Relief Fund</u>	<u>Employee Fund</u>
<b>ASSETS</b>					
Cash	\$ 349	\$ 5,946	\$ 8,096	\$ 1,883	\$ 21,025
Accounts Receivable	-	-	-	-	-
Total Assets	<u>\$ 349</u>	<u>\$ 5,946</u>	<u>\$ 8,096</u>	<u>\$ 1,883</u>	<u>\$ 21,025</u>
<b>LIABILITIES</b>					
Due to Other Governments	\$ -	\$ 5,946	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Due to Individuals	349	-	8,096	1,883	21,025
Total Liabilities	<u>\$ 349</u>	<u>\$ 5,946</u>	<u>\$ 8,096</u>	<u>\$ 1,883</u>	<u>\$ 21,025</u>



<u>Suspense</u>	<u>Fine and Cost</u>	<u>Inmate Operating Account</u>	<u>D.A.R.E Program</u>	<u>Explorer Program</u>	<u>Auxiliary Fund</u>	<u>Total Fiduciary Fund</u>
\$ 35,696	\$ 50	\$ 27,690	\$ 11,297	\$ 6,586	\$ 8,290	\$ 126,908
-	-	7,067	-	-	-	7,067
<u>\$ 35,696</u>	<u>\$ 50</u>	<u>\$ 34,757</u>	<u>\$ 11,297</u>	<u>\$ 6,586</u>	<u>\$ 8,290</u>	<u>\$ 133,975</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,946
-	-	-	-	-	-	-
<u>35,696</u>	<u>50</u>	<u>34,757</u>	<u>11,297</u>	<u>6,586</u>	<u>8,290</u>	<u>128,029</u>
<u>\$ 35,696</u>	<u>\$ 50</u>	<u>\$ 34,757</u>	<u>\$ 11,297</u>	<u>\$ 6,586</u>	<u>\$ 8,290</u>	<u>\$ 133,975</u>

HENDRY COUNTY, FLORIDA  
SHERIFF

Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds  
For the Year Ended September 30, 2018

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
<b>Mounted Patrol</b>				
Assets				
Cash	\$ 349	\$ -	\$ -	\$ 349
Total assets	<u>\$ 349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349</u>
Liabilities				
Due to Individuals	\$ 349	\$ -	\$ -	\$ 349
Total Liabilities	<u>\$ 349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349</u>
<b>Impound Fees</b>				
Assets				
Cash	\$ 6,135	\$ 48,007	\$ 48,196	\$ 5,946
Total assets	<u>\$ 6,135</u>	<u>\$ 48,007</u>	<u>\$ 48,196</u>	<u>\$ 5,946</u>
Liabilities				
Due to Other Governments	\$ 6,135	\$ 48,007	\$ 48,196	\$ 5,946
Total Liabilities	<u>\$ 6,135</u>	<u>\$ 48,007</u>	<u>\$ 48,196</u>	<u>\$ 5,946</u>
<b>Special Fund</b>				
Assets				
Cash	\$ 5,366	\$ 8,050	\$ 5,320	\$ 8,096
Total assets	<u>\$ 5,366</u>	<u>\$ 8,050</u>	<u>\$ 5,320</u>	<u>\$ 8,096</u>
Liabilities				
Due to Individuals	\$ 5,366	\$ 8,050	\$ 5,320	\$ 8,096
Total Liabilities	<u>\$ 5,366</u>	<u>\$ 8,050</u>	<u>\$ 5,320</u>	<u>\$ 8,096</u>

HENDRY COUNTY, FLORIDA  
SHERIFF

Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds - (Continued)  
For the Year Ended September 30, 2018

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
<b><u>Relief Fund</u></b>				
Assets				
Cash	\$ 1,882	\$ 101	\$ 100	\$ 1,883
Total assets	<u>\$ 1,882</u>	<u>\$ 101</u>	<u>\$ 100</u>	<u>\$ 1,883</u>
Liabilities				
Due to Individuals	\$ 1,882	\$ 101	\$ 100	\$ 1,883
Total Liabilities	<u>\$ 1,882</u>	<u>\$ 101</u>	<u>\$ 100</u>	<u>\$ 1,883</u>
<b><u>Employee Flower Fund</u></b>				
Assets				
Cash	\$ 18,323	\$ 26,862	\$ 24,160	\$ 21,025
Total assets	<u>\$ 18,323</u>	<u>\$ 26,862</u>	<u>\$ 24,160</u>	<u>\$ 21,025</u>
Liabilities				
Due to Individuals	\$ 18,323	\$ 26,862	\$ 24,160	\$ 21,025
Total Liabilities	<u>\$ 18,323</u>	<u>\$ 26,862</u>	<u>\$ 24,160</u>	<u>\$ 21,025</u>
<b><u>Suspense</u></b>				
Assets				
Cash	\$ 48,681	\$ 111,513	\$ 124,498	\$ 35,696
Total assets	<u>\$ 48,681</u>	<u>\$ 111,513</u>	<u>\$ 124,498</u>	<u>\$ 35,696</u>
Liabilities				
Due to Individuals	\$ 48,681	\$ 111,513	\$ 124,498	\$ 35,696
Total Liabilities	<u>\$ 48,681</u>	<u>\$ 111,513</u>	<u>\$ 124,498</u>	<u>\$ 35,696</u>

HENDRY COUNTY, FLORIDA  
SHERIFF

Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds - (Continued)  
For the Year Ended September 30, 2018

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
<b><u>Fine and Cost</u></b>				
Assets				
Cash	\$ 50	\$ -	\$ -	\$ 50
Total assets	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
Liabilities				
Due to Individuals	\$ 50	\$ -	\$ -	\$ 50
Total Liabilities	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
<b><u>Inmate Operating</u></b>				
Assets				
Cash	\$ 63,897	\$ 415,126	\$ 451,333	\$ 27,690
Accounts Receivable	-	7,067	-	7,067
Total assets	<u>\$ 63,897</u>	<u>\$ 422,193</u>	<u>\$ 451,333</u>	<u>\$ 34,757</u>
Liabilities				
Due to Other Funds	\$ 36,262	\$ 95,163	\$ 131,425	\$ -
Due to Individuals	27,635	326,134	319,012	34,757
Total Liabilities	<u>\$ 63,897</u>	<u>\$ 421,297</u>	<u>\$ 450,437</u>	<u>\$ 34,757</u>
<b><u>D.A.R.E. Program</u></b>				
Assets				
Cash	\$ 19,683	\$ 14,851	\$ 23,237	\$ 11,297
Total assets	<u>\$ 19,683</u>	<u>\$ 14,851</u>	<u>\$ 23,237</u>	<u>\$ 11,297</u>
Liabilities				
Due to Individuals	\$ 19,683	\$ 14,851	\$ 23,237	\$ 11,297
Total Liabilities	<u>\$ 19,683</u>	<u>\$ 14,851</u>	<u>\$ 23,237</u>	<u>\$ 11,297</u>

HENDRY COUNTY, FLORIDA  
SHERIFF

Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds - (Continued)  
For the Year Ended September 30, 2018

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
<b><u>Explorer Program</u></b>				
Assets				
Cash	\$ 2,999	\$ 7,184	\$ 3,597	\$ 6,586
Total assets	<u>\$ 2,999</u>	<u>\$ 7,184</u>	<u>\$ 3,597</u>	<u>\$ 6,586</u>
Liabilities				
Due to Individuals	\$ 2,999	7,184	3,597	\$ 6,586
Total Liabilities	<u>\$ 2,999</u>	<u>\$ 7,184</u>	<u>\$ 3,597</u>	<u>\$ 6,586</u>
<b><u>Auxiliary Fund</u></b>				
Assets				
Cash	\$ 8,286	\$ 4	\$ -	\$ 8,290
Total assets	<u>\$ 8,286</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 8,290</u>
Liabilities				
Due to Individuals	\$ 8,286	\$ 4	\$ -	\$ 8,290
Total Liabilities	<u>\$ 8,286</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 8,290</u>
<b><u>Totals - Agency Funds</u></b>				
Assets				
Cash	\$ 175,651	\$ 631,698	\$ 680,441	\$ 126,908
Accounts Receivable	-	7,067	-	7,067
Total assets	<u>\$ 175,651</u>	<u>\$ 638,765</u>	<u>\$ 680,441</u>	<u>\$ 133,975</u>
Liabilities				
Due to Other Governments	\$ 6,135	\$ 48,007	\$ 48,196	\$ 5,946
Due to Other Funds	36,262	95,163	131,425	-
Due to Individuals	133,254	494,699	499,924	128,029
Total Liabilities	<u>\$ 175,651</u>	<u>\$ 637,869</u>	<u>\$ 679,545</u>	<u>\$ 133,975</u>

**SUPPLEMENTARY  
REPORTS**

**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 Steve Whidden,  
Sheriff  
Hendry County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Sheriff, (the "Sheriff") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated May 30, 2019, for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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.

This report is intended solely for the information and use of the Sheriff's management, the Hendry County, Florida, Board of County Commissioners and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
May 30, 2019



## **Independent Auditor's Management Letter**

To the Honorable Steve Whidden,  
Sheriff  
Hendry County, Florida

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

We have audited the financial statements of the Hendry County, Florida, Sheriff, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 30, 2019.

### **Auditor's Responsibility**

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

### **Other Reports and Schedule**

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Examination Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 30, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

## **Financial Management**

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

## **Additional Matters**

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

## **Purpose of the Letter**

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

A handwritten signature in blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive style.

Punta Gorda, Florida  
May 30, 2019

**Report of Independent Accountant on Compliance With  
Local Government Investment Policies**

To the Honorable Steve Whidden,  
Sheriff  
Hendry County, Florida

**Report on Compliance**

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

**Scope**

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

**Opinion**

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



Punta Gorda, Florida  
May 30, 2019

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HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS

September 30, 2018

FINANCIAL STATEMENTS,  
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR

**SECTION V**



## **Report of Independent Auditor**

To the Honorable Brenda K. Hoots,  
Supervisor of Elections  
Hendry County, Florida

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

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2018 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

*Basis of Presentation*

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each fund of Hendry County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 11 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Supervisor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor's internal control over financial reporting and compliance.



Punta Gorda, Florida  
May 30, 2019



# FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
Balance Sheet - Governmental Funds  
September 30, 2018

	Governmental Funds				
	General Fund	Federal Election Activities Fund	Cyber Security Fund	Albert Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 26,728	\$ 2,865	\$ 68,127	\$ 13,845	\$ 111,565
Total assets	\$ 26,728	\$ 2,865	\$ 68,127	\$ 13,845	\$ 111,565
 <b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities</b>					
Unearned Revenue	\$ -	\$ 2,865	\$ 68,127	\$ 13,845	\$ 84,837
Due to other constitutional officers	26,728	-	-	-	26,728
Total liabilities	26,728	2,865	68,127	13,845	111,565
<b>Fund equity</b>					
Fund balance	-	-	-	-	-
Total fund equity	-	-	-	-	-
Total liabilities and fund equity	\$ 26,728	\$ 2,865	\$ 68,127	\$ 13,845	\$ 111,565

HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds  
For the Fiscal Year Ended September 30, 2018

	General Fund	Federal Election Activities Fund	Cyber Security Fund	Albert Fund	Total Governmental Funds
Revenues					
Intergovernmental	\$ -	\$ 5,055	\$ 5,003	\$ -	\$ 10,058
Miscellaneous	7,979	-	-	-	7,979
Interest	262	-	-	-	262
Total revenues	<u>8,241</u>	<u>5,055</u>	<u>5,003</u>	<u>-</u>	<u>18,299</u>
Expenditures					
Governmental expenditures	<u>507,193</u>	<u>5,097</u>	<u>5,003</u>	<u>-</u>	<u>517,293</u>
Excess of revenues under expenditures	<u>(498,952)</u>	<u>(42)</u>	<u>-</u>	<u>-</u>	<u>(498,994)</u>
Other financing sources (uses)					
Operating transfers in	525,680	-	-	-	525,680
Operating transfers out	<u>(26,728)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,728)</u>
Total other financing sources (uses)	<u>498,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,952</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	(42)	-	-	(42)
Fund balance - October 1, 2017	<u>-</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>42</u>
Fund balance - September 30, 2018	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
Notes to Financial Statements  
September 30, 2018

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

The Supervisor of Elections is an elected Constitutional Officer of Hendry County ("County"), a political subdivision of the State of Florida. The position of Supervisor of Elections was established by Article VIII, Section 1 (d) of the State of Florida Constitution. The general powers and responsibilities of the Supervisor of Elections are specified in Chapters 97 through Florida Statutes. The Supervisor of Elections is charged with the conduct of elections within the County, except certain independent special district elections separately provided for by special acts. The operations are financed by appropriations made by the Board of County Commissioners pursuant to the approved budget.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Supervisor of Elections and its component units. Component units are entities for which the government is considered to be financially accountable. Financial accountability is determined on the basis of the Supervisor of Elections' ability to significantly influence operations, select the governing authority, and participate in fiscal management. Based on application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in these financial statements.

**Fund Accounting**

The accounts of the Supervisor of Elections are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts which comprise its assets, liabilities, fund equities, revenues, and expenditures.

**General Fund**

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Basis of Accounting**

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred, if measurable, except expenditures for debt service, and other long-term obligations which are recognized when paid.

HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
Notes to Financial Statements  
September 30, 2018

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Budgetary Requirements**

Expenditures of the General Fund are controlled by appropriations in accordance with the budgetary requirements set forth in the Florida Statutes. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board of County Commissioners.

1. On or before June 1 of each year the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year. Budgetary control is established at the fund level.
2. Public hearings are held by the Board to obtain taxpayer comments and possible adjustments by the Board.
3. The Board of County Commissioners may amend, modify, increase, or reduce any or all items of expenditures in the proposed budget submitted by the Supervisor of Elections by giving written notices of its actions, after approval of the budget.
4. Prior to October 1, the budget is legally enacted by the Board.

**Encumbrances**

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Supervisor of Elections.

**Compensated Absences**

It is the Supervisor of Election's policy to permit employees to accumulate a limited amount of earned, but unused, vacation and sick leave, which will be paid upon separation of service. Vacation is accrued as a liability when benefits are earned by the employee. The Supervisor of Elections uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation, as well as those expected to become eligible in the future. For the fiscal year ended September 30, 2018, the amount of accrued compensated absences was \$18,614.

"Statement of Government Accounting Standards Board Number 16, Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the Board's financial statement has been accrued in accordance with this criteria.

HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
Notes to Financial Statements  
September 30, 2018

**NOTE 2 - CASH AND INVESTMENTS**

During the fiscal year, cash consisted of interest-bearing bank accounts. The funds in the bank accounts were entirely covered by Federal Depository Insurance Corporation or by a collateral pool pledged to the State Treasurer by financial institutions which comply with the requirements of Florida statutes and have been designated as qualified public depositories by the State Treasurer.

Florida Statutes authorize the Supervisor of Elections to invest in the Local Government Surplus Funds Trust Fund administered by the State Treasurer; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest bearing time deposits or savings accounts in financial institutions located in Florida and organized under Federal or Florida laws.

At September, 30 2018, the carrying amount of the Supervisor of Elections' deposits was \$111,565 and the bank balance was \$123,076. These deposits were entirely covered during the year and year-end by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act of the State of Florida (Florida Statutes Chapter 280). The banks used by the Supervisor are banks designated as qualified depositories by the State Treasurer.

**NOTE 3 - AMOUNT TO BE REMITTED TO BOARD OF COUNTY COMMISSIONERS**

Funding for the operations of the Supervisor of Elections, accounted for in the General Fund, is provided by the Hendry County Board of County Commissioners. The amount of such funding is estimated in the budgeting process and by Statute, any excess of revenues and transfers over expenditures in the General Fund are returned to the Board of County Commissioners. Such excess, if any, is reflected as an operating transfer out in the accompanying financial statements.

**NOTE 4 - GENERAL FIXED ASSETS**

Tangible personal property used by the Supervisor of Elections is shown in the statement of net position of the Board of County Commissioners. In addition, office space used in the Supervisor of Elections' operations is provided at no cost by the Board of County Commissioners.

**NOTE 5 - RETIREMENT PLAN**

The Supervisor of Elections' employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Service, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
Notes to Financial Statements  
September 30, 2018

**NOTE 5 - RETIREMENT PLAN - (Continued)**

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested regular class members with less than 30 years of service may retire before age 62 and are entitled to a retirement benefit payable monthly also equal to 1.6% of their final average compensation for each year of credited service based on the five highest years of salary, with a 5% reduction for each year under age 62. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.71%; senior management 22.71% and 24.06%; and DROP participants 13.26% and 14.03%. During the fiscal year ended September 30, 2018, the Supervisor of Elections contributed to the plan an amount equal to 25.14% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
Notes to Financial Statements  
September 30, 2018

**NOTE 5 - RETIREMENT PLAN - (Continued)**

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll by forfeited benefits of plan members. The Supervisor of Elections does not participate in the Investment Plan.

The Supervisor of Elections recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan and the HIS Plan amounting to \$59,261, and \$3,689, respectively, for the fiscal year ended September 30, 2018. The Supervisor of Elections' payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$16,673 and \$1,106 respectively. The Supervisor of Elections is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68, effective October 1, 2014.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site [www.ams.mvflorida.com/retirement](http://www.ams.mvflorida.com/retirement).

**NOTE 6 - RISK MANAGEMENT**

The Supervisor participates in the County-wide insurance program. The Hendry County, Florida, Board of County Commissioners is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, worker's compensation, health, and auto physical damage. The pool assesses each member its pro-rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers. The fund is fully funded annually. The premiums for this coverage are paid by the various Constitutional Officers and Board of County Commissioners on a per employee coverage basis.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2018, the Supervisor was charged \$44,022.



HENDRY COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
Notes to Financial Statements  
September 30, 2018

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS**

The Supervisor provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Supervisor. The Supervisor is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Supervisor's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

HENDRY COUNTY, FLORIDA  
 SUPERVISOR OF ELECTIONS  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - General Fund  
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 7,979	\$ 7,979
Interest	-	-	262	262
Total revenues	-	-	8,241	8,241
Expenditures				
Governmental expenditures	525,680	525,680	507,193	18,487
Excess of revenues over (under) expenditures	(525,680)	(525,680)	(498,952)	26,728
Other financing sources (uses)				
Operating transfers in	525,680	525,680	525,680	-
Operating transfers out	-	-	(26,728)	(26,728)
Total other financing sources (uses)	525,680	525,680	498,952	(26,728)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balance - October 1, 2017	-	-	-	-
Fund balance - September 30, 2018	\$ -	\$ -	\$ -	\$ -

**SUPPLEMENTARY  
REPORTS**

**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 Brenda K. Hoots,  
Supervisor of Elections  
Hendry County, Florida

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

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive, flowing style.

Punta Gorda, Florida  
May 30, 2019

## Management Letter

Honorable Brenda K. Hoots,  
Supervisor of Elections  
Hendry County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Supervisor of Elections (the "Supervisor of Elections"), Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 30, 2019.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 30, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

## **Financial Management**

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

## **Additional Matters**

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

## **Purpose of the Letter**

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

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
May 30, 2019



## **Report of Independent Accountant on Compliance With Local Government Investment Policies**

To the Honorable Brenda K. Hoots,  
Supervisor of Elections  
Hendry County, Florida

### **Report on Compliance**

We have examined the Hendry County, Florida, Supervisor of Election's (the "Supervisor of Elections") compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies, for the year ended September 30, 2018. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

### **Scope**

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

### **Opinion**

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



Punta Gorda, Florida  
May 30, 2019

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**HENDRY COUNTY, FLORIDA  
TAX COLLECTOR**

September 30, 2018

**FINANCIAL STATEMENTS,  
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR**

**SECTION VI**



## Report of Independent Auditor

To the Honorable Patrick B. Langford,  
Tax Collector  
Hendry County, Florida

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2018 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### ***Basis of Presentation***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each fund of Hendry County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 13 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 Financial Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining financial statements listed in the Other Financial Information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
May 30, 2019

# FINANCIAL STATEMENTS



HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Balance Sheet - Governmental Funds  
September 30, 2018

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 371,115
Due from other funds	<u>39,578</u>
Total Assets	<u><u>\$ 410,693</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 25,604
Accrued expenses	37,456
Due to the BOCC	238,172
Due to other governments	<u>109,461</u>
Total Liabilities	<u><u>\$ 410,693</u></u>

*See accompanying note*

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR

Statement of Revenue, Expenditures, and Change in Fund Balance - Governmental Funds  
For the Fiscal Year Ended September 30, 2018

	<u>General Fund</u>
Revenue	
Charges for services	\$ 1,853,826
Miscellaneous	<u>811</u>
Total Revenue	<u>1,854,637</u>
Expenditures	
General Government	
Personal service	1,328,572
Operating expense	161,668
Capital outlay	<u>16,804</u>
Total Expenditures	<u>1,507,044</u>
Excess of revenues over expenditures	
Other financing sources (uses)	
Operating transfers out	<u>(347,593)</u>
Total other financing sources (uses)	<u>(347,593)</u>
Excess of revenue and other sources over (under) expenditures and other uses	-
Fund balance - October 1, 2017	<u>-</u>
Fund balance - September 30, 2018	<u><u>\$ -</u></u>

*See accompanying note*

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Statement of Fiduciary Assets and Liabilities - Agency Funds  
September 30, 2018

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 658,963
Due from other funds	<u>-</u>
Total Assets	<u><u>\$ 658,963</u></u>
<b>LIABILITIES</b>	
Due to Board of County Commissioners	\$ 31,251
Due to other funds	39,578
Due to individuals	97,377
Deposits	<u>490,757</u>
Total Liabilities	<u><u>\$ 658,963</u></u>

*See accompanying note*

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant accounting principles and policies:

**Reporting Entity**

The Tax Collector, as an elected constitutional officer was established by the Constitution of the State of Florida, Article VIII, Section 1 (d). As such, the Tax Collector's special purpose financial statements are included in the government wide financial statements of Hendry County, the primary government. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established by Statement of Governmental Accounting Standards Board Number 14, "Financial Reporting Entity", there are no component units included in the Tax Collector's financial statements.

**(a) Fund Accounting**

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

The following fund types are utilized by the Tax Collector:

**Governmental Funds**

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector, which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

**Fiduciary Funds**

The Agency Funds are used to account for assets held by public officials in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

**Measurement Focus**

The General Fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balance (net current assets) is considered a measure of available, spendable or appropriable resources. General operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Basis of Accounting**

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include:

1. Principal and interest on general long-term debt, which is recognized when due; and
2. Expenditures are not divided between years by the recording of prepaid expenses.

**Budgetary Process**

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Tax Collector's annual budget. A budget is only required to be prepared for the General Fund. The Tax Collector's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis of accounting. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

**Encumbrances**

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Tax Collector.

(c) Assets, Liabilities and Equity

**Capital Assets**

Acquisitions of tangible personal property are recorded as expenditures in the General Fund at the time of purchase. These assets are reported to the Hendry County, Florida, Board of County Commissioners and are recorded in the government-wide financial statements of the Board.

**Compensated Absences**

The Tax Collector's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated paid time off (PTO).

As of September 30, 2018, the Tax Collector had \$61,869 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Hendry County, Florida.

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Notes to Financial Statements  
September 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Compensated Absences - (Continued)**

Statement of Governmental Accounting Standards Board No. 16, "Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the financial statements of Hendry County has been accrued in accordance with this criteria.

**NOTE 2 - CASH AND INVESTMENTS**

During the fiscal year, the Tax Collector maintained deposits in interest-bearing savings and checking accounts. At September 30, 2018, the bank balance of all accounts was \$1,458,435, and the book balance of deposits was \$1,015,698.

The Tax Collector had \$6,230 of cash on hand at September 30, 2018.

The deposits whose values exceeded the limits of federal depository insurance are entirely insured or collateralized pursuant to the Public Depository Security Act of the State of Florida, Chapter 280 of the Florida Statutes.

The Tax Collector held no investments during the fiscal year.

**NOTE 3 - RETIREMENT PLAN**

**Plan Description**

The Tax Collector's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Service, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Notes to Financial Statements  
September 30, 2018

**NOTE 3 - RETIREMENT PLAN - (Continued)**

**Plan Description - (Continued)**

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested regular class members with less than 30 years of service may retire before age 62 and are entitled to a retirement benefit payable monthly also equal to 1.6% of their final average compensation for each year of credited service based on the five highest years of salary, with a 5% reduction for each year under age 62. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 22.71% and 24.06%; rehired regular service 5.16% and 5.16%; and DROP participants 13.26% and 14.03%. During the fiscal year ended September 30, 2018, the Tax Collector contributed to the plan an amount equal to 9.27% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Notes to Financial Statements  
September 30, 2018

**NOTE 3 - RETIREMENT PLAN - (Continued)**

**Funding Policy - (Continued)**

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

The Tax Collector recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$62,142, \$15,044, and \$13,905, respectively, for the fiscal year ended September 30, 2018. The Tax Collector's payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$14,241, and \$3,256, respectively. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective October 1, 2014.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site [www.ams.mvflorida.com/retirement](http://www.ams.mvflorida.com/retirement).

**NOTE 4 - GENERAL LONG-TERM DEBT**

The following changes in general long-term debt occurred during the year ended September 30, 2018:

Long-term debt payable at October 1, 2017	\$ 66,251
Increase (decrease) in accrued compensated absences	<u>(4,382)</u>
Long-term debt payable at September 30, 2018	<u><u>\$ 61,869</u></u>

General long-term debt is comprised of the following:

Noncurrent portion of compensated absences	
Employees of the Tax Collector are entitled to paid leave time based on length of service and job classification.	<u><u>\$ 61,869</u></u>



HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Notes to Financial Statements  
September 30, 2018

**NOTE 5 - CONTINGENCIES**

The Tax Collector is involved from time to time in certain routine litigation, the substance of which as other liabilities for recoveries, would not materially affect the financial position of the Tax Collector.

**NOTE 6 - RISK MANAGEMENT**

The Tax Collector participates in the County-wide insurance program. The Hendry County, Florida, Board of County Commissioners is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, worker's compensation, health, and auto physical damage. The pool assesses each member its pro-rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers. The fund is fully funded annually. The premiums for this coverage are paid by the various Constitutional Officers and Board of County Commissioners on a per employee coverage basis.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2018, the Tax Collector was charged \$279,848.

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS**

The Tax Collector provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Tax Collector. The Tax Collector is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Tax Collector's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
GENERAL FUND

Schedule of Revenues, Expenses 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)
<b>Revenues</b>				
Charges for Services	\$ 1,615,365	\$ 1,615,365	\$ 1,853,826	\$ 238,461
Miscellaneous	-	-	811	811
<b>Total Revenues</b>	<b>1,615,365</b>	<b>1,615,365</b>	<b>1,854,637</b>	<b>239,272</b>
<b>Expenditures</b>				
<b>General Government</b>				
Personal services	1,381,978	1,381,978	1,328,572	53,406
Operating expenses	233,387	216,583	161,668	54,915
Capital outlay	-	16,804	16,804	-
<b>Total Expenditures</b>	<b>1,615,365</b>	<b>1,615,365</b>	<b>1,507,044</b>	<b>108,321</b>
Excess of revenues over expenditures	-	-	347,593	347,593
<b>Other financing sources (uses)</b>				
Operating transfers out	-	-	(347,593)	(347,593)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(347,593)</b>	<b>(347,593)</b>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balance - October 1, 2017	-	-	-	-
Fund balance - September 30, 2018	\$ -	\$ -	\$ -	\$ -

OTHER  
FINANCIAL  
INFORMATION

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds  
September 30, 2018

	<u>Tax Collection and Redemption</u>	<u>Tag and Licenses</u>	<u>Waste Collection</u>	<u>Employee Concession</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	<u>\$ 589,411</u>	<u>\$ 35,291</u>	<u>\$ 33,612</u>	<u>\$ 468</u>	<u>\$ 658,782</u>
Total Assets	<u><u>\$ 589,411</u></u>	<u><u>\$ 35,291</u></u>	<u><u>\$ 33,612</u></u>	<u><u>\$ 468</u></u>	<u><u>\$ 658,782</u></u>
 <b>LIABILITIES</b>					
Due to Board of County Commissioners	\$ -	\$ -	\$ 31,251	\$ -	\$ 31,251
Due to other funds	1,745	35,291	2,361	-	39,397
Due to other governments	-	-	-	-	-
Due to individuals	96,909	-	-	468	97,377
Deposits	<u>490,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490,757</u>
Total Liabilities	<u><u>\$ 589,411</u></u>	<u><u>\$ 35,291</u></u>	<u><u>\$ 33,612</u></u>	<u><u>\$ 468</u></u>	<u><u>\$ 658,782</u></u>

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<b>TAX COLLECTION AND REDEMPTION</b>				
<b>ASSETS</b>				
Cash	\$ 1,335,448	\$ 70,177,894	\$ 70,923,931	\$ 589,411
Total Assets	<u>\$ 1,335,448</u>	<u>\$ 70,177,894</u>	<u>\$ 70,923,931</u>	<u>\$ 589,411</u>
<b>LIABILITIES</b>				
Due to Board of County Commissioners	\$ -	\$ -	\$ -	\$ -
Due to other funds	43,781	1,266,329	1,308,365	1,745
Due to other governments	351,496	51,449,990	51,801,486	-
Due to individuals	353,716	4,971,200	5,228,007	96,909
Deposits	586,455	1,498,635	1,594,333	490,757
Total Liabilities	<u>\$ 1,335,448</u>	<u>\$ 59,186,154</u>	<u>\$ 59,932,191</u>	<u>\$ 589,411</u>
<b>TAG AND LICENSES</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 6,892,126	\$ 6,856,654	\$ 35,472
Due from other funds	675	-	675	-
Total Assets	<u>\$ 675</u>	<u>\$ 6,892,126</u>	<u>\$ 6,857,329</u>	<u>\$ 35,472</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 485,789	\$ 450,317	\$ 35,472
Due to other governments	675	6,396,758	6,397,433	-
Due to individuals	-	9,579	9,579	-
Total Liabilities	<u>\$ -</u>	<u>\$ 6,892,126</u>	<u>\$ 6,857,329</u>	<u>\$ 35,472</u>

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - (Continued)  
September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<b>WASTE COLLECTION</b>				
<b>ASSETS</b>				
Cash	\$ 41,250	\$ 24,712	\$ 32,350	\$ 33,612
Total Assets	<u>\$ 41,250</u>	<u>\$ 24,712</u>	<u>\$ 32,350</u>	<u>\$ 33,612</u>
<b>LIABILITIES</b>				
Due to Board of County Commissioners	\$ 38,125	\$ 22,451	\$ 29,325	\$ 31,251
Due to other funds	3,125	2,361	3,125	2,361
Total Liabilities	<u>\$ 41,250</u>	<u>\$ 24,812</u>	<u>\$ 32,450</u>	<u>\$ 33,612</u>
<b>EMPLOYEE CONCESSION</b>				
<b>ASSETS</b>				
Cash	\$ 7,748	\$ 22,951	\$ 30,231	\$ 468
Total Assets	<u>\$ 7,748</u>	<u>\$ 22,951</u>	<u>\$ 30,231</u>	<u>\$ 468</u>
<b>LIABILITIES</b>				
Due to individuals	\$ 7,748	\$ 22,951	\$ 30,231	\$ 468
Total Liabilities	<u>\$ 7,748</u>	<u>\$ 22,951</u>	<u>\$ 30,231</u>	<u>\$ 468</u>

HENDRY COUNTY, FLORIDA  
TAX COLLECTOR  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - (Continued)  
September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 1,384,446	\$ 77,117,683	\$ 77,843,166	\$ 658,963
Due from other funds	675	-	675	-
Total Assets	<u>\$ 1,385,121</u>	<u>\$ 77,117,683</u>	<u>\$ 77,843,841</u>	<u>\$ 658,963</u>
<b>LIABILITIES</b>				
Due to Board of County Commissioners	\$ 38,125	\$ 22,451	\$ 29,325	\$ 31,251
Due to other funds	46,906	1,754,479	1,761,807	39,578
Due to other governments	352,171	57,846,748	58,198,919	-
Due to individuals	361,464	5,003,730	5,267,817	97,377
Deposits	586,455	1,498,635	1,594,333	490,757
Total Liabilities	<u>\$ 1,385,121</u>	<u>\$ 66,126,043</u>	<u>\$ 66,852,201</u>	<u>\$ 658,963</u>



**SUPPLEMENTARY  
REPORTS**

**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 Patrick B. Langford,  
Tax Collector  
Hendry 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 major fund and the aggregate remaining fund information of the Hendry County, Florida, Tax Collector, (the "Tax Collector") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated May 30, 2019, for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

A handwritten signature in blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive, flowing style.

Punta Gorda, Florida  
May 30, 2019

## **Independent Auditor's Management Letter**

To the Honorable Patrick B. Langford,  
Tax Collector  
Hendry County, Florida

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

We have audited the financial statements of the Hendry County, Florida, Tax Collector, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 30, 2019.

### **Auditor's Responsibility**

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

### **Other Reports and Schedule**

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Report of Independent Accountant on Compliance With Local Government Investment Policies, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 30, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

## **Financial Management**

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

## **Additional Matters**

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

## **Purpose of the Letter**

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

*Ashley, Brown & Co.*

Punta Gorda, Florida  
May 30, 2019

**Report of Independent Accountant on Compliance With  
Local Government Investment Policies**

To the Honorable Patrick B. Langford,  
Tax Collector  
Hendry County, Florida

**Report on Compliance**

We have examined the Hendry County, Florida, Tax Collector's (the "Tax Collector") compliance with the local government investment policy requirements of Section 218.415, *Florida Statutes*, during the year ended September 30, 2018. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

**Scope**

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

**Opinion**

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



Punta Gorda, Florida  
May 30, 2019