



# HIGHLANDS COUNTY, FL

Sebring • Lake Placid • Avon Park



Comprehensive Annual  
Financial Report  
Fiscal Year Ended  
September 30, 2019

Highlands County is located in the heart of Florida. With Tampa to the west, Orlando to the north, Miami to the south and the Treasure Coast to the east, Highlands County is right in the middle of it all. Whether revving your engines at Sebring International Raceway or enjoying a morning off at Highlands Hammock State Park, there is something for everyone. Various attractions including art museums, theaters, lakes, golf courses, and parks make Highlands County the perfect destination for any visitor. Its inland location in the beautiful Sunshine State is paired with excellent connectivity to Florida's metro markets and a robust regional workforce. When considering these many benefits, along with the picturesque hometowns of Sebring, Avon Park, and Lake Placid, it is evident that Highlands County is a great place to call home!



Thank you to the Highlands County Tourist Development Council, the Highlands County Office of Economic Development, and the Sebring International Raceway for providing the photos in this year's report.

**HIGHLANDS COUNTY, FLORIDA**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2019**

**PREPARED BY THE OFFICE OF ROBERT W. GERMAINE**  
**CLERK OF COURTS**

**SALLY B. HOOD**  
**DIRECTOR OF ACCOUNTING**

**HIGHLANDS COUNTY, FLORIDA  
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# HIGHLANDS COUNTY, FL

Sebring • Lake Placid • Avon Park



**INTRODUCTORY  
SECTION**

**HIGHLANDS COUNTY, FLORIDA  
PRINCIPAL OFFICIALS  
YEAR ENDED SEPTEMBER 30, 2019**

**BOARD OF COUNTY COMMISSIONERS**

James L. (Jim) Brooks  
Chairperson  
(District 1)

Don Elwell  
(District 2)

Arlene Tuck  
(District 4)

William Ron Handley  
(District 3)

R. Greg Harris  
(District 5)

**COUNTY ADMINISTRATOR**

Randy Vosburg

**CLERK OF COURTS  
and  
CHIEF FINANCIAL OFFICER**

Robert W. Germaine

**TAX COLLECTOR**

Eric T. Zwyer

**PROPERTY APPRAISER**

C. Raymond McIntyre

**SHERIFF**

Paul Blackman

**SUPERVISOR OF ELECTIONS**

Penny Ogg

**COUNTY ATTORNEY**

Joy Cook Carmichael

**SENIOR DIRECTOR  
BUSINESS SERVICES**

Jerome Kaszubowski

**DIRECTOR OF ACCOUNTING**

Sally B. Hood

**INDEPENDENT AUDITORS**

CliftonLarsonAllen LLP



**ROBERT W. GERMAINE**  
CLERK OF COURTS – HIGHLANDS COUNTY, FLORIDA  
OFFICE LOCATION: 430 SOUTH COMMERCE AVENUE  
THE COURTHOUSE

PLEASE REPLY TO:

CLERK OF CIRCUIT COURT  
CLERK OF COUNTY COURT  
COUNTY AUDITOR  
COUNTY RECORDER  
CLERK TO THE BOARD OF COUNTY COMMISSIONERS

590 SOUTH COMMERCE AVENUE  
SEBRING, FLORIDA 33870-3867  
PHONE (863) 402-6564  
SUNCOM 742-6564  
FAX (863) 402-6768

March 9, 2020

Honorable Members of the Board of County Commissioners,  
Constitutional Officers and Citizens of Highlands County, Florida:

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of Highlands County, Florida (County), for the fiscal year ended September 30, 2019.

This report was prepared in accordance with generally accepted accounting principles (GAAP) by the Clerk of Courts' Accounting Division. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of Courts as Chief Financial Officer of Highlands County.

We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain a thorough understanding of the County's financial affairs have been included.

### **REPORT FORMAT**

This report is intended to provide informative and relevant financial information for the citizens of the County, Board Members, investors, creditors and other concerned readers. This CAFR is a countywide report, which discloses the combined results of operations for the Board of County Commissioners, Clerk of Courts, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections. This report includes all funds and activities of governmental operations where the Board of County Commissioners is financially accountable, the exclusion of which would render the financial statements misleading or incomplete. The County provides a full range of services and this report includes all activities of the County.

The Highlands County District School Board, the Highlands County Hospital District, the South Florida Water Management District, and the Southwest Florida Water Management District have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

In accordance with GAAP, this CAFR includes a narrative introduction from management, in the form of Management's Discussion and Analysis (MD&A), which provides an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent

auditors. The remainder of this letter provides an overview of the local economy and a report on some of the County's current and future initiatives.

### **County Profile**

Highlands County is a non-charter county established under the Constitution and laws of the State of Florida. Established on April 23, 1921 from a segment of DeSoto County, Highlands County is Florida's 56<sup>th</sup> county. The County is located in the south-central part of Florida and is within close proximity to all major attractions and ports. Over 86% of the state's population is within a two-hour radius of the County. The County encompasses 1,029 square miles of the state's heartland that includes 78 square miles of water. The resident population served is estimated to be approximately 103,434, which includes the unincorporated County and three municipalities - the City of Avon Park, the City of Sebring and the Town of Lake Placid. According to the Florida Legislature's Office of Economic and Demographic Research, Highlands County is Florida's 36<sup>th</sup> most populous county.

The County operates under a commission form of government. The citizens of the County elect a five-member Board of County Commission to serve as the legislative body for the County. The County Commissioners appoint a County Administrator who is responsible for the operation of all County departments. The citizens of the County also elect a Clerk of Courts, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections.

The Board of County Commissioners, as the legislative body, budgets and provides the funding used by the County departments and the separate Constitutional Officers, with the exception of fees collected by the Clerk of Courts, Property Appraiser and Tax Collector. Under the direction of the Clerk of Courts, the Clerk's Business Services Department maintains the accounting system for the Board of County Commissioners' operations. The Clerk of Courts, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections each maintain a separate accounting system; however, the operations of each agency have been combined for presentation in this report.

### **Economic Condition**

Citrus, cattle and dairy operations provide the primary source of economic activity within the County. In 2018, Highlands County ranked second in the State in citrus production with 7.93 million boxes of fruit. The County is also ranked first in the State in the production of beef cows and second in beef cows and calves. According to the Florida Department of Agriculture, there are over 121,000 total cattle grazing annually on over 425,000 acres.

Tourism also plays a vital role in the local economy. With over 100 lakes, Highlands County is home to both recreational and tournament fishing, as well as recreational boating and skiing. The 12 Hours of Sebring endurance race, North America's longest running and most prestigious road race, provides a great opportunity for racing enthusiasts. The race, which is held annually in March at the Sebring International Raceway, celebrated 67 years of racing in 2019.

The local economy continued expanding in 2019. For the fifth consecutive year, overall property values improved, up 1.6 % for the year. Building permits issued totaled 6,820, a 0.40% decrease for the fiscal year. The decline in volume was primarily a result of building activity returning to normal after the prior years' Hurricane Irma-related increase. Foreclosure cases were 253, an increase of 15.0% from last fiscal year, however, a marked improvement from a high of 758 for the fiscal year ending in 2012. The unemployment rate in Highlands County was 4.3% at fiscal-year end, a slight increase of 0.1% from the prior year, but down from a high of 12.5% in 2010. It continues to lag the state average by 1.10%, and the national average by 0.8%. Sustained improvement in the local economy is expected throughout 2019 and 2020.

## Major Initiatives

During the 2018-2019 fiscal year, asset and infrastructure project expenditures were as follows:

<u>Description</u>	<u>Amount</u>
ADA Improvements to County Facilities	\$ 40,128
Children's Advocacy Center	1,286
Cisco Network Equipment	747,440
Clerk of Courts, Government Center Office Remodel	408,862
Courthouse Roof Replacement	361,719
Engineering Equipment	355,010
Extension Office Remodel	3,770
Erosion Control Watershed Project for Catfish Creek and Josephine Creek	5,184
Facilities Equipment	3,258
Generators	59,920
Government Center Fire Alarm System	22,085
HVAC Improvements, County Facilities	554,808
Improvements to Roads and Streets	4,583,252
Information Technology Equipment	3,614
Lake Grassy Recreation Building Repairs	36,326
Lake Placid Health Department Improvements	587,775
Max Long Playground System	80,000
New Animal Control Operation Building	20,000
Parks and Recreation Equipment	79,736
Public Safety Equipment	556,823
Pump Test Pit for Firetrucks	3,158
Road and Bridge Equipment	1,206,243
Sebring High School Tennis Courts, Restroom Facilities	23,877
Sheriff's Office, Detention Reconfiguration	69,146
Sheriff's Office, Parking Lot for State of Florida Probation & Parole Office	116,829
Spring Lake Improvement District, Dog Park	35,770
Vehicles	857,176
Weed Control Equipment	169,383
Total	\$ <u>10,992,578</u>

The major initiatives have been funded through a one-cent local option sales surtax for the purpose of financing, planning, and constructing infrastructure. The surtax was originally approved on August 22, 1989 for fifteen years (November 1, 1989 – October 31, 2004) and extended by the electorate of Highlands County on July 20, 1999 for an additional fifteen years (November 1, 2004 – October 31, 2019). On August 26, 2014 the voters of Highlands County approved the continuation of the surtax for an additional 15 years (January 1, 2019 – December 31, 2033).

### Major Accomplishments for 2018-2019

- **Highlands Park Estates Clubhouse Expansion Project** – This project was set up and funded in 2013 at the request of the residents of Highlands Park Estates. The Board of County Commissioners approved the Agreement Documents between Highlands County and Brian Sullivan Contractor, Inc. for the demolition of the existing building and construction of a new building in its place on May 15, 2018. A Notice to Proceed was issued on July 27, 2018. Construction was completed in February 2019.
- **Lake Blue Water Line** – In December 2015, a Subgrant Agreement between the Department of Economic Opportunity and Highlands County was approved for \$750,000 from the Small Cities Community Development Block Grant (CDBG) Program. The award was to fund replacement, upgrades, and repairs of water mains in the Lake Blue area. The project consisted of approximately 15,000 feet of water lines and was completed May 2019.

### Major Projects Scheduled for the Future

- **Sebring Parkway Phase III** – This project was constructed using County personnel and equipment. The construction started February 2018 and was substantially complete by December 7, 2019. The project has been modified to include all 4 travel lanes and 2 roundabouts. It was partially funded by the State of Florida Department of Transportation.
- **Sebring Parkway Phase IIA** – This project begins at Youth Care Lane and ends at Desoto Road encompassing the existing 2-lane roadway, currently known as S. Highlands Avenue. The project length is approximately 0.70 miles in length and involves the construction to replace the existing 2-lane roadway with a 4-lane divided roadway. The new roadway system will consist of four – 12’ wide travel lanes, curb and gutter drainage, and an 8’ concrete multi-use path. Other improvements such as traffic signal upgrades, access management, and pedestrian crosswalks are also included as part of the project. The current budget for Phase IIA is \$5,500,000, with FDOT’s participation being \$3,811,072. Construction is scheduled to begin by May 2020 and be completed within one year.
- **Sebring Parkway Phase IIB** – This project begins at the Desoto Road intersection and extends to US 27 and is approximately 0.474 miles in length. The existing 2-lane roadway is proposed to be replaced with a 4-lane divided roadway. North of Highlands Regional Medical Center, there is a proposed design of a roundabout to reduce traffic conflicts in the area. As part of the project, a stormwater pond is a necessity to reduce runoff from the additional impervious area. The current budget for Phase IIB is \$4,861,969, with FDOT’s participation being \$3,714,624. The project will be bid with Phase IIA, so the timelines are similar in nature.
- **Memorial Drive Multiuse Path** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Local Agency Program (LAP) grant to construct an 8-foot-wide multiuse path along the right-of-way of Memorial Drive from Pompano Drive to Sebring Parkway in Sebring, FL, for an approximate distance of 7,500 linear feet. The total grant amount is \$1,520,457. The intent is for the design, construction and CEI services to be done by outside forces. The estimated completion date is June 2022.
- **CR 721 Roadway Improvements** – In June 2018, Highlands County entered into a state-funded grant agreement with the State of Florida Department of Transportation (FDOT) for an FDOT Small County Road Assistance Program (SCRAP) grant in the amount of \$4,000,000 for design and construction of improvements to CR 721 from SR 70 to US 98. The work consists of resurfacing approximately 45,823

linear feet of roadway. Construction will be completed by the County Road and Bridge Department. Construction must be completed by March 2021.

- **CR 623 (Kenilworth Boulevard) Roadway Improvements** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Small County Road Assistance Program (SCRAP) grant in the amount of \$1,419,207 for roadway improvements on CR 623 (Kenilworth Boulevard). The improvements will include, but not be limited to, the milling and resurfacing of existing pavement from Haywood Taylor Boulevard to Mini Ranch Road for an approximate distance of 7,804 linear feet (1.478 miles). The project is expected to be completed by July 2023.
- **Interlake Boulevard Resurfacing** – Highlands County is assisting the Town of Lake Placid on an awarded FDOT Small County Outreach Program (SCOP) grant in the amount of \$655,000 for resurfacing of East Interlake Boulevard. The improvements will include, but not limited to, the milling and resurfacing of existing pavement from Devane Circle to US 27, approximately 0.637 miles. The project is expected to be completed by September 2020.
- **Animal Services Building Addition** – Highlands County has budgeted the amount of \$450,000 for the construction of an addition to the existing Highlands County Sheriff's Office Animal Services unit operations building. The project is expected to be completed by September 2022.
- **Traffic Operations Building** – Highlands County has budgeted the amount of \$760,000 for the construction of a building for the Traffic Operations Division. The project is expected to be completed by September 2022.
- **Heron Street Roadway Improvements** – Highlands County was awarded a FDOT Small County Outreach Program (SCOP) grant in the amount of \$1,001,791 for roadway improvements on Heron Street. The improvements will include, but not limited to, the milling and resurfacing of existing pavement from Hammock Road to Howey Road, approximately 1.000 mile. The project is expected to be completed by July 2023.
- **W. Stryker Road Roadway Improvements** – Highlands County was awarded a FDOT Small County Road Assistance Program (SCRAP) grant in the amount of \$1,941,246 for roadway improvements on West Stryker Road. The improvements will include, but not limited to, the milling and resurfacing of existing pavement from North Olivia Drive to US 27, approximately 1.999 miles. The project is expected to be completed by July 2023.
- **Thunderbird Road East/West Sidewalk Extension** – The projects consist of the construction of 4,700 lineal feet of a five (5) foot wide concrete sidewalk along the right-of-way of Thunderbird Road in Sebring including associated safety and drainage improvements. Highlands County was awarded a FDOT Local Agency Program (LAP) grant for construction costs in the amount of \$382,213 for the East Sidewalk Extension and \$118,104 for the West Sidewalk Extension. The projects have undergone extensive environmental delays due to the presence of sand skinks and gopher tortoises within the project limits. The County has addressed and mitigated for said impacts. Currently, the project's bid documents and complete plan sets have been submitted to FDOT for their review and approval. Completion of both projects is anticipated to be in August 2020.
- **Arbuckle Creek Road Turn Lane** – In February 2017, Highlands County was awarded an FDOT Small County Outreach Program (SCOP) grant in the amount of \$936,152 for intersection improvements at Arbuckle Creek Road and Landfill Access Road. The construction consists of the addition of an eastbound left turn lane and a westbound right turn lane from Arbuckle Creek Road to the northbound Landfill Access Road. Design, inspection and construction of pavement widening and

transition segments from the turn lanes back to the existing two-lane roadway, drainage improvements, and lighting are also included. Construction must be completed by July 2021.

### **Financial Information**

The County operates on a fiscal year of October 1<sup>st</sup> to September 30<sup>th</sup>. The fiscal year 2018-2019 budget was adopted with a millage rate of 8.55, a continued rate from the millage rate for fiscal year 2017-2018.

Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are legally adopted on an annual basis consistent with GAAP. The level of budgetary control exists with the Board of County Commissioners, and the Board follows the laws of Florida regarding the control, adoption, and amendment of the budget during each fiscal year. Open encumbrances in the General Fund are reported as assigned fund balance at year-end and reappropriated the following year. Unencumbered appropriations lapse at fiscal year-end.

The Clerk of Courts, through the Clerk's Business Services Division, and County Management are responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

**Independent Audit.** Section 218.39, Florida Statutes, requires that an annual financial audit of the accounts and records of the County be performed by an independent certified public accounting firm. This requirement has been accomplished for the fiscal year ended September 30, 2019 and the opinions of the independent auditors are included in the Financial Section of this report.

In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and *Rules of the Auditor General*, Chapter 10.550. The auditor's reports pertaining to the single audit are included in the Single Audit Section of this report.

**Single Audit.** The County is a recipient of federal and state financial assistance, making it mandatory that proper internal controls are in place to ensure that compliance with applicable laws and regulations related to those programs are achieved. This internal control structure is audited each year by our independent auditors.

**Awards.** The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Highlands County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. This was the 34<sup>th</sup> year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one (1) year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program requirements and will submit it to the GFOA to determine eligibility for another certificate for the fiscal year ending September 30, 2019.



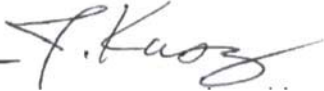
**Acknowledgments.** The preparation of the CAFR could not have been accomplished without the efforts and dedication of the entire staff of the Highlands County Clerk of Courts Business Services Division.

I, and my staff, would like to thank CliftonLarsonAllen LLP, the County Administrator and his staff, and the Board of County Commissioners for their help and support in the preparation of this report for the citizens of Highlands County.

Respectfully submitted,



Robert W. Germaine  
Clerk of Courts



Jerome Kaszubowski, CGCIO  
Sr. Director of Business Services



Sally B. Hood, CPA, CGFM  
Director of Accounting



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Highlands County  
Florida**

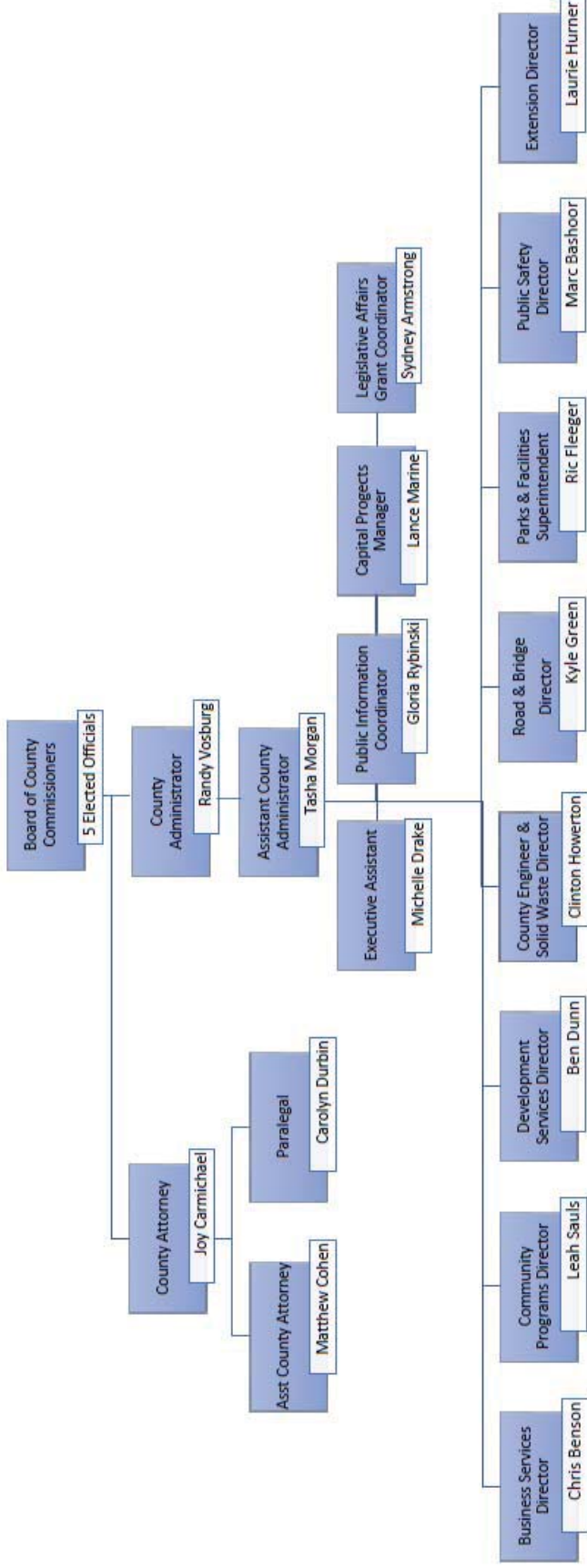
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

**HIGHLANDS COUNTY, FLORIDA  
 ORGANIZATIONAL CHART  
 YEAR ENDED SEPTEMBER 30, 2019**





# HIGHLANDS COUNTY, FL

Sebring • Lake Placid • Avon Park

SW  
LIP  
N  
P  
W  
R  
E  
Y  
T

FINANCIAL  
SECTION



## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Highlands 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 remaining fund information of Highlands County, Florida (County), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, County Transportation Trust Fund, Istokpoga Marsh Watershed Improvement District Fund, and Local Government Infrastructure Surtax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 25, information on infrastructure using the modified approach on page 101, information on other postemployment benefits on page 102, and information on pension benefits on pages 103 through 106 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual financial statements and schedules and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 9, 2020

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

The management of Highlands County (County) offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal.

**FINANCIAL HIGHLIGHTS**

The following are key financial highlights for the fiscal year:

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$243.7 million (net position). Of this amount, \$234.1 million was invested in capital assets and \$40.9 million was restricted by laws, grant agreements, debt covenants or for capital projects. The County had an unrestricted net position of (\$31.3) million.
- Total net position increased by \$13.5 million or 5.9%. The net position of governmental activities increased \$13 million and business-type activities increased \$505 thousand.
- The fund balance in the General Fund was \$19.2 million, an increase of \$12.6 million from the previous year. The unassigned fund balance for the General Fund, which is available for use at the County's discretion, was \$17.1 million or 25.5% of total general fund expenditures.
- The governmental funds, in total, reported combined fund balances of \$59.3 million, an increase of \$15.3 million from the previous year. Of this amount, \$11.7 million was unassigned fund balance. The increase in fund balance was due in part from Hurricane Irma costs from prior years being reimbursed from FEMA and the State of Florida in the current year.
- Total assets increased by \$28.5 million or 9% and total liabilities increased by \$15.7 million or 14%. The increase in total assets was due to the growth in cash and cash equivalents as well as investments and capital assets. The increase in liabilities was due to the net pension liability, short and long-term obligations, and a slight increase in OPEB liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances using the accrual basis of accounting in a manner similar to a private-sector business. The County's government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the County's fiduciary funds because resources in these funds cannot be used to finance the County's activities. However, the financial statements of fiduciary funds are included in the County's fund financial statements because the County is financially accountable for those resources, even though they belong to other parties.



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

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

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the County (known as the primary government) that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation and court related. The business-type activities of the County include solid waste and energy recovery.

The government-wide financial statements include not only the County itself, but also legally separate entities for which the County is financially accountable (known as component units). Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 26-27 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

**Fund Financial Statements (Continued)**

Highlands County maintains 75 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the County Transportation Trust Fund, the Istokpoga Marsh Watershed Improvement District Fund, the Local Government Infrastructure Surtax Fund, and the Highlands County Infrastructure Sales Surtax Refunding Revenue Note (HCISSR Construction) Fund which are considered to be major funds. Data from the other 70 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the General Fund and other major special revenue funds to demonstrate compliance with these budgets.

Proprietary Funds - The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste and energy recovery operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its employee benefit, insurance and compensated absences. Because these services benefit governmental and business-type functions, they have been allocated to the governmental activities and business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the proprietary operations, both of which are considered to be major funds of the County.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - The combining statements referred to earlier in connection with non-major governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information (RSI).

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$243.7 million (total net position) as of September 30, 2019. The County recognized an increase in its total net position of \$13.5 million, or 5.9%, from \$230.2 million in 2018 to \$243.7 million in 2019.

**Highlands County's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and Other Assets	\$ 59,429,746	\$ 76,001,877	\$ 16,927,364	\$ 19,057,557	\$ 76,357,110	\$ 95,059,434
Capital Assets	236,693,156	247,093,901	9,368,924	8,787,886	246,062,080	255,881,787
Total Assets	296,122,902	323,095,778	26,296,288	27,845,443	322,419,190	350,941,221
Deferred Outflows of Resources	28,801,199	27,562,214	314,606	308,576	29,115,805	27,870,790
Long-Term Debt Outstanding	97,717,813	112,462,937	7,498,118	8,557,943	105,215,931	121,020,880
Other Liabilities	7,456,734	7,309,952	643,641	643,891	8,100,375	7,953,843
Total Liabilities	105,174,547	119,772,889	8,141,759	9,201,834	113,316,306	128,974,723
Deferred Inflows of Resources	7,901,680	6,022,161	97,912	75,881	7,999,592	6,098,042
Net Position:						
Net Investment in						
Capital Assets	213,827,131	225,367,005	9,368,924	8,758,438	223,196,055	234,125,443
Restricted	42,707,255	40,882,840	-	-	42,707,255	40,882,840
Unrestricted	(44,686,512)	(41,386,903)	9,002,299	10,117,866	(35,684,213)	(31,269,037)
Total Net Position	\$ 211,847,874	\$ 224,862,942	\$ 18,371,223	\$ 18,876,304	\$ 230,219,097	\$ 243,739,246

The largest portion of the County's net position (\$234.1 million, or 96.1%) reflects its net investment in capital assets (e.g., land, buildings, improvements, infrastructure, machinery, and equipment), net of accumulated depreciation, reduced by outstanding related debt used to acquire those assets, plus capital-related deferred outflows of resources. These capital assets are used to provide services to citizens and therefore, are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources required to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (\$40.9 million, or 16.8%) represents resources that are subject to external restrictions such as debt covenants, grantors, laws or regulations, or restrictions through enabling legislation on how they may be used.

The remaining balance is the unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2019, the County's unrestricted net position was (\$31.3) million. The change in the total unrestricted net position from (\$35.7) million at September 30, 2018 to (\$31.3) million at September 30, 2019 was partially due to changes in net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

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

**Highlands County's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 20,106,195	\$ 25,246,712	\$ 10,940,672	\$ 11,136,751	\$ 31,046,867	\$ 36,383,463
Operating Grants and Contributions	3,096,143	16,217,196	90,909	90,909	3,187,052	16,308,105
Capital Grants and Contributions	3,767,400	3,250,430	-	-	3,767,400	3,250,430
<b>General Revenues:</b>						
Property Taxes	39,565,159	39,979,150	-	-	39,565,159	39,979,150
Other Taxes	15,657,634	15,959,654	-	-	15,657,634	15,959,654
Other	18,237,494	21,675,268	243,069	457,293	18,480,563	22,132,561
<b>Total Revenues</b>	<b>100,430,025</b>	<b>122,328,410</b>	<b>11,274,650</b>	<b>11,684,953</b>	<b>111,704,675</b>	<b>134,013,363</b>
<b>Expenses:</b>						
General Government	18,519,219	20,874,168	-	-	18,519,219	20,874,168
Public Safety	59,326,852	56,939,713	-	-	59,326,852	56,939,713
Physical Environment	1,864,091	1,178,231	-	-	1,864,091	1,178,231
Transportation	13,459,205	14,508,911	-	-	13,459,205	14,508,911
Economic Environment	3,508,116	3,704,233	-	-	3,508,116	3,704,233
Human Services	3,682,396	3,639,034	-	-	3,682,396	3,639,034
Culture and Recreation	2,988,164	2,894,053	-	-	2,988,164	2,894,053
Court Related	4,782,597	5,215,689	-	-	4,782,597	5,215,689
Interest on Long-Term Debt	479,532	452,226	-	-	479,532	452,226
Solid Waste	-	-	8,258,598	9,019,161	8,258,598	9,019,161
Energy Recovery	-	-	1,286,705	2,067,795	1,286,705	2,067,795
<b>Total Expenses</b>	<b>108,610,172</b>	<b>109,406,258</b>	<b>9,545,303</b>	<b>11,086,956</b>	<b>118,155,475</b>	<b>120,493,214</b>
<b>Change in Net Position</b>						
Before Transfers	(8,180,147)	12,922,152	1,729,347	597,997	(6,450,800)	13,520,149
Transfers	226,063	92,916	(226,063)	(92,916)	-	-
<b>Change in Net Position</b>	<b>(7,954,084)</b>	<b>13,015,068</b>	<b>1,503,284</b>	<b>505,081</b>	<b>(6,450,800)</b>	<b>13,520,149</b>
Net Position - Beginning	216,864,466	211,847,874	16,802,799	18,371,223	233,667,265	230,219,097
Prior Period Adjustment	2,937,492	-	65,140	-	3,002,632	-
Net Position - Beginning, as Restated	219,801,958	211,847,874	16,867,939	18,371,223	236,669,897	230,219,097
<b>Net Position - Ending</b>	<b>\$ 211,847,874</b>	<b>\$ 224,862,942</b>	<b>\$ 18,371,223</b>	<b>\$ 18,876,304</b>	<b>\$ 230,219,097</b>	<b>\$ 243,739,246</b>

**Governmental Activities**

The net position of governmental activities increased \$13 million.

- Overall, revenues related to governmental activities increased \$21.9 million, or 21.8%.
- Charges for Services increased \$5.1 million, or 25.6%. Public Safety charges increased a net \$4.4 million. Transportation increased a net \$818 thousand.
- Property Taxes increased \$414 thousand or 1% due to a 1.97% increase in property tax values.

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

**Governmental Activities (Continued)**

- Operating Grants and Contributions increased by \$13.1 million or 423.8%. Public Safety funding increased \$12.7 million, Economic Environment funding increased \$624 thousand.
- Other Taxes increased \$302 thousand, or 2%. The County recognized a \$503 thousand increase in tourist development tax collections, offset by a \$108 thousand decrease in fuel taxes.
- Other general revenues increased \$3.4 million, or 18.9%. State shared revenues increased \$229 thousand, higher interest rates generated additional interest earnings of \$382 thousand, and miscellaneous revenues increased \$2 million.
- Overall, expenses related to governmental activities increased \$796 thousand, or 0.7%. Emergency and disaster relief expenses decreased approximately \$10 million related to debris hauling and monitoring, and overtime related to Hurricane Irma. Expenditures in the Local Government Infrastructure Surtax fund increased \$4.6 million due to additional projects in General Government of \$1.65 million, Transportation projects of \$2.35 million, and \$350 thousand in Public Safety. Expenditures in the nonmajor funds increased \$2.3 million due to Public Safety increasing \$2.9 million but Physical Environment decreasing \$600 thousand. Additionally, expenditures related to the net pension liability increased \$6 million from the prior year.
- General Government expenses increased \$2.4 million, or 12.7%. The increase is due to increase in appropriations to constitutional officers of \$300 thousand, pension expense increase of \$1.1 million and \$344 thousand increase in county planning and development.
- Public Safety expenses decreased \$2.4 million, or 4.0%. The decrease is due to \$9.3 million of hurricane expenses from the prior year, \$3.2 million of expenses related to the new county-wide fire services, and pension expense increased \$4.0 million.
- Physical Environment expenses decreased by \$686 thousand, or 36.8%. Conservation activity decreased \$500 thousand.
- Transportation expenses increased by \$1.1 million, or 7.8%. The increase is due to a \$500 thousand increase in resurfacing and pension expense of \$370 thousand.

**Business-Type Activities**

The net position of business-type activities increased \$505 thousand.

- Overall, revenues related to business-type activities increased \$410 thousand, or 3.6%, and expenses increased \$1.5 million, or 16.2%.
- Charges for Services increased \$196 thousand, or 1.8%. The sale of asphalt increased total operating revenues by \$831 thousand as well as a \$36 thousand increase of charges for services for the Energy Recovery facility. There was a minimal increase in revenues from the non-ad valorem assessment for solid waste collection, disposal and recycling but there was a \$593 thousand decrease for landfill tipping fees from the hauler.
- Solid Waste expenses increased \$761 thousand, or 9.2%. Personal Services increased \$99 thousand, Waste Franchise Fees increased \$100 thousand, and Contractual Services increased \$533 thousand.
- Energy Recovery expenses increased \$781 thousand, or 60.7%. The increase in Road Materials and Supplies was a direct result of the increase in asphalt production.

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

The County's governmental funds reported combined ending fund balances of \$59.3 million. Approximately \$11.7 million of the combined fund balances constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the balance is not available for new spending because it is non-spendable (\$1.8 million), restricted (\$44.4 million) or assigned (\$1.5 million). Significant restrictions include: restrictions for infrastructure and land acquisitions (\$25.6 million), restrictions for transportation related (\$7.6 million), and restrictions for fire districts (\$3.9 million).

The General Fund is the chief operating fund of the County. In 2019 the County maintained its millage rate of 8.55 mills in order to continue to provide quality services to its citizens and minimize the need to dip into its fund balance for operational needs. At September 30, 2019, the General Fund's total fund balance was \$19.2 million of which \$17.1 million (89.3%) was unassigned fund balance. The unassigned fund balance increased by \$12.2 million. As a measure of the General Fund's liquidity, the total fund balance represents 28.6% of total General Fund expenditures.

The County Transportation Trust Fund accounts for the operation of the road and bridge department, which is funded by the County's share of state gasoline taxes and the sixth-cent local option gas tax. As of September 30, 2019, the total fund balance was \$5.4 million, compared to \$4.9 million in 2018. The increase in fund balance was due to normal operations.

The Istokpoga Marsh Watershed Improvement District Fund accounts for assessments and grant funds related to water control and improvements for the restoration of the watershed of Lake Okeechobee and the Florida Everglades. As of September 30, 2019, total fund balance was (\$5.5) million compared to (\$4.5) million in 2018. The decrease in fund balance was due to a major grant funded project that was not complete as of September 30, 2019 and therefore did not meet the eligibility requirements to request reimbursement from the grantor agencies.

The Local Government Infrastructure Surtax Fund accounts for the one-cent local discretionary sales surtax that was approved by voters. As of September 30, 2019, the total fund balance was \$19.9 million, compared to \$23.5 million in 2018. The decrease in fund balance was due to an increase in expenditures for transportation and general government related projects as well as a decrease in revenues.

The Highlands County Infrastructure Sales Surtax Refunding Revenue Note (HCISSR Construction) Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure. As of September 30, 2019, the total fund balance was \$207 thousand, compared to \$1 million in 2018. The decrease in fund balance is due to Sebring Parkway Phase III costs.

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

**Proprietary Funds**

The Solid Waste Fund reported a net position of \$15.8 million, which is an increase of \$484 thousand over prior year. Unrestricted net position totaled \$9.2 million, a \$972 thousand increase over prior year, and net investments in capital assets totaled \$6.7 million, a \$489 thousand decrease over prior year. Operating Revenues decreased \$661 thousand, or 8.2% and Operating Expenses increased \$774 thousand. The change in revenues was primarily due to decreased landfill fees which decreased \$583,323. In addition, miscellaneous revenues and sale of recyclable materials decreased a combined \$91,343. The change in expenses was primarily due to Waste Franchise Fees increased \$99,523, Contractual Services increased \$533,106, and Personal Services increased \$98,639.

The Energy Recovery Fund reported a net position of \$3.0 million, which is an increase of \$25 thousand over prior year. Unrestricted net position totaled \$883 thousand. This fund accounts for the operation of the County's Asphalt Plant which was constructed at the landfill site in order to use materials disposed at the landfill as production material for asphalt. The change in total net position and unrestricted net position is due to the increase in asphalt sales which exceeded the increase in production costs.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund budget to actual schedule is presented in the basic financial statements. The schedule shows the original adopted budget, the final budget, actual results, and the positive or negative variance between the final budget and actual results. After the original budget is approved, it may be amended for various reasons such as unanticipated revenues, unforeseen expenditures or new grant awards.

- The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$17.5 million.
- General Fund revenues were \$12.3 million more than the final budget amounts. Intergovernmental revenues were over budget by \$11.8 million. Miscellaneous revenue exceeded budget by a net \$740 thousand.
- Actual expenditures in the General Fund were \$4.3 million less than the final budget. Significant variations are summarized below:

<b><u>General Fund Department</u></b>	<b><u>Positive Variance</u></b>	<b><u>Reason for Variance</u></b>
Sheriff	752,303	Unexpended Appropriations.
Tax Collector	603,956	Unexpended Appropriations.
Natural Resources	456,535	Appropriations for lake watershed investigation projects not expended.
County Fire Coordinator	290,209	Expenditures accounted for in the Fire Assessment fund in fiscal year 18.
Facilities Management	231,180	Appropriations for personal services, contractual services, repair and maintenance and utilities not spent.
Ambulance Services	206,009	Monitor defibrillator project funds not expended
Central Services	203,387	Professional Services, insurance and other charges and obligations not expended.
County Planning and Development	173,793	Appropriations for personal services, Central Florida Regional Planning Council services, and APAFR project funds not spent.
Local Emergency Management Agency	160,846	Appropriations for personal services, communication and freight, and repair and maintenance not expended.
Detention and Correction	159,817	Unexpended Appropriations.



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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2019 amounted to \$255.9 million (net of accumulated depreciation) compared to \$246.1 million for the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, bridges, software, and land use rights. Major capital asset events during the fiscal year included the following:

- Parkway Phase III
- Istokpoga Marsh Impoundment
- EMS Buildings / Ambulance / Equipment
- IT Infrastructure Upgrades
- Road & Bridge Equipment / Vehicles
- Road Construction / Improvements
- Sheriff Office Vehicles

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

	Governmental Activities		Business-Type Activities		Entity Total	
	2018	2019	2018	2019	2018	2019
Land	\$ 46,062,673	\$ 48,480,496	\$ 1,833,866	\$ 1,833,866	\$ 47,896,539	\$ 50,314,362
Infrastructure	107,895,752	107,895,752	-	-	107,895,752	107,895,752
Land Use Rights	2,255,569	2,415,419	-	-	2,255,569	2,415,419
Buildings	40,885,771	41,748,766	152,208	124,404	41,037,979	41,873,170
Improvements	7,355,401	7,037,708	3,777,672	3,506,056	11,133,073	10,543,764
Equipment	17,311,011	17,992,148	3,599,712	3,318,094	20,910,723	21,310,242
Computer Software	686,285	1,015,470	-	-	686,285	1,015,470
Construction in Progress	14,240,694	20,508,142	5,466	5,466	14,246,160	20,513,608
Total	<u>\$ 236,693,156</u>	<u>\$ 247,093,901</u>	<u>\$ 9,368,924</u>	<u>\$ 8,787,886</u>	<u>\$ 246,062,080</u>	<u>\$ 255,881,787</u>

Additional information on the County's capital assets can be found in Note 4 to the financial statements.

**Infrastructure**

The County has elected to use the modified approach to account for its bridges and roadways included on the County highway system. Under this approach, the County has made the commitment to preserve and maintain these assets at levels established by the County and approved by the Board of County Commissioners. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The County maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained.

- Road System - The County has established an overall minimum average condition level of "fair" which carries a rating between 51 and 75. The overall average condition of the County road system for fiscal year 2019 was 52.86, compared to 61.17 in 2018.

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

**Infrastructure (Continued)**

- Bridge System - It is the County's policy to maintain an overall minimum average sufficiency rating of not less than 60%. The overall average sufficiency rating of the County bridge system for fiscal year 2019 was 77.96, compared to 75.20 in 2018.

Additionally, the County makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. There were no significant differences from the estimated annual amount to preserve and maintain these assets compared with the actual amounts spent during the current period.

- Road System – The County budgeted \$5.8 million for maintenance/preservation of its road system and expended \$1.38 million.
- Bridge System – The County budgeted \$150,000 for maintenance/preservation of its bridge system and expended \$22,272.

For further information on the County's established condition standards, recent condition assessments or other information on infrastructure reported on the modified approach, refer to the RSI section of this report.

**Long-Term Debt**

At September 30, 2019, the County had total debt outstanding of \$25.9 million compared, to \$22.7 million in the prior year. Of this amount, all \$25.9 million represents governmental activities loans payable and other obligations. The increase in total outstanding debt is attributed to a new note for the acquisition, construction and equipping of fire safety equipment, vehicles and fire stations located within the County.

**Highlands County's Outstanding Debt**

	Governmental Activities	
	2018	2019
Notes Payable, Revenue		
Certificates and Capital Leases	\$ 22,687,328	\$ 25,888,552

Please refer to Note 7 of the Notes to Financial Statements for a complete presentation of all long-term liabilities. The above table does not present information for compensated absences, net pension liability, other post-employment benefits or landfill closure liability.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following factors were considered in preparing the County's budget for the 2020 fiscal year. More information on economic factors is provided in the Statistical Section and the Transmittal Letter.

- Highlands County's population increased in 2019 by 0.88%, from 102,441 in 2018 to an estimated 103,342 in 2019, and is projected to see an increase in 2020. Additionally, all three cities showed population increases over the prior year according to the Office of Economic & Demographic Research.
- Highlands County's unemployment rate (October - September) averaged 4.7%, which was slightly higher than the average for the State of Florida (3.3%) and the nation (3.7%).
- Highlands County has a diverse property tax base. The ten largest taxpayers in the County represent 6.26% of the assessed property values of all taxpayers.
- In 2019, the total taxable value of property increased 1.97% over prior year. This was the fifth increase in total taxable value that has been recognized since 2008.

**REQUESTS FOR INFORMATION**

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

Office of the County Administrator  
Highlands County Board of County Commissioners  
600 South Commerce Avenue  
Sebring, FL 33870

Questions concerning the Basic Financial Statements or other financial information contained within this report should be addressed to the Clerk of Courts at:

Highlands County Clerk of Courts  
590 South Commerce Avenue  
Sebring, FL 33870

## **BASIC FINANCIAL STATEMENTS**

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 32,812,432	\$ 4,947,462	\$ 37,759,894
Investments	31,928,910	6,820,339	38,749,249
Accounts Receivable - Net	2,442,189	146,972	2,589,161
Internal Balances	(136,754)	136,754	-
Due from Other Governmental Units	7,139,793	94,221	7,234,014
Inventory	361,466	656,648	1,018,114
Prepaid Items	1,383,761	79,071	1,462,832
Restricted Assets:			
Cash and Cash Equivalents	70,080	6,176,090	6,246,170
Capital Assets not Being Depreciated/Amortized	179,299,809	1,839,332	181,139,141
Capital Assets - Net of Accumulated Depreciation/Amortization	67,794,092	6,948,554	74,742,646
Total Assets	<u>323,095,778</u>	<u>27,845,443</u>	<u>350,941,221</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	1,666	-	1,666
Pension Related Items	27,400,394	305,182	27,705,576
OPEB Related Items	160,154	3,394	163,548
Total Deferred Outflows of Resources	<u>27,562,214</u>	<u>308,576</u>	<u>27,870,790</u>
<b>LIABILITIES</b>			
Vouchers Payable	2,897,582	512,798	3,410,380
Claims Payable	448,933	-	448,933
Contracts Payable - Retained Percentage	832,997	-	832,997
Due to Other Governmental Units	282,705	-	282,705
Due to Others	305,709	-	305,709
Accrued Interest Payable	187,937	-	187,937
Accrued Wages Payable	1,403,685	42,220	1,445,905
Deposits	72,770	88,873	161,643
Unearned Revenue	877,634	-	877,634
Noncurrent Liabilities:			
Due Within One Year	3,661,153	85,391	3,746,544
Total OPEB Liability	126,664	-	126,664
Due in More than One Year	27,095,488	7,475,497	34,570,985
Net Pension Liability	79,048,809	940,741	79,989,550
Total OPEB Liability	2,530,823	56,314	2,587,137
Total Liabilities	<u>119,772,889</u>	<u>9,201,834</u>	<u>128,974,723</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Items	5,983,861	75,069	6,058,930
OPEB Related Items	38,300	812	39,112
Total Deferred Inflows of Resources	<u>6,022,161</u>	<u>75,881</u>	<u>6,098,042</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	225,367,005	8,758,438	234,125,443
Restricted for:			
General Government	688,423	-	688,423
Public Safety	8,412,681	-	8,412,681
Infrastructure and Land Acquisition	21,420,558	-	21,420,558
Transportation	7,702,425	-	7,702,425
Economic Environment	453,033	-	453,033
Community Programs	694,634	-	694,634
Conservation	220,423	-	220,423
Tourist Development	977,877	-	977,877
Culture and Recreation	312,786	-	312,786
Unrestricted	(41,386,903)	10,117,866	(31,269,037)
Total Net Position	<u>\$ 224,862,942</u>	<u>\$ 18,876,304</u>	<u>\$ 243,739,246</u>

See accompanying Notes to Financial Statements.

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

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government	
						Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 20,874,168	\$ 3,611,736	\$ 89,915	\$ 167,864	\$ (17,004,653)	\$ -	\$ (17,004,653)
Public Safety	56,939,713	14,611,053	13,637,806	446,895	(28,243,959)	-	(28,243,959)
Physical Environment	1,178,231	223,291	269,695	870,117	184,872	-	184,872
Transportation	14,508,911	3,778,828	-	809,475	(9,920,608)	-	(9,920,608)
Economic Environment	3,704,233	218,340	1,363,228	-	(2,122,665)	-	(2,122,665)
Human Services	3,639,034	22,944	646,931	956,079	(2,013,080)	-	(2,013,080)
Culture and Recreation	2,894,053	198,047	194,621	-	(2,501,385)	-	(2,501,385)
Court Related	5,215,689	2,582,473	15,000	-	(2,618,216)	-	(2,618,216)
Debt Service:							
Interest on Long-Term Debt	452,226	-	-	-	(452,226)	-	(452,226)
Total Governmental Activities	109,406,258	25,246,712	16,217,196	3,250,430	(64,691,920)	-	(64,691,920)
Business-Type Activities:							
Solid Waste	9,019,161	9,043,194	90,909	-	-	114,942	114,942
Energy Recovery	2,067,795	2,093,557	-	-	-	25,762	25,762
Total Business-Type Activities	11,086,956	11,136,751	90,909	-	-	140,704	140,704
Total Primary Government	\$ 120,493,214	\$ 36,383,463	\$ 16,308,105	\$ 3,250,430	(64,691,920)	140,704	(64,551,216)
<b>General Revenues:</b>							
Taxes:							
Property Taxes					39,979,150	-	39,979,150
Fuel Taxes					4,554,036	-	4,554,036
Sales Tax					9,766,712	-	9,766,712
Services Taxes					574,650	-	574,650
Other Taxes					1,064,256	-	1,064,256
Unrestricted State Shared Revenues					15,434,257	-	15,434,257
Net Change in Fair Value of Investments					1,274,929	450,023	1,724,952
Gain on Sale of Capital Assets					952,383	2,888	955,271
Insurance Recoveries					752,218	4,382	756,600
Miscellaneous					3,261,481	-	3,261,481
Transfers					92,916	(92,916)	-
Total General Revenues					77,706,988	364,377	78,071,365
Change in Net Position					13,015,068	505,081	13,520,149
Net Position - Beginning					211,847,874	18,371,223	230,219,097
Net Position - Ending					\$ 224,862,942	\$ 18,876,304	\$ 243,739,246

See accompanying Notes to Financial Statements.

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

	General	County Transportation Trust	Istokpoga Marsh Watershed Improvement District	Local Government Infrastructure Surtax	HCISSR Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 4,063,732	\$ 1,750,518	\$ -	\$ 6,946,005	\$ 208,762	\$ 13,913,423	\$ 26,882,440
Cash and Cash Equivalents - Restricted	70,080	-	-	-	-	-	70,080
Investments	8,460,526	2,853,003	-	11,995,737	-	6,813,785	30,123,051
Accounts Receivable - Net	2,209,746	23,205	-	92,693	-	106,897	2,432,541
Due from Other Funds	4,702,980	-	203	-	-	73,654	4,776,837
Due from Other Governmental Units	2,824,572	1,094,952	-	2,892,832	-	327,437	7,139,793
Advances to Other Funds	81,517	-	-	-	-	-	81,517
Prepaid Items	1,245,650	83,862	-	-	-	54,249	1,383,761
Inventory	361,466	-	-	-	-	-	361,466
Total Assets	<u>\$ 24,020,269</u>	<u>\$ 5,805,540</u>	<u>\$ 203</u>	<u>\$ 21,927,267</u>	<u>\$ 208,762</u>	<u>\$ 21,289,445</u>	<u>\$ 73,251,486</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities:							
Vouchers Payable	\$ 841,480	\$ 133,801	\$ 219,436	\$ 717,597	\$ 1,434	\$ 273,743	\$ 2,187,491
Accrued Wages Payable	988,545	251,073	-	-	-	164,067	1,403,685
Contracts Payable-Retained Percentage	-	-	642,748	190,249	-	-	832,997
Customer Deposits	72,120	-	-	-	-	650	72,770
Due to Other Governmental Units	58,312	2,917	-	-	-	221,476	282,705
Due to Other Funds	91,666	-	4,594,327	86,079	-	22,574	4,794,646
Due to Others	2,609	-	-	-	-	303,100	305,709
Advances from Other Funds	-	-	-	-	-	121,909	121,909
Unearned Revenue	58,152	-	-	-	-	-	58,152
Total Liabilities	<u>2,112,884</u>	<u>387,791</u>	<u>5,456,511</u>	<u>993,925</u>	<u>1,434</u>	<u>1,107,519</u>	<u>10,060,064</u>
Deferred Inflows of Resources:							
Unavailable Revenue:							
Intergovernmental	1,573,791	-	-	1,051,974	-	-	2,625,765
Charges for Services	1,154,008	-	-	-	-	64,859	1,218,867
Total Deferred Inflows of Resources	<u>2,727,799</u>	<u>-</u>	<u>-</u>	<u>1,051,974</u>	<u>-</u>	<u>64,859</u>	<u>3,844,632</u>
Fund Balances:							
Nonspendable	1,688,633	83,862	-	-	-	54,249	1,826,744
Restricted	-	4,202,291	-	19,881,368	207,328	20,071,833	44,362,820
Assigned	357,689	1,131,596	-	-	-	-	1,489,285
Unassigned	17,133,264	-	(5,456,308)	-	-	(9,015)	11,667,941
Total Fund Balances	<u>19,179,586</u>	<u>5,417,749</u>	<u>(5,456,308)</u>	<u>19,881,368</u>	<u>207,328</u>	<u>20,117,067</u>	<u>59,346,790</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,020,269</u>	<u>\$ 5,805,540</u>	<u>\$ 203</u>	<u>\$ 21,927,267</u>	<u>\$ 208,762</u>	<u>\$ 21,289,445</u>	<u>\$ 73,251,486</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
RECONCILIATION OF FUND BALANCES FOR GOVERNMENTAL FUNDS TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

Fund Balances - Total Governmental Funds \$ 59,346,790

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

Deferred charges on refunding of bonds are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 1,666

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 247,093,901

Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds. 3,844,632

Long-term liabilities, including bonds payable, notes payable, and capital leases are not due and payable in the current period and, therefore, are not reported in the funds. (25,888,552)

Accrued general long-term debt interest expense is not a financial use and, therefore, is not reported in the funds. (187,937)

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. (57,193,919)

Total other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. (2,535,633)

The assets and liabilities of the internal service funds, used by management to charge the costs of certain activities to individual funds, are included in governmental activities in the statement of net position. 381,994

Net Position of Governmental Activities \$ 224,862,942



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

	General	County Transportation Trust	Istokpoga Marsh Watershed Improvement District	Local Government Infrastructure Surtax	HCISSR Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 40,479,096	\$ 4,628,740	\$ -	\$ 9,766,712	\$ -	\$ 1,013,179	\$ 55,887,727
Licenses and Permits	1,495	60,200	-	-	-	940,059	1,001,754
Intergovernmental	27,116,307	3,323,902	911,649	1,159,611	-	2,306,476	34,817,945
Charges for Services	9,106,464	163,494	-	-	-	2,674,365	11,944,323
Fines and Forfeitures	55,233	-	-	-	-	541,973	597,206
Assessments	-	-	72,461	-	-	5,359,963	5,432,424
Net Change in Fair Value of Investments	323,296	84,498	-	436,627	12,086	273,184	1,129,691
Miscellaneous	2,759,997	2,900,268	-	150	-	456,676	6,117,091
<b>Total Revenues</b>	<b>79,841,888</b>	<b>11,161,102</b>	<b>984,110</b>	<b>11,363,100</b>	<b>12,086</b>	<b>13,565,875</b>	<b>116,928,161</b>
<b>EXPENDITURES</b>							
Current:							
General Government	16,480,955	-	-	2,987,665	-	36,125	19,504,745
Public Safety	40,530,788	-	-	1,526,350	-	6,629,390	48,686,528
Physical Environment	1,056,393	-	1,904,023	289,848	-	6,638	3,256,902
Transportation	59,458	10,609,761	-	7,196,621	817,792	590,010	19,273,642
Economic Environment	1,544,849	-	-	-	-	2,004,062	3,548,911
Human Services	3,352,756	-	-	20,001	-	223,857	3,596,614
Culture and Recreation	2,435,566	-	-	278,799	-	56,433	2,770,798
Court Related	1,587,453	-	-	-	-	3,021,077	4,608,530
Debt Service:							
Principal Retirement	106,777	-	-	2,581,969	-	132,640	2,821,386
Interest and Fiscal Charges	-	-	-	431,176	-	8,495	439,671
<b>Total Expenditures</b>	<b>67,154,995</b>	<b>10,609,761</b>	<b>1,904,023</b>	<b>15,312,429</b>	<b>817,792</b>	<b>12,708,727</b>	<b>108,507,727</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>12,686,893</b>	<b>551,341</b>	<b>(919,913)</b>	<b>(3,949,329)</b>	<b>(805,706)</b>	<b>857,148</b>	<b>8,420,434</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	127,580	-	-	-	-	1,192,956	1,320,536
Transfers Out	(1,044,438)	(67,044)	-	(81,474)	-	(34,664)	(1,227,620)
Insurance Recoveries	708,704	19,258	-	19,868	-	4,387	752,217
Issuance of Debt	106,777	-	-	415,833	-	5,500,000	6,022,610
<b>Total Other Financing Sources (Uses)</b>	<b>(101,377)</b>	<b>(47,786)</b>	<b>-</b>	<b>354,227</b>	<b>-</b>	<b>6,662,679</b>	<b>6,867,743</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>12,585,516</b>	<b>503,555</b>	<b>(919,913)</b>	<b>(3,595,102)</b>	<b>(805,706)</b>	<b>7,519,827</b>	<b>15,288,177</b>
Fund Balances - October 1, 2018	6,594,070	4,914,194	(4,536,395)	23,476,470	1,013,034	12,597,240	44,058,613
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<b>\$ 19,179,586</b>	<b>\$ 5,417,749</b>	<b>\$ (5,456,308)</b>	<b>\$ 19,881,368</b>	<b>\$ 207,328</b>	<b>\$ 20,117,067</b>	<b>\$ 59,346,790</b>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ 15,288,177

**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 as depreciation or amortization expense. This is the amount by which net capital outlay exceeded depreciation and amortization in the current period. 11,496,636

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of capital assets sold. (1,095,891)

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (3,201,224)

Some revenues reported in the statement of activities will not be collected for several months after the fiscal year end, therefore, are not reported as revenue in the governmental funds. 1,368,941

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (12,554)

Changes in net pension liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (10,440,831)

Changes in total other postemployment benefits liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (93,011)

Internal service funds are used by management to charge the costs of insurance to individual funds. The net cost of certain activities of internal service funds is reported with governmental activities. (295,175)

Change in Net Position of Governmental Activities \$ 13,015,068

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 40,553,036	\$ 40,553,036	\$ 40,479,096	\$ (73,940)
Licenses and Permits	2,150	2,150	1,495	(655)
Intergovernmental	14,775,928	15,345,363	27,116,307	11,770,944
Charges for Services	8,462,682	9,420,949	9,106,464	(314,485)
Fines and Forfeitures	58,250	58,250	55,233	(3,017)
Net Change in Fair Value of Investments	135,500	135,564	323,296	187,732
Miscellaneous	2,030,852	2,020,495	2,759,997	739,502
Total Revenues	<u>66,018,398</u>	<u>67,535,807</u>	<u>79,841,888</u>	<u>12,306,081</u>
<b>EXPENDITURES</b>				
Current:				
General Government	17,481,613	17,953,451	16,480,955	1,472,496
Public Safety	40,226,317	42,390,633	40,530,788	1,859,845
Physical Environment	1,393,275	1,681,967	1,056,393	625,574
Transportation	59,458	59,458	59,458	-
Economic Environment	1,608,524	1,630,293	1,544,849	85,444
Human Services	3,412,523	3,469,921	3,352,756	117,165
Culture and Recreation	2,518,758	2,593,142	2,435,566	157,576
Court Related	1,587,809	1,602,240	1,587,453	14,787
Debt Service:				
Principal Retirement	-	106,777	106,777	-
Total Expenditures	<u>68,288,277</u>	<u>71,487,882</u>	<u>67,154,995</u>	<u>4,332,887</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,269,879)	(3,952,075)	12,686,893	16,638,968
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	27,750	120,666	127,580	6,914
Transfers Out	(1,159,591)	(1,159,591)	(1,044,438)	115,153
Insurance Recoveries	-	-	708,704	708,704
Issuance of Debt	-	106,777	106,777	-
Total Other Financing Sources (Uses)	<u>(1,131,841)</u>	<u>(932,148)</u>	<u>(101,377)</u>	<u>830,771</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,401,720)	(4,884,223)	12,585,516	17,469,739
Fund Balances - October 1, 2018	<u>3,401,720</u>	<u>4,884,223</u>	<u>6,594,070</u>	<u>1,709,847</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,179,586</u>	<u>\$ 19,179,586</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNTY TRANSPORTATION TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 4,775,828	\$ 4,775,828	\$ 4,628,740	\$ (147,088)
Licenses and Permits	45,000	45,000	60,200	15,200
Intergovernmental	3,247,635	3,316,733	3,323,902	7,169
Charges for Services	70,800	70,800	163,494	92,694
Net Change in Fair Value of Investments	12,000	12,000	84,498	72,498
Miscellaneous	1,627,540	1,627,540	2,900,268	1,272,728
Total Revenues	<u>9,778,803</u>	<u>9,847,901</u>	<u>11,161,102</u>	<u>1,313,201</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
County Engineer	160,156	166,857	163,541	3,316
Engineering Services	1,482,645	1,493,845	1,433,335	60,510
Roads and Bridges	5,724,502	5,899,345	5,541,010	358,335
Bridge and Concrete	354,562	354,780	342,994	11,786
Maintenance Shop	802,906	827,183	824,412	2,771
Traffic Operations	1,076,215	1,206,379	1,183,095	23,284
Mowing - Right of Ways	578,553	579,053	499,475	79,578
County Shell Pit	247,344	274,098	274,098	-
Multi-Use Paths	47,040	47,040	-	47,040
Road and Bridge Superintendent	140,540	148,760	147,164	1,596
GIS	252,317	252,664	200,637	52,027
Total Expenditures	<u>10,866,780</u>	<u>11,250,004</u>	<u>10,609,761</u>	<u>640,243</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,087,977)	(1,402,103)	551,341	1,953,444
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(816,404)	(816,404)	(67,044)	749,360
Insurance Recoveries	-	7,136	19,258	12,122
Total Other Financing Sources	<u>(816,404)</u>	<u>(809,268)</u>	<u>(47,786)</u>	<u>761,482</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,904,381)	(2,211,371)	503,555	2,714,926
Fund Balances - October 1, 2018	<u>1,904,381</u>	<u>2,211,371</u>	<u>4,914,194</u>	<u>2,702,823</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,417,749</u></u>	<u><u>\$ 5,417,749</u></u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ISTOKPOGA MARSH WATERSHED IMPROVEMENT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,477,793	\$ 911,649	\$ (566,144)
Assessments	71,129	71,129	72,461	1,332
Total Revenues	<u>71,129</u>	<u>1,548,922</u>	<u>984,110</u>	<u>(564,812)</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment:				
Istokpoga Marsh Improvements	<u>98,986</u>	<u>2,427,878</u>	<u>1,904,023</u>	<u>523,855</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(27,857)	(878,956)	(919,913)	(40,957)
Fund Balances - October 1, 2018	<u>27,857</u>	<u>878,956</u>	<u>(4,536,395)</u>	<u>(5,415,351)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,456,308)</u></u>	<u><u>\$ (5,456,308)</u></u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 9,945,423	\$ 9,945,423	\$ 9,766,712	\$ (178,711)
Intergovernmental	14,067,758	19,355,772	1,159,611	(18,196,161)
Net Change in Fair Value of Investments	171,700	171,700	436,627	264,927
Miscellaneous	157,972	-	150	150
Total Revenues	<u>24,342,853</u>	<u>29,472,895</u>	<u>11,363,100</u>	<u>(18,109,795)</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Central Services	2,081,300	1,810,750	1,248,533	562,217
Facilities Management	2,063,759	2,961,834	1,735,518	1,226,316
Supervisor of Elections	-	8,391	3,614	4,777
Total General Government	<u>4,145,059</u>	<u>4,780,975</u>	<u>2,987,665</u>	<u>1,793,310</u>
Public Safety:				
Sheriff	400,000	478,835	478,835	-
County Jail	1,863,335	2,151,099	130,757	2,020,342
Local Emergency Management Agency	68,538	68,538	67,703	835
Ambulance Service	711,932	1,018,168	849,055	169,113
Total Public Safety	<u>3,043,805</u>	<u>3,716,640</u>	<u>1,526,350</u>	<u>2,190,290</u>
Physical Environment:				
Natural Resources	234,000	993,469	289,848	703,621
Transportation:				
Road and Bridges	23,306,815	37,324,780	7,196,621	30,128,159
County Shell Pit	15,904	-	-	-
Total Transportation	<u>23,322,719</u>	<u>37,324,780</u>	<u>7,196,621</u>	<u>30,128,159</u>
Human Services:				
Animal Control	449,868	449,708	20,001	429,707
Culture and Recreation:				
Recreation Department	562,417	562,417	139,647	422,770
Parks Department	144,200	182,480	139,152	43,328
Total Culture and Recreation	<u>706,617</u>	<u>744,897</u>	<u>278,799</u>	<u>466,098</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Debt Service:				
Principal Retirement	\$ 2,558,037	\$ 2,581,969	\$ 2,581,969	\$ -
Interest and Fiscal Charges	425,710	431,180	431,176	4
Total Debt Service	<u>2,983,747</u>	<u>3,013,149</u>	<u>3,013,145</u>	<u>4</u>
Total Expenditures	<u>34,885,815</u>	<u>51,023,618</u>	<u>15,312,429</u>	<u>35,711,189</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(10,542,962)	(21,550,723)	(3,949,329)	17,601,394
<b>OTHER FINANCING (USES)</b>				
Transfers In	750,000	750,000	-	(750,000)
Transfers Out	(81,474)	(81,474)	(81,474)	-
Insurance Recoveries	-	15,132	19,868	4,736
Issuance of Debt	-	415,833	415,833	-
Total Other Financing (Uses)	<u>668,526</u>	<u>1,099,491</u>	<u>354,227</u>	<u>(745,264)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(9,874,436)	(20,451,232)	(3,595,102)	16,856,130
Fund Balances - October 1, 2018	<u>9,874,436</u>	<u>20,451,232</u>	<u>23,476,470</u>	<u>3,025,238</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,881,368</u>	<u>\$ 19,881,368</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Energy Recovery	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 4,696,827	\$ 250,635	\$ 4,947,462	\$ 5,929,992
Investments	6,820,339	-	6,820,339	1,805,859
Accounts Receivable - Net	146,972	-	146,972	9,648
Due from Other Funds	17,809	-	17,809	-
Due from Other Governmental Units	94,221	-	94,221	-
Advances to Other Funds	40,392	-	40,392	-
Prepaid Items	79,071	-	79,071	-
Inventory	-	656,648	656,648	-
Total Current Assets	11,895,631	907,283	12,802,914	7,745,499
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	6,176,090	-	6,176,090	-
Capital Assets:				
(Net of \$12,704,757 Accumulated Depreciation)				
Depreciation	6,684,289	2,103,597	8,787,886	-
Total Noncurrent Assets	12,860,379	2,103,597	14,963,976	-
Total Assets	24,756,010	3,010,880	27,766,890	7,745,499
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Items	305,182	-	305,182	-
OPEB Related Items	3,394	-	3,394	-
Total Deferred Outflows of Resources	308,576	-	308,576	-
<b>LIABILITIES</b>				
Current Liabilities:				
Vouchers Payable	488,163	24,635	512,798	710,091
Accrued Wages Payable	42,220	-	42,220	-
Unearned Revenue	-	-	-	819,482
Compensated Absences - Current Portion	7,771	-	7,771	-
Landfill Closure Liability - Current Portion	77,620	-	77,620	-
Claims Payable	-	-	-	448,933
Total Current Liabilities	615,774	24,635	640,409	1,978,506

See accompanying Notes to Financial Statements.



**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Energy Recovery	Total	
<b>LIABILITIES (CONTINUED)</b>				
Long-Term Liabilities:				
Payable from Restricted Assets -				
Customer Deposits	\$ 88,873	\$ -	\$ 88,873	\$ -
Landfill Closure Liability	6,087,217	-	6,087,217	-
Compensated Absences Payable	69,941	-	69,941	5,306,446
Total OPEB Liability	56,314	-	56,314	-
Landfill Closure Liability	1,318,339	-	1,318,339	-
Net Pension Liability	940,741	-	940,741	-
Total Long-Term Liabilities	8,561,425	-	8,561,425	5,306,446
 Total Liabilities	9,177,199	24,635	9,201,834	7,284,952
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Items	75,069	-	75,069	-
OPEB Related Items	812	-	812	-
Total Deferred Inflows of Resources	75,881	-	75,881	-
 <b>NET POSITION</b>				
Net Investment in Capital Assets	6,654,841	2,103,597	8,758,438	-
Unrestricted	9,156,665	882,648	10,039,313	460,547
Total Net Position	\$ 15,811,506	\$ 2,986,245	18,797,751	\$ 460,547
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			78,553	
Net Position of Business-Type Activities			\$ 18,876,304	

See accompanying Notes to Financial Statements.

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

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Solid Waste	Energy Recovery	Total	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 2,635,501	\$ 2,093,557	\$ 4,729,058	\$ 16,014,634
Special Assessments	6,373,043	-	6,373,043	-
Sale of Recyclable Materials	8,014	-	8,014	-
Miscellaneous	26,636	-	26,636	-
Total Operating Revenues	<u>9,043,194</u>	<u>2,093,557</u>	<u>11,136,751</u>	<u>16,014,634</u>
<b>OPERATING EXPENSES</b>				
Personal Services	1,140,100	-	1,140,100	-
General and Administrative	7,306,490	1,946,490	9,252,980	6,484,788
Insurance and Claims	-	-	-	9,974,334
Depreciation	567,871	121,931	689,802	-
Total Operating Expenses	<u>9,014,461</u>	<u>2,068,421</u>	<u>11,082,882</u>	<u>16,459,122</u>
Operating Income (Loss)	28,733	25,136	53,869	(444,488)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Operating Grants	90,909	-	90,909	-
Net Change in Fair Value of Investments	449,785	238	450,023	145,239
Insurance Recoveries	4,382	-	4,382	-
Gain/(Loss) on Disposal of Capital Assets	2,888	-	2,888	-
Total Nonoperating Revenues (Expenses)	<u>547,964</u>	<u>238</u>	<u>548,202</u>	<u>145,239</u>
<b>INCOME BEFORE TRANSFERS</b>	576,697	25,374	602,071	(299,249)
Transfer Out	<u>(92,916)</u>	<u>-</u>	<u>(92,916)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	483,781	25,374	509,155	(299,249)
Net Position - October 1, 2018	<u>15,327,725</u>	<u>2,960,871</u>		<u>759,796</u>
<b>NET POSITION - SEPTEMBER 30, 2019</b>	<u>\$ 15,811,506</u>	<u>\$ 2,986,245</u>		<u>\$ 460,547</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>(4,074)</u>	
Change in Net Position of Business-Type Activities			<u>\$ 505,081</u>	

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Energy Recovery	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 9,106,907	\$ 2,093,557	\$ 11,200,464	\$ -
Cash Received from Internal Customers	-	-	-	16,449,462
Cash Payments for Personal Services	(1,012,335)	-	(1,012,335)	-
Cash Payments to Vendors	(6,335,052)	(2,125,108)	(8,460,160)	-
Cash Payments for Insurance Premiums and Claims	-	-	-	(11,985,752)
Cash Payments to Employees for Services	-	-	-	(4,689,683)
Customer Deposits	(1,310)	-	(1,310)	-
Other Miscellaneous Cash Received	8,014	-	8,014	-
Net Cash Provided (Used) by Operating Activities	1,766,224	(31,551)	1,734,673	(225,973)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grant Funds Received	90,909	-	90,909	-
Insurance Recoveries	4,382	-	4,382	-
Advance to Other Funds	3,744,124	-	3,744,124	-
Repayment on Advance to Other Funds	-	-	-	216,095
Transfers to Other Funds	(92,916)	-	(92,916)	(375)
Net Cash Provided by Noncapital Financing Activities	3,746,499	-	3,746,499	215,720
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from the Sale of Capital Assets	2,888	-	2,888	-
Acquisition of Capital Assets	(79,316)	-	(79,316)	-
Net Cash Used by Capital and Related Financing Activities	(76,428)	-	(76,428)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(5,323,640)	-	(5,323,640)	(1,793,977)
Sale of Investments	5,872,310	-	5,872,310	662,478
Investment Income	229,078	238	229,316	107,800
Net Cash Provided (Used) by Investing Activities	777,748	238	777,986	(1,023,699)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	6,214,043	(31,313)	6,182,730	(1,033,952)
Cash and Cash Equivalents - October 1, 2018	4,658,874	281,948	4,940,822	6,963,944
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2019</b>	\$ 10,872,917	\$ 250,635	\$ 11,123,552	\$ 5,929,992

See accompanying Notes to Financial Statements.

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

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Solid Waste</u>	<u>Energy Recovery</u>	<u>Total</u>	
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 28,733	\$ 25,136	\$ 53,869	\$ (444,488)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	567,871	121,931	689,802	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
(Increase) Decrease in:				
Accounts Receivable	1,306	-	1,306	(3,568)
Inventory	-	(133,043)	(133,043)	-
Due from Other Funds	7,636	-	7,636	-
Due from Other Governmental Units	70,421	-	70,421	485
Prepaid Items	30,054	-	30,054	-
Deferred Outflows Related to Pensions	9,424	-	9,424	-
Deferred Outflows Related to OPEB	(3,394)	-	(3,394)	-
Increase (Decrease) in:				
Vouchers Payable	4,966	(45,553)	(40,587)	(580,632)
Accrued Wages Payable	13,239	-	13,239	-
Due to Other Governmental Units	(516)	(22)	(538)	-
Claims Payable	-	-	-	14,805
Compensated Absences	(1,015)	-	(1,015)	349,514
Landfill Closure Liability	929,298	-	929,298	-
Unearned Revenues	-	-	-	437,911
Customer Deposits	(1,310)	-	(1,310)	-
Total OPEB Liability	8,721	-	8,721	-
Net Pension Liability	122,821	-	122,821	-
Deferred Inflows Related to Pensions	(21,890)	-	(21,890)	-
Deferred Inflows Related to OPEB	(141)	-	(141)	-
Total Adjustments	<u>1,737,491</u>	<u>(56,687)</u>	<u>1,680,804</u>	<u>218,515</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,766,224</u>	<u>\$ (31,551)</u>	<u>\$ 1,734,673</u>	<u>\$ (225,973)</u>
<b>NONCASH CAPITAL AND INVESTING ACTIVITIES</b>				
Capital Additions Funded by Accounts Payable	\$ 29,448	\$ -	\$ 29,448	\$ -
Change in Fair Value of Investments	<u>222,996</u>	<u>-</u>	<u>222,996</u>	<u>-</u>
Total Noncash Capital and Investing Activities	<u>\$ 252,444</u>	<u>\$ -</u>	<u>\$ 252,444</u>	<u>\$ -</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION CASH AND CASH EQUIVALENTS</b>				
Total Cash and Cash Equivalents	\$ 10,872,917	\$ 250,635	\$ 11,123,552	\$ 5,929,992
Less: Restricted Cash and Investments	<u>6,176,090</u>	<u>-</u>	<u>6,176,090</u>	<u>-</u>
Total Unrestricted Cash and Cash Equivalents	<u>\$ 4,696,827</u>	<u>\$ 250,635</u>	<u>\$ 4,947,462</u>	<u>\$ 5,929,992</u>

See accompanying Notes to Financial Statements.

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

**ASSETS**

Cash and Cash Equivalents	\$ 3,211,775
Investments	134,037
Due from Others	42,224
Due from Other Governmental Units	<u>2,029</u>
Total Assets	<u><u>\$ 3,390,065</u></u>

**LIABILITIES**

Due to Others	\$ 570,706
Due to Other Governmental Units	1,849,296
Deposits	<u>970,063</u>
Total Liabilities	<u><u>\$ 3,390,065</u></u>

*See accompanying Notes to Financial Statements.*

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

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

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

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the government's operations, so data from these units are combined with data of the primary government.

**Blended Component Units**

The following component units are included in the accompanying financial statements as part of the primary government because they satisfy the criteria in Governmental Accounting Standards Board (GASB) pronouncements:

**Istokpoga Marsh Watershed Improvement District** was established by Ordinance 80-2 to provide flood and erosion control and improvements to waterways within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Improvement District is operated as a special revenue fund of the Board.

**Lake Placid Sun-N-Lake Estates Fire District** was established by Ordinance 81-2 to provide fire protection services to the residents of the District. The Board is the ex-officio board of supervisors, the governing board of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Fire District is operated as a special revenue fund of the Board.

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

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**DeSoto City Special Benefit Fire District** was established by Ordinance 03-04-5 (82-6 was amended in its entirety) to provide fire protection services to the residents within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Orange Villa Special Benefit District** was established by Ordinance 79-1 to provide street and recreational lights within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Hickory Hills Special Benefit District** was established by Ordinance 87-3 to provide street and recreational facilities within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Placid Lakes Special Benefit District** was established by Ordinance 92-10 to provide maintenance of recreational areas, streets, fire protection, and canals. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Sebring Country Estates Special Benefit District** was established by Ordinance 78-4 to provide installation and maintenance of street lighting within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Avon Park Estates Special Benefit District** was established by Ordinance 80-5 to provide road maintenance, improvements, reconstruction and paving, drainage maintenance, maintenance of streetlights, and other purposes within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.



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

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Highlands Lakes Special Tax District** was established by Ordinance 84-1 to provide fire protection services within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Tax District is operated as a special revenue fund of the Board.

**Highlands Park Special Benefit Fire District** was established by Ordinance 88-4 to provide fire protection services directly, or by assistance, to local volunteer fire departments on property located within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Highlands Park Estates Improvement Trust** was established by resolution in 1981 (Resolution Book 6, Page 20) to assure maintenance, construction and repairs on public thoroughfares in Highlands Park Estates Subdivision. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Improvement Trust is operated as a special revenue fund of the Board.

**Leisure Lakes Special Benefit Fire District** was established by Ordinance 85-4 to provide fire protection services within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Sebring Hills Special Benefit District** was established by Ordinance 89-5 to provide street lights within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Red Hill Farms Improvement District** was established by Ordinance 89-16 to provide construction and maintenance of roads and drainage facilities within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Improvement District is operated as a special revenue fund of the Board.

**Orange Blossom Estates Special Benefit District** was established by Ordinance 90-16 to provide road maintenance, construction of roads, and drainage facilities. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

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

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Sun-N-Lakes of Lake Placid Recreation District** was established by Ordinance 92-35 to provide recreational facilities, maintenance of parks and installation and maintenance of streetlights within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Recreation District is operated as a special revenue fund of the Board.

**Sebring Acres Special Benefit District** was established by Ordinance 94-14 and Section 125.01(1)(q), Florida Statutes, to provide flood and erosion control, water and sewer systems, road maintenance, fire protection, recreational facilities, and street lighting within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Orange Blossom (Unit 12) Special Benefit District** was established by Ordinance 95-39 and Section 125.01(1)(q), Florida Statutes, to provide flood and erosion control, water and sewer systems, fire protection services, recreational facilities, road maintenance, and street lighting within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Lake Haven Estates Special Benefit District** was established by Ordinance 95-34 and Section 125.01(1)(q), Florida Statutes, to provide street lighting within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Lorida Special Benefit Fire District** was established by Ordinance 96-20 to provide fire protection services within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Lake Placid Special Benefit Fire District** was established by Ordinance 98-03 to provide fire protection services within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

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

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Highway Park Special Benefit District** was established by Ordinance 98-36 to provide and maintain street lighting within the District and pay the electrical bills incurred. The Board is the ex-officio board of supervisors, is the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Sun-N-Lakes 1-20 Improvement Trust** was established by Resolution 2001-96 to assure construction of drainage and paved streets in Units 1 through 20 of Sun-n-Lakes Estates of Lake Placid Subdivision. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Improvement Trust is operated as a special revenue fund of the Board.

**Highlands Park Estates Special Benefit District** was established by Ordinance 00-25 to provide facilities and improvements within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**West Sebring Special Benefit Fire District** was established by Ordinance 01-02-6 to provide fire protection services within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Venus Special Benefit Fire District** was established by Ordinance 96-19 to provide fire protection services within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Placid Lakes Special Benefit Fire District** was established by Ordinance 03-04-6 to provide fire protection services within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the district. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

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

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Oak Manor Avenue Road Paving District** was established by Ordinance 19-20-06 to track the special assessment financing for paving Oak Manor Avenue. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Road Paving District is operated as a special revenue fund of the Board.

**Thunderbird Hill Wastewater Special Benefit District** was established by Ordinance 07-08-13 to track the special assessment financing of the upgrade, construction and operations of the wastewater infrastructure for the Thunderbird Hills area. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Highlands County Fire Protection Special Benefit District** was established by Ordinance 17-18-04 to track the special assessment to provide fire protection services within the County. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the district. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**Government-Wide Financial Statements**

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

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

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

B. Measurement Focus and Basis of Accounting (Continued)

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the cost of the function to be financed from the government's general revenues. Program revenues include charges for services, program specific operating grants and contributions and program specific capital grants and contributions. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

In the State of Florida, certain state shared revenues are considered to be unrestricted general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, with an exception for interfund services provided and used, which are not eliminated in the process of consolidation. The County chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect.

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

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

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

B. Measurement Focus and Basis of Accounting (Continued)

**Fund Financial Statements**

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

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

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources and then from unrestricted resources.

**Governmental Funds**

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

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

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

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

B. Measurement Focus and Basis of Accounting (Continued)

**Governmental Funds (Continued)**

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures and claims and judgments are recorded only when payment is due.

**Proprietary Funds**

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the County's enterprise funds, the Solid Waste Disposal System and Energy Recovery System are charges for services to customers. Operating expenses of these operations include salaries, contractual services, materials and supplies, utilities, equipment rental and maintenance, administrative charges, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

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

B. Measurement Focus and Basis of Accounting (Continued)

**Basis of Presentation**

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

The County considers the Istokpoga Marsh Watershed Improvement District Fund, the HCISSR Fund, and the Energy Recovery Fund important to financial statement users because of public interest and is, therefore, reporting those funds as major funds even though the quantitative criteria have not been met.

**Governmental Major Funds**

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

**County Transportation Trust** – The County Transportation Trust Fund is a special revenue fund used to account for the operations of the road and bridge department. Financing is provided principally by the County's share of state gasoline taxes and the sixth-cent local option gas tax which are restricted.

**Istokpoga Marsh Watershed Improvement District** – The Istokpoga Marsh Watershed Improvement District Fund is a special revenue fund used to account for assessments and Federal and State grants relating to water control and improvements for the restoration of the watershed of Lake Okeechobee and the Florida Everglades. The Istokpoga Marsh Watershed Improvement District accounts for the purchase of land and the building of infrastructure through Federal and State grants as well as property assessments to create retention areas for excess water for the use of agriculture and to improve water quality of Lake Okeechobee and the Florida Everglades.

**Local Government Infrastructure Surtax** – The Local Government Infrastructure Surtax Fund is a special revenue fund used to account for the one-cent local discretionary sales surtax that was approved by voters. This revenue collected is restricted per Section 212.055(2), Florida Statutes.

**Highlands County Infrastructure Sales Surtax Refunding Revenue Note (HCISSR Construction)** – The HCISSR Construction Fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects (other than those financed by proprietary funds).



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

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

B. Measurement Focus and Basis of Accounting (Continued)

**Proprietary Major Funds**

**Solid Waste** – The Solid Waste Fund accounts for all facilities and administration relating to the sanitary disposal of solid waste (refuse).

**Energy Recovery** – The Energy Recovery Fund accounts for the operation of a County owned and operated asphalt plant.

**Other Fund Types**

**Internal Service Funds** – The Internal Service Funds account for employee benefits, insurance, and compensated absences provided to other departments of the County on a cost reimbursement basis.

**Agency Funds** – The Agency Funds account for all assets held by the County in its capacity as custodian or agent for individuals, other governmental units and non-public organizations. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. A description of each agency fund can be found on page 193.

C. Budgets and Budgetary Accounting

The following are the procedures followed by the Board in establishing the budget for Highlands County:

1. On or before June 1 of each year, the Sheriff, the Clerk, the Tax Collector and the Supervisor of Elections submit to the Board a tentative budget for their respective offices for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the Office of Management and Budget submits to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public and public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. The County's operating budget is legally enacted through passage of a resolution at the final public hearing. Accordingly, the funds have an adopted budget as required by Section 129.03, Florida Statutes.

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

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

C. Budgets and Budgetary Accounting (Continued)

6. Section 129.07, Florida Statutes, as amended in 1978, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Board acts on all budget changes between departments, this becomes the level of control. The budgetary data presented herein was amended by the Board during the year in a legally permissible manner.
7. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds and Proprietary Funds except for the Industrial Development Agency Fund, Court Fund, Public Records Modernization Trust Fund, Teen Court Operations Fund, Court Related Technology Modernization Trust Fund, Homeowner's Foreclosure Education Fund, Community Donations Fund, and the Inmate Welfare Fund, which do not have legally adopted budgets.
8. Annual appropriated budgets for the General, Special Revenue, Capital Projects, and Proprietary Funds are legally adopted on a basis consistent with GAAP. However, the only funds required to report budgets are the General and Special Revenue Funds.
9. It is the Board's policy to amend the budget when unanticipated revenues and expenditures occur.
10. All appropriations lapse at the close of the fiscal year.
11. The Clerk's Court Services Fund does not budget for the excess of revenue over expenditures that is required to be returned to the state of Florida. For the year ending September 30, 2019, \$97,740 of revenue over expenditures returned to the state of Florida is included in total expenditures.

D. Reconciliation of Government-Wide and Fund Financial Statements

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

"Total fund balances" of the County's governmental funds, \$59,346,790, differs from "net position" of governmental activities, \$224,862,942, reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

**Deferred Outflows of Resources**

Certain resources are not available to pay current period expenditures, and therefore are not reported in the fund statements. Balances as of September 30, 2019 were:

Deferred Charges on Refunding of Bonds	<u>\$ 1,666</u>
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**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

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

**Capital Related Items**

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

Cost of Capital Assets	\$ 332,884,712
Accumulated Depreciation/Amortization	<u>(85,790,811)</u>
Total Capital Assets	<u><u>\$ 247,093,901</u></u>

**Receivable Transactions**

Certain receivables are not available to pay current period expenditures, and therefore are reported as deferred inflows of resources in the funds. Balances as of September 30, 2019 were:

Deferred Inflows of Resources	<u>\$ 3,844,632</u>
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**Long-Term Debt Transactions**

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long term) are reported in the statement of net position. Balances as of September 30, 2019 were:

Notes Payable	\$ (25,042,643)
Capital Leases	<u>(845,909)</u>
Total Long-Term Liabilities	<u><u>\$ (25,888,552)</u></u>

**Accrued Interest**

Accrued liabilities in the statement of net position differ from the amount reported in governmental funds due to accrued interest on notes payable and capital leases.

Accrued Interest on Notes Payable and Capital Leases	<u>\$ (187,937)</u>
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**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

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

**Pension Related Items**

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Accrued pension contributions included in the Compensated Absences Fund were adjusted to avoid duplication of the pension liability. Balances as of September 30, 2019 were:

Net Pension Liability	\$ (79,048,809)
Deferred Outflows of Resources - Pension Related	27,400,394
Deferred Inflows of Resources - Pension Related	(5,983,861)
Compensated Absences Adjustment	438,357
Total	<u><u>\$ (57,193,919)</u></u>

**Other Postemployment Benefits Related Items**

Total other postemployment benefits (OPEB) liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Balances as of September 30, 2019 were:

Total OPEB Liability	\$ (2,657,487)
Deferred Outflows of Resources - OPEB Related	160,154
Deferred Inflows of Resources - OPEB Related	(38,300)
Total	<u><u>\$ (2,535,633)</u></u>

**Internal Service Funds**

Internal service funds are used by management to charge the costs of risk retention, employee benefits and compensated absences to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the County.

Internal Service Funds	<u><u>\$ 381,996</u></u>
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**Elimination of Interfund Receivables/Payables**

Interfund receivables, payables, and advances in the amount of \$4,858,354 between governmental funds must be eliminated from the statement of net position.

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

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of Differences Between the Governmental Fund Operating Statement and the Statement of Activities**

The “net change in fund balances” for governmental funds, \$15,288,177, differs from the “change in net position” for governmental activities, \$13,015,068 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital Related Items**

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

Capital Outlay	\$ 15,506,926
County Acquired Surplus Properties	3,133,852
Depreciation/Amortization Expense	<u>(7,144,142)</u>
Difference	<u>\$ 11,496,636</u>

In the statement of activities, the gain/loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

Sale of Capital Assets	<u>\$ (1,095,891)</u>
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**Long-Term Debt Transactions**

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.

Issuance of Notes Payable	\$ (6,022,610)
Principal Repayments of Notes Payable	1,988,717
Principal Repayments of Capital Leases	<u>832,669</u>
Net Adjustment	<u>\$ (3,201,224)</u>

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

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of Differences Between the Governmental Fund Operating Statement and the Statement of Activities (Continued)**

**Revenue Transactions**

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

Intergovernmental Revenue	\$ 932,115
Charges for Services	436,826
Total Adjustment	\$ 1,368,941

**Expense Transactions**

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

Net Change in Interest Payable	\$ 7,455
Amortization of Bond Refunding Costs	(20,009)
Total Adjustment	\$ (12,554)

**Pension Related Items**

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

Pension Expense	\$ (10,440,831)
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**Other Postemployment Benefits Related Items**

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

OPEB Expense	\$ (93,011)
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**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of Differences Between the Governmental Fund Operating Statement and the Statement of Activities (Continued)**

**Internal Service Funds Net Cost**

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the County.

Internal Service Funds Change in Net Position	\$ (299,249)
Internal Service Funds Operating Loss	
Allocated to Business-Type Activities	4,074
Net Adjustment	<u>\$ (295,175)</u>

Transfers in and transfers out in the amount of \$1,227,621 between governmental funds must be eliminated from the statement of activities.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand as well as demand deposits and investments with original maturities of three months or less from the date of acquisition.

Cash balances from the majority of funds are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts and, therefore, all balances representing participants' equity in the investment pools are classified as cash equivalents for purposes of these financial statements.

For the purpose of the statement of cash flows, each fund's equity in the investment pool is considered to be a cash equivalent since deposits and withdrawals can be made at any time without prior notice or penalty.

F. Investments

The County's investment policy authorizes investment of surplus funds in local government investment pools, certificates of deposit and savings accounts, money market mutual funds, and securities issued by the United States Treasury. The policy was adopted pursuant to Section 218.415, Florida Statutes.

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

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

F. Investments (Continued)

In accordance with the provisions of GASB Statement No. 31, the County reports investments at their fair value on the balance sheet or statement of net position, as applicable, with unrealized gains and losses charged or credited to the net change in fair value of investments. The fair value of each security is based on the quoted market value provided by the broker. Money market investments, the Local Government Surplus Funds Trust Funds PRIME Fund and the Florida Local Government Investment Trust (FLGIT) Day to Day Fund are reported as cash equivalents at amortized cost. Florida Surplus Asset Fund Trust Stable NAV Fund, Florida Cooperative Liquid Assets Securities System, and Florida Public Assets for Liquidity Management Portfolio are reported as cash equivalents at net asset value (NAV).

G. Accounts Receivable

Receivables are shown net of allowance for doubtful accounts. Doubtful accounts are those unpaid more than 180 days for Emergency Medical Services (EMS) and 90 days for all other accounts. Receivables are set up when services are rendered for EMS, landfill, and asphalt plant. The retired employees' health insurance premiums receivables are billed on a monthly basis. Receivables related to grants are not reflected until qualifying expenditures have been incurred and all other eligibility requirements have been met for the grant. Reinsurance recovery receivable is determined by those insurance claims that exceed the County's insurance limit, but are covered by the County's excess coverage.

H. Interfund Transactions

Interfund transactions are accounted for in the following manner:

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

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



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

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

H. Interfund Transactions (Continued)

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

Long-term interfund advances are reported as "Advances to Other Funds" and as "Nonspendable Fund Balance" in the General Fund to maintain accountability and to properly disclose the amount available for appropriation. Repayments are recorded as reductions in the receivable.

I. Inventories

Inventories are stated at cost using the moving average cost basis. The consumption method is used to account for inventories. The cost is recorded as an expenditure or expense (as appropriate) at the time individual inventory items are consumed. Inventories reported in the General Fund are equally offset by nonspendable fund balance which indicates they are unavailable for appropriation.

J. Prepaid Items

Prepaid insurance and similar items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

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

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

K. Property Tax

The County's property tax roll is as follows:

Valuation Date January 1, 2019

Property Appraiser prepares the assessment roll with values as of January 1, 2019, submits this preliminary roll for approval by the Department of Revenue and notifies each taxing authority of their respective valuations. July 1, 2019

Each taxing authority holds two required public hearings and adopts a budget and ad valorem tax millage rates for the coming year. September 2019

Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (levy date). November 2019

Tax Collector mails a notice of taxes to each property owner on the assessment roll. Taxes may be paid November 2019 through March 2020 with the following applicable discounts:

<u>Month</u>	<u>Discount Percent</u>
November	4
December	3
January	2
February	1
March	0

All unpaid taxes on real and tangible personal property become delinquent. April 1, 2020

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. April and May 2020

Tax certificates are sold on all real estate parcels with unpaid real property taxes (lien date). June 1, 2020

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes. June 1, 2020

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

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

K. Property Tax (Continued)

Ad valorem taxes on any real property with more than \$100 of estimated taxes due may be prepaid in installments as follows:

<u>Payment Due</u>	<u>Amount Due</u>	<u>Discount Percent</u>	<u>Discount Due Date</u>
First	25% of estimated tax	6.00	June 30, 2019
Second	25% of estimated tax	4.50	September 30, 2019
Third	25% of estimated tax plus 50% adjustment to actual tax	3.00	December 31, 2019
Fourth	25% of estimated tax plus 50% adjustment to actual tax	0.00	March 31, 2020

No accrual for the property tax levy becoming due in November 2019 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period. Property taxes receivable and a corresponding allowance for uncollectible property taxes are not included in the financial statements.

L. Capital Assets

Capital assets, which include property, plant, equipment, intangibles (e.g., software, easements, websites, radio frequencies, land use rights, patents, trademarks and copyrights) and infrastructure assets (e.g., roads, bridges, rights-of-way, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Governmental Accounting Standards Board Statement No. 51 established accounting and financial reporting requirements for intangible assets. Highlands County has implemented this statement by incorporating software, easements, patents, copyrights, water, timber, and land use rights as intangible assets. Information regarding intangible assets is included in Note 4 in the financial statements.

The Board holds legal title for the capital assets used in the operations of the Board, the Clerk, the Property Appraiser, the Supervisor of Elections, and the Tax Collector, and is accountable for them under Florida Law. The Sheriff holds legal title for capital assets used in the Sheriff's operations.

Capital assets used by the governmental funds are reported in the government-wide financial statements of the County. Capital assets of the Board's enterprise and internal service funds are reported in the Proprietary Funds financial statements.

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

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

L. Capital Assets (Continued)

Capital assets are defined by the County as having a minimum established cost (in the table listed below) and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost if actual is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation. Donated capital assets received in a service concession arrangement are recorded at acquisition value. Property, plant, equipment and intangibles are depreciated or amortized using the straight-line method over the following generally applied estimated useful lives:

Assets	Years	Threshold
Buildings	10 – 40	\$ 5,000
Improvements Other Than Buildings	3 – 40	5,000
Operating Machinery and Equipment	4 – 20	5,000
Software – Internally Generated	3 – 10	15,000
Software – Purchased/Leased	3 – 10	25,000
Land Use Rights – Permanent	N/A	15,000
Land Use Rights – Term	Term	25,000
Other Capital Intangibles	Varies	20,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Capital assets acquired by lease/purchase agreements or multiple year installment purchase contracts are recorded in the governmental funds in the year acquired as capital outlay expenditures and as other financing sources in the amount of the discounted present value of the total stipulated payments.

The County has elected to use the modified approach for accounting for its bridges and roadways included in the County highway system. Under this approach, the County has made the commitment to preserve and maintain these assets at levels established by the County and approved by the Board. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The County maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the County makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. Refer to required supplementary information (RSI) for additional information on infrastructure using the modified approach.

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

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

M. Unearned Revenues

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

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

N. Pensions

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

O. Other Postemployment Benefits (OPEB)

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

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category including the deferred charge on refunding, differences between expected and actual experience, changes in actuarial assumptions, net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between the County's contributions and proportionate share of contributions, and the County's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the OPEB Plan. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

P. Deferred Outflows/Inflows of Resources (Continued)

The other amounts will be recognized as increases in pension or OPEB expense in future years.

In addition to liabilities, the statement of net position and governmental funds balance sheet includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category including differences between expected and actual experience, changes in actuarial assumptions, net difference between projected and actual earnings on pension plan investments, and changes in the proportion and differences between the County's contributions and proportionate share of contributions, relating to the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program and the OPEB Plan. The County also has several items, which arise only under a modified accrual basis of accounting that qualified for reporting in this category. Accordingly, the items are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues and charges for services. The amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

Q. Compensated Absences

County policy permits employees to accumulate leave credits in varying amounts, which will be paid to employees upon termination of employment. Accumulated leave is recorded as an expenditure/expense in the fund in which an employee's payroll expense is normally recorded. The liability for compensated absences related to governmental activities is recorded in an internal service fund. The liability for compensated absences related to business-type activities is recorded in the proprietary funds. The liability is liquidated with funds accumulated in the internal service fund or proprietary fund as applicable.

R. Landfill Closure Costs

The County has obtained engineering estimates of future costs to close and monitor sanitary landfill sites in accordance with State and Federal guidelines. Estimated landfill closing and monitoring costs are being accrued in the Solid Waste Enterprise Fund over the operating life of the landfill representing the commitment to fund such costs for the future.

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

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

S. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds. Encumbrances are not the equivalent of expenditures; but rather represent a future commitment to purchase goods or services. Although encumbrances lapse at fiscal year-end, it is the County's intention to honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding as of September 30, 2019 totaled \$3,521,355. Encumbrances of the major funds totaled \$3,087,190 and consisted of the following: General Fund, \$357,689; County Transportation Trust \$98,351; Istokpoga Marsh Watershed Improvement District \$159,727, Local Government Infrastructure Surtax, \$2,460,317, and HCISSR Construction, \$11,106. Nonmajor fund encumbrances, in the aggregate, totaled \$434,165.

T. Operating Subsidies and Grants

Operating subsidies and grants which finance current operations are generally recorded as nonoperating revenue in the Enterprise Funds when earned and as intergovernmental revenue in the Governmental Funds when they become measurable and available.

U. Self-Insurance

Employee health and dental insurances are provided under externally administered self-insured plans. Contributions from the County (single rate) and the employees (family rate) pay the health and dental insurance plans. Contributions are based in part on the annual actuarial studies performed by an enrolled actuary. The self-insurance health and dental plans are accounted for in the Employee Benefit Fund.

V. Eliminations

Eliminating entries were made between departments in the General Fund.

W. Fund Balance

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories, prepaid amounts, and advances to other funds) or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

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

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

W. Fund Balance (Continued)

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action (ordinance) of the Board of County Commissioners, the County's highest level of decision-making authority. Commitments may be changed or lifted only by the Board of County Commissioners taking the same formal action that originally imposed the constraint.

**Assigned Fund Balance** – Amounts intended to be used by the County for specific purposes. According to the County's fund balance policy, this includes spendable fund balance amounts established by the Board of County Commissioners or the County Administrator that are neither restricted nor committed. The County's fund balance policy does not describe the specific action required to assign fund balance.

**Unassigned Fund Balance** – Amounts that are available for any purpose. Positive amounts can be reported only in the Board's General Fund. Unassigned fund balance may also include negative balance for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions. The Board of County Commissioners adopted a fund balance policy for the county as a whole. It is the County's goal to maintain unassigned fund balance in the General Fund of not less than three months of the following year's General Fund budgeted expenditures, excluding certain items.

X. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS**

At September 30, 2019, the bank balances of the County's deposits consisted of the following:

Demand Deposits	\$ 14,434,301
Certificates of Deposit	11,232,253
Total	<u>\$ 25,666,554</u>



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

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

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

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

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

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

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

Deposits	\$ 24,048,215
Petty Cash and Change Funds	26,544
Investments	62,026,366
Total	\$ 86,101,125
 Statement of Net Position:	
Cash and Cash Equivalents	\$ 37,759,894
Investments	38,749,249
Restricted Cash and Cash Equivalents	6,246,170
 Statement of Fiduciary Net Position - Agency Funds:	
Cash and Cash Equivalents	3,211,775
Investments	134,037
Total	\$ 86,101,125

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

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments**

The County invested funds throughout the year with local government investment pools. At September 30, 2019, the County's investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>
Measured at Amortized Cost:	
Local Government Surplus Funds Trust Funds PRIME Fund	\$ 16,755,030
Florida Local Government Investment Trust - Day To Day Fund	598,408
Total Measured at Amortized Cost	17,353,438
Measured at NAV:	
Florida Local Government Investment Trust - Short-Term Bond Fund	608,001
Florida Surplus Asset Fund Trust - Stable NAV Fund	2,596,188
Florida Surplus Asset Fund Trust - Variable NAV Fund	3,130,802
Florida Cooperative Liquid Assets Securities System	5,145,071
Florida Public Assets for Liquidity Management Portfolio	9,279,969
Florida Public Assets for Liquidity Management Term Fund	13,200,142
Florida Fixed Income Trust	10,712,755
Total Measured at NAV	44,672,928
Total	\$ 62,026,366

**Florida PRIME**

Florida PRIME is an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2019, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments represented 36.7% of the Florida PRIME's portfolio at September 30, 2019.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days.

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

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

**Florida Local Government Investment Trust**

Florida Local Government Investment Trust (FLGIT) is a public entity investment trust organized under the laws of the State of Florida. At September 30, 2019 the County was invested in the Day to Day Fund and the Short-Term Bond Fund.

FLGIT Day to Day Fund – At September 30, 2019, the average maturity in days was 30.45 days. The investments in the Day to Day Fund meet all of the necessary criteria to elect to measure all of the investments at amortized cost, as a cash equivalent.

FLGIT Short Term-Bond Fund – At September 30, 2019, the average maturity in years was 2 years. The FLGIT reports all share information at net asset value (NAV). The value of the County’s position in the FLGIT external investment pool is the same as the value of the pool’s shares.

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

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The investment strategy of the FLGIT Short Term Bond Fund is to hold a diversified mix of sectors for income generation. The Fund remains overweight and constructive on short-dated credit given attractive yields, lack of supply and solid fundamentals. Over the year, Treasuries have been used to slightly extend the Fund's interest rate exposure, while credit spread duration declined as securities within spread sectors aged down. The portfolio currently has a neutral duration position versus the benchmark. The Fund expects to remain active buyers of high-quality asset-backed securities as it continues to reinvest monthly paydowns. Overall, the portfolio's sensitivity to changes in credit spreads is diminished.

**Florida Surplus Asset Fund Trust**

Florida Surplus Asset Fund Trust (FL SAFE) is a common law trust organized in 2007 under the laws of the State of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five member Board of Trustees. At September 30, 2019, the County was invested in the Stable NAV Fund and the Variable NAV Fund.

FL SAFE Stable NAV Fund - At September 30, 2019, the average maturity in days was 37 days. FL SAFE reports all share information at NAV. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

The investment strategy of FL SAFE Stable NAV Fund is to provide safety and preservation of principal, liquidity, transparency, and competitive yields.

FL SAFE Variable NAV Fund - At September 30, 2019, the weighted average maturity (WAM) in days was about 1 year. FL SAFE reports all share information at NAV. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

The investment strategy of FL SAFE Variable NAV Fund is to invest in a diversified portfolio of short-term, investment-grade fixed income securities that include obligations guaranteed by the full faith and credit of the U.S., U.S. government agency obligations, corporate obligations, asset-backed securities, bank obligations, and other obligations permitted by applicable Florida statutes.

**Florida Cooperative Liquid Assets Securities System**

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted as a stable NAV investment pool. At September 30, 2019, the WAM in days was 54 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

The investment strategy of FLCLASS is to offer a safe, convenient, and liquid investment option to Florida governmental entities.

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

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

Florida Public Assets for Liquidity Management Fund

The Florida Public Assets for Liquidity Management Fund (FL PALM) is a common law trust organized under the laws of the state of Florida. FL PALM is directed by a Board of Trustees and an Advisory Committee. At September 30, 2019, the County was invested in the FL PALM Portfolio and FL PALM Term Series.

Investments in FL PALM Portfolio and Term Series are measured at NAV. As of September 30, 2019, FL PALM Portfolio's WAM in days was 52 days, and FL PALM Term Series WAM in days was 96 days.

The investment strategy of FL PALM is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital.

Florida Fixed income Trust

Florida Fixed Income Trust (FL-FIT) was formed through indenture of trust pursuant to Florida Statutes, Sections 163.01 and 218.415.

Investments in FL-FIT are measured at NAV. As of September 30, 2019, FL-FIT's WAM in days was 135 days.

The investment strategy of FL-FIT seeks to maintain a portfolio of high-quality short-duration fixed-income instruments.

The fair value of investments in certain pooled funds is based in the investments' fair value measurements. Such fair value measurements are as follows at September 30, 2019:

Pooled Funds:	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
FLGIT Short-Term Bond Fund	\$ 608,001	\$ -	Daily	1-3 Days
FL SAFE Stable NAV Fund	2,596,188	-	Daily	1 Day
FL SAFE Variable NAV Fund	3,130,802	-	Daily	1 Day
FLCLASS	5,145,071	-	Daily	1 Day
FL PALM Portfolio	9,279,969	-	Daily	1 Day
FL PALM Term Fund	13,200,142	-	Daily	7 Days
FL-FIT	10,712,755	-	Daily	1 Day

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

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has no policy on interest rate risk. Investments and related level of risk at September 30, 2019, were as follows:

<u>Investment Type</u>	<u>Investment Maturity (in Years)</u>
Florida PRIME	Less than 1
FLGIT - Day To Day Fund	Less than 1
FLGIT - Short-Term Bond Fund	1 - 5
FL SAFE Stable NAV Fund	Less than 1
FL SAFE Variable NAV Fund	1 - 5
FLCLASS	Less than 1
FL PALM Portfolio	Less than 1
FL PALM Term Fund	Less than 1
FL-FIT	1 - 5

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has no policy on credit risk. Presented below is the actual rating as of September 30, 2019 for each type of investment:

<u>Investment Type</u>	<u>Credit Rating</u>
Florida PRIME	AAAm
FLGIT - Day To Day Fund	AAAm
FLGIT - Short-Term Bond Fund	AAAf
FL SAFE Stable NAV Fund	AAAm
FL SAFE Variable NAV Fund	AAAf
FLCLASS	AAAm
FL PALM Portfolio	AAAm
FL PALM Term Fund	AAAf
FL-FIT	AAAf

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

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable for the individual major and nonmajor and internal service funds in the aggregate consisted of the following at September 30, 2019:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Solid Waste	Nonmajor and Other Funds	Total
Emergency Medical Services	\$ 5,562,519	\$ -	\$ -	\$ -	\$ -	\$ 5,562,519
Landfill Charges	-	-	-	144,415	-	144,415
Interest	907	23,205	92,693	2,557	30,388	149,750
Miscellaneous	62,869	-	-	-	86,157	149,026
Accounts Receivable, Gross	5,626,295	23,205	92,693	146,972	116,545	6,005,710
Allowance for Doubtful Accounts	(3,416,549)	-	-	-	-	(3,416,549)
Accounts Receivable, Net	<u>\$ 2,209,746</u>	<u>\$ 23,205</u>	<u>\$ 92,693</u>	<u>\$ 146,972</u>	<u>\$ 116,545</u>	<u>\$ 2,589,161</u>

Activity in Emergency Medical Services accounts receivable was as follows:

Balance - September 30, 2018	\$ 4,999,250
Billings	7,016,298
Less:	
Cash Receipts	(3,607,150)
Medical/Medicaid Adjustments	(1,663,989)
Sent to Collection	(1,225,275)
Other Adjustments	43,385
Balance - September 30, 2019	<u>\$ 5,562,519</u>

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

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 46,062,673	\$ 3,170,091	\$ (752,268)	\$ 48,480,496
Construction in Progress	14,240,694	8,905,236	(2,637,788)	20,508,142
Infrastructure	107,895,752	-	-	107,895,752
Land Use Rights, Permanent	2,255,569	159,850	-	2,415,419
Total Capital Assets, Not Being Depreciated/Amortized	170,454,688	12,235,177	(3,390,056)	179,299,809
Capital Assets, Being Depreciated/Amortized:				
Buildings	70,042,546	2,948,043	(112,969)	72,877,620
Improvements Other Than Buildings	13,225,005	159,418	(23,167)	13,361,256
Machinery and Equipment	58,169,484	5,332,945	(2,500,747)	61,001,682
Computer Software	5,741,362	602,983	-	6,344,345
Total Capital Assets Being Depreciated/Amortized	147,178,397	9,043,389	(2,636,883)	153,584,903
Less: Accumulated Depreciation/Amortization for:				
Buildings	(29,156,775)	(1,983,557)	11,478	(31,128,854)
Improvements Other Than Buildings	(5,869,604)	(466,278)	12,334	(6,323,548)
Machinery and Equipment	(40,858,473)	(4,420,509)	2,269,448	(43,009,534)
Computer Software	(5,055,077)	(273,798)	-	(5,328,875)
Total Accumulated Depreciation/Amortization	(80,939,929)	(7,144,142)	2,293,260	(85,790,811)
Total Capital Assets, Being Depreciated/ Amortized, Net	66,238,468	1,899,247	(343,623)	67,794,092
Governmental Activities Capital Assets, Net	<u>\$ 236,693,156</u>	<u>\$ 14,134,424</u>	<u>\$ (3,733,679)</u>	<u>\$ 247,093,901</u>



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

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 1,833,866	\$ -	\$ -	\$ 1,833,866
Construction in Progress	5,466	-	-	5,466
Total Capital Assets, Not Being Depreciated/Amortized	1,839,332	-	-	1,839,332
Capital Assets, Being Depreciated/Amortized:				
Buildings and Systems	696,881	-	-	696,881
Improvements Other Than Buildings	10,379,791	-	-	10,379,791
Machinery and Equipment	8,475,713	108,764	(7,838)	8,576,639
Total Capital Assets Being Depreciated/Amortized	19,552,385	108,764	(7,838)	19,653,311
Less: Accumulated Depreciation/Amortization for:				
Buildings and Systems	(544,673)	(27,804)	-	(572,477)
Improvements Other Than Buildings	(6,602,119)	(271,616)	-	(6,873,735)
Machinery and Equipment	(4,876,001)	(390,382)	7,838	(5,258,545)
Total Accumulated Depreciation/Amortization	(12,022,793)	(689,802)	7,838	(12,704,757)
Total Capital Assets, Being Depreciated/Amortized, Net	7,529,592	(581,038)	-	6,948,554
Business-Type Activities Capital Assets, Net	<u>\$ 9,368,924</u>	<u>\$ (581,038)</u>	<u>\$ -</u>	<u>\$ 8,787,886</u>

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	
General Government	\$ 1,168,539
Public Safety	3,988,487
Physical Environment	63,038
Transportation	1,228,362
Economic Environment	49,534
Human Services	110,168
Culture and Recreation	431,685
Court Related	104,329
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 7,144,142</u>
<b>Business-Type Activities:</b>	
Solid Waste	\$ 567,871
Energy Recovery	121,931
Total Depreciation/Amortization Expense - Business-Type Activities	<u>\$ 689,802</u>

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

**NOTE 5 INTERFUND BALANCES**

Interfund balances at September 30, 2019 consisted of the following amounts:

**Due To/From Other Funds**

	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	\$ 4,702,980	\$ 91,666
Local Government Infrastructure Surtax	-	86,079
Istokpoga Marsh Watershed Improvement District	203	4,594,327
Solid Waste Fund	17,809	-
Nonmajor Governmental Funds	73,654	22,574
Total	\$ 4,794,646	\$ 4,794,646

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

**Advances**

- In 2018, the Solid Waste Fund advanced a nonmajor governmental fund money for wastewater improvements. The outstanding balance as of September 30, 2019 was \$40,392.
- In 2018, the General Fund advanced a nonmajor governmental fund money for construction of a building. As of September 30, 2019, the outstanding balance was \$81,517.

**NOTE 6 RESTRICTED ASSETS**

Restricted assets include customer deposits and amounts required by Florida Administrative Code 62-701.630 to be deposited in escrow for landfill management. Total restricted assets as of September 30, 2019 were as follows:

	Cash and Cash Equivalents
<u>Governmental Funds</u>	
General Fund:	
Customer Deposits	\$ 70,080
<u>Enterprise Funds</u>	
Solid Waste:	
Customer Deposits	\$ 88,873
Landfill Closure	6,087,217
Total Enterprise Funds	\$ 6,176,090

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

**NOTE 7 LONG-TERM LIABILITIES**

The summary of changes in long-term debt for the fiscal year ended September 30, 2019 is as follows:

	Balance September 30, 2018	Additions	Reductions	Balance September 30, 2019	Due Within One Year
<b>Governmental Activities:</b>					
Notes Payable	\$ 21,008,750	\$ 6,022,610	\$ (1,988,717)	\$ 25,042,643	\$ 2,328,435
Capital Leases	1,678,578	-	(832,669)	845,909	845,909
Compensated Absences	4,562,315	4,995,457	(4,689,683)	4,868,089	486,809
Governmental Activity Long-Term Liabilities	<u>\$ 27,249,643</u>	<u>\$ 11,018,067</u>	<u>\$ (7,511,069)</u>	<u>\$ 30,756,641</u>	<u>\$ 3,661,153</u>
<b>Business-Type Activities:</b>					
Landfill Closure Liability	\$ 6,553,878	\$ 991,877	\$ (62,580)	\$ 7,483,176	\$ 77,620
Compensated Absences	78,727	67,217	(68,232)	77,712	7,771
Business-Type Activity Long-Term Liabilities	<u>\$ 6,632,605</u>	<u>\$ 1,059,094</u>	<u>\$ (130,812)</u>	<u>\$ 7,560,888</u>	<u>\$ 85,391</u>

**Compensated Absences**

Compensated absences represent the vested portion of leave credits. See Note 1 for a summary of the County's compensated absences policy. For governmental activities, the liability for compensated absences is liquidated with resources of the Compensated Absences Internal Service Fund. For business-type activities, the liability for compensated absences is liquidated with resources of the Solid Waste Fund.

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

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

The following notes payable and revenue certificates were outstanding at September 30, 2019:

	<u>Remaining Principal Amount</u>
<b>Governmental Activities Notes Payable:</b>	
<p>\$3,448,637 dated August 3, 2005 with final payment due November 1, 2019. The interest rate adjusts on November 1, 2010 and November 1, 2015 based on the lesser of LIBOR rate plus 57 basis point or 7.25%. During the year ended September 30, 2019 the rate was 0.926%. Beginning November 1, 2005, payments are due in semi-annual installments of approximately \$155,744 including interest until maturity date. Serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax for the construction of the Windy Point complex.</p>	\$ 155,744
<p>\$23,600,000 with a fixed interest rate equal to 2.01% dated May 7, 2015 with final payment due November 1, 2025. Interest payments are due on May 1 and November 1. Beginning November 1, 2015, principal payments ranging from \$1,025,000 to \$2,970,000, are due in annual installments until maturity date. Serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax. The proceeds from the note are used for refunding the Series 2010 Infrastructure Sales Surtax Revenue Note and financing the cost of a new Sheriff's administration building, jail roofing project, and Sebring Parkway Phase III.</p>	18,995,000
<p>\$522,610 with an interest rate equal to 2.169% dated November 1, 2018, with final payment due May 1, 2022. Beginning November 1, 2018 combined principal and interest payments of \$67,939 are due in semi-annual installments until maturity date. The proceeds from the note are used to finance Lifepak equipment purchase.</p>	391,899
<p>\$5,500,000 with a fixed interest rate equal to 2.08% dated September 19, 2019 with final payment due August 1, 2034. Interest payments are due on February 1 and August 1. Beginning August 1, 2021, principal payments ranging from \$345,000 to \$450,000 are due in annual installments until maturity date. Serviced from and secured by the County's Non-Ad Valorem Fire Assessment. The proceeds from the note are used for issuance expenses and the cost of the acquisition, construction and equipping of fire safety equipment, vehicles, a fire station and other infrastructure improvement projects located within the County.</p>	<u>5,500,000</u>
<p>Total Governmental Activities Notes Payable</p>	<u><u>\$ 25,042,643</u></u>

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

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

There are a number of limitations and restrictions contained in the various notes and certificate indentures. The County is in compliance with all significant limitations and restrictions.

The annual debt service requirements to amortize all debts outstanding as of September 30, 2019 are as follows:

Year Ending September 30,	Governmental Activities	
	Notes Payable	
	Principal	Interest
2020	\$ 2,328,435	\$ 469,318
2021	3,160,611	433,379
2022	3,223,597	368,696
2023	3,150,000	303,507
2024	3,215,000	239,391
2025-2029	7,815,000	464,903
2030-2034	2,150,000	136,240
Total	<u>\$ 25,042,643</u>	<u>\$ 2,415,434</u>

**NOTE 8 LEASES**

**Capital Leases**

The County has entered into a lease agreement as lessee for financing the acquisition of communications equipment for the County. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through a capital lease are as follows:

Assets:	Governmental Activities
Machinery and Equipment	\$ 5,328,349
Computer Software	481,428
Less: Accumulated Depreciation/Amortization	(4,720,444)
Total	<u>\$ 1,089,333</u>

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

Year Ending September 30,	Governmental Activities
2020	\$ 859,359
Less: Amount Representing Interest	(13,450)
Present Value of Minimum Lease Payment	<u>\$ 845,909</u>

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

**NOTE 9 GOVERNMENTAL FUND BALANCES**

At September 30, 2019, the County's governmental fund balances were classified as follows:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Istokpoga Marsh Watershed Improvement District	HCISSR Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>							
Advances to Other Funds	\$ 81,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,517
Prepaid Items	1,245,650	83,862	-	-	-	54,249	1,383,761
Inventories	361,466	-	-	-	-	-	361,466
Total Nonspendable	1,688,633	83,862	-	-	-	54,249	1,826,744
<b>Restricted:</b>							
General Government	-	-	-	-	-	205,920	205,920
Public Safety	-	-	-	-	-	1,046,816	1,046,816
Fire Districts	-	-	-	-	-	3,947,630	3,947,630
Inmate Welfare	-	-	-	-	-	506,965	506,965
Building Department	-	-	-	-	-	2,846,067	2,846,067
Conservation	-	-	-	-	-	220,423	220,423
Tourist Development	-	-	-	-	-	977,877	977,877
Transportation	-	4,202,291	-	-	-	3,416,272	7,618,563
Housing Programs	-	-	-	-	-	563,322	563,322
Human Services	-	-	-	-	-	121,449	121,449
Culture and Recreation	-	-	-	-	-	313,395	313,395
Court Related	-	-	-	-	-	186,724	186,724
Court Facilities	-	-	-	-	-	251,503	251,503
Infrastructure and Land Acquisition	-	-	19,881,368	-	207,328	5,467,470	25,556,166
Total Restricted	-	4,202,291	19,881,368	-	207,328	20,071,833	44,362,820
<b>Assigned:</b>							
Subsequent Year Expenditures	357,689	-	-	-	-	-	357,689
Transportation	-	1,131,596	-	-	-	-	1,131,596
Total Assigned	357,689	1,131,596	-	-	-	-	1,489,285
<b>Unassigned</b>							
	17,133,264	-	-	(5,456,308)	-	(9,015)	11,667,941
Total Fund Balances	\$ 19,179,586	\$ 5,417,749	\$ 19,881,368	\$ (5,456,308)	\$ 207,328	\$ 20,117,067	\$ 59,346,790

**NOTE 10 PERSONNEL COMMITMENTS**

**Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Effective January 1, 1997, Federal legislation converted the Section 457 deferred compensation assets from County assets to employee assets. As a result of these changes, plan assets are no longer subject to the claims of the County's general creditors.

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

**NOTE 10 PERSONNEL COMMITMENTS (CONTINUED)**

**Deferred Compensation Plan (Continued)**

The County had previously reported the assets and associated liabilities of the deferred compensation plan in its financial statements as an agency fund. Effective with the change in legislation, these assets are no longer County assets and fiduciary responsibility has been transferred to the third party plan administrator. Consequently, these assets are no longer reported in the accompanying financial statements in compliance with Governmental Accounting Standards Board Statement No. 32.

**NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS**

The County is obligated to make available to qualified retired employees the option to maintain coverage with the group health, life and dental insurance plans.

**Plan Description** – The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the County. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the County may continue to participate in the County’s self-funded health and hospitalization plan for medical, prescription drug and dental coverage. The County subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The plan does not issue a publicly available financial report.

For the Postemployment Health Care Benefits Plan, contribution requirements of the County are established and may be amended through the County. The plan is currently being funded on a pay-as-you-go basis. No trust or agency fund has been established for the plan, and there are no assets accumulated in trust for payment of benefits. The plan does not issue a separate financial report.

**Employees Covered by Benefit Terms**

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	31
Active Plan Members	<u>762</u>
Total	<u><u>793</u></u>

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

**NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Total OPEB Liability**

The County's Total OPEB liability was measured as of September 30, 2019 and was determined by an actuarial valuation as of October 1, 2017. The following table shows the County's total OPEB liability for the year ended September 30, 2019.

	Total OPEB Liability
Balances - October 1, 2018	\$ 2,442,277
Changes for the Year:	
Service Cost	113,559
Interest	91,062
Changes in Assumptions	196,258
Benefit Payments	(129,355)
Net Changes	271,524
Balances - September 30, 2019	\$ 2,713,801

**Discount Rate Sensitivity**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	1.75 %	2.75 %	3.75 %
Total OPEB Liability	\$ 2,901,027	\$ 2,713,801	\$ 2,531,800

**Healthcare Trend Rate Sensitivity**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	2.80 %	3.80 %	4.80 %
Total OPEB Liability	\$ 2,382,339	\$ 2,713,801	\$ 3,107,461



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

**NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

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

For the year ended September 30, 2019, the County recognized OPEB expense of \$227,553. In addition, the County reported deferred outflows and inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 163,548	\$ 39,112

Amounts reported as deferred outflows and inflows of resources related to OPEB will be amortized over 5 years and will be recognized as follows:

Year Ended September 30,	
2020	\$ 22,932
2021	22,932
2022	22,932
2023	22,932
2024	32,708

**Actuarial Assumptions**

The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Healthcare Cost Trend Rates	3.80%

The actuarial cost method used was the Entry Age Normal method.

Mortality rates were based on the RP-2000 Total Dataset Mortality Table fully generational using Scale BB.

The discount rate used to measure the total OPEB liability was 2.75%, based on yield for 20-year general obligation bond index.

Since the most recent GASB 45 valuation, the following changes have been made:

- The trend table was updated to the latest model released by the Society of Actuaries and has been adjusted to include the effects of the Cadillac Tax, set to take effect in 2022.
- The funding method was changed to Entry Age Normal as required by GASB 75.
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation.

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

**NOTE 12 LANDFILL CLOSURE AND POST-CLOSURE CARE COST**

Highlands County has four landfill sites which are comprised of a total of ten cells, five of which are currently in operation. State and Federal laws and regulations require the County to place a final cover on the five cells currently in use when they are closed and to perform maintenance and monitoring functions for all landfill sites for thirty years after closure. Landfill operations and landfill closure and post-closure care costs are accounted for in the Solid Waste Enterprise Fund. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports as a liability a portion of closure and post-closure care costs based on landfill capacity used as of the balance sheet date. The landfill closure and post-closure care liability of \$7,483,176 at September 30, 2019 represents the cumulative amount reported to date based on an average use of 52% of the total estimated capacity. The portion of the liability related to 2019 usage is an increase of \$929,297. It is estimated that an additional liability totaling \$7,033,816 for Arbuckle Creek Cells 1A, 1B, 3, C&D and Agricultural Plastic will be recognized between the balance sheet date and the dates these cells will be filled to capacity in the years 2024, 2024, 2024, 2031 and 2099, respectively. Actual costs may differ due to inflation, changes in technology or changes in landfill laws and regulations.

The County is required by State and Federal laws and regulations to make annual contributions to a landfill management escrow account to finance closure and post-closure care financial assurance requirements. The County is in compliance with these requirements at September 30, 2019 with cash and investments of \$9,695,711 held for these purposes. The County expects that future inflation costs will be paid from future contributions and interest earnings on these contributions. In the event closure escrows and interest earnings prove inadequate due to higher than expected inflation, changes in technology or changes in laws or regulations, these costs may need to be financed by future landfill users or future tax revenue.

**NOTE 13 MISCELLANEOUS REVENUE**

Miscellaneous revenue included in the Governmental Funds for the fiscal year ended September 30, 2019 consists of the following:

	General	County Transportation Trust	Government Infrastructure Surtax	Other Governmental Funds
Interfund Services Rendered	\$ 1,133,196	\$ 2,705,850	\$ -	\$ -
Commissions on Inmate Phone Calls and Commis- sary Sales Profits	-	-	-	98,472
Sale of Surplus Properties	905,602	-	-	-
Other	721,199	194,418	150	358,204
Total	<u>\$ 2,759,997</u>	<u>\$ 2,900,268</u>	<u>\$ 150</u>	<u>\$ 456,676</u>

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

**NOTE 14 MAJOR CUSTOMERS**

A significant amount of the Solid Waste Fund revenue for 2019 is derived from one major customer as follows:

	<u>Percentage of Total Revenue</u>
Waste Connections, Inc.	8%

The Solid Waste Fund revenue is comprised of charges for services to residential and commercial customers and a special non-ad valorem assessment of \$173 per property owner.

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

The County has entered into various contracts for design, construction, and other services as of September 30, 2019:

	<u>Commitment</u>
ADA Transition Plan	\$ 3,956
Asphalt Milling and Resurfacing of Various Roadways	1,412,047
Clerk of Courts Technology, Equipment and Software	175,219
Courthouse Chiller Replacement	25,225
CR 721	1,384
Erosion Control Watershed Project for Catfish Creek and Josephine Creek	449,480
Fire/EMS Administration Building	25,547
Fire Rescue Station 01 Highlands Lakes	1,375
Fire Rescue Station 18 DeSoto City	3,435
Fire Rescue Station 33 Highlands Park	19,129
Fire Rescue Station 45 Venus	29,140
Government Center HVAC Upgrade	90,003
Health Department Upgrades	368,787
Istokpoga Marsh Watershed Improvement District, Phase II Above Ground Impoundment	2,575
Istokpoga Marsh Watershed Improvement District, Water Quality Improvement	642,748
Lake Placid Health Department Roof Replacement	39,713
New Animal Control Operation Building	67,082
Remodel for Probation LEA	9,863
Sebring Parkway Phase IIA	282,089
Sebring Parkway Phase III	285,930
Unified Communications Equipment and Software	8,800
Total	<u>\$ 3,943,527</u>

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

**NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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

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

**NOTE 16 RISK MANAGEMENT**

**Insurance Fund**

Effective April 1, 2009, the County became a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker's compensation. The County is liable for deductible on certain coverages. PGIT meets the GASB Statement No. 10 guidelines for governmental entity pools and provides audited financial statements annually. Transactions related to PGIT activity are presented within the Insurance Internal Service Fund.

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

**Employee Benefit Fund**

On October 1, 1977, the County established the Employee Benefit Fund which was formerly an expendable trust fund. In 1989, the County transferred its assets, liabilities and fund equity to an internal service fund. This fund was created to self-insure County employees and their dependents for group medical costs. Both the County and employees contribute to the cost of insurance premiums. Premiums and contributions, which are used to pay medical claims, are determined by projected losses based on historical claims experience.

From October 1, 2001 through September 30, 2012, the County maintained private insurance for health insurance. Effective October 1, 2012, the County discontinued private insurance and re-established its self-insurance plan for group medical costs. The County maintained its self-insurance plan for health and dental costs for the fiscal year ended September 30, 2019.

Health and dental liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, including an estimate for claims incurred but not reported. This estimate is based on historical experience and current trends and it is computed by an actuarial firm. The claims liability for estimated health and dental claims payable as of September 30, 2019 is \$447,769.

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

**NOTE 16 RISK MANAGEMENT (CONTINUED)**

**Employee Benefit Fund (Continued)**

Health and dental claims are adjudicated by a third party administrator under contract. The County limits its exposure to health claims through stop-loss coverage.

The following table shows the changes in aggregate liabilities for health and dental claims for the past two fiscal years:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Payments</u>	<u>Ending Balance</u>
2018	\$ 418,178	\$ 7,748,214	\$ 7,733,589	\$ 432,803
2019	432,803	8,231,262	8,216,296	447,769

**NOTE 17 DEFINED BENEFIT PENSION PLANS**

**Background**

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

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

The County's pension expense totaled \$17,468,568 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2019.

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

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

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

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

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

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Benefits Provided**

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

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

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

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

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Contributions**

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2018, were applied to employee salaries as follows: regular employees 8.26%, special risk 24.50%, county elected officials 48.70%, senior management 24.06%, and DROP participants 14.03%. The County's contributions to the FRS Plan were \$6,157,860 for the year ended September 30, 2019.

**Pension Costs**

At September 30, 2019, the County reported a liability of \$65,904,936 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2019, the County's proportion was 0.191369337%, which was an increase of 0.005480121% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$16,312,142 for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,909,010	\$ (40,900)
Changes of Assumptions	16,927,223	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(3,646,205)
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	2,390,261	(923,794)
County Contributions Subsequent to the Measurement Date	1,666,543	-
Total	<u>\$ 24,893,037</u>	<u>\$ (4,610,899)</u>



**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Pension Costs (Continued)**

\$1,666,543 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended September 30,	Amount
2020	\$ 6,556,493
2021	2,308,278
2022	4,851,129
2023	3,580,982
2024	1,030,458
Thereafter	288,255

**Actuarial Assumptions**

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

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

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate (Property)	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Totals	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.7%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension Liability Sensitivity**

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.90%	6.90%	7.90%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 113,927,687	\$ 65,904,936	\$ 25,797,815

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Pension Plan Fiduciary Net Position**

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

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

**Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County's contributions to the HIS Plan were \$715,780 for the year ended September 30, 2019.

**Pension Costs**

At September 30, 2019, the County reported a liability of \$14,084,614 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all participating employers. At June 30, 2019, the County's proportion was 0.125879122%, which was an increase of 0.003992537% from its proportion measured as of June 30, 2018.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Pension Costs (Continued)**

For the year ended September 30, 2019, the County recognized pension expense of \$1,156,426 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 171,073	\$ (17,246)
Changes in Actuarial Assumptions	1,630,865	(1,151,162)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,089	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	815,673	(279,623)
County Contributions Subsequent to the Measurement Date	185,839	-
Total	<u>\$ 2,812,539</u>	<u>\$ (1,448,031)</u>

\$185,839 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2020	\$ 350,040
2021	307,891
2022	235,209
2023	35,393
2024	81,440
Thereafter	168,696

**Actuarial Assumptions**

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

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 3.50% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Pension Liability Sensitivity**

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.50%	3.50%	4.50%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 16,078,309	\$ 14,084,614	\$ 12,424,092

**Pension Plan Fiduciary Net Position**

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

**Summary**

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

Description	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 65,904,936	\$ 14,084,614	\$ 79,989,550
Deferred Outflows of Resources Related to Pensions	24,893,037	2,812,539	27,705,576
Deferred Inflows of Resources Related to Pensions	4,610,899	1,448,031	6,058,930
Pension Expense	16,312,142	1,156,426	17,468,568

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

**NOTE 18 DEFINED CONTRIBUTION PLAN**

**FRS Investment Plan**

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. 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 June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

The County's Investment Plan pension expense totaled \$1,011,655 for the year ended September 30, 2019. Employee contributions to the Investment Plan totaled \$192,024 for the year ended September 30, 2019.

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

**NOTE 19 FUND BALANCE DEFICIT**

**Special Revenue Funds**

**Istokpoga Marsh Watershed Improvement District** – The fund balance deficit of \$5,456,308 is a result of a major grant funded project that was not complete as of September 30, 2019. Since the project tasks were not complete at year end, the County did not meet the eligibility requirements to request reimbursements from the grantor agencies. The project tasks are expected to be complete during fiscal year ending September 30, 2020. A significant portion of the project expenditures that contribute to the fund’s deficit should be reimbursed at that time.

**Oak Manor Avenue Road Paving Fund** – The fund balance deficit of \$415 is a result of initial costs related to the road paving project. No assessments were collected until fiscal year 2020.

**Thunderbird Hill Waste Water Special Benefit District** – The fund balance deficit of \$8,600 is a result of a loan that was initiated to pay the City of Sebring for improvements needed with the City taking over the Landmark Utility System. The \$50,000 advance from the Solid Waste Fund is being paid back with the assessments collected from this district.

**NOTE 20 INTERFUND TRANSFERS**

Transfers for the year ended September 30, 2019 consisted of the following:

Transfers to the General Fund from:

Nonmajor Governmental Funds	\$	34,664
Solid Waste Fund		92,916
Total		127,580

Transfers to Nonmajor Governmental Funds from:

General Fund		1,044,438
County Transportation Trust		67,044
Local Government Infrastructure Surtax Fund		81,474
Total		1,192,956

Total Interfund Transfers	\$	1,320,536
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Transfers are used to: 1) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them; 2) provide matching funds for grants, and 3) use unrestricted General Fund and other fund revenues to finance transportation or other activities which must be accounted for in another fund.

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

**NOTE 21 TAX ABATEMENTS**

The Highlands County Economic Development Ad Valorem Tax Exemption program is designed to advance economic development in the county. In accordance with Article VII, Section 3 of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, Highlands County voters approved a referendum on August 24, 2014, that authorizes the Board to grant Economic Development Ad Valorem Tax Exemptions. At its discretion, the Board may grant exemptions of up to 100 percent of the assessed value of all improvements to qualifying property for up to 10 years. The exemptions do not apply to taxes levied by the school district, water management district, or taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Section 9 and Section 12, Article VII of the State Constitution. To be eligible, applicants must meet the definition of a new or expanding business, as defined in Section 196.012 (14) and (15), Florida Statutes. Additionally, applicants must also meet the criteria and standards defined by the Highlands County Economic Development Ad Valorem Tax Exemption Program, as adopted by Resolution No. 10-11-11, effective May 17, 2011. A grantee must submit an annual report evidencing satisfaction of its performance conditions. Failures to meet the standards result in revocation of the exemption. If it is determined that for any year within the exemption period the owner was not entitled to receive such exemption, the owner shall be subject to the taxes exempted because of such failure plus annual interest at the maximum rate allowed by law.

To date, the Board has granted one exemption since the commencement of the program. On June 5, 2012, the Board granted Howard Fertilizer & Chemical Co., Inc., an ad valorem tax exemption of 72.64% for 10 years. No other commitments were made by government entities as part of the agreement. The gross dollar amount of tax abated during the 2018-2019 fiscal year for Howard Fertilizer & Chemical Co., equates to \$13,609.



**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS  
YEAR ENDED SEPTEMBER 30, 2019**

**Condition Rating of Highlands County  
Roadway System**

**Overall Minimum Average Condition Level (Fair Condition 51 – 75)**

	FY 2017	FY 2018	FY 2019
Road System	61.32	61.17	52.86

**Comparison of Estimated to Actual Maintenance/Preservation**

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Budgeted	\$ 2,624,047	\$ 2,895,859	\$ 3,007,781	\$ 3,513,970	\$ 5,758,461
Actual	2,512,846	2,604,701	2,572,640	977,259	1,381,079

The condition of a road segment is measured using the Road Evaluation Standards Version 1 (RES) that is based on weighted averages or distress factors of the pavement surface. The RES system uses a measurement scale to evaluate the Pavement Condition Level (PCL) ranging from zero for a failed pavement to 100 for pavement in perfect condition. The PCL index is used to classify road segments in good condition (76–100), fair condition (51-75), poor condition (26-50), and needs reconstruction (25 or below). An overall minimum average condition level is then determined from the individual road segments and the total lane miles of roads. It is the County’s policy to maintain the road system at an overall minimum average condition level not less than 45. Road segment condition is determined annually for all arterial roads and all of the local roads are inspected annually.

**Condition Rating of Highlands County  
Bridge System**

**Overall Average Sufficiency Rating**

	FY 2017	FY 2018	FY 2019
Bridge System	75.91	75.20	77.96

**Comparison of Estimated to Actual Maintenance/Preservation**

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Budgeted	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Actual	33,248	24,525	23,841	40,275	22,272

The condition of the County’s bridges is determined using the inspection program that follows state mandates and regulations. The bridge sufficiency rating is a weighted average of an assessment of the ability of individual components to meet necessary performance requirements and uses a numerical condition scale ranging from 0 to 100. It is the County’s policy to maintain an overall minimum average sufficiency rating for the County maintained bridges of not less than 60%.

**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COUNTY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 113,559	\$ 115,422
Interest	91,062	82,736
Changes of Benefit Terms	-	-
Difference Between Expected and Actual Experience	-	-
Changes of Assumptions	196,258	(58,668)
Benefit Payments	<u>(129,355)</u>	<u>(122,205)</u>
Net Change in Total OPEB Liability	271,524	17,285
Total OPEB Liability - Beginning	2,442,277	2,424,992
Total OPEB Liability - Ending	<u>\$ 2,713,801</u>	<u>\$ 2,442,277</u>
Covered Employee Payroll	\$ 43,213,012	\$ 39,987,348
Total OPEB Liability as a percentage of the Covered Employee Payroll	6.28%	6.11%

Notes to Schedule:

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

Benefit changes: There have been no substantive plan provision changes since the last full valuation.

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

- The trend table was updated to the latest model released by the Society of Actuaries and has been adjusted to include the effects of the Cadillac Tax, set to take effect in 2022.
- The funding method was changed to Entry Age Normal as required by GASB 75.
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation.

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

**HIGHLANDS COUNTY, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
 FLORIDA RETIREMENT SYSTEM PENSION PLAN  
 YEAR ENDED SEPTEMBER 30, 2019**

	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.191369337%	0.185889216%	0.188036873%	0.183000953%	0.173515439%
County's Proportionate Share of the Net Pension Liability	\$ 65,904,936	\$ 55,990,794	\$ 55,620,044	\$ 46,207,883	\$ 22,411,845
County's Covered Payroll	\$ 36,132,143	\$ 33,972,614	\$ 33,267,015	\$ 31,346,347	\$ 30,555,555
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	182.40%	164.81%	167.19%	147.41%	73.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

**HIGHLANDS COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS –**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN**  
**YEAR ENDED SEPTEMBER 30, 2019**

	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 6,157,860	\$ 5,451,120	\$ 4,824,979	\$ 4,743,244	\$ 4,232,805
Contributions in Relation to the Contractually Required Contribution	<u>(6,157,860)</u>	<u>(5,451,120)</u>	<u>(4,824,979)</u>	<u>(4,743,244)</u>	<u>(4,232,805)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 36,803,640	\$ 34,177,906	\$ 33,195,550	\$ 32,285,583	\$ 30,424,498
Contributions as a Percentage of Covered Payroll	16.73%	15.95%	14.54%	14.69%	13.91%

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

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

**HIGHLANDS COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**HEALTH INSURANCE SUBSIDY PENSION PLAN**  
**YEAR ENDED SEPTEMBER 30, 2019**

	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.125879122%	0.121886584%	0.122329734%	0.117095796%	0.117233715%
County's Proportionate Share of the Net Pension Liability	\$ 14,084,614	\$ 12,900,612	\$ 13,080,059	\$ 13,647,029	\$ 11,955,994
County's Covered Payroll	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	33.31%	32.34%	33.51%	37.66%	33.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

**HIGHLANDS COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS –**  
**HEALTH INSURANCE SUBSIDY PENSION PLAN**  
**YEAR ENDED SEPTEMBER 30, 2019**

	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 715,780	\$ 660,671	\$ 646,964	\$ 622,318	\$ 481,791
Contributions in Relation to the Contractually Required Contribution	<u>(715,780)</u>	<u>(660,671)</u>	<u>(646,964)</u>	<u>(622,318)</u>	<u>(481,791)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	1.66%	1.65%	1.66%	1.67%	1.36%

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

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

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 40,553,036	\$ 40,553,036	\$ 40,479,096	\$ (73,940)
Licenses and Permits	2,150	2,150	1,495	(655)
Intergovernmental	14,775,928	15,345,363	27,116,307	11,770,944
Charges for Services	8,462,682	9,420,949	9,106,464	(314,485)
Fines and Forfeitures	58,250	58,250	55,233	(3,017)
Net Change in Fair Value of Investments	135,500	135,564	323,296	187,732
Miscellaneous	2,030,852	2,020,495	2,759,997	739,502
Total Revenues	66,018,398	67,535,807	79,841,888	12,306,081
<b>EXPENDITURES</b>				
Current:				
General Government:				
Board of County Commissioners	450,908	469,111	468,560	551
County Administrator	518,828	519,321	519,319	2
Business Services	187,765	198,547	197,098	1,449
Clerk to Board-Financial and Administration	2,979,395	2,964,839	2,898,873	65,966
County Audits-CPA	189,300	189,300	189,300	-
Office of Management and Budget	298,933	308,721	300,639	8,082
Human Resources	251,344	256,402	252,815	3,587
Risk Management	91,033	91,033	85,119	5,914
Non-Ad Valorem Assessments	58,036	58,036	57,909	127
Public Information	78,820	79,425	76,182	3,243
Central Services	1,405,353	1,451,033	1,247,646	203,387
Property Appraiser	3,062,582	3,063,710	2,997,966	65,744
Tax Collector	3,314,905	3,314,905	2,710,949	603,956
Supervisor of Elections	849,917	959,302	923,480	35,822
Purchasing	212,925	220,425	218,994	1,431
County Attorney	382,558	382,614	316,293	66,321
County Planning and Development	838,144	1,053,953	880,160	173,793
Development Services	141,061	141,061	139,456	1,605
Clerk to Board - Other General Government Services	670,246	731,224	730,888	336
Facilities Management	1,499,560	1,500,489	1,269,309	231,180
Total General Government	17,481,613	17,953,451	16,480,955	1,472,496
Public Safety:				
Sheriff	17,476,655	21,696,875	20,944,572	752,303
Fire Department	-	10,001	8,848	1,153
County Fire Coordinator	290,209	290,209	-	290,209
Division of Forestry	35,180	35,180	35,180	-
County Jail Maintenance	667,624	-	-	-
Detention and Correction	9,115,832	10,912,333	10,752,516	159,817
Detention Medical	960,460	-	-	-
Detention and Corrections Other	86,667	-	-	-
Law Enforcement Maintenance	280,429	-	-	-
Law Enforcement Other	2,979,887	138,412	-	138,412
Zoning Department	563,015	568,559	523,427	45,132
Local Emergency Management Agency	510,960	578,153	417,307	160,846
Communications Program	103,981	103,981	97,353	6,628
Information Technology	95,000	95,000	89,452	5,548
Community Safety	89,544	90,764	90,764	-
Ambulance Services	6,331,353	6,964,035	6,758,026	206,009



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2019**

EXPENDITURES (CONTINUED)	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current (Continued):				
Public Safety (Continued):				
Medical Examiner	\$ 392,479	\$ 392,479	\$ 391,691	\$ 788
Emergency/Disaster Relief	-	157,472	153,156	4,316
Children's Advocacy Center	247,042	357,180	268,496	88,684
Total Public Safety	<u>40,226,317</u>	<u>42,390,633</u>	40,530,788	1,859,845
Physical Environment:				
County Extension	259,207	274,472	268,340	6,132
Natural Resources	505,919	754,892	298,357	456,535
Aquatic Plant Program	549,549	549,743	445,363	104,380
Nuisance Abatement	78,600	102,860	44,333	58,527
Total Physical Environment	<u>1,393,275</u>	<u>1,681,967</u>	1,056,393	625,574
Transportation:				
Avon Park Airport	20,078	20,078	20,078	-
Avon Park Southside	39,380	39,380	39,380	-
Total Transportation	<u>59,458</u>	<u>59,458</u>	59,458	-
Economic Environment:				
Office of Economic Development	345,888	367,562	293,594	73,968
Community Redevelopment - Sebring	513,149	513,149	513,149	-
Community Redevelopment - Avon Park	140,789	140,789	140,789	-
Community Redevelopment - Lake Placid	12,544	12,544	12,544	-
Sebring Regional Airport/Industrial Park	412,123	412,123	412,123	-
Veteran Service Office	184,031	184,126	172,650	11,476
Total Economic Environment	<u>1,608,524</u>	<u>1,630,293</u>	1,544,849	85,444
Human Services:				
Health Care Responsibility Act	150,000	145,371	84,016	61,355
Health Unit	243,000	243,000	243,000	-
Animal Control	-	6,125	4,640	1,485
Mental Health	500,834	500,834	500,834	-
Public Assistance Programs	71,365	67,527	54,254	13,273
State County Assistance Program	1,622,978	1,649,936	1,649,936	-
Human Services - Project Hope	42,045	42,045	42,045	-
Children's Services Council	31,350	61,350	60,000	1,350
Transportation for Disadvantaged	201,751	201,751	197,734	4,017
Community Program Services	42,261	44,094	43,446	648
Community Programs	107,201	107,201	96,149	11,052
Healthy Families Grant	399,738	400,687	376,702	23,985
Total Human Services	<u>3,412,523</u>	<u>3,469,921</u>	3,352,756	117,165
Culture and Recreation:				
Library - Avon Park	192,021	192,739	177,492	15,247
Library - Sebring	398,033	404,990	391,814	13,176
Library - Lake Placid	194,208	196,328	187,395	8,933
Libraries - Countywide	144,439	208,036	166,866	41,170
Recreation Department	330,000	330,000	330,000	-

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Culture and Recreation (Continued):				
Parks Department	\$ 949,856	\$ 942,942	\$ 914,177	\$ 28,765
Sports Complex	170,590	178,496	175,876	2,620
Historic District Site Survey	2,466	2,466	2,031	435
Heartland Library Cooperative	137,145	137,145	89,915	47,230
Total Culture and Recreation	<u>2,518,758</u>	<u>2,593,142</u>	<u>2,435,566</u>	<u>157,576</u>
Court Related:				
Court General Administration:				
Circuit Court Administration	16,468	16,471	11,505	4,966
County Court Administration	-	250	3	247
State Attorney	16,748	16,748	9,356	7,392
Public Defender	6,011	6,011	3,841	2,170
Law Library	115,155	119,793	119,793	-
Circuit Court Criminal:				
Pre-Trial Release	120,079	118,334	118,334	-
Circuit Court Family:				
Pro Se Services	108,153	106,135	106,135	-
Circuit Court Juvenile:				
Circuit Court Juvenile Guardian Ad Litem	1,699	1,714	1,714	-
Court General Operations:				
General Operations Courthouse Security	1,034,030	1,042,318	1,042,318	-
General Operations Courthouse Facilities	169,466	174,466	174,454	12
Total Court Related	<u>1,587,809</u>	<u>1,602,240</u>	<u>1,587,453</u>	<u>14,787</u>
Debt Service:				
Principal Retirement	-	106,777	106,777	-
Total Expenditures	<u>68,288,277</u>	<u>71,487,882</u>	<u>67,154,995</u>	<u>4,332,887</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(2,269,879)	(3,952,075)	12,686,893	16,638,968
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	27,750	120,666	127,580	6,914
Transfers Out	(1,159,591)	(1,159,591)	(1,044,438)	115,153
Insurance Recoveries	-	-	708,704	708,704
Issuance of Debt	-	106,777	106,777	-
Total Other Financing Sources (Uses)	<u>(1,131,841)</u>	<u>(932,148)</u>	<u>(101,377)</u>	<u>830,771</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,401,720)	(4,884,223)	12,585,516	17,469,739
Fund Balances - October 1, 2018	<u>3,401,720</u>	<u>4,884,223</u>	<u>6,594,070</u>	<u>1,709,847</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,179,586</u>	<u>\$ 19,179,586</u>

**HIGHLANDS COUNTY, FLORIDA  
OTHER MAJOR GOVERNMENTAL FUND DESCRIPTION  
CAPITAL PROJECTS FUND**

Capital Projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital – related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Highlands County Infrastructure Sales Surtax Refunding Revenue Note (HCISSR Construction)**  
– This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects (other than those financed by proprietary funds).

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS COUNTY INFRASTRUCTURE SALES SURTAX REFUNDING**  
**REVENUE NOTE (HCISSR CONSTRUCTION) FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 12,086	\$ 12,086
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Sebring Parkway II Series 2002	313,970	945,827	817,792	128,035
Total Expenditures	313,970	945,827	817,792	128,035
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(313,970)	(945,827)	(805,706)	140,121
Fund Balances - October 1, 2018	313,970	945,827	1,013,034	67,207
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,328</u>	<u>\$ 207,328</u>

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law, are restricted to finance particular functions or activities of government which include special benefit districts that account for the cost of street lighting, paving and maintaining streets, water control, fire protection, and recreation within certain benefit areas (districts) of the County. The purpose of the individual funds is depicted as follows:

**Lake Placid Sun-N-Lake Estates Fire District** - To account for assessments relating to fire protection.

**DeSoto City Special Benefit Fire District** - To account for assessments relating to fire protection.

**Orange Villa Special Benefit District** - To account for assessments relating to recreation and street lighting.

**Hickory Hills Special Benefit District** - To account for assessments relating to street maintenance and recreation.

**Placid Lakes Special Benefit District** - To account for assessments relating to maintenance of recreational areas, cleaning canals and fire protection, etc.

**Sebring Country Estates Special Benefit District** - To account for assessments relating to street lighting.

**Avon Park Estates Special Benefit District** - To account for assessments relating to street maintenance.

**Highlands Lakes Special Tax District** - To account for assessments relating to fire protection.

**Highlands Park Special Benefit Fire District** - To account for assessments relating to fire protection.

**Highlands Park Estates Improvement Trust** - To account for funds available for street maintenance.

**Leisure Lakes Special Benefit Fire District** - To account for assessments relating to fire protection.

**Sebring Hills Special Benefit District** - To account for assessments relating to street lighting.

**Red Hill Farms Improvement District** - To account for assessments relating to constructing road and drainage facilities.

**E911 Emergency Operations** - To account for the ongoing fiscal activity relating to the collection and use of the \$.50 user fee for the E911 emergency telephone number system.

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Hospital District** - To account for revenues used exclusively for health services in Highlands County.

**Orange Blossom Estates Special Benefit District** - To account for assessments relating to constructing roads and drainage facilities.

**Sun-N-Lakes of Lake Placid Recreation District** - To account for assessments relating to recreation and street lighting.

**Conservation Trust** - To account for operations relating to land preservation.

**Intergovernmental Radio Communications** - To account for the additional surcharge, up to \$12.50 for each moving traffic violation, to assist in funding the County's participation in the intergovernmental radio communication program approved by the Division of Communications of the Department of Management Services.

**Sebring Acres Special Benefit District** - To account for assessments relating to road construction, drainage and maintenance.

**Orange Blossom (Unit 12) Special Benefit District** - To account for assessments relating to roads and rights-of-way maintenance, flood and erosion control, water and sewer systems, fire protection, recreational facilities, and street lighting.

**Lake Haven Estates Special Benefit District** - To account for assessments relating to street lighting.

**Lorida Special Benefit Fire District** - To account for assessments relating to fire protection.

**Lake Placid Special Benefit Fire District** - To account for assessments relating to fire protection.

**Law Enforcement Education** - To account for a \$2 court cost added to all fines and forfeitures. These monies can only be used for approved education and training of law enforcement, correctional and administrative personnel per §318.18(11)(d) and §938.15 FS.

**Building Code Enforcement** - To account for operations of the building department. Financing is provided primarily from building department permits and fees.

**Florida Boating Improvement** - To account for the operation and maintenance of County boat ramps.

**Special Law Enforcement Trust** - To account for the sale of confiscated property. These monies are used for the purchase of equipment and materials to be used in specialized law enforcement activities as well as to defray the cost of protracted or complex investigations.

**Highway Park Special Benefit District** - To account for assessments relating to street lighting.

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Community Development Block Grant** - To account for revenues and expenditures of community development block grant projects.

**Affordable Housing Assistance Trust** - To account for the revenues and expenditures of the State Housing Initiatives Partnership which aids low-income persons seeking housing loans.

**Sun-N-Lakes 1-20 Improvement Trust** - To account for funds available for the construction of drainage and paved streets.

**Highlands Park Estates Special Benefit District** - To account for assessments relating to facilities and improvements.

**West Sebring Special Benefit Fire District** - To account for assessments relating to fire protection.

**Driver Education Safety Trust** - To account for funds for driver education programs in schools of Highlands County per §318.1215 FS.

**Tourist Development Trust** - To account for the expenditure of tax revenues collected to promote and assist tourism in Highlands County, Florida.

**Industrial Development Agency** - To account for the revenue and expenditures of the Industrial Development Agency. Revenue sources are primarily from bond issues.

**Domestic Violence Training** - To account for a domestic violence surcharge used to defray the costs of incarcerating persons sentenced under §741.283 FS and provide additional training to law enforcement personnel in combating domestic violence.

**Fire Inspection and Safety** - To account for fees collected to be used for paying the cost of inspections conducted pursuant to §633.216(1) FS and related administrative expenses. This fund also accounts for fire safety enforcement fees and fire safety program fees collected and appropriated for these purposes.

**Venus Special Benefit Fire District** - To account for assessments relating to fire protection.

**Sebring Parkway Maintenance** - To account for the costs associated with the interlocal agreement (July 1, 2003) with the City of Sebring for maintenance of the Sebring Parkway.

**State Court Facilities Trust** - To account for the surcharge imposed per §318.18(13) FS that shall be used to fund state court facilities.

**Innovations and Supplemental Courts Funding Trust** - To account for the additional court cost imposed by §939.185 FS used to fund innovations to supplement state funding for the elements of the state court system identified in §29.004 FS and county funding for local requirements under §29.008(2)(a)2 FS.

**Crime Prevention** - To account for the court cost imposed per §775.083(2) FS for crime prevention programs in the county, including safe neighborhood programs.

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Court Technology 28.24(12)(e)1** - To account for recording fees used to fund court related technology and court technology needs for the state trial courts, state attorney and public defender in the County.

**Court** - To account for the Child Support Enforcement grant activity, which is restricted by the grantor, and bond estreature activity.

**Home Initiatives Partnership** - To account for HUD funds to be used for housing rehabilitation, tenant based rental assistance, assistance to home buyers, acquisition of housing, and new construction of housing.

**Placid Lakes Special Benefit Fire District** - To account for assessments for fire protection.

**Oak Manor Avenue Road Paving Special Benefit District** - To account for assessments relating to paving Oak Manor Avenue.

**Public Records Modernization Trust** - To account for the additional service charges on recorded instruments used exclusively for modernizing the official record keeping systems in the Clerk's office per §28.24(12)(d) FS.

**Teen Court Operations** - To account for assessment of mandatory court costs for the operation and administration of the Highlands County Teen Court Program per §938.19 FS.

**Court Related Technology Modernization Trust** - To account for the recording fees used exclusively to fund court related technology information needs for the Clerk of Courts per §28.24(12)(e) FS.

**Court Services** - To account for court-related filing fees, service charges, fines, court costs, appropriations, and expenses of the Clerk as mandated by §28.35 FS.

**Community Donations** - To account for public donations received by the Sheriff's Office.

**Inmate Welfare** - To account for the profits earned from telephone services and commissary services operated within the County jail. Profits are earned from the sales of products such as candy and toothpaste to the inmates. Profits from these sales can only be spent for the benefit of the inmates.



**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Impact Fee Parks and Recreation Avon Park** - Pursuant to County Ordinance 05-06-44, parks and recreation impact fees are collected by the County to provide growth-necessitated capital improvements in the area of parks and recreation.

**Impact Fee Correctional Facilities** - Pursuant to County Ordinance 05-06-44, correctional facility impact fees are collected by the County to provide growth-necessitated capital improvements in the area of correctional facilities.

**Impact Fee Fire** - Pursuant to County Ordinance 05-06-44, fire services impact fees are collected by the County to accommodate new development without decreasing the current level of fire services.

**Impact Fee Libraries** - Pursuant to County Ordinance 05-06-44, library services impact fees are collected by the County to accommodate new development without decreasing the current level of library services.

**Impact Fee Law Enforcement** - Pursuant to County Ordinance 05-06-44, law enforcement impact fees are collected by the County to provide growth-necessitated capital improvements in the area of law enforcement.

**Impact Fee Emergency Medical Services** - Pursuant to County Ordinance 05-06-44, emergency medical services impact fees are collected by the County to provide growth-necessitated capital improvements in the area of emergency medical services.

**Thunderbird Hill Wastewater Special Benefit District** - To account for assessments relating to financing the upgrade, construction and operations of the wastewater infrastructure for the Thunderbird Hills area.

**Highlands County Fire Protection Special Benefit District** - To account for assessments relating to fire protection within the County.

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital – related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Highlands County Public Improvement Revenue Note (HCIPRN Construction)** - The HCIPRN Construction Fund is a capital projects fund used to account for financial resources to be used for the acquisition and construction of major capital facilities and infrastructure projects (other than those financed by proprietary funds).

**HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	Special Revenue Funds																	
	Lake Placid Sun-N-Lake Estates Fire		DeSoto City Special Benefit		Orange Villa Special Benefit		Hickory Hills Special Benefit		Placid Lakes Special Benefit		Sebring Country Estates Special Benefit		Avon Park Estates Special Benefit		Highlands Lakes Special Tax		Highlands Park Special Benefit Fire District	
	District		Fire District		Special Benefit District		Special Benefit District		Special Benefit District		Special Benefit District		Special Benefit District		Special Tax District		Special Benefit Fire District	
<b>ASSETS</b>																		
Cash and Cash Equivalents	\$ 217,050	\$ 884	\$ 36,608	\$ 21,025	\$ 271,124	\$ 51,357	\$ 488,068	\$ 38,777	\$ 69,268									
Investments	204,220	-	-	-	250,264	-	803,364	100,000	-									
Accounts Receivable - Net	2,197	-	-	-	282	-	324	1,076	-									
Due from Other Funds	-	4	-	7	467	56	251	-	-									
Due from Other Governmental Units	94	-	-	-	120	11	513	23	591									
Prepaid Items	-	-	-	-	-	-	-	-	-									
Total Assets	\$ 423,561	\$ 888	\$ 36,608	\$ 21,032	\$ 522,257	\$ 51,424	\$ 1,272,520	\$ 139,876	\$ 69,859									
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>																		
Liabilities:																		
Vouchers Payable	\$ -	\$ 253	\$ -	\$ 100	\$ 9,712	\$ 3,289	\$ 653	\$ -	\$ 6,984									
Accrued Wages Payable	-	-	-	-	-	-	-	-	-									
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-									
Customer Deposits	-	-	-	-	400	-	-	-	-									
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-									
Due to Other Funds	-	-	-	-	-	-	-	-	-									
Due to Others	-	-	-	-	-	-	-	-	-									
Advances from Other Funds	-	-	-	-	-	-	-	-	-									
Unearned Revenue	-	-	-	-	-	-	-	-	-									
Total Liabilities	-	253	-	100	10,112	3,289	653	-	6,984									
Deferred Inflows of Resources:																		
Unavailable Revenue:																		
Charges for Services	-	-	-	-	-	-	-	-	-									
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-									
Fund Balances:																		
Nonspendable	-	-	-	-	-	-	-	-	-									
Restricted	423,561	635	36,608	20,932	512,145	48,135	1,271,867	139,876	62,875									
Unassigned	-	-	-	-	-	-	-	-	-									
Total Fund Balances	423,561	635	36,608	20,932	512,145	48,135	1,271,867	139,876	62,875									
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 423,561	\$ 888	\$ 36,608	\$ 21,032	\$ 522,257	\$ 51,424	\$ 1,272,520	\$ 139,876	\$ 69,859									

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

	Special Revenue Funds											
	Highlands Park Estate Improvement Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improvement District	Orange Blossom Estate Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conservation Trust	Intergov- emmental Radio Communi- cations				
<b>ASSETS</b>												
Cash and Cash Equivalents	\$ 59,747	\$ 159,754	\$ 45,670	\$ 135,948	\$ 121,447	\$ 75,329	\$ 220,510	\$ -				
Investments	-	-	-	-	-	-	-	-				
Accounts Receivable - Net	-	-	-	-	-	-	-	4,643				
Due from Other Funds	-	-	74	16	-	175	-	-				
Due from Other Governmental Units	-	17	-	18	-	31	-	-				
Prepaid Items	-	-	-	-	-	-	-	-				
Total Assets	\$ 59,747	\$ 159,771	\$ 45,744	\$ 135,982	\$ 121,447	\$ 75,535	\$ 220,510	\$ 4,643				
	\$ -	\$ -	\$ 2,912	\$ -	\$ -	\$ 2,988	\$ 87	\$ 2,729				
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>												
Liabilities:												
Vouchers Payable	-	-	-	-	-	-	-	-				
Accrued Wages Payable	-	-	-	-	-	-	-	-				
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-				
Customer Deposits	-	-	-	-	-	-	-	-				
Due to Other Governmental Units	-	-	-	-	-	-	-	-				
Due to Other Funds	-	-	-	-	17,537	-	-	1,914				
Due to Others	-	-	-	-	-	-	-	-				
Advances from Other Funds	-	-	-	-	-	-	-	-				
Unearned Revenue	-	-	-	-	-	-	-	-				
Total Liabilities	-	-	2,912	-	-	2,988	87	4,643				
Deferred Inflows of Resources:												
Unavailable Revenue:												
Charges for Services	-	-	-	-	-	-	-	-				
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-				
Fund Balances:												
Nonspendable	-	-	-	-	-	-	-	-				
Restricted	59,747	159,771	42,832	135,982	121,447	72,547	220,423	-				
Unassigned	-	-	-	-	-	-	-	-				
Total Fund Balances	59,747	159,771	42,832	135,982	121,447	72,547	220,423	-				
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 59,747	\$ 159,771	\$ 45,744	\$ 135,982	\$ 121,447	\$ 75,535	\$ 220,510	\$ 4,643				

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

	Special Revenue Funds															
	Orange		Lake Haven		Lorida		Lake Placid		Law Enforcement		Florida Boating		Special Law Enforcement		Highway Park	
	Sebring Acres Special Benefit District	Blossom (Unit 12) Special Benefit District	Estates Special Benefit District	Special Benefit District	Special Benefit District	Special Benefit District	Special Benefit District	Education	Education	Improvement	Trust	Trust	Special Benefit District	Special Benefit District	Special Benefit District	
<b>ASSETS</b>																
Cash and Cash Equivalents	\$ 98,567	\$ 8,190	\$ 31,620	\$ 59,484	\$ 55,530	\$ 88,361	\$ 1,142,088	\$ 131,177	\$ 151,398	\$ 34,411						
Investments	75,000	-	-	-	345,000	140,623	1,726,018	100,000	65,623	-						
Accounts Receivable - Net	123	-	-	-	3,712	1,801	8,781	163	-	-						
Due from Other Funds	27	-	29	-	-	-	-	-	-	20						
Due from Other Governmental Units	57	-	-	-	-	-	-	3,161	684	1						
Prepaid Items	-	-	-	-	-	-	-	-	-	-						
Total Assets	\$ 173,774	\$ 8,190	\$ 31,649	\$ 59,484	\$ 404,242	\$ 230,785	\$ 2,876,887	\$ 234,501	\$ 217,705	\$ 34,432						
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>																
Liabilities:																
Vouchers Payable	\$ 429	\$ -	\$ 1,523	\$ -	\$ -	\$ -	\$ 2,891	\$ -	\$ -	\$ 519						
Accrued Wages Payable	-	-	-	-	-	-	20,036	-	-	-						
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-	-						
Customer Deposits	-	-	-	-	-	-	-	-	-	-						
Due to Other Governmental Units	-	-	-	-	-	-	7,894	-	-	-						
Due to Other Funds	-	-	-	-	-	-	-	-	-	-						
Due to Others	-	-	-	-	-	-	-	-	-	-						
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-						
Unearned Revenue	-	-	-	-	-	-	-	-	-	-						
Total Liabilities	429	-	1,523	-	-	-	30,821	-	-	519						
Deferred Inflows of Resources:																
Unavailable Revenue:																
Charges for Services	-	-	-	-	-	-	-	-	-	-						
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-						
Fund Balances:																
Nonspendable	-	-	-	-	-	-	-	-	-	-						
Restricted	173,345	8,190	30,126	59,484	404,242	230,785	2,846,066	234,501	217,705	33,913						
Unassigned	-	-	-	-	-	-	-	-	-	-						
Total Fund Balances	173,345	8,190	30,126	59,484	404,242	230,785	2,846,066	234,501	217,705	33,913						
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 173,774	\$ 8,190	\$ 31,649	\$ 59,484	\$ 404,242	\$ 230,785	\$ 2,876,887	\$ 234,501	\$ 217,705	\$ 34,432						



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

		Special Revenue Funds									
		Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District	
<b>ASSETS</b>											
Cash and Cash Equivalents	\$	101,948	\$ 630,139	\$ 71,962	\$ 20,344	\$ 88,099	\$ 74,177	\$ 269,274	\$ 67,951	\$ 147,751	
Investments	-	-	341,308	171,628	-	65,623	-	-	-	204,220	
Accounts Receivable - Net	-	-	2,746	12,922	5,416	2,210	14,157	-	-	2,197	
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	
Due from Other Governmental Units	-	-	26,035	-	-	-	-	39,716	-	-	8
Prepaid Items	-	-	-	3,421	-	-	39,422	-	-	-	
Total Assets	\$	101,948	\$ 1,000,228	\$ 259,933	\$ 25,760	\$ 155,932	\$ 127,756	\$ 308,990	\$ 67,951	\$ 354,176	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
Liabilities:											
Vouchers Payable	\$	-	\$ 5,914	\$ 2,057	\$ 4,145	\$ -	\$ 17,768	\$ 498	\$ -	\$ -	
Accrued Wages Payable	-	-	-	2,952	-	-	5,316	5,392	-	-	
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-	-	
Customer Deposits	-	-	-	-	-	-	-	-	-	-	
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-	
Due to Other Funds	-	-	-	-	2,708	-	-	-	-	-	
Due to Others	-	-	-	-	-	-	-	303,100	-	-	
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-	
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	
Total Liabilities	-	-	5,914	5,009	6,853	-	23,084	308,990	-	-	
Deferred Inflows of Resources:											
Unavailable Revenue:											
Charges for Services	-	-	-	-	-	-	-	-	-	-	
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	
Fund Balances:											
Nonspendable	-	-	-	3,421	-	-	39,422	-	-	-	
Restricted	101,948	994,314	251,503	18,907	155,932	65,250	67,951	-	354,176		
Unassigned	-	-	-	-	-	-	-	-	-	-	
Total Fund Balances	101,948	994,314	254,924	18,907	155,932	104,672	67,951	-	354,176		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	101,948	\$ 1,000,228	\$ 259,933	\$ 25,760	\$ 155,932	\$ 127,756	\$ 308,990	\$ 67,951	\$ 354,176	

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

	Special Revenue Funds									
	Oak Manor Avenue District	Public Records Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowners' Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park	
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ -	\$ 82,168	\$ 1,690	\$ 52,841	\$ 247,550	\$ 28	\$ 66,466	\$ 489,858	\$ 4,620	
Investments	-	156,842	-	52,281	-	-	-	-	-	
Accounts Receivable - Net	-	283	-	94	-	-	-	33,238	-	
Due from Other Funds	-	-	-	-	-	-	-	-	-	
Due from Other Governmental Units	-	-	-	-	2,566	-	-	-	-	
Prepaid Items	-	-	-	-	-	-	-	-	-	
Total Assets	\$ -	\$ 239,293	\$ 1,690	\$ 105,216	\$ 250,116	\$ 28	\$ 66,466	\$ 523,096	\$ 4,620	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
Liabilities:										
Vouchers Payable	\$ -	\$ 33,400	\$ 143	\$ 324	\$ 5,029	\$ -	\$ -	\$ 15,820	\$ -	
Accrued Wages Payable	-	-	279	3,596	31,505	-	-	311	-	
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-	
Customer Deposits	-	-	-	-	-	-	-	-	-	
Due to Other Governmental Units	-	-	-	-	213,582	-	-	-	-	
Due to Other Funds	415	-	-	-	-	-	-	-	-	
Due to Others	-	-	-	-	-	-	-	-	-	
Advances from Other Funds	-	-	-	-	-	-	-	-	-	
Unearned Revenue	-	-	-	-	-	-	-	-	-	
Total Liabilities	415	33,400	422	3,920	250,116	-	-	16,131	-	
Deferred Inflows of Resources:										
Unavailable Revenue:										
Charges for Services	-	-	-	-	-	-	-	-	-	
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	
Restricted	-	205,893	1,268	101,296	-	28	66,466	506,965	4,620	
Unassigned	(415)	-	-	-	-	-	-	-	-	
Total Fund Balances	(415)	205,893	1,268	101,296	-	28	66,466	506,965	4,620	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 239,293	\$ 1,690	\$ 105,216	\$ 250,116	\$ 28	\$ 66,466	\$ 523,096	\$ 4,620	



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

	Special Revenue Funds										Capital Projects	Total All Nonmajor Governmental Funds
	Thunderbird					Highlands					Fund	
	Impact Fee Correctional Facilities	Impact Fee Fire	Impact Fee Libraries	Impact Fee Law Enforcement	Impact Fee Emergency Medical Services	Hill Waste Water Special Benefit District	County Fire Protection Special Benefit District			Construction		
Cash and Cash Equivalents	\$ 4,554	\$ 4,829	\$ 1,728	\$ 1,337	\$ 1,034	\$ 31,743	\$ 814,713			\$ 5,494,567	\$ 13,913,423	
Investments	-	-	-	-	-	-	654,251			-	6,813,785	
Accounts Receivable - Net	-	-	-	-	-	-	333			-	106,897	
Due from Other Funds	-	-	-	-	-	49	13,694			-	73,654	
Due from Other Governmental Units	-	-	-	-	-	-	3,270			-	327,437	
Prepaid Items	-	-	-	-	-	-	10,406			-	54,249	
Total Assets	\$ 4,554	\$ 4,829	\$ 1,728	\$ 1,337	\$ 1,034	\$ 31,792	\$ 1,496,667			\$ 5,494,567	\$ 21,289,445	

**ASSETS**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**

Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,672			\$ 27,097	\$ 273,743
Vouchers Payable	-	-	-	-	-	-	91,195			-	164,067
Accrued Wages Payable	-	-	-	-	-	-	-			-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-			-	-
Customer Deposits	-	-	-	-	-	-	-			-	650
Due to Other Governmental Units	-	-	-	-	-	-	-			-	221,476
Due to Other Funds	-	-	-	-	-	-	-			-	22,574
Due to Others	-	-	-	-	-	-	-			-	303,100
Advances from Other Funds	-	-	-	-	-	40,392	-			-	121,909
Unearned Revenue	-	-	-	-	-	-	-			-	-
Total Liabilities	-	-	-	-	-	40,392	127,867			27,097	1,107,519
Deferred Inflows of Resources:											
Unavailable Revenue:											
Charges for Services	-	-	-	-	-	-	-			-	64,859
Total Deferred Inflows of Resources	-	-	-	-	-	-	-			-	64,859
Fund Balances:											
Nonspendable	-	-	-	-	-	-	10,406			-	54,249
Restricted	4,554	4,829	1,728	1,337	1,034	-	1,358,394			5,467,470	20,071,833
Unassigned	-	-	-	-	-	(8,600)	-			-	(9,015)
Total Fund Balances	4,554	4,829	1,728	1,337	1,034	(8,600)	1,368,800			5,467,470	20,117,067
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,554	\$ 4,829	\$ 1,728	\$ 1,337	\$ 1,034	\$ 31,792	\$ 1,496,667			\$ 5,494,567	\$ 21,289,445



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

	Special Revenue Funds											
	Highlands Park Estates Improvement Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improvement District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conservation Trust	Intergovernmental Radio Communications		
<b>REVENUES</b>												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	474,216	260,000	-	-	-	-	-	-
Charges for Services	-	-	-	-	365,974	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	34,125	-	-	50,465
Assessments	-	2,154	26,379	5,988	-	-	-	62,047	-	-	-	-
Net Change in Fair Value of Investments	263	1,886	221	1,373	-	612	102	365	2,216	-	-	-
Miscellaneous	-	-	-	-	-	-	-	2,300	-	-	-	-
Total Revenues	263	4,040	26,600	7,361	840,190	260,612	102	64,712	36,341	-	-	80,675
<b>EXPENDITURES</b>												
Current:												
General Government	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	12,550	-	-	1,446,797	-	-	-	-	-	-	379,328
Physical Environment	-	-	-	-	-	-	-	-	4,942	-	-	-
Transportation	-	-	20,047	583	-	-	270	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	223,857	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	52,019	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:												
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	12,550	20,047	583	1,446,797	223,857	270	52,019	4,942	-	-	379,328
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	263	(8,510)	6,553	6,778	(606,607)	36,755	(168)	12,693	31,399	-	-	(298,653)
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	606,607	-	-	-	-	-	-	298,653
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	606,607	-	-	-	-	-	-	298,653
<b>NET CHANGE IN FUND BALANCE</b>	263	(8,510)	6,553	6,778	-	36,755	(168)	12,693	31,399	-	-	-
Fund Balances - October 1, 2018	59,484	168,281	36,279	129,204	109,782	84,692	23,184	59,854	189,024	-	-	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	\$ 59,747	\$ 159,771	\$ 42,832	\$ 135,982	\$ 109,782	\$ 121,447	\$ 23,016	\$ 72,547	\$ 220,423	\$ -	\$ -	\$ -

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

	Special Revenue Funds											
	Orange			Lake			Lorida			Placid		
	Sebring Special Benefit District	Blossom (Unit 12) Special Benefit District	Haven Estates Special Benefit District	Lake Estates Special Benefit District	Lorida Special Benefit Fire District	Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforce- ment	Florida Boating Improve- ment	Special Law Enforce- ment Trust	Highway Park Special Benefit District	
<b>REVENUES</b>												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	20,252	-	43,751	10,438	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Assessments	9,641	-	10,342	413	88	-	-	-	-	-	7,070	-
Net Change in Fair Value of Investments	2,022	36	150	281	9,028	3,140	-	-	2,615	2,695	155	-
Miscellaneous	-	-	-	-	-	-	3,523	-	-	-	-	-
Total Revenues	11,663	36	10,492	694	9,116	23,392	1,122,100	46,366	13,133	-	7,225	-
<b>EXPENDITURES</b>												
Current:												
General Government	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	3,507	-	10,146	-	-	-	636,643	-	32,478	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-	6,916	-
Human Services	-	-	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:												
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	3,507	-	10,146	16,006	152,754	-	636,643	4,414	32,478	-	6,916	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	8,156	36	346	(15,312)	(143,638)	23,392	485,457	41,952	(19,345)	-	309	-
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	8,156	36	346	(15,312)	(143,638)	23,392	485,457	41,952	(19,345)	-	309	-
Fund Balances - October 1, 2018	165,189	8,154	29,780	74,796	547,880	207,393	2,360,609	192,549	237,050	-	33,604	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	\$ 173,345	\$ 8,190	\$ 30,126	\$ 59,484	\$ 404,242	\$ 230,785	\$ 2,846,066	\$ 234,501	\$ 217,705	\$	\$ 33,913	\$

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

		Special Revenue Funds									
		Community Development Block Grant	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection and Safety
<b>REVENUES</b>											
Taxes	\$	-	-	-	\$	\$	\$	\$	\$	\$	-
Licenses and Permits		-	-	-	-	-	-	-	-	-	770
Intergovernmental		944,114	-	-	-	-	-	-	-	-	-
Charges for Services		-	218,340	-	41	-	24,404	-	7,833	20,190	-
Fines and Forfeitures		-	-	-	-	-	-	-	-	-	-
Assessments		-	-	-	61,386	2,879	-	-	-	-	-
Net Change in Fair Value of Investments		104	15,427	256	3,080	16,369	68	13,943	4	399	750
Miscellaneous		-	-	-	-	-	-	2,300	-	-	-
Total Revenues		944,218	233,767	256	64,507	19,248	24,472	1,029,422	4	8,232	21,710
<b>EXPENDITURES</b>											
Current:											
General Government		-	-	-	-	-	-	-	-	-	-
Public Safety		-	-	-	-	69,645	18,847	-	-	-	4,948
Physical Environment		-	-	-	-	-	-	-	-	-	-
Transportation		-	-	-	222,413	-	-	-	-	-	-
Economic Environment		386,717	858,372	-	-	-	-	758,890	-	-	-
Human Services		-	-	-	-	-	-	-	-	-	-
Culture and Recreation		-	-	-	-	-	-	-	-	-	-
Court Related		-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal Retirement		-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges		-	-	-	3,946	-	-	-	-	-	-
Total Expenditures		386,717	858,372	-	226,359	69,645	18,847	758,890	-	-	4,948
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>		557,501	(624,605)	256	(161,852)	(50,397)	5,625	270,532	4	8,232	16,762
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In		-	-	-	-	-	-	-	-	-	-
Transfers Out		-	-	-	-	-	-	-	-	-	-
Insurance Recoveries		-	-	-	-	2,648	-	-	-	-	-
Issuance of Debt		-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)		-	-	-	-	2,648	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>		557,501	(624,605)	256	(161,852)	(47,749)	5,625	270,532	4	8,232	16,762
Fund Balances - October 1, 2018		(657,337)	1,119,810	57,918	164,771	894,446	4,799	707,339	1,001	86,409	132,570
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>		164	495,205	58,174	2,919	846,697	10,424	977,871	1,005	94,641	149,332

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

	Special Revenue Funds									
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District	
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	41,930	-	-	-	15,000	300,937	-	-	-
Charges for Services	-	-	150,055	75,254	33,279	157,325	-	67,367	-	-
Fines and Forfeitures	-	-	-	96	-	-	-	-	-	-
Assessments	-	-	-	-	1,123	219	2,353	-	8,564	-
Net Change in Fair Value of Investments	476	15,883	8,393	376	1,123	219	2,353	154	5,923	-
Miscellaneous	-	-	-	-	-	40	-	-	-	-
Total Revenues	476	57,813	158,448	75,630	34,498	172,584	303,290	67,521	14,487	-
<b>EXPENDITURES</b>										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	13,790	-	-	-	40,331	-	-	-	2,429	-
Physical Environment	-	-	-	-	-	-	-	-	-	-
Transportation	-	88,504	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	83	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Court Related	-	-	220,780	132,271	-	273,574	303,290	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	13,790	88,504	220,780	132,271	40,331	273,574	303,290	83	2,429	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(13,314)	(30,691)	(62,332)	(56,641)	(5,833)	(100,990)	-	67,438	12,058	-
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	148,518	-	30,832	-	109,346	-	-	-	-
Transfers Out	-	-	(15,845)	(18,819)	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	148,518	(15,845)	12,013	-	109,346	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	(13,314)	117,827	(78,177)	(44,628)	(5,833)	8,356	-	67,438	12,058	-
Fund Balances - October 1, 2018	115,262	876,487	333,101	63,535	161,765	96,316	-	513	342,118	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	\$ 101,948	\$ 994,314	\$ 254,924	\$ 18,907	\$ 155,932	\$ 104,672	\$ -	\$ 67,951	\$ 354,176	\$ -

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

	Special Revenue Funds									
	Oak Manor Avenue Road Paving	Public Records Modernization Trust	Teen Court Operations	Court Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park	
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	216,090	-	-	-	-	-
Charges for Services	-	52,302	17,674	148,628	1,102,820	28	-	-	-	-
Fines and Forfeitures	-	-	-	-	541,877	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-	-	-
Net Change in Fair Value of Investments	-	4,274	13	2,266	3,328	-	-	-	-	20
Miscellaneous	-	2,725	-	7,400	-	-	-	-	-	-
Total Revenues	-	59,301	17,687	158,294	1,864,115	28	53,136	342,143	-	20
<b>EXPENDITURES</b>										
Current:										
General Government	-	36,125	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	125,339	210,224	-	-
Physical Environment	-	-	-	-	-	-	-	-	-	-
Transportation	415	-	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Court Related	-	-	17,246	209,801	1,864,115	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	415	36,125	17,246	209,801	1,864,115	-	125,339	210,224	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(415)	23,176	441	(51,507)	-	28	(72,203)	131,919	-	20
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	(415)	23,176	441	(51,507)	-	28	(72,203)	131,919	-	20
Fund Balances - October 1, 2018	-	182,717	827	152,803	-	-	138,669	375,046	-	4,600
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	(415)	205,893	1,268	101,296	\$ -	\$ -	66,466	506,965	\$ -	4,620

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

	Special Revenue Funds										Capital Projects Fund		
	Thunderbird Hill					Highlands County					HCP/IRN Construction	Total All Nonmajor Governmental Funds	
	Impact Fee Fire	Impact Fee Libraries	Impact Fee Law Enforcement	Impact Fee Emergency Medical Services	Water Special Benefit District	Fire Protection Special Benefit District	Water Special Benefit District	Fire Protection Special Benefit District	Water Special Benefit District	Fire Protection Special Benefit District			
<b>REVENUES</b>													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013,179
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-	940,059
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	2,306,476
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-	2,674,365
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	541,973
Assessments	-	-	-	-	-	-	-	-	-	-	-	-	5,359,963
Net Change in Fair Value of Investments	20	21	7	6	5	5	172	17,454	4,859,901	49,219	2,067	2,067	273,184
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	456,676
Total Revenues	20	21	7	6	5	5	17,626	17,626	4,921,570	2,067	2,067	2,067	13,565,875
<b>EXPENDITURES</b>													
Current:													
General Government	-	-	-	-	-	-	-	-	-	-	-	-	36,125
Public Safety	-	-	-	-	-	-	-	-	3,257,106	-	-	-	6,629,390
Physical Environment	-	-	-	-	-	-	-	1,696	-	-	-	-	6,638
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	590,010
Economic Environment	-	-	-	-	-	-	-	-	-	-	-	-	2,004,062
Human Services	-	-	-	-	-	-	-	-	-	-	-	-	223,857
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	-	-	56,433
Court Related	-	-	-	-	-	-	-	-	-	-	-	-	3,021,077
Debt Service:													
Principal Retirement	-	-	-	-	-	-	-	-	126,801	-	-	-	132,640
Interest and Fiscal Charges	-	-	-	-	-	-	-	1,000	2,420	-	-	-	8,495
Total Expenditures	-	-	-	-	-	-	-	2,696	3,386,327	-	-	34,597	12,708,727
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	20	21	7	6	5	5	14,930	14,930	1,535,243	(32,530)			857,148
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	1,192,956
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	(34,664)
Insurance Recoveries	-	-	-	-	-	-	-	-	1,739	-	-	-	4,387
Issuance of Debt	-	-	-	-	-	-	-	-	-	-	-	-	5,500,000
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	1,739	-	-	5,500,000	6,662,679
<b>NET CHANGE IN FUND BALANCE</b>	20	21	7	6	5	5	14,930	14,930	1,536,982	5,467,470			7,519,827
Fund Balances - October 1, 2018	4,534	4,808	1,721	1,331	1,029	1,029	(23,530)	(23,530)	(168,182)	-	-	-	12,597,240
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	\$ 4,554	\$ 4,829	\$ 1,728	\$ 1,337	\$ 1,034	\$ 1,034	\$ (8,600)	\$ (8,600)	\$ 1,368,800	\$ 5,467,470	\$ 5,467,470	\$ 5,467,470	\$ 20,117,067



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LAKE PLACID SUN-N-LAKE ESTATES FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 5,119	\$ 8,989	\$ 3,870
Net Change in Fair Value of Investments	-	90	9,660	9,570
Miscellaneous	-	3	3	-
Total Revenues	-	5,212	18,652	13,440
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	349,308	444,156	34,035	410,121
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(349,308)	(438,944)	(15,383)	423,561
Fund Balances - October 1, 2018	349,308	438,944	438,944	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,561</u>	<u>\$ 423,561</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DESOTO CITY SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 2,133	\$ 2,133
Net Change in Fair Value of Investments	-	-	109	109
Miscellaneous	2,400	2,400	266	(2,134)
Total Revenues	<u>2,400</u>	<u>2,400</u>	<u>2,508</u>	<u>108</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	32,359	25,391	25,391	-
Debt Service:				
Principal Retirement	-	5,839	5,839	-
Interest	-	1,129	1,129	-
Total Debt Service	<u>-</u>	<u>6,968</u>	<u>6,968</u>	<u>-</u>
Total Expenditures	<u>32,359</u>	<u>32,359</u>	<u>32,359</u>	<u>-</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(29,959)	(29,959)	(29,851)	108
Fund Balances - October 1, 2018	<u>29,959</u>	<u>29,959</u>	<u>66,459</u>	<u>36,500</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36,608</u></u>	<u><u>\$ 36,608</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ORANGE VILLA SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 1,254	\$ 1,254	\$ 1,275	\$ 21
Net Change in Fair Value of Investments	-	-	7	7
Total Revenues	<u>1,254</u>	<u>1,254</u>	<u>1,282</u>	<u>28</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>1,732</u>	<u>1,732</u>	<u>1,715</u>	<u>17</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(478)	(478)	(433)	45
Fund Balances - October 1, 2018	<u>478</u>	<u>478</u>	<u>1,068</u>	<u>590</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 635</u></u>	<u><u>\$ 635</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HICKORY HILLS SPECIAL BENEFIT DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 2,400	\$ 2,400	\$ 2,424	\$ 24
Net Change in Fair Value of Investments	-	-	105	105
Total Revenues	<u>2,400</u>	<u>2,400</u>	<u>2,529</u>	<u>129</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>12,400</u>	<u>12,400</u>	<u>5,193</u>	<u>7,207</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(10,000)	(10,000)	(2,664)	7,336
Fund Balances - October 1, 2018	<u>10,000</u>	<u>10,000</u>	<u>23,596</u>	<u>13,596</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,932</u></u>	<u><u>\$ 20,932</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PLACID LAKES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 162,507	\$ 162,507	\$ 158,515	\$ (3,992)
Net Change in Fair Value of Investments	1,320	1,320	10,524	9,204
Miscellaneous	-	-	180	180
Total Revenues	<u>163,827</u>	<u>163,827</u>	<u>169,219</u>	<u>5,392</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>210,683</u>	<u>210,683</u>	<u>165,255</u>	<u>45,428</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(46,856)	(46,856)	3,964	50,820
Fund Balances - October 1, 2018	<u>46,856</u>	<u>46,856</u>	<u>508,181</u>	<u>461,325</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 512,145</u></u>	<u><u>\$ 512,145</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
OAK MANOR AVENUE ROAD PAVING FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 415	\$ -	\$ (415)
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	-	415	415	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(415)	(415)
Fund Balances - October 1, 2018	-	-	-	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (415)</u>	<u>\$ (415)</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEBRING COUNTRY ESTATES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 19,460	\$ 19,460	\$ 20,067	\$ 607
Net Change in Fair Value of Investments	110	110	251	141
Total Revenues	<u>19,570</u>	<u>19,570</u>	<u>20,318</u>	<u>748</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>22,000</u>	<u>22,163</u>	<u>22,163</u>	<u>-</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(2,430)	(2,593)	(1,845)	748
Fund Balances - October 1, 2018	<u>2,430</u>	<u>2,593</u>	<u>49,980</u>	<u>47,387</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 48,135</u></u>	<u><u>\$ 48,135</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**AVON PARK ESTATES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 87,628	\$ 87,628	\$ 89,383	\$ 1,755
Net Change in Fair Value of Investments	1,000	1,000	23,572	22,572
Total Revenues	<u>88,628</u>	<u>88,628</u>	<u>112,955</u>	<u>24,327</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>88,628</u>	<u>88,628</u>	<u>42,883</u>	<u>45,745</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	70,072	70,072
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>1,201,795</u>	<u>1,201,795</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,271,867</u></u>	<u><u>\$ 1,271,867</u></u>



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS LAKES SPECIAL TAX DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 634	\$ 1,824	\$ 1,190
Net Change in Fair Value of Investments	-	5	3,461	3,456
Total Revenues	<u>-</u>	<u>639</u>	<u>5,285</u>	<u>4,646</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	<u>163,138</u>	<u>224,615</u>	<u>89,387</u>	<u>135,228</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(163,138)	(223,976)	(84,102)	139,874
Fund Balances - October 1, 2018	<u>163,138</u>	<u>223,976</u>	<u>223,978</u>	<u>2</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 139,876</u></u>	<u><u>\$ 139,876</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS PARK SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 195	\$ 1,047	\$ 852
Net Change in Fair Value of Investments	100	278	338	60
Total Revenues	<u>100</u>	<u>473</u>	<u>1,385</u>	<u>912</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	<u>98,001</u>	<u>99,520</u>	<u>27,765</u>	<u>71,755</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(97,901)	(99,047)	(26,380)	72,667
Fund Balances - October 1, 2018	<u>97,901</u>	<u>99,047</u>	<u>89,255</u>	<u>(9,792)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 62,875</u></u>	<u><u>\$ 62,875</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS PARK ESTATES IMPROVEMENT TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 200	\$ 200	\$ 263	\$ 63
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Improvement Trust	20,000	20,000	-	20,000
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(19,800)	(19,800)	263	20,063
Fund Balances - October 1, 2018	19,800	19,800	59,484	39,684
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,747</u>	<u>\$ 59,747</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LEISURE LAKES SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 2,137	\$ 2,154	\$ 17
Net Change in Fair Value of Investments	-	1,823	1,886	63
Total Revenues	-	3,960	4,040	80
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	73,362	172,244	12,550	159,694
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(73,362)	(168,284)	(8,510)	159,774
Fund Balances - October 1, 2018	73,362	168,284	168,281	(3)
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,771</u>	<u>\$ 159,771</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SEBRING HILLS SPECIAL BENEFIT DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 25,883	\$ 25,883	\$ 26,379	\$ 496
Net Change in Fair Value of Investments	-	-	221	221
Total Revenues	<u>25,883</u>	<u>25,883</u>	<u>26,600</u>	<u>717</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>25,883</u>	<u>25,883</u>	<u>20,047</u>	<u>5,836</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	6,553	6,553
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>36,279</u>	<u>36,279</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 42,832</u></u>	<u><u>\$ 42,832</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**RED HILL FARMS IMPROVEMENT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 6,413	\$ 6,413	\$ 5,988	\$ (425)
Net Change in Fair Value of Investments	350	350	1,373	1,023
Total Revenues	<u>6,763</u>	<u>6,763</u>	<u>7,361</u>	<u>598</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>6,763</u>	<u>6,763</u>	<u>583</u>	<u>6,180</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	6,778	6,778
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>129,204</u>	<u>129,204</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,982</u>	<u>\$ 135,982</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**E911 EMERGENCY OPERATIONS FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 470,823	\$ 474,216	\$ 3,393
Charges for Services	439,768	439,768	365,974	(73,794)
Total Revenues	<u>439,768</u>	<u>910,591</u>	<u>840,190</u>	<u>(70,401)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
E911 Operations	<u>1,033,589</u>	<u>1,504,412</u>	<u>1,445,797</u>	<u>58,615</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(593,821)	(593,821)	(605,607)	(11,786)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>593,821</u>	<u>593,821</u>	<u>605,607</u>	<u>11,786</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>109,782</u>	<u>109,782</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 109,782</u></u>	<u><u>\$ 109,782</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HOSPITAL DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 260,000	\$ 260,000	\$ -
Net Change in Fair Value of Investments	-	-	612	612
Total Revenues	-	260,000	260,612	612
<b>EXPENDITURES</b>				
Current:				
Human Services:				
Other Human Services	-	260,000	223,857	36,143
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	36,755	36,755
Fund Balances - October 1, 2018	-	-	84,692	84,692
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,447</u>	<u>\$ 121,447</u>



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ORANGE BLOSSOM ESTATES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 75	\$ 75	\$ 102	\$ 27
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	23,325	23,325	270	23,055
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(23,250)	(23,250)	(168)	23,082
Fund Balances - October 1, 2018	23,250	23,250	23,184	(66)
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,016</u>	<u>\$ 23,016</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SUN-N-LAKES OF LAKE PLACID RECREATION DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 63,900	\$ 63,900	\$ 62,047	\$ (1,853)
Net Change in Fair Value of Investments	200	200	365	165
Miscellaneous	2,000	2,000	2,300	300
Total Revenues	<u>66,100</u>	<u>66,100</u>	<u>64,712</u>	<u>(1,388)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Special Benefit Districts	<u>97,433</u>	<u>97,433</u>	<u>52,019</u>	<u>45,414</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(31,333)	(31,333)	12,693	44,026
Fund Balances - October 1, 2018	<u>31,333</u>	<u>31,333</u>	<u>59,854</u>	<u>28,521</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 72,547</u></u>	<u><u>\$ 72,547</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CONSERVATION TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 34,125	\$ 34,125
Net Change in Fair Value of Investments	-	-	2,216	2,216
Total Revenues	-	-	36,341	36,341
<b>EXPENDITURES</b>				
Current:				
Physical Environment:				
Conservation and Resource Management	61,460	63,816	4,942	58,874
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(61,460)	(63,816)	31,399	95,215
Fund Balances - October 1, 2018	61,460	63,816	189,024	125,208
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,423</u>	<u>\$ 220,423</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
INTERGOVERNMENTAL RADIO COMMUNICATIONS FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 35,000	\$ 35,000	\$ 50,465	\$ 15,465
Miscellaneous	31,500	31,500	30,210	(1,290)
Total Revenues	<u>66,500</u>	<u>66,500</u>	<u>80,675</u>	<u>14,175</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Other Public Safety	<u>381,329</u>	<u>381,329</u>	<u>379,328</u>	<u>2,001</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(314,829)	(314,829)	(298,653)	16,176
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>314,829</u>	<u>314,829</u>	<u>298,653</u>	<u>(16,176)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEBRING ACRES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 9,453	\$ 9,453	\$ 9,641	\$ 188
Net Change in Fair Value of Investments	-	-	2,022	2,022
Total Revenues	9,453	9,453	11,663	2,210
<b>EXPENDITURES:</b>				
Current:				
Transportation:				
Special Benefit Districts	9,453	9,453	3,507	5,946
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	8,156	8,156
Fund Balances - October 1, 2018	-	-	165,189	165,189
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,345</u>	<u>\$ 173,345</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ORANGE BLOSSOM (UNIT 12) SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 36	\$ 36
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	8,005	8,005	-	8,005
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(8,005)	(8,005)	36	8,041
Fund Balances - October 1, 2018	8,005	8,005	8,154	149
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,190</u>	<u>\$ 8,190</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
LAKE HAVEN ESTATES SPECIAL BENEFIT DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 10,315	\$ 10,315	\$ 10,342	\$ 27
Net Change in Fair Value of Investments	-	-	150	150
Total Revenues	<u>10,315</u>	<u>10,315</u>	<u>10,492</u>	<u>177</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>11,458</u>	<u>11,458</u>	<u>10,146</u>	<u>1,312</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,143)	(1,143)	346	1,489
Fund Balances - October 1, 2018	<u>1,143</u>	<u>1,143</u>	<u>29,780</u>	<u>28,637</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,126</u></u>	<u><u>\$ 30,126</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FLORIDA SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 228	\$ 413	\$ 185
Net Change in Fair Value of Investments	-	147	281	134
Total Revenues	<u>-</u>	<u>375</u>	<u>694</u>	<u>319</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	<u>41,469</u>	<u>75,171</u>	<u>16,006</u>	<u>59,165</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(41,469)	(74,796)	(15,312)	59,484
Fund Balances - October 1, 2018	<u>41,469</u>	<u>74,796</u>	<u>74,796</u>	<u>-</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 59,484</u></u>	<u><u>\$ 59,484</u></u>



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LAKE PLACID SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 179	\$ 88	\$ (91)
Net Change in Fair Value of Investments	-	34	9,028	8,994
Miscellaneous	5,400	5,400	-	(5,400)
Total Revenues	<u>5,400</u>	<u>5,613</u>	<u>9,116</u>	<u>3,503</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	<u>426,712</u>	<u>548,094</u>	<u>152,754</u>	<u>395,340</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(421,312)	(542,481)	(143,638)	398,843
Fund Balances - October 1, 2018	<u>421,312</u>	<u>542,481</u>	<u>547,880</u>	<u>5,399</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 404,242</u></u>	<u><u>\$ 404,242</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LAW ENFORCEMENT EDUCATION FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 14,450	\$ 14,450	\$ 20,252	\$ 5,802
Net Change in Fair Value of Investments	750	750	3,140	2,390
Total Revenues	<u>15,200</u>	<u>15,200</u>	<u>23,392</u>	<u>8,192</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Sheriff	<u>15,200</u>	<u>15,200</u>	<u>-</u>	<u>15,200</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	23,392	23,392
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>207,393</u>	<u>207,393</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 230,785</u></u>	<u><u>\$ 230,785</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
BUILDING CODE ENFORCEMENT  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 842,000	\$ 842,000	\$ 939,289	\$ 97,289
Charges for Services	81,000	81,000	128,009	47,009
Net Change in Fair Value of Investments	4,000	4,000	51,279	47,279
Miscellaneous	1,200	1,200	3,523	2,323
Total Revenues	<u>928,200</u>	<u>928,200</u>	<u>1,122,100</u>	<u>193,900</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Protective Inspections	<u>696,680</u>	<u>755,040</u>	<u>636,643</u>	<u>118,397</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	231,520	173,160	485,457	312,297
Fund Balances - October 1, 2018	<u>(231,520)</u>	<u>(173,160)</u>	<u>2,360,609</u>	<u>2,533,769</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,846,066</u></u>	<u><u>\$ 2,846,066</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FLORIDA BOATING IMPROVEMENT FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 43,751	\$ (1,249)
Net Change in Fair Value of Investments	500	500	2,615	2,115
Total Revenues	<u>45,500</u>	<u>45,500</u>	<u>46,366</u>	<u>866</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Parks Department	<u>67,647</u>	<u>66,321</u>	<u>4,414</u>	<u>61,907</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(22,147)	(20,821)	41,952	62,773
Fund Balances - October 1, 2018	<u>22,147</u>	<u>20,821</u>	<u>192,549</u>	<u>171,728</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 234,501</u></u>	<u><u>\$ 234,501</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL LAW ENFORCEMENT TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 10,438	\$ 10,438
Net Change in Fair Value of Investments	-	-	2,695	2,695
Total Revenues	-	-	13,133	13,133
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
County Jail	-	237,050	32,478	204,572
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	-	(237,050)	(19,345)	217,705
Fund Balances - October 1, 2018	-	237,050	237,050	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,705</u>	<u>\$ 217,705</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HIGHWAY PARK SPECIAL BENEFIT DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 6,926	\$ 6,926	\$ 7,070	\$ 144
Net Change in Fair Value of Investments	-	-	155	155
Total Revenues	<u>6,926</u>	<u>6,926</u>	<u>7,225</u>	<u>299</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>8,926</u>	<u>8,926</u>	<u>6,916</u>	<u>2,010</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,000)	(2,000)	309	2,309
Fund Balances - October 1, 2018	<u>2,000</u>	<u>2,000</u>	<u>33,604</u>	<u>31,604</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,913</u></u>	<u><u>\$ 33,913</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 3,628	\$ 944,114	\$ 940,486
Net Change in Fair Value of Investments	-	-	104	104
Total Revenues	-	3,628	944,218	940,590
<b>EXPENDITURES</b>				
Current:				
Economic Environment:				
Community Development Block Grant	-	386,717	386,717	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(383,089)	557,501	940,590
Fund Balances - October 1, 2018	-	383,089	(557,337)	(940,426)
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164</u>	<u>\$ 164</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**AFFORDABLE HOUSING ASSISTANCE TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 585,283	\$ -	\$ (585,283)
Charges for Services	-	270,400	218,340	(52,060)
Net Change in Fair Value of Investments	-	12,229	15,427	3,198
Total Revenues	-	867,912	233,767	(634,145)
<b>EXPENDITURES</b>				
Current:				
Economic Environment:				
State Housing Assistance Grant	416,166	1,312,697	858,372	454,325
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(416,166)	(444,785)	(624,605)	(179,820)
Fund Balances - October 1, 2018	416,166	444,785	1,119,810	675,025
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,205</u>	<u>\$ 495,205</u>



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SUN-N-LAKES 1 - 20 IMPROVEMENT TRUST**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 150	\$ 150	\$ 256	\$ 106
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	57,750	57,750	-	57,750
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(57,600)	(57,600)	256	57,856
Fund Balances - October 1, 2018	57,600	57,600	57,918	318
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,174</u>	<u>\$ 58,174</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS PARK ESTATES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 41	\$ 41
Assessments	61,256	61,256	61,386	130
Net Change in Fair Value of Investments	1,500	1,500	3,080	1,580
Total Revenues	<u>62,756</u>	<u>62,756</u>	<u>64,507</u>	<u>1,751</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	123,963	298,873	222,413	76,460
Debt Service:				
Interest	<u>-</u>	<u>3,946</u>	<u>3,946</u>	<u>-</u>
Total Expenditures	<u>123,963</u>	<u>302,819</u>	<u>226,359</u>	<u>76,460</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(61,207)	(240,063)	(161,852)	78,211
Fund Balances - October 1, 2018	<u>61,207</u>	<u>240,063</u>	<u>164,771</u>	<u>(75,292)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,919</u></u>	<u><u>\$ 2,919</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WEST SEBRING SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 1,658	\$ 2,879	\$ 1,221
Net Change in Fair Value of Investments	6,025	9,264	16,369	7,105
Miscellaneous	6,600	6,600	-	(6,600)
Total Revenues	<u>12,625</u>	<u>17,522</u>	<u>19,248</u>	<u>1,726</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	<u>921,219</u>	<u>1,110,882</u>	<u>69,645</u>	<u>1,041,237</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(908,594)	(1,093,360)	(50,397)	1,042,963
<b>OTHER FINANCING SOURCES</b>				
Insurance Recoveries	<u>-</u>	<u>2,648</u>	<u>2,648</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(908,594)	(1,090,712)	(47,749)	1,042,963
Fund Balances - October 1, 2018	<u>908,594</u>	<u>1,093,360</u>	<u>894,446</u>	<u>(198,914)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ 2,648</u></u>	<u><u>\$ 846,697</u></u>	<u><u>\$ 844,049</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
DRIVER EDUCATION SAFETY TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 18,000	\$ 18,850	\$ 24,404	\$ 5,554
Net Change in Fair Value of Investments	-	-	68	68
Total Revenues	<u>18,000</u>	<u>18,850</u>	<u>24,472</u>	<u>5,622</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Sheriff	<u>18,000</u>	<u>18,850</u>	<u>18,847</u>	<u>3</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	5,625	5,625
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>4,799</u>	<u>4,799</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,424</u></u>	<u><u>\$ 10,424</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**INDUSTRIAL DEVELOPMENT AGENCY FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 880,000	\$ 880,000	\$ 1,013,179	\$ 133,179
Net Change in Fair Value of Investments	-	-	13,943	13,943
Miscellaneous	-	-	2,300	2,300
Total Revenues	<u>880,000</u>	<u>880,000</u>	<u>1,029,422</u>	<u>149,422</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment:				
Lakes	40,000	40,000	-	40,000
Economic Environment:				
Industry Development	<u>1,047,386</u>	<u>1,161,891</u>	<u>758,890</u>	<u>403,001</u>
Total Expenditures	<u>1,087,386</u>	<u>1,201,891</u>	<u>758,890</u>	<u>443,001</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(207,386)	(321,891)	270,532	592,423
Fund Balances - October 1, 2018	<u>207,386</u>	<u>321,891</u>	<u>707,339</u>	<u>385,448</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 977,871</u></u>	<u><u>\$ 977,871</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DOMESTIC VIOLENCE TRAINING FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 5,500	\$ 5,500	\$ 7,833	\$ 2,333
Net Change in Fair Value of Investments	200	200	399	199
Total Revenues	<u>5,700</u>	<u>5,700</u>	<u>8,232</u>	<u>2,532</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Sheriff	<u>5,700</u>	<u>5,700</u>	<u>-</u>	<u>5,700</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	8,232	8,232
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>86,409</u>	<u>86,409</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 94,641</u></u>	<u><u>\$ 94,641</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FIRE INSPECTION AND SAFETY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 1,200	\$ 1,200	\$ 770	\$ (430)
Charges for Services	16,285	16,285	20,190	3,905
Net Change in Fair Value of Investments	462	462	750	288
Total Revenues	<u>17,947</u>	<u>17,947</u>	<u>21,710</u>	<u>3,763</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Fire Control	<u>27,625</u>	<u>27,625</u>	<u>4,948</u>	<u>22,677</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(9,678)	(9,678)	16,762	26,440
Fund Balances - October 1, 2018	<u>9,678</u>	<u>9,678</u>	<u>132,570</u>	<u>122,892</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 149,332</u></u>	<u><u>\$ 149,332</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
VENUS SPECIAL BENEFIT FIRE DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ 224	\$ 476	\$ 252
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	39,311	115,489	13,790	101,699
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(39,311)	(115,265)	(13,314)	101,951
Fund Balances - October 1, 2018	39,311	115,265	115,262	(3)
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,948</u>	<u>\$ 101,948</u>



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEBRING PARKWAY MAINTENANCE FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 66,404	\$ 66,404	\$ 41,930	\$ (24,474)
Net Change in Fair Value of Investments	-	-	15,883	15,883
Total Revenues	<u>66,404</u>	<u>66,404</u>	<u>57,813</u>	<u>(8,591)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Other Transportation	<u>214,283</u>	<u>214,283</u>	<u>88,504</u>	<u>125,779</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(147,879)	(147,879)	(30,691)	117,188
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>147,879</u>	<u>147,879</u>	<u>148,518</u>	<u>639</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	117,827	117,827
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>876,487</u>	<u>876,487</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 994,314</u></u>	<u><u>\$ 994,314</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STATE COURT FACILITIES TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 110,700	\$ 110,700	\$ 150,055	\$ 39,355
Net Change in Fair Value of Investments	2,120	2,120	8,393	6,273
Total Revenues	<u>112,820</u>	<u>112,820</u>	<u>158,448</u>	<u>45,628</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Operating Expenses	<u>259,486</u>	<u>265,551</u>	<u>220,780</u>	<u>44,771</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(146,666)	(152,731)	(62,332)	90,399
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>-</u>	<u>(15,845)</u>	<u>(15,845)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(146,666)	(168,576)	(78,177)	90,399
Fund Balances - October 1, 2018	<u>146,666</u>	<u>168,576</u>	<u>333,101</u>	<u>164,525</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 254,924</u></u>	<u><u>\$ 254,924</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**INNOVATIONS AND SUPPLEMENTAL COURTS FUNDING TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 70,401	\$ 72,827	\$ 75,254	\$ 2,427
Net Change in Fair Value of Investments	400	443	376	(67)
Total Revenues	<u>70,801</u>	<u>73,270</u>	<u>75,630</u>	<u>2,360</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Operating Expenses	<u>145,651</u>	<u>145,651</u>	<u>132,271</u>	<u>13,380</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(74,850)	(72,381)	(56,641)	15,740
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	32,250	32,250	30,832	(1,418)
Transfers Out	<u>(35,200)</u>	<u>(37,669)</u>	<u>(18,819)</u>	<u>18,850</u>
Total Other Financing Sources (Uses)	<u>(2,950)</u>	<u>(5,419)</u>	<u>12,013</u>	<u>17,432</u>
<b>NET CHANGE IN FUND BALANCE</b>	(77,800)	(77,800)	(44,628)	33,172
Fund Balances - October 1, 2018	<u>77,800</u>	<u>77,800</u>	<u>63,535</u>	<u>(14,265)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,907</u></u>	<u><u>\$ 18,907</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CRIME PREVENTION FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 32,950	\$ 32,950	\$ 33,279	\$ 329
Fines and Forfeitures	-	-	96	96
Net Change in Fair Value of Investments	795	795	1,123	328
Total Revenues	<u>33,745</u>	<u>33,745</u>	<u>34,498</u>	<u>753</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Operating Expenses	<u>40,487</u>	<u>40,487</u>	<u>40,331</u>	<u>156</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(6,742)	(6,742)	(5,833)	909
Fund Balances - October 1, 2018	<u>6,742</u>	<u>6,742</u>	<u>161,765</u>	<u>155,023</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 155,932</u></u>	<u><u>\$ 155,932</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT TECH 28.24(12)(e)1 FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 15,000	\$ 15,000	\$ -
Charges for Services	194,798	194,798	157,325	(37,473)
Net Change in Fair Value of Investments	30	30	219	189
Miscellaneous	15,000	-	40	40
Total Revenues	<u>209,828</u>	<u>209,828</u>	<u>172,584</u>	<u>(37,244)</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Operating Expenses	<u>478,519</u>	<u>478,519</u>	<u>273,574</u>	<u>204,945</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(268,691)	(268,691)	(100,990)	167,701
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>218,691</u>	<u>218,691</u>	<u>109,346</u>	<u>(109,345)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(50,000)	(50,000)	8,356	58,356
Fund Balances - October 1, 2018	<u>50,000</u>	<u>50,000</u>	<u>96,316</u>	<u>46,316</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 104,672</u></u>	<u><u>\$ 104,672</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HOME INITIATIVES PARTNERSHIP FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 67,367	\$ 67,367
Net Change in Fair Value of Investments	-	-	154	154
Total Revenues	<u>-</u>	<u>-</u>	<u>67,521</u>	<u>67,521</u>
<b>EXPENDITURES</b>				
Current:				
Economic Environment:				
Operating Expenses	<u>-</u>	<u>522</u>	<u>83</u>	<u>439</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(522)	67,438	67,960
Fund Balances - October 1, 2018	<u>-</u>	<u>522</u>	<u>513</u>	<u>(9)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,951</u></u>	<u><u>\$ 67,951</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PLACID LAKES FIRE SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ 280	\$ 8,564	\$ 8,284
Net Change in Fair Value of Investments	-	219	5,923	5,704
Total Revenues	<u>-</u>	<u>499</u>	<u>14,487</u>	<u>13,988</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	<u>207,175</u>	<u>342,616</u>	<u>2,429</u>	<u>340,187</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(207,175)	(342,117)	12,058	354,175
Fund Balances - October 1, 2018	<u>207,175</u>	<u>342,117</u>	<u>342,118</u>	<u>1</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 354,176</u></u>	<u><u>\$ 354,176</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**IMPACT FEE - TRANSPORTATION – LAKE PLACID**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 236,032	\$ 236,032	\$ 216,090	\$ (19,942)
Charges for Services	1,061,235	1,061,235	1,102,820	41,585
Fines and Forfeitures	489,980	489,980	541,877	51,897
Net Change in Fair Value of Investments	600	600	3,328	2,728
Total Revenues	<u>1,787,847</u>	<u>1,787,847</u>	<u>1,864,115</u>	<u>76,268</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Operating Expenses	<u>1,787,847</u>	<u>1,787,847</u>	<u>1,864,115</u>	<u>(76,268)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-	-
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**IMPACT FEE - PARKS AND RECREATION - AVON PARK**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 14	\$ 14	\$ 20	\$ 6
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Impact Fees	4,615	4,615	-	4,615
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,601)	(4,601)	20	4,621
Fund Balances - October 1, 2018	4,601	4,601	4,600	(1)
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,620</u>	<u>\$ 4,620</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**IMPACT FEE - CORRECTIONAL FACILITIES**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 14	\$ 14	\$ 20	\$ 6
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Impact Fees	4,548	4,548	-	4,548
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,534)	(4,534)	20	4,554
Fund Balances - October 1, 2018	4,534	4,534	4,534	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,554</u>	<u>\$ 4,554</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
IMPACT FEE - FIRE  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 15	\$ 15	\$ 21	\$ 6
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Impact Fees	4,824	4,824	-	4,824
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,809)	(4,809)	21	4,830
Fund Balances - October 1, 2018	4,809	4,809	4,808	(1)
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,829</u>	<u>\$ 4,829</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
IMPACT FEE - LIBRARIES  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 5	\$ 5	\$ 7	\$ 2
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Impact Fees	1,726	1,726	-	1,726
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,721)	(1,721)	7	1,728
Fund Balances - October 1, 2018	1,721	1,721	1,721	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,728</u>	<u>\$ 1,728</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
IMPACT FEE - LAW ENFORCEMENT  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 4	\$ 4	\$ 6	\$ 2
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Impact Fees	1,335	1,335	-	1,335
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,331)	(1,331)	6	1,337
Fund Balances - October 1, 2018	1,331	1,331	1,331	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,337</u>	<u>\$ 1,337</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**IMPACT FEE - EMERGENCY MEDICAL SERVICES**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 3	\$ 3	\$ 5	\$ 2
<b>EXPENDITURES:</b>				
Current:				
Public Safety:				
Impact Fees	1,033	1,033	-	1,033
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,030)	(1,030)	5	1,035
Fund Balances - October 1, 2018	1,030	1,030	1,029	(1)
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,034</u>	<u>\$ 1,034</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**THUNDERBIRD HILL WASTE WATER SPECIAL BENEFIT DISTRICT**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 17,195	\$ 17,195	\$ 17,454	\$ 259
Net Change in Fair Value of Investments	66	66	172	106
Total Revenues	<u>17,261</u>	<u>17,261</u>	<u>17,626</u>	<u>365</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment:				
Special Benefit District	6,653	6,653	1,696	4,957
Debt Service:				
Principal Retirement	9,608	9,608	-	9,608
Interest	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total Debt Service	<u>10,608</u>	<u>10,608</u>	<u>1,000</u>	<u>9,608</u>
Total Expenditures	<u>17,261</u>	<u>17,261</u>	<u>2,696</u>	<u>14,565</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	14,930	14,930
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>(23,530)</u>	<u>(23,530)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (8,600)</u></u>	<u><u>\$ (8,600)</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS COUNTY FIRE PROTECTION SPECIAL BENEFIT DISTRICT**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 4,845,938	\$ 4,845,938	\$ 4,859,901	\$ 13,963
Net Change in Fair Value of Investments	-	-	49,219	49,219
Miscellaneous Revenue	-	-	12,450	12,450
Total Revenues	<u>4,845,938</u>	<u>4,845,938</u>	<u>4,921,570</u>	<u>75,632</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit District	4,598,075	4,613,575	3,257,106	1,356,469
Debt Service:				
Principal Retirement	240,608	225,108	126,801	98,307
Interest	<u>7,255</u>	<u>7,255</u>	<u>2,420</u>	<u>4,835</u>
Total Debt Service	<u>247,863</u>	<u>232,363</u>	<u>129,221</u>	<u>103,142</u>
Total Expenditures	<u>4,845,938</u>	<u>4,845,938</u>	<u>3,386,327</u>	<u>1,459,611</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	-	-	1,535,243	1,535,243
<b>OTHER FINANCING SOURCES</b>				
Insurance Recoveries	<u>-</u>	<u>-</u>	<u>1,739</u>	<u>1,739</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	1,536,982	1,536,982
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>(168,182)</u>	<u>(168,182)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,368,800</u>	<u>\$ 1,368,800</u>



**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS COUNTY PUBLIC IMPROVEMENT REVENUE**  
**NOTE FUND (HCPIRN CONSTRUCTION) FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 2,067	\$ 2,067
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit District	-	5,500,000	34,597	5,465,403
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	-	(5,500,000)	(32,530)	5,467,470
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	5,500,000	5,500,000	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	5,467,470	5,467,470
Fund Balances - October 1, 2018	-	-	-	-
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,467,470</b>	<b>\$ 5,467,470</b>

**HIGHLANDS COUNTY, FLORIDA  
INTERNAL SERVICE FUNDS**

The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board and to other governmental units on a cost reimbursement basis. The Board maintains the following Internal Service Funds:

**Employee Benefit** - To account for employer, employee and retiree contributions to the County's health and dental plans and the payment of health and dental expenses.

**Insurance** - To account for activity related to property, general liability, public officials and employment practices liability, automobile, crime and worker's compensation needs of County departments and elected officials.

**Compensated Absences** - To account for accumulated leave credits, which will be paid to employees upon termination of employment.

**HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2019**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,699,806	\$ 68,739	\$ 4,161,447	\$ 5,929,992
Investments	660,501	-	1,145,358	1,805,859
Accounts Receivable	9,206	-	442	9,648
Due from Other Governmental Units	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>2,369,513</u>	<u>68,739</u>	<u>5,307,247</u>	<u>7,745,499</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Vouchers Payable	709,290	-	801	710,091
Claims Payable	447,769	1,164	-	448,933
Unearned Revenues	819,482	-	-	819,482
Total Current Liabilities	<u>1,976,541</u>	<u>1,164</u>	<u>801</u>	<u>1,978,506</u>
Noncurrent Liabilities:				
Compensated Absences	-	-	5,306,446	5,306,446
Total Liabilities	<u>1,976,541</u>	<u>1,164</u>	<u>5,307,247</u>	<u>7,284,952</u>
<b>NET POSITION</b>				
Unrestricted	<u>392,972</u>	<u>67,575</u>	<u>-</u>	<u>460,547</u>
Total Net Position	<u><u>\$ 392,972</u></u>	<u><u>\$ 67,575</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 460,547</u></u>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 9,300,912	\$ 1,774,392	\$ 4,939,330	\$ 16,014,634
<b>OPERATING EXPENSES</b>				
General and Administrative	1,445,591	-	5,039,197	6,484,788
Insurance and Claims	8,231,262	1,743,072	-	9,974,334
Total Operating Expenses	<u>9,676,853</u>	<u>1,743,072</u>	<u>5,039,197</u>	<u>16,459,122</u>
<b>OPERATING INCOME (LOSS)</b>	(375,941)	31,320	(99,867)	(444,488)
<b>NONOPERATING REVENUES</b>				
Net Change in Fair Value of Investments	<u>45,370</u>	<u>2</u>	<u>99,867</u>	<u>145,239</u>
<b>CHANGE IN NET POSITION</b>	(330,571)	31,322	-	(299,249)
Net Position - October 1, 2018	<u>723,543</u>	<u>36,253</u>	<u>-</u>	<u>759,796</u>
<b>NET POSITION - SEPTEMBER 30, 2019</b>	<u><u>\$ 392,972</u></u>	<u><u>\$ 67,575</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 460,547</u></u>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received From Internal Customers	\$ 9,735,255	\$ 1,774,877	\$ 4,939,330	\$ 16,449,462
Cash Payments for Insurance Premiums and Claims	(10,242,519)	(1,743,233)	-	(11,985,752)
Cash Payments to Employees for Services	-	-	(4,689,683)	(4,689,683)
Net Cash Provided (Used) by Operating Activities	<u>(507,264)</u>	<u>31,644</u>	<u>249,647</u>	<u>(225,973)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advance to Other Funds	-	-	-	-
Repayment on Advance to Other Funds	-	-	216,095	216,095
Transfer to Other Constitutional Officers	-	-	(375)	(375)
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>215,720</u>	<u>215,720</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(1,154,657)	-	(639,320)	(1,793,977)
Sale of Investments	509,643	-	152,835	662,478
Investment Income	29,801	2	77,997	107,800
Net Cash Provided (Used) by Investing Activities	<u>(615,213)</u>	<u>2</u>	<u>(408,488)</u>	<u>(1,023,699)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	(1,122,477)	31,646	56,879	(1,033,952)
Cash and Cash Equivalents - October 1, 2018	<u>2,822,283</u>	<u>37,093</u>	<u>4,104,568</u>	<u>6,963,944</u>
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2019</b>	<u>\$ 1,699,806</u>	<u>\$ 68,739</u>	<u>\$ 4,161,447</u>	<u>\$ 5,929,992</u>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (375,941)	\$ 31,320	\$ (99,867)	\$ (444,488)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	(3,568)	-	-	(3,568)
Due from Other Governmental Units	-	485	-	485
Increase (Decrease) in:				
Vouchers Payable	(580,632)	-	-	(580,632)
Claims Payable	14,966	(161)	-	14,805
Compensated Absences	-	-	349,514	349,514
Unearned Revenues	437,911	-	-	437,911
Total Adjustments	<u>(131,323)</u>	<u>324</u>	<u>349,514</u>	<u>218,515</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (507,264)</u>	<u>\$ 31,644</u>	<u>\$ 249,647</u>	<u>\$ (225,973)</u>

**HIGHLANDS COUNTY, FLORIDA  
TRUST AND AGENCY FUNDS  
(FIDUCIARY FUNDS)**

These funds account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

The County maintains the following Fiduciary Funds:

**Agency Funds**

**Sheriff's Inmates** - To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

**Sheriff's Cash Bonds** - To account for cash appearance bonds collected by the Sheriff on behalf of the Clerk of Courts. These funds are disbursed to the Clerk of Courts weekly.

**Sheriff's Unclaimed Evidence** - To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

**Sheriff's Individual Depositors** - To account for fees charged to serve civil process. Fees are collected and held until service is complete and then remitted to other entities or individuals.

**Sheriff's Suspense** - To account for fees and court ordered payments collected for various agencies. These funds are remitted to the County or other governmental agencies.

**Tax Collector's Tag Agency** - To account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the State of Florida.

**Tax Collector's Tax and License** - To account for the collection of ad valorem and non-ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the State of Florida.

**Tax Collector's Tax Redemption** - To account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non ad valorem taxes and remittance to certificate holders and title search companies.

**Clerk's Child Support** - To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

**Clerk's Suspense** - To account for documentary stamp fees and recording fees, jury and witness payments and fines, and forfeitures collected through the court system and remitted to other governmental agencies.

**Board's Agency Escrow** - To account for the collection of funds held in escrow by the Board.

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

	Sheriff's Inmates	Sheriff's Cash Bond	Sheriff's Unclaimed Evidence	Sheriff's Individual Depositors	Sheriff's Suspense	Tax Collector's Tag Agency	Tax Collector's Tax and License	Tax Collector's Tax Redemption	Clerk's Child Support	Clerk's Suspense	Board's Agency Escrow	Total
<b>ASSETS</b>												
Cash and Cash Equivalents	\$ 11,357	\$ -	\$ 1,216	\$ -	\$ 22,290	\$ 156,858	\$ 1,265,414	\$ 93,709	\$ 1,110	\$ 1,570,499	\$ 89,322	\$ 3,211,775
Investments	-	-	-	-	-	-	-	-	-	134,037	-	134,037
Due from Others	2,069	-	-	-	-	8,446	28,659	-	2,730	320	-	42,224
Due from Other Governmental Units	-	-	-	-	367	-	-	-	-	1,662	-	2,029
<b>Total Assets</b>	<b>\$ 13,426</b>	<b>\$ -</b>	<b>\$ 1,216</b>	<b>\$ -</b>	<b>\$ 22,657</b>	<b>\$ 165,304</b>	<b>\$ 1,294,073</b>	<b>\$ 93,709</b>	<b>\$ 3,840</b>	<b>\$ 1,706,518</b>	<b>\$ 89,322</b>	<b>\$ 3,390,065</b>
<b>LIABILITIES</b>												
Due to Others	\$ 5,963	\$ -	\$ 1,216	\$ -	\$ -	\$ -	\$ 120,457	\$ 93,709	\$ 3,411	\$ 345,950	\$ -	\$ 570,706
Due to Other Governmental Units	7,463	-	-	-	22,657	165,304	1,173,616	-	429	479,827	-	1,849,296
Deposits	-	-	-	-	-	-	-	-	-	880,741	89,322	970,063
<b>Total Liabilities</b>	<b>\$ 13,426</b>	<b>\$ -</b>	<b>\$ 1,216</b>	<b>\$ -</b>	<b>\$ 22,657</b>	<b>\$ 165,304</b>	<b>\$ 1,294,073</b>	<b>\$ 93,709</b>	<b>\$ 3,840</b>	<b>\$ 1,706,518</b>	<b>\$ 89,322</b>	<b>\$ 3,390,065</b>

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<b>SHERIFF'S INMATES</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,842	\$ 546,731	\$ 547,216	\$ 11,357
Due from Others	2,533	197,417	197,881	2,069
Total Assets	<u>\$ 14,375</u>	<u>\$ 744,148</u>	<u>\$ 745,097</u>	<u>\$ 13,426</u>
<b>LIABILITIES</b>				
Due to Others	\$ 5,664	\$ 711,255	\$ 710,956	\$ 5,963
Due to Other Governmental Units	8,711	2,532,454	2,533,702	7,463
Total Liabilities	<u>\$ 14,375</u>	<u>\$ 3,243,709</u>	<u>\$ 3,244,658</u>	<u>\$ 13,426</u>
<b>SHERIFF'S CASH BONDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 319,605	\$ 319,605	\$ -
<b>LIABILITIES</b>				
Deposits	\$ -	\$ 245,003	\$ 245,003	\$ -
<b>SHERIFF'S UNCLAIMED EVIDENCE</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,296	\$ 13,008	\$ 13,088	\$ 1,216
<b>LIABILITIES</b>				
Due to Others	\$ 1,296	\$ 13,008	\$ 13,088	\$ 1,216
<b>SHERIFF'S INDIVIDUAL DEPOSITORS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,680	\$ 12,800	\$ 14,480	\$ -
<b>LIABILITIES</b>				
Due to Others	\$ 1,680	\$ 12,800	\$ 14,480	\$ -
<b>SHERIFF'S SUSPENSE</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 20,182	\$ 2,903,831	\$ 2,901,723	\$ 22,290
Due from Other Governmental Units	542	2,632,639	2,632,814	367
Total Assets	<u>\$ 20,724</u>	<u>\$ 5,536,470</u>	<u>\$ 5,534,537</u>	<u>\$ 22,657</u>
<b>LIABILITIES</b>				
Due to Other Governmental Units	\$ 20,724	\$ 248,571	\$ 246,638	\$ 22,657
<b>TAX COLLECTOR'S TAG AGENCY</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 187,287	\$ 25,048,671	\$ 25,079,100	\$ 156,858
Due from Others	11,388	2,635,337	2,638,279	8,446
Total Assets	<u>\$ 198,675</u>	<u>\$ 27,684,008</u>	<u>\$ 27,717,379</u>	<u>\$ 165,304</u>
<b>LIABILITIES</b>				
Due to Others	\$ 4,096	\$ 205,252	\$ 209,348	\$ -
Due to Other Governmental Units	194,579	13,174,357	13,203,632	165,304
Total Liabilities	<u>\$ 198,675</u>	<u>\$ 13,379,609</u>	<u>\$ 13,412,980</u>	<u>\$ 165,304</u>



**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<b>TAX COLLECTOR'S TAX AND LICENSE</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,711,629	\$ 210,447,352	\$ 211,893,567	\$ 1,265,414
Due from Others	56	28,659	56	28,659
Total Assets	<u>\$ 2,711,685</u>	<u>\$ 210,476,011</u>	<u>\$ 211,893,623</u>	<u>\$ 1,294,073</u>
<b>LIABILITIES</b>				
Due to Others	\$ 126,546	\$ 32,616,630	\$ 32,622,719	\$ 120,457
Due to Other Governmental Units	2,585,139	102,981,826	104,393,349	1,173,616
Total Liabilities	<u>\$ 2,711,685</u>	<u>\$ 135,598,456</u>	<u>\$ 137,016,068</u>	<u>\$ 1,294,073</u>
<b>TAX COLLECTOR'S TAX REDEMPTION</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 147,550	\$ 6,277,738	\$ 6,331,579	\$ 93,709
<b>LIABILITIES</b>				
Due to Others	\$ 147,550	\$ 3,364,784	\$ 3,418,625	\$ 93,709
<b>CLERK'S CHILD SUPPORT</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,712	\$ 188,603	\$ 191,205	\$ 1,110
Due from Others	-	2,830	100	2,730
Total Assets	<u>\$ 3,712</u>	<u>\$ 191,433</u>	<u>\$ 191,305</u>	<u>\$ 3,840</u>
<b>LIABILITIES</b>				
Due to Others	\$ 3,311	\$ 174,039	\$ 173,939	\$ 3,411
Due to Other Governmental Units	401	17,935	17,907	429
Total Liabilities	<u>\$ 3,712</u>	<u>\$ 191,974</u>	<u>\$ 191,846</u>	<u>\$ 3,840</u>
<b>CLERK'S SUSPENSE</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,696,043	\$ 14,551,430	\$ 14,676,974	\$ 1,570,499
Investments	-	134,037	-	134,037
Due from Others	52	955	687	320
Due from Other Governmental Units	27,406	9,707	35,451	1,662
Total Assets	<u>\$ 1,723,501</u>	<u>\$ 14,696,129</u>	<u>\$ 14,713,112</u>	<u>\$ 1,706,518</u>
<b>LIABILITIES</b>				
Due to Others	\$ 341,170	\$ 752,492	\$ 747,712	\$ 345,950
Due to Other Governmental Units	656,120	9,650,181	9,826,474	479,827
Deposits	726,211	3,646,093	3,491,563	880,741
Total Liabilities	<u>\$ 1,723,501</u>	<u>\$ 14,048,766</u>	<u>\$ 14,065,749</u>	<u>\$ 1,706,518</u>

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<b>BOARD'S AGENCY ESCROW FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 88,967	\$ 394	\$ 39	\$ 89,322
<b>LIABILITIES</b>				
Deposits	\$ 88,967	\$ 394	\$ 39	\$ 89,322
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,870,188	\$ 260,310,163	\$ 261,968,576	\$ 3,211,775
Investments	-	134,037	-	134,037
Due from Others	14,029	2,865,198	2,837,003	42,224
Due from Other Governmental Units	27,948	2,642,346	2,668,265	2,029
Total Assets	<u>\$ 4,912,165</u>	<u>\$ 265,951,744</u>	<u>\$ 267,473,844</u>	<u>\$ 3,390,065</u>
<b>LIABILITIES</b>				
Due to Others	\$ 631,313	\$ 37,850,260	\$ 37,910,867	\$ 570,706
Due to Other Governmental Units	3,465,674	128,605,324	130,221,702	1,849,296
Accrued Payroll Deductions and Matching Expense	-	-	-	-
Deposits	815,178	3,891,490	3,736,605	970,063
Total Liabilities	<u>\$ 4,912,165</u>	<u>\$ 170,347,074</u>	<u>\$ 171,869,174</u>	<u>\$ 3,390,065</u>



# HIGHLANDS COUNTY, FL

Sebring • Lake Placid • Avon Park



**ON SACRED GROUND**  
Christoph St. John, American, 17th c.  
Part of the collection of the...  
Permanent Academy of the Arts...  
1987...  
Florida...  
St. John...



**STATISTICAL  
SECTION**

# HIGHLANDS COUNTY, FLORIDA STATISTICAL SECTION

This section of the County's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

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**HIGHLANDS COUNTY, FLORIDA  
NET POSITION BY COMPONENTS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	Fiscal Year									
	2019	2018	2017	2016	2015*	2014	2013	2012	2011	2010
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 225,367	\$ 213,827	\$ 206,255	\$ 197,479	\$ 194,776	\$ 192,567	\$ 189,798	\$ 186,017	\$ 185,195	\$ 180,707
Restricted	40,883	42,707	40,820	47,025	56,267	40,172	41,035	43,995	2	4,904
Unrestricted	(41,387)	(44,686)	(30,211)	(25,408)	(33,080)	14,911	17,893	17,406	60,372	61,169
Total Governmental Activities	\$ 224,863	\$ 211,848	\$ 216,864	\$ 219,096	\$ 217,963	\$ 247,650	\$ 248,726	\$ 247,418	\$ 245,569	\$ 246,780
Net Position										
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 8,758	\$ 9,369	\$ 9,153	\$ 9,393	\$ 9,369	\$ 9,728	\$ 10,068	\$ 9,954	\$ 12,797	\$ 12,884
Restricted	-	-	-	-	-	-	-	-	43	43
Unrestricted	10,118	9,002	7,650	5,609	5,378	5,069	3,260	2,734	2,504	1,862
Total Business-Type Activities	\$ 18,876	\$ 18,371	\$ 16,803	\$ 15,002	\$ 14,747	\$ 14,797	\$ 13,328	\$ 12,688	\$ 15,344	\$ 14,789
Net Position										
<b>PRIMARY GOVERNMENT</b>										
Net Investment in Capital Assets	\$ 234,125	\$ 223,196	\$ 215,408	\$ 206,872	\$ 204,145	\$ 202,295	\$ 199,866	\$ 195,971	\$ 197,992	\$ 193,591
Restricted	40,883	42,707	40,820	47,025	56,267	40,172	41,035	43,995	45	4,947
Unrestricted	(31,269)	(35,684)	(22,561)	(19,799)	(27,702)	19,980	21,153	20,140	62,876	63,031
Total Primary Government	\$ 243,739	\$ 230,219	\$ 233,667	\$ 234,098	\$ 232,710	\$ 262,447	\$ 262,054	\$ 260,106	\$ 260,913	\$ 261,569
Net Position										

Notes: Fiscal Year 2009 amounts have been restated from prior year due to the retroactive reporting requirement of GASB 51 for Intangible Assets.

\*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in 2015.

# HIGHLANDS COUNTY, FLORIDA CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>EXPENSES</b>										
Governmental Activities:										
General Government	\$ 20,874,168	\$ 18,519,219	\$ 17,632,374	\$ 15,875,786	\$ 13,531,358	\$ 14,797,429	\$ 14,026,292	\$ 15,726,969	\$ 18,086,207	\$ 15,153,253
Public Safety	56,939,713	59,326,852	48,236,789	41,971,815	37,704,396	38,955,726	37,050,892	36,008,957	37,834,107	39,105,729
Physical Environment	1,178,231	1,864,091	1,276,317	1,688,061	1,038,196	1,021,946	1,558,380	1,391,528	1,839,208	1,642,807
Transportation	14,508,911	13,459,205	13,339,901	13,152,319	13,178,891	13,308,009	12,405,754	13,730,299	12,263,525	11,561,212
Economic Environment	3,704,233	3,508,116	2,716,539	2,713,202	3,227,914	1,813,659	2,169,217	2,571,305	2,908,356	3,461,633
Human Services	3,639,034	3,682,396	3,844,649	3,838,641	4,803,440	5,103,604	4,056,257	3,298,713	2,939,280	2,766,189
Culture and Recreation	2,894,053	2,988,164	3,241,983	3,041,505	2,891,401	2,800,793	2,819,321	2,919,597	3,289,267	3,540,024
Court Related	5,215,689	4,782,597	4,508,844	4,286,136	4,325,815	4,175,685	4,232,528	4,046,362	2,133,649	2,275,428
Debt Service:										
Interest on Long-Term Debt	452,226	479,532	526,214	576,318	447,348	407,662	386,170	294,638	443,410	854,292
Other Debt Service	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	109,406,258	108,610,172	95,323,610	87,143,783	81,248,759	82,384,513	78,704,811	79,988,368	81,737,009	80,360,567
Business-Type Activities:										
Solid Waste	9,019,161	8,258,598	7,911,813	8,229,484	7,839,954	6,820,416	7,993,191	8,304,132	8,226,418	8,741,009
Water and Sewer	-	-	-	-	-	-	-	300,578	499,896	614,668
Highway Park Utility	-	-	-	-	-	-	-	89,823	140,108	140,377
Energy Recovery	2,067,795	1,286,705	2,182,353	2,190,260	2,037,100	2,830,944	2,255,324	2,413,568	2,005,691	2,100,444
Total Business-Type Activities Expenses	11,086,956	9,545,303	10,094,166	10,419,744	9,877,054	9,651,360	10,248,515	11,108,101	10,872,113	11,596,498
Total Primary Government Expenses	\$ 120,493,214	\$ 118,155,475	\$ 105,417,776	\$ 97,563,527	\$ 91,125,813	\$ 92,035,873	\$ 88,953,326	\$ 91,096,469	\$ 92,609,122	\$ 91,957,065
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,611,736	\$ 3,491,884	\$ 3,388,476	\$ 3,232,991	\$ 3,430,390	\$ 3,158,631	\$ 3,303,744	\$ 2,802,300	\$ 2,815,601	\$ 2,806,369
Public Safety	14,611,053	10,201,333	9,109,107	8,455,014	9,093,988	8,404,021	7,885,226	6,766,009	6,573,661	6,493,030
Physical Environment	223,291	209,208	203,253	190,111	188,619	200,061	196,423	248,362	230,925	195,153
Transportation	3,778,828	2,960,748	2,541,604	2,532,117	2,263,685	2,404,676	2,034,975	1,762,758	2,001,802	2,203,767
Economic Environment	218,340	234,972	190,647	133,273	91,339	-	-	-	-	-
Human Services	22,944	32,040	56,356	78,134	104,571	118,965	97,182	107,859	89,708	81,750
Culture and Recreation	198,047	205,665	205,127	231,252	255,352	236,647	249,848	230,599	231,266	433,233
Court Related	2,582,473	2,770,345	2,551,261	2,395,544	2,733,165	2,796,207	2,813,899	2,761,810	3,039,109	2,797,922
Operating Grants and Contributions:										
General Government	89,915	97,665	119,917	154,809	169,073	204,518	211,540	230,402	250,310	231,849
Public Safety	13,637,806	918,640	484,767	471,626	429,685	433,524	307,961	1,091,644	818,288	2,207,940
Physical Environment	269,695	320,313	322,895	442,290	234,827	206,295	869,464	519,960	950,632	424,632
Transportation	-	-	-	2,052	181,443	54,068	-	675,645	7,466	9,753
Economic Environment	1,363,228	738,802	6,419	826,494	1,103,227	1,064,101	650,825	1,044,748	1,301,191	1,182,786
Human Services	646,931	739,927	534,043	667,781	1,934,767	2,344,565	687,133	941,722	185,995	245,450
Culture and Recreation	194,621	241,801	193,493	207,941	258,164	239,627	177,843	294,188	279,393	542,500
Court Related	15,000	15,000	-	-	-	-	-	-	-	-

**HIGHLANDS COUNTY, FLORIDA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (CONTINUED)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>PROGRAM REVENUES</b>										
Governmental Activities (Continued):										
Capital Grants and Contributions:										
General Government	\$ 167,864	\$ 98,063	\$ 60,657	\$ 60,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,238
Public Safety	446,895	38,756	86,077	400,886	21,466	154,816	832,757	324,557	25,139	6,071,478
Physical Environment	870,117	872,809	711,535	329,100	158,408	38,638	-	-	-	2,635,926
Transportation	809,475	2,151,471	2,899,663	696,326	795,084	1,178,667	2,002,772	2,529,199	536,922	-
Economic Environment	-	-	-	-	-	-	67,552	195,923	-	-
Human Services	956,079	606,301	-	-	-	-	-	45,230	-	-
Culture and Recreation	-	-	-	3,115	15,707	-	-	69,706	31,216	-
Court Related	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	44,714,338	26,969,738	24,073,655	21,511,513	23,462,940	23,238,047	22,389,144	22,642,621	19,368,624	28,978,776
Business-Type Activities:										
Charges for Services:										
Solid Waste	9,043,194	9,704,626	9,282,253	8,245,581	8,026,002	8,112,624	8,120,527	8,304,716	8,375,167	8,489,550
Water and Sewer	-	-	-	-	-	-	-	437,330	568,292	588,292
Highway Park Utility	-	-	-	-	-	-	-	92,127	125,499	116,094
Energy Recovery	2,093,557	1,236,046	2,377,919	2,223,189	2,151,518	2,883,567	2,589,128	2,803,771	2,302,421	2,438,539
Operating Grants and Contributions:										
Solid Waste	90,909	90,909	90,909	90,909	90,910	90,909	70,588	90,374	88,974	-
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Highway Park Utility	-	-	-	-	-	-	-	-	-	-
Energy Recovery	-	-	-	-	-	-	-	-	-	4,301
Capital Grants and Contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Highway Park Utility	-	-	-	-	-	-	-	-	-	-
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	11,227,660	11,031,581	11,751,081	10,559,679	10,268,430	11,087,100	10,780,243	11,728,318	11,458,978	11,636,776
Total Primary Government	\$ 55,941,998	\$ 38,001,319	\$ 35,824,736	\$ 32,071,192	\$ 33,731,370	\$ 34,325,147	\$ 33,169,387	\$ 34,370,939	\$ 30,827,602	\$ 40,615,552
<b>NET REVENUE (EXPENSE)</b>										
Governmental Activities	\$ (64,691,920)	\$ (81,640,434)	\$ (71,249,955)	\$ (65,632,270)	\$ (57,785,819)	\$ (59,146,466)	\$ (56,315,667)	\$ (57,345,747)	\$ (62,368,385)	\$ (51,381,791)
Business-Type Activities	140,704	1,486,278	1,656,915	139,935	391,376	1,435,740	531,728	620,217	586,865	40,278
Total Primary Governmental	\$ (64,551,216)	\$ (80,154,156)	\$ (69,593,040)	\$ (65,492,335)	\$ (57,394,443)	\$ (57,710,726)	\$ (55,783,939)	\$ (56,725,530)	\$ (61,781,520)	\$ (51,341,513)
Net Expense										

**HIGHLANDS COUNTY, FLORIDA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (CONTINUED)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 39,979,150	\$ 39,565,159	\$ 38,462,928	\$ 37,278,775	\$ 36,998,413	\$ 30,637,891	\$ 31,472,962	\$ 32,423,039	\$ 34,215,713	\$ 39,721,800
Fuel Taxes	4,554,036	4,662,245	4,544,584	4,587,791	4,571,124	4,442,566	4,375,972	4,672,974	4,803,043	4,371,052
Sales Tax	9,766,712	9,811,985	9,072,162	9,128,971	8,646,977	8,104,374	7,690,604	7,413,355	7,280,803	7,139,393
Services Taxes	574,650	623,216	724,573	675,705	702,695	711,348	731,353	729,751	804,349	844,997
Other Taxes	1,064,256	560,188	482,936	481,072	453,063	420,444	384,622	368,501	349,093	370,367
State Shared Revenues	15,434,257	15,205,276	14,506,012	13,810,350	13,389,606	12,809,474	12,317,628	12,212,916	12,735,009	12,401,913
Net Change in Fair Value										
of Investments	1,274,929	892,708	662,365	451,282	456,608	240,985	296,350	731,814	370,769	1,168,838
Gain on Sale of Capital Assets	952,383	145,545	77,368	43,112	230,677	500	-	13,755	14,954	40,487
Insurance Recoveries	752,218	-	-	-	-	-	-	-	-	-
Miscellaneous	3,261,481	1,993,965	485,539	308,519	360,970	335,215	354,041	629,127	583,612	1,014,077
Transfers	92,916	226,063	-	-	-	-	-	-	-	423,028
Total Governmental Activities	77,706,988	73,686,350	69,018,467	66,765,577	65,810,133	57,702,797	57,623,532	59,195,232	61,157,345	67,495,952
Business-Type Activities:										
Net Change in Fair Value										
of Investments	450,023	243,064	143,822	59,744	46,870	35,409	35,162	38,339	21,099	22,784
Gain (Loss) on Sale of Capital Assets	2,888	5	-	55,000	1,951	(2,694)	73,727	-	(52,241)	-
Insurance Recoveries	4,382	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(82,916)	(226,063)	-	-	-	-	-	-	-	(423,028)
Special Item:										
Loss on Transfer of	-	-	-	-	-	-	-	(3,315,330)	-	-
Assets to Municipality	-	-	-	-	-	-	-	(3,276,991)	(31,142)	(400,244)
Total Business-Type Activities	364,377	17,006	143,822	114,744	48,821	32,715	108,889	55,918,241	61,126,203	67,095,708
Total Primary Government	\$ 78,071,365	\$ 73,703,356	\$ 69,162,289	\$ 66,880,321	\$ 65,858,954	\$ 57,735,512	\$ 57,732,421	\$ 55,918,241	\$ 61,126,203	\$ 67,095,708
Change in Net Position:										
Government Activities	\$ 13,015,068	\$ (7,954,084)	\$ (2,231,488)	\$ 1,133,307	\$ 8,024,314	\$ (1,443,669)	\$ 1,307,865	\$ 1,849,485	\$ (1,211,040)	\$ 16,114,161
Business-Type Activities	505,081	1,503,284	1,800,737	254,679	440,197	1,468,455	640,617	(2,656,774)	555,723	(359,966)
Total Primary Government	\$ 13,520,149	\$ (6,450,800)	\$ (430,751)	\$ 1,387,986	\$ 8,464,511	\$ 24,786	\$ 1,948,482	\$ (807,289)	\$ (655,317)	\$ 15,754,195



**HIGHLANDS COUNTY, FLORIDA  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>GENERAL FUND</b>										
Nonspendable	\$ 1,688,633	\$ 1,254,682	\$ 1,271,683	\$ 1,090,109	\$ 898,522	\$ 735,796	\$ 843,142	\$ 643,375	\$ 606,075	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	357,689	392,559	5,395,581	478,468	536,116	1,051,976	728,198	1,078,004	1,115,776	-
Unassigned	17,133,264	4,946,829	11,207,433	17,965,879	18,007,274	15,424,223	16,816,083	19,842,464	19,725,387	-
Reserved	-	-	-	-	-	-	-	-	-	1,565,101
Unreserved	-	-	-	-	-	-	-	-	-	22,275,114
<b>Total General Fund</b>	<b>\$ 19,179,586</b>	<b>\$ 6,594,070</b>	<b>\$ 17,874,697</b>	<b>\$ 19,534,456</b>	<b>\$ 19,441,912</b>	<b>\$ 17,211,995</b>	<b>\$ 18,387,423</b>	<b>\$ 21,563,843</b>	<b>\$ 21,447,238</b>	<b>\$ 23,840,215</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	\$ 138,111	\$ 43,171	\$ 129,818	\$ 58,043	\$ 78,576	\$ 55,560	\$ 9,863	\$ -	\$ 1,460	\$ -
Restricted	44,362,820	41,575,220	40,740,308	46,180,218	55,617,654	38,863,427	39,614,669	42,615,226	39,143,321	-
Assigned	1,131,596	1,131,596	1,131,596	1,131,596	1,209,272	1,131,596	4,136,848	-	-	-
Unassigned	(5,465,323)	(5,285,444)	(3,502,628)	(449,481)	(94,077)	(182,558)	(156,012)	(160,506)	(178,875)	-
Reserved	-	-	-	-	-	-	-	-	-	7,887,418
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	33,589,983
Capital Project Funds	-	-	-	-	-	-	-	-	-	800,265
<b>Total All Other Governmental Funds</b>	<b>\$ 40,167,204</b>	<b>\$ 37,464,543</b>	<b>\$ 38,499,094</b>	<b>\$ 46,920,376</b>	<b>\$ 56,811,425</b>	<b>\$ 39,868,025</b>	<b>\$ 43,605,368</b>	<b>\$ 42,454,720</b>	<b>\$ 38,965,906</b>	<b>\$ 42,277,666</b>

Note: In fiscal year 2011, the County implemented GASB 54, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned and unassigned. Prior year numbers have not been restated.

**HIGHLANDS COUNTY, FLORIDA  
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>REVENUES</b>										
Taxes	\$ 55,887,727	\$ 55,172,719	\$ 53,234,947	\$ 52,101,154	\$ 51,319,790	\$ 44,263,651	\$ 44,593,603	\$ 45,544,644	\$ 47,393,350	\$ 52,383,527
Licenses and Permits	1,001,754	1,465,721	773,153	768,201	670,995	592,967	499,113	489,004	588,807	626,285
Intergovernmental	34,817,945	22,550,893	21,205,397	18,627,084	19,987,878	19,391,575	20,076,861	22,480,446	19,184,676	28,655,078
Charges for Services	11,944,323	10,893,391	10,219,318	9,464,472	10,046,027	9,628,330	8,938,804	7,329,535	7,344,562	7,702,508
Fines and Forfeitures	597,206	613,473	483,845	659,069	853,718	689,523	331,052	144,685	141,395	86,258
Assessments	5,432,424	2,222,840	2,236,688	2,151,722	2,167,235	2,071,734	2,038,077	2,004,101	2,089,742	2,045,674
Net Change in Fair Value of Investments	1,129,691	782,659	610,260	429,176	432,068	232,693	277,805	697,864	350,324	1,161,410
Miscellaneous	6,117,091	4,505,545	4,163,763	3,800,801	3,990,201	3,797,347	3,774,692	3,413,626	3,712,680	3,683,528
Total Revenues	<u>116,928,161</u>	<u>98,207,241</u>	<u>92,927,371</u>	<u>88,001,679</u>	<u>89,467,912</u>	<u>80,667,820</u>	<u>80,530,007</u>	<u>82,103,905</u>	<u>80,805,536</u>	<u>96,344,268</u>
<b>EXPENDITURES</b>										
Current:										
General Government	19,504,745	17,298,385	16,382,937	15,820,668	15,320,898	15,038,762	14,375,841	14,428,638	17,706,422	17,019,808
Public Safety	48,686,528	55,424,348	46,488,455	49,112,058	37,532,165	36,769,408	44,876,262	34,690,081	37,853,328	40,982,588
Physical Environment	3,256,902	3,807,540	5,951,756	1,652,101	1,419,943	1,030,244	1,542,732	1,376,193	1,763,210	7,592,052
Transportation	19,273,642	17,015,511	17,543,571	14,340,234	14,656,785	16,141,550	14,963,532	15,862,116	13,735,417	18,560,988
Economic Environment	3,548,911	3,413,605	2,663,981	2,646,019	3,058,180	1,763,053	2,119,215	2,876,117	3,429,422	3,429,422
Human Services	3,596,614	3,571,908	3,682,639	3,830,092	4,746,714	5,073,317	3,950,544	3,275,763	2,828,400	2,929,756
Culture and Recreation	2,770,798	2,661,198	2,915,249	2,719,949	2,576,017	2,536,456	2,436,329	2,655,630	2,828,665	3,118,665
Court Related	4,608,530	4,460,416	4,186,800	4,453,875	4,373,657	4,402,846	4,171,592	3,963,102	2,087,156	2,304,739
Debt Service:										
Principal Retirement	2,821,386	2,609,352	2,658,400	2,648,293	9,867,709	2,792,500	1,527,497	1,527,608	4,051,087	1,637,315
Interest	439,671	486,219	534,624	576,895	342,527	400,404	287,154	317,627	600,559	866,990
Bond Administration	-	-	-	-	-	-	-	-	-	-
Other Debt Service	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>108,507,727</u>	<u>110,748,482</u>	<u>103,008,412</u>	<u>97,800,184</u>	<u>93,894,595</u>	<u>85,948,540</u>	<u>90,250,698</u>	<u>80,945,182</u>	<u>86,368,341</u>	<u>98,453,188</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	8,420,434	(12,541,241)	(10,081,041)	(9,798,505)	(4,426,683)	(5,280,720)	(9,720,691)	1,158,723	(5,562,805)	(2,108,920)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	1,320,536	1,569,934	1,636,066	1,121,712	1,186,440	4,119,015	1,396,287	3,580,898	1,969,665	3,136,525
Transfers Out	(1,227,620)	(1,343,871)	(1,636,066)	(1,121,712)	(1,186,440)	(4,119,015)	(1,056,287)	(1,344,202)	(1,969,665)	(2,713,497)
Issuance of Refunding Note	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	752,217	-	-	-	-	-	-	-	-	-
Issuance of Debt	6,022,610	-	-	-	23,600,000	-	8,010,470	210,000	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>6,867,743</u>	<u>226,063</u>	<u>-</u>	<u>-</u>	<u>23,600,000</u>	<u>-</u>	<u>8,350,470</u>	<u>2,446,696</u>	<u>(141,932)</u>	<u>423,028</u>
Net Change in Fund Balances	<u>\$ 45,288,177</u>	<u>\$ (12,315,178)</u>	<u>\$ (10,081,041)</u>	<u>\$ (9,798,505)</u>	<u>\$ 19,173,317</u>	<u>\$ (5,280,720)</u>	<u>\$ (1,370,221)</u>	<u>\$ 3,605,419</u>	<u>\$ (5,704,737)</u>	<u>\$ (1,685,892)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.51%	3.19%	3.73%	4.01%	11.62%	4.08%	2.44%	2.46%	5.86%	2.93%

**HIGHLANDS COUNTY, FLORIDA  
TAXABLE VALUE AND ACTUAL VALUE OF PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property (Assessed Value <sup>a</sup> )				Assessed Value <sup>a</sup> of Personal Property		Less: Allowable Exemptions	Total Taxable Value <sup>b</sup>	Total Direct Tax Rate <sup>c</sup>
	Residential Property	Agriculture	Commercial Property	Other	Property	Property			
2019	\$ 4,420,651,377	\$ 571,111,854	\$ 940,284,611	\$ 1,091,717,986	\$ 686,246,734	\$ 2,873,692,500	\$ 4,836,320,062	8.5500	
2018	4,185,031,437	683,819,126	909,541,660	1,069,894,445	688,743,734	2,775,178,889	4,761,851,513	8.5500	
2017	3,908,190,237	733,151,871	899,474,589	1,059,389,125	668,544,116	2,637,549,375	4,631,200,563	8.5500	
2016	3,521,950,986	722,088,198	879,493,681	1,041,600,090	667,761,606	2,329,575,367	4,503,319,194	8.5500	
2015	3,430,182,769	734,356,228	872,987,089	1,024,869,481	675,833,516	2,272,404,297	4,465,824,786	8.5500	
2014	3,444,169,441	712,697,860	863,410,453	1,025,462,248	682,100,936	2,285,182,642	4,442,658,296	7.1000	
2013	3,572,305,436	725,319,963	839,352,031	1,030,868,951	701,451,574	2,321,476,920	4,547,821,035	7.1000	
2012	3,937,953,139	695,048,858	850,340,509	1,062,203,211	629,408,701	2,465,928,211	4,709,026,207	7.1000	
2011	4,333,665,684	661,062,597	858,201,822	1,021,215,059	632,201,205	2,584,930,120	4,921,416,247	7.1000	
2010	5,390,566,985	722,240,630	973,110,137	1,157,498,279	640,605,018	3,166,988,865	5,717,032,184	7.1000	

Source: Highlands County Property Appraiser.

Notes:

<sup>a</sup>Assessed value is determined by the Highlands County Property Appraiser on January 1 of each year at 100% of fair market value, as required by Section 192.042, Florida Statutes.

<sup>b</sup>Taxable values are based on the assessed value after deducting allowable statutory exemptions.

<sup>c</sup>Per \$1,000 of value.

**HIGHLANDS COUNTY, FLORIDA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(PER \$1,000 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rates		Overlapping Rates <sup>a</sup>							Total Overlapping Rates	Total Countywide
	General Government	Total Direct Rate	School District	South Florida Water District	Florida Water District	City of Avon Park	City of Sebring	Town of Lake Placid			
2019	8.5500	8.5500	6.3220	0.2936	0.2955	0.3000	5.3184	3.6500	16.1795	24.7295	
2018	8.5500	8.5500	6.5420	0.3100	0.3131	0.3000	5.3184	3.6500	16.4335	24.9835	
2017	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073	
2016	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073	
2015	8.5500	8.5500	7.2780	0.3842	0.3658	0.3000	4.9900	3.6500	16.9680	25.5180	
2014	7.1000	7.1000	7.2650	0.4110	0.3818	0.3000	4.9900	3.6500	16.9978	24.0978	
2013	7.1000	7.1000	7.6980	0.4289	0.3928	3.6000	4.9900	3.6500	20.7597	27.8597	
2012	7.1000	7.1000	7.8130	0.4363	0.3928	5.8745	5.2500	3.6500	23.4166	30.5166	
2011	7.1000	7.1000	7.6160	0.6240	0.5597	5.8745	5.4338	3.8100	23.9180	31.0180	
2010	7.1000	7.1000	7.6870	0.6240	0.5693	5.8745	5.4965	3.8100	24.0613	31.1613	

Source: Highlands County Property Appraiser.

Notes:

The County's basic property tax rate may be increased only by a majority vote of the Board of County Commissioners.

<sup>a</sup>Overlapping rates are those of local and county governments that apply to property owners within Highlands County. Not all overlapping rates apply to all Highlands County property owners.

**HIGHLANDS COUNTY, FLORIDA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Taxpayer	Type of Business	Fiscal Year 2019			Fiscal Year 2010		
		Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Duke Energy f/k/a Progress Energy	Electric Utility	\$ 148,235,493	1	1.92%	\$ 101,158,820	1	1.14%
FLA Gas Transmission Co	Gas System	68,533,821	2	0.89%	-	-	-
Sebring Airport Authority	Industrial/Entertainment	48,748,255	3	0.63%	60,526,096	3	0.68%
Tanglewood Investors Limited	Real Estate	47,252,989	4	0.61%	31,476,195	6	0.35%
Glades Electric Coop Inc.	Electric Utility	42,034,954	5	0.55%	34,834,827	5	0.39%
Gulfstream Natural Gas Sys LLC	Gas System	30,417,499	6	0.39%	62,978,820	2	0.71%
Lykes Bros Inc.	Cattle & Citrus	27,235,749	7	0.35%	47,084,477	4	0.53%
ARC SSSEBFL001 LLC	Retail	26,607,201	8	0.35%	-	-	-
Sun Comm Acquisitions LLC	Real Estate	22,467,028	9	0.29%	-	-	-
Highlands County Hospital	Hospital	21,885,837	10	0.28%	28,834,064	9	0.32%
Embarq-Florida Inc.	Telephone Services	-	-	-	30,370,310	7	0.34%
Walmart	Retail	-	-	-	29,160,592	8	0.33%
Lakeshore/Sebring Limited	Retail	-	-	-	21,196,488	10	0.24%
Total Assessed Value of Ten Largest Taxpayers		483,418,826		6.26%	447,620,689		5.03%
Total Assessed Value of All Other Taxpayers		7,226,593,736		93.74%	8,436,400,360		94.97%
Total Assessed Value of All Taxpayers		<u>\$ 7,710,012,562</u>		100.00%	<u>\$ 8,884,021,049</u>		100.00%

Source: Highlands County Property Appraiser.

Note: The assessed value includes real and personal property.

**HIGHLANDS COUNTY, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year <sup>a</sup> (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>b</sup>	Total Collections to Date <sup>b</sup>	
		Amount <sup>b</sup>	Percentage of Original Levy		Amount	Percentage of Original Levy
2019	\$ 41,350,592	N/A	N/A	N/A	N/A	N/A
2018	40,713,868	N/A	N/A	N/A	N/A	N/A
2017	39,596,821	\$ 38,268,827	96.65%	\$ -	\$ 38,268,827	96.65%
2016	38,503,428	37,129,634	96.43%	78,509	37,208,143	96.64%
2015	38,168,421	36,841,599	96.52%	82,693	36,924,293	96.74%
2014	32,330,893	30,487,500	94.30%	78,347	30,565,848	94.54%
2013	32,289,547	31,226,552	96.71%	99,762	31,326,313	97.02%
2012	33,440,571	32,238,611	96.41%	793,319	32,431,930	96.98%
2011	34,942,081	33,766,320	96.64%	166,847	33,933,167	97.11%
2010	40,590,957	39,186,283	96.54%	372,538	39,558,820	97.46%

Source: Highlands County Property Appraiser.

Notes:

<sup>a</sup>Property taxes become due and payable on November 1 of each year. A 4% discount is allowed if taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of each year.

Property taxes receivable and a corresponding reserve for uncollectible property taxes are not included in the financial statements as there are no delinquent taxes as of September 30, 2019.

Information regarding the Original Levy was obtained from the Property Appraiser.

<sup>b</sup>Information was obtained from the Tax Collector's Recapitulation of the Tax Roll report. Data for 2018 and 2019 was not available.

**HIGHLANDS COUNTY, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita	Personal Income	Population
	General Obligation Bonds	Notes Payable	Revenue Certificates	Mortgage Payable	Capital Leases	Notes Payable	Capital Leases	Total	Percentage of Personal Income	Per Capita					
2019	\$ -	\$ 25,042,643	\$ -	\$ -	\$ 845,909	\$ -	\$ -	\$ 25,888,552	N/A	\$ -	\$ -	-	-	\$ -	-
2018	-	21,008,750	-	-	1,678,578	-	-	22,687,328	15.55%	215	3,526,778	105,424			
2017	-	22,404,315	-	-	2,892,365	60,596	-	25,357,276	13.51%	244	3,425,904	104,060			
2016	-	23,768,018	15,000	-	4,172,062	296,472	97,790	28,349,342	11.60%	277	3,287,881	102,191			
2015	-	25,085,303	30,000	-	5,488,070	522,271	192,879	31,318,523	10.32%	312	3,230,715	100,222			
2014	-	9,996,456	45,000	-	6,829,624	738,423	285,343	17,894,846	17.07%	181	3,054,136	98,606			
2013	-	11,526,895	60,000	-	8,076,685	945,342	375,254	20,984,176	13.99%	214	2,935,720	98,088			
2012	-	12,870,317	75,000	-	93,561	1,311,594	-	14,350,472	20.47%	146	2,938,159	98,222			
2011	-	14,067,103	90,000	-	179,374	2,188,265	79,877	16,604,619	17.55%	169	2,913,943	98,177			
2010	15,480,000	2,570,623	151,667	-	346,843	2,796,430	250,673	21,596,236	13.15%	219	2,839,216	98,634			

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

**HIGHLANDS COUNTY, FLORIDA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds <sup>a</sup>	Less: Amounts Restricted to Repaying Principal and Interest	Total	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
2019	\$ -	\$ -	\$ -	N/A	0.00%	N/A
2018	-	-	-	N/A	0.00%	N/A
2017	-	-	-	N/A	0.00%	N/A
2016	-	-	-	N/A	0.00%	N/A
2015	-	-	-	N/A	0.00%	N/A
2014	-	-	-	N/A	0.00%	N/A
2013	-	-	-	N/A	0.00%	N/A
2012	-	-	-	N/A	0.00%	N/A
2011	-	-	-	N/A	0.00%	N/A
2010	15,480,000	1,645,020	13,834,980	N/A	0.16%	N/A

Note: <sup>a</sup>Highlands County Florida Infrastructures Sales Surtax Revenue Bond Series 2002, delivered June 13, 2002. Refunded and redeemed November 10, 2010.



**HIGHLANDS COUNTY, FLORIDA  
OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2019**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt			
Notes Payable	\$ 25,042,643	100%	\$ 25,042,643
Capital Leases	<u>845,909</u>	100%	<u>845,909</u>
Total Direct Debt	25,888,552		25,888,552
Overlapping Debt			
Highlands County School Board:			
Bonds Payable	3,084,000	100%	3,084,000
Certificates of Participation	40,605,000	100%	40,605,000
South Florida Water Management District:			
Certificates of Participation	<u>361,360,000</u>	15%	<u>53,227,163</u>
Total Overlapping Debt	<u>405,049,000</u>		<u>96,916,163</u>
Total Direct and Overlapping Debt	<u>\$ 430,937,552</u>		<u>\$ 122,804,715</u>

Source: Debt outstanding data provided by each respective agency.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Highlands County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

**HIGHLANDS COUNTY, FLORIDA  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS**

Infrastructure Sales Surtax Pledged Revenue Coverage					
Fiscal Year	Infrastructure Sales Surtax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2019	\$ 9,766,713	\$ 1,725,366	\$ 399,322	\$ 2,124,688	4.60
2018	9,811,985	1,383,363	426,446	1,809,809	5.42
2017	9,072,162	1,351,833	450,352	1,802,185	5.03
2016	9,128,971	1,295,755	465,995	1,761,750	5.18
2015	8,646,980	1,550,112	200,478	1,750,590	4.94
2014	8,104,375	1,509,888	234,169	1,744,057	4.65
2013	7,690,604	1,465,066	266,974	1,732,040	4.44
2012	7,413,352	1,405,630	298,654	1,704,284	4.35
2011	7,280,190	3,811,733	560,697	4,372,430	1.67
2010	7,153,417	1,437,856	838,824	2,276,680	3.14

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

The 2010 Infrastructure Sales Surtax Revenue Note and 2005 Infrastructure Sales Surtax Revenue Note are serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax.

**HIGHLANDS COUNTY, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Year	Population <sup>a</sup>	Total Personal Income <sup>a</sup> (in thousands)	Per Capita Personal Income <sup>a</sup>	Public School Enrollment <sup>b</sup>	Unemployment Rate <sup>c</sup>
2019	-	\$ -	\$ -	11,993	4.30%
2018	105,424	3,526,778	33,453	12,308	4.20%
2017	104,060	3,425,904	32,922	12,513	4.80%
2016	102,191	3,287,881	32,174	12,296	6.90%
2015	100,222	3,230,715	32,236	12,481	7.40%
2014	98,606	3,054,136	30,973	12,059	8.20%
2013	98,088	2,935,720	29,929	12,202	9.40%
2012	98,222	2,938,159	29,913	12,070	10.30%
2011	98,477	2,913,943	29,590	12,012	11.50%
2010	98,634	2,839,216	28,785	12,059	12.50%

Notes:

<sup>a</sup>Information was provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

<sup>b</sup>Information was provided by the Highlands County School Board.

<sup>c</sup>Information was provided by the Florida Research and Economic Information Database.

**HIGHLANDS COUNTY, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Highlands County School Board	1,558	1	4.55%	1,615	1	4.11%
Florida Hospital	1,493	2	4.36%	1,300	2	3.31%
Wal-Mart	702	3	2.05%	796	3	2.02%
South Florida State College	466	4	1.36%	-		0.00%
Publix	451	5	1.32%	-		0.00%
Alan Jay Automotive	400	6	1.17%	290	9	0.74%
Highlands Regional Medical Center	400	6	1.17%	500	4	1.27%
The Results Company f/k/a Agero	383	7	1.12%	500	5	1.27%
Highlands County Sheriff	383	7	1.12%	-		0.00%
Highlands County Board of County Commissioners	378	8	1.10%	402	6	1.02%
Medical Data Systems, Inc.	-		0.00%	387	7	0.98%
Highlands Greenhouses, Inc.	-		0.00%	350	8	0.89%
The Palms of Sebring	-		0.00%	264	10	0.67%
<b>Total</b>	<b>6,614</b>		<b>19.31%</b>	<b>6,404</b>		<b>16.28%</b>
Labor Force Employed	34,244			39,332		

Source: Top Employee information was provided by the Highlands County Economic Development Commission. Labor force employee numbers were obtained from the Florida Research and Economic Database.

\*\*\* Information not available.

**HIGHLANDS COUNTY, FLORIDA  
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Full-Time Equivalent Employees as of September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>GENERAL GOVERNMENT</b>										
Legislative	5	5	5	5	5	5	5	5	5	5
Executive	5	4	4	5	6	5	4	4	5	4
Financial and Administrative	129	124	124	116	119	122	127	121	123	124
Comprehensive Planning	4	5	5	5	6	6	5	5	7	7
Other General Government	26	26	24	27	27	27	27	31	34	35
<b>PUBLIC SAFETY</b>										
Law Enforcement	243	244	232	220	216	216	205	219	197	210
Fire Control	32	16	13	14	16	13	19	17	22	23
Detention / Correction	111	110	106	108	104	99	111	118	118	120
Protective Inspection	18	16	13	16	15	15	16	15	17	18
Emergency and Disaster	7	4	5	4	6	6	6	6	4	5
Ambulance and Rescue	65	63	66	61	57	64	64	64	70	80
Other Public Safety	5	3	3	3	2	2	2	2	2	2
<b>PHYSICAL ENVIRONMENT</b>										
Water Utility Services	19	16	21	19	20	21	22	22	27	29
Conservation and Rescue	16	14	13	14	14	14	12	12	10	13
<b>TRANSPORTATION</b>										
Road and Street Facilities	120	120	112	113	107	112	111	111	111	113
<b>ECONOMIC ENVIRONMENT</b>										
Housing	1	1	1	1	1	1	1	1	1	4
Veteran Services	3	3	3	3	3	3	3	3	3	3
Other	3	3	3	2	1	2	2	2	1	2
<b>HUMAN SERVICES</b>										
Health	8	8	8	8	8	7	9	8	8	8
Welfare	1	1	1	7	9	10	10	7	7	8
Other Human Services	1	1	1	-	-	-	-	-	-	-
<b>CULTURE AND RECREATION</b>										
Libraries	16	16	14	16	18	17	18	18	17	19
Parks and Recreation	16	17	18	18	18	18	18	14	15	15
<b>COURT RELATED</b>										
Court General Administration	19	23	21	22	14	9	11	15	8	9
Circuit Court Criminal	4	5	5	6	6	7	8	5	6	6
Circuit Court Civil	3	3	3	4	4	4	4	3	4	5
Circuit Court Family	10	8	9	9	9	6	9	8	5	7
Circuit Court Juvenile	5	3	3	3	2	3	4	4	4	4
Court General Operations	9	9	8	7	16	11	11	12	8	7
County Court Traffic	6	6	6	7	7	7	7	6	7	7
<b>Total</b>	<b>911</b>	<b>877</b>	<b>850</b>	<b>843</b>	<b>836</b>	<b>832</b>	<b>851</b>	<b>858</b>	<b>846</b>	<b>892</b>

# HIGHLANDS COUNTY, FLORIDA OPERATING INDICATORS BY FUNCTION

Function / Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>GENERAL GOVERNMENT</b>										
New Hires	89	66	46	46	50	54	48	27	35	20
Purchase Orders Issued	1,681	1,708	1,910	1,518	1,629	1,696	1,804	1,764	2,069	2,107
Comp Plan Amendments	7	5	7	15	13	2	3	6	563	17
IT Work Orders Completed	15,636	17,676	14,636	8,917	9,778	9,205	7,567	5,605	5,097	5,804
IT Users Served	650	650	650	650	650	650**	812	801	614	613
<b>PUBLIC SAFETY</b>										
Emergency Medical Services:										
Emergency 911 Call Volume:										
Fire/Rescue Calls	20,629	17,089	17,365	16,546	15,696	14,814	14,645	14,782	14,243	13,628
EMS Calls	****	3,914	11,002	9,337	8,174	7,412	7,442	7,204	6,567	7,156
Fire Department Calls	****	7,02	7,06	8,04	7,99	7,15	6,80	6,78	5,70	5,81
Average EMS Response Time (in Minutes)	7.23	7.02	7.06	8.04	7.99	7.15	6.80	6.78	5.70	5.81
Air Medical Service (Number of Flights)	212	135	116	104	108	106	88	122	142	149
Sheriff:										
Arrests Made	3,570	3,699	3,258	4,474	5,489	6,014	4,431	4,845	5,920	6,021
Traffic Citations Issued	3,888	2,040	2,116	2,349	3,244	3,188	4,534	5,501	3,852	4,747
Detentions and Correction:										
Jail Average Daily Population	460	417	423	379	387	399	399	422	406	388
Building Department:										
Permits Issued	6,820	11,339	5,598	5,407	4,745	4,185	3,651	3,508	3,784	3,788
Inspections Performed	14,431	19,685	9,430	7,527	7,527	6,210	5,390	5,179	6,162	6,279
Zoning Department:										
Code Enforcement Complaints Received	2,142	1,975	2,818	2,222	1,552	2,272	2,875	3,333	1,756	2,782
Code Enforcement Inspections Performed	3,623	3,347	4,219	4,106	4,050	4,664	5,618	6,103	4,689	4,574
<b>PHYSICAL ENVIRONMENT</b>										
Recycled Waste (Tons)	3,366	5,528	3,614	2,391	2,563	2,737	3,014	2,791	48	112
Landfill Waste:										
Residential Household Waste (Tons)	37,960	37,954	37,575	39,411	37,609	36,189	37,449	38,394	39,601	42,268
Commercial Waste (Tons)	36,506	38,443	30,975	28,238	26,856	28,763	28,014	27,956	27,010	27,779
<b>TRANSPORTATION</b>										
Miles of Road Constructed	-	-	0.10	-	0.31	2.12	0.18	0.09	1.52	1.00
Miles of Road Reconstructs	0.06	-	1.10	1.54	1.38	1.39	0.48	0.61	1.52	1.00
Miles of Road Resurfaced	22.39	8.09	30.81	31.30	34.95	31.30	31.39	36.44	32.89	29.00

# HIGHLANDS COUNTY, FLORIDA OPERATING INDICATORS BY FUNCTION (CONTINUED)

Function / Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>ECONOMIC ENVIRONMENT</b>										
Down Payment Assistance Loan Program	***	***	***	***	***	***	***	***	***	***
Veterans' Services:										
In Office Visits	4,905	5,043	5,291	***	5,032	4,717	5,986	6,747	6,262	8,216
Phone Calls Received	10,503	7,990	7,264	***	19,200	19,200	24,729	26,583	24,672	34,360
Home Visits	5	5	12	***	3	6	***	***	***	***
Transportation Trips	250	242	242	***	89	74	80	***	***	***
Presentations	52	29	30	***	110	104	289	266	310	453
<b>HUMAN SERVICES</b>										
Animal Services:										
Number of Complaints Received *	5,603	5,373	2,994	7,359	8,553	8,442	7,030	8,067	8,643	9,457
Number of Impoundments *	3,531	3,035	1,726	3,316	3,547	3,433	3,593	4,928	7,201	6,408
Animals Reclaimed *	268	285	118	340	412	371	229	283	509	487
Animals Adopted *	329	434	139	451	601	557	277	322	286	293
Animals Donated to Humane Society *	1,323	1,046	420	1,277	***	713	771	938	1,021	829
Animals Euthanized *	1,225	1,038	616	1,146	1,441	1,798	2,232	2,925	4,917	4,173
Wildlife Relocated	52	***	***	***	***	104	***	297	378	512
Transportation Trips for Disadvantaged Persons	74,525	72,219	78,334	92,039	100,123	126,472	74,172	73,147	70,631	73,855
<b>CULTURE AND RECREATION</b>										
Library Operations:										
Registered Borrowers in Highlands County	88,030	20,409	18,736	20,218	19,846	20,320	21,178	11,830	61,513	57,614
Library Visitors	233,161	248,481	269,095	284,480	287,573	284,785	278,277	290,139	303,053	331,523
Items Circulated:										
Adult	233,352	281,953	295,853	354,156	305,349	253,187	260,875	267,294	304,191	338,950
Children	111,532	104,319	122,681	123,069	119,176	94,354	89,103	87,032	96,903	86,000
Adult Programs:										
Number of Programs	159	247	510	414	392	237	189	251	174	276
Number of Attendees	2,202	2,263	4,187	2,766	3,259	1,821	1,385	1,963	2,097	2,218
Children's Programs:										
Number of Programs	229	205	226	287	195	319	197	251	243	293
Number of Attendees	3,124	2,681	3,242	3,736	3,120	2,875	3,734	4,056	2,235	1,832
Volunteer Hours	5,164	6,058	5,435	5,425	5,204	2,103	4,304	6,140	8,465	8,393
Library Webpage Visits	230,313	919,587	1,087,095	1,226,146	***	353,182	215,303	207,842	954,110	1,003,689
Public Internet Usage (Hours)	33,962	194,178	105,715	25,165	35,341	46,595	50,881	54,619	***	53,978
Park Rentals:										
H. L. Bishop	61	64	32	49	52	47	29	48	40	43
Boat Ramps Maintained	38	38	38	38	38	38	38	38	39	39

**HIGHLANDS COUNTY, FLORIDA  
OPERATING INDICATORS BY FUNCTION (CONTINUED)**

Function / Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>COURT RELATED</b>										
Cases in Court	26,955	27,557	26,840	26,967	29,806	30,953	29,831	30,704	30,887	27,726
Individuals thru Security	106,396	100,996	124,283	111,171	125,991	130,060	122,695	146,858	149,639	172,518

Sources: Information was obtained from various County departments.

\* For 2017 these numbers represent the time period of April 2017 through September 2017. Information for the remainder of the fiscal year is not available due to a transition of Animal Services to the Sheriff's Office.

\*\* Methodology for calculating number of IT Users changed in 2014.

\*\*\* Information not available.

\*\*\*\* As of January 1, 2019, all EMS and Fire calls became combined into Fire/Rescue calls



# HIGHLANDS COUNTY, FLORIDA CAPITAL ASSETS BY FUNCTION

Function / Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>GENERAL GOVERNMENT</b>										
IT Networked Buildings	54	46	42	43	43	43	43	39	34	34
<b>PUBLIC SAFETY</b>										
EMS Vehicles:										
Ambulances	12	13	15	14	12	12	12	12	15	15
Jaws	2	2	1	2	2	2	2	2	2	2
Administrative	6	5	3	3	2	2	2	2	2	2
Paid/Volunteer Fire Stations:	17	17	17	17	*	*	*	*	*	*
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	3	3	4	4	3	5	5	5	3	3
Patrol Vehicles	144	129	110	97	103	104	104	99	85	89
Command Center	1	1	1	3	3	1	1	1	1	1
Special Operations Vehicle	3	2	4	4	3	3	3	2	2	4
Aircraft	1	1	1	1	1	1	1	1	1	1
Watercraft	3	3	3	3	3	4	4	4	4	4
Correction Facility Capacity	504	504	504	504	504	504	504	504	504	504
<b>TRANSPORTATION</b>										
Miles of County Road:										
Paved	999	998	998	998	1,010	1,010	1,007	998	998	984
Unpaved	198	200	197	197	217	215	213	220	220	207
Number of Airports	2	2	3	3	3	3	3	3	3	3
<b>CULTURE AND RECREATION</b>										
Number of County Libraries	3	3	3	3	3	3	3	3	3	3
Library Books	253,678	245,326	233,238	206,601	236,135	245,123	148,506	219,767	208,778	196,583
Library Audio Materials	9,652	*	9,252	17,941	18,284	12,261	7,967	11,202	10,890	10,158
Library Video Materials	28,380	12,519	26,637	20,886	22,555	31,378	19,799	21,169	20,767	19,116
Number of County Boat Ramps	38	38	38	38	38	38	38	38	39	39
Number of County Parks	45	45	45	45	45	45	45	45	21	21
Parks with Playgrounds	4	4	4	4	4	4	5	4	4	4
Parks with Baseball/Softball Fields	10	10	10	10	10	10	10	6	6	6
Park Acreage (Estimated):										
Developed	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Undeveloped	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67

Sources: Information was obtained from various County departments.  
\* Information not available



# HIGHLANDS COUNTY, FL

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Sebring • Lake Placid • Avon Park



**COMPLIANCE  
SECTION**

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

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
<b>FEDERAL AWARDS</b>				
<b>U.S. Department of Justice</b>				
Direct Programs				
Bulletproof Vest Partnership Program	16.607	N/A	\$ -	\$ 14,152
Public Safety Partnership and Community Policing Grants	16.710	2017UMWX0138	-	212,488
JAG Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0541	-	18,439
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGC-HIGH-1-N2-060	-	60,634
Total Edward Byrne Memorial Justice Assistance Grant Program			-	79,073
Pass-Through from Florida Attorney General				
Crime Victim Assistance	16.575	VOCA-2018-Highlands County Sheriff-00072	-	104,582
Pass-Through from Florida Network of Children's Advocacy Centers				
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	SEBR-FL-TFCBT-PI19	-	15,559
Total U.S. Department of Justice			-	425,854
<b>U.S. Department of Transportation</b>				
Pass-Through from Florida Department of Transportation:				
Highway Planning and Construction	20.205	431343-1-38-01	-	5,220
Highway Planning and Construction	20.205	433203-1-38-01	-	3,330
Total Highway Planning and Construction Cluster			-	8,550
Total U.S. Department of Transportation			-	8,550
<b>U.S. Election Assistance Commission</b>				
Pass-Through from Florida Division of Elections:				
Help America Vote Act Requirements Payments	90.401	2018-2019-001-HIG	-	84,774
Help America Vote Act Requirements Payments	90.401	2018-2019-0003	-	14,092
Help America Vote Act Requirements Payments: Albert Network Monitoring Solution Grant	90.401	2018-2019-002	-	8,341
Total Help America Vote Act Requirements Payments			-	107,207
Total U.S. Election Assistance Commission			-	107,207
<b>U.S. Department of Health and Human Services</b>				
Direct Programs				
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	NU90TP921942-01-00	-	9,977
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:				
Promoting Safe and Stable Families	93.556	HF-18-19-42	-	12,338
Promoting Safe and Stable Families	93.556	HF-19-20-42	-	4,542
Total Promoting Safe and Stable Families			-	16,880
Temporary Assistance for Needy Families	93.558	HF-18-19-42	-	79,288
Temporary Assistance for Needy Families	93.558	HF-19-20-42	-	29,239
Total Temporary Assistance for Needy Families Cluster			-	108,527
Pass-Through U.S. Agency for Children and Families and Office of Child Support Enforcement, Florida Department of Revenue:				
Child Support Enforcement	93.563	COC28	-	300,937
Total U.S. Department of Health and Human Services			-	436,321

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

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
<b>FEDERAL AWARDS (CONTINUED)</b>				
<b>Department of Homeland Security</b>				
Direct Programs				
Homeland Security Grant Program	97.067	EMW-2017-SS-00061	\$ -	\$ 6
Pass-Through from Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0581	-	12,732,505
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0016	-	255,021
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			<u>-</u>	<u>12,987,526</u>
Emergency Management Performance Grants	97.042	19-FG-AF-09-36-01-181	-	56,413
Emergency Management Performance Grants	97.042	G0024	-	19,228
Total Emergency Management Performance Grants			<u>-</u>	<u>75,641</u>
Total Department of Homeland Security			-	13,063,173
<b>U.S. Department of Housing and Urban Development</b>				
Pass-Through from Florida Department of Economic Opportunity				
Community Development Block Grants	14.228	16DB-OK-07-38-01-N04	-	248,343
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>248,343</u>
<b>U.S. Environmental Protection Agency</b>				
Nonpoint Source Implementation Grant	66.460	C9-99451516-0	-	(41,532)
Total U.S. Environmental Protection Agency			<u>-</u>	<u>(41,532)</u>
<b>U.S. Department of Agriculture</b>				
Environmental Quality Incentives Program	10.912	NR184209XXXXC042	-	5,184
Total U.S. Department of Agriculture			<u>-</u>	<u>5,184</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 14,253,100</u>

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

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>				
<b>Florida Department of Economic Opportunity</b>				
Enterprise Florida, Inc. - Encroachment Prevention and Sustainability (Phase III)	31.003	DIG 13-08	\$ -	\$ 14,264
Total Enterprise Florida, Inc.			-	14,264
Military Base Protection	40.014	DIG 15-10	-	24,045
Military Base Protection	40.014	DIG 16-136	-	458,582
Military Base Protection	40.014	CON 19-102	-	48,089
Total Military Base Protection			-	530,716
Growth Management Implementation	40.024	P0305	-	40,000
Growth Management Implementation	40.024	P0332	-	22,500
Total Growth Management Implementation			-	62,500
Total Florida Department of Economic Opportunity			-	607,480
<b>Florida Department of Environmental Protection</b>				
Small County Consolidated Waste Grants	37.012	SC916	-	90,909
Statewide Surface Water Restoration and Wastewater Projects	37.039	S0650	-	593,873
Statewide Surface Water Restoration and Wastewater Projects	37.039	NF023	-	47,723
Total Statewide Surface Water Restoration and Wastewater Projects			-	641,596
Total Florida Department of Environmental Protection			-	732,505
<b>Florida Department of State &amp; Secretary of State</b>				
State Aid to Libraries	45.030	18-ST-16	-	194,307
Total Florida Department of State & Secretary of State			-	194,307
<b>Florida Executive Office of the Governor</b>				
Emergency Management Programs	31.063	19-BG-21-09-38-01-160	-	80,865
Emergency Management Programs	31.063	A0052	-	34,834
Total Emergency Management Programs			-	115,699
Emergency Management Projects	31.067	16-CP-11-07-38-01-184	-	515
Emergency Management Projects	31.067	17-CP-11-07-38-01-167	-	1,067
Emergency Management Projects	31.067	18-CP-11-07-38-01-104	-	2,381
Emergency Management Projects	31.067	19-CP-11-07-38-01-163	-	2,345
Total Emergency Management Projects			-	6,308
Total Florida Executive Office of the Governor			-	122,007
<b>Florida Housing Finance Corporation</b>				
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	-	258,818
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	-	350,000
Total Florida Housing Finance Corporation			-	608,818

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

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
<b>STATE FINANCIAL ASSISTANCE (CONTINUED)</b>				
<b>Florida Department of Transportation</b>				
County Incentive Grant Program	55.008	420082-2-58-01	\$ -	\$ 450,020
County Incentive Grant Program	55.008	429841-1-54-01	-	145,462
County Incentive Grant Program	55.008	433553-1-54-01	-	85,217
Total County Incentive Grant Program			-	680,699
Small County Outreach Program	55.009	436641-1-54-01	-	8,681
Small County Outreach Program	55.009	436644-1-54-01	-	24,423
Pass-Through from Town of Lake Placid: Small County Outreach Program	55.009	438925-1-54-01	-	3,781
Total Small County Outreach Program			-	36,885
Small County Road Assistance Program	55.016	440447-1-54-01	-	35,606
Small County Road Assistance Program	55.016	436642-1-54-01	-	11,391
Small County Road Assistance Program	55.016	436643-1-54-01	-	5,486
Total Small County Road Assistance Program			-	52,483
Total Florida Department of Transportation			-	770,067
<b>Florida Department of Children and Families</b>				
Pass-Through from Florida Network for Children's Advocacy Centers, Inc.: Florida Network Children's Advocacy Center	60.124	N/A	-	510
Total Florida Department of Children and Families			-	510
<b>Florida Department of Health</b>				
County Grant Awards	64.005	C4028	-	7,954
County Grant Awards	64.005	C5028	-	4,524
County Grant Awards	64.005	C6028	-	1,599
Total Florida Department of Health			-	14,077
<b>Florida Department of Highway Safety and Motor Vehicles</b>				
Child Abuse Prevention and Intervention License Plate Project	76.067	N/A	-	611
Child Abuse Prevention and Intervention License Plate Project	76.067	N/A	-	1,370
Child Abuse Prevention and Intervention License Plate Project	76.067	N/A	-	876
Total Florida Department of Highway Safety and Motor Vehicles			-	2,857
<b>Florida Department of Management Services</b>				
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S11-18-05-14	-	462,213
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S13-19-06-03	-	8,608
Total Florida Department of Management Services			-	470,821
<b>Florida Department of Legal Affairs and Attorney General</b>				
FL Network of Children's Advocacy Centers	41.031	18/19-GR-CAC23	-	26,246
FL Network of Children's Advocacy Centers	41.031	19/20-GR-CAC23	-	4,414
Total Florida Department of Legal Affairs and Attorney General			-	30,660
Total State Financial Assistance			\$ -	\$ 3,554,109
Total Expenditures of Federal Awards and State Financial Assistance			\$ -	\$ 17,807,209

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

**HIGHLANDS COUNTY, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**  
**SEPTEMBER 30, 2019**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal award and state financial assistance activity of Highlands County, Florida (County) under programs of the federal government and State of Florida for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Disaster Grants – Public Assistance (CFDA No 97.036)

After a Presidential-Declared disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities. The Federal government reimburses in the form of cost-shared grants which requires state and local matching funds. For the fiscal year ended September 30, 2019, \$12,987,526 of approved eligible expenditures that were incurred in a prior year are included on the Schedule.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the County's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 CONTINGENCIES**

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of March 9, 2020, there were no material questioned or disallowed costs as a result of grant audits in process or completed.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of County Commissioners  
Highlands 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 remaining fund information of Highlands County, Florida (County), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 9, 2020.

**Internal Control Over Financial Reporting**

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

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

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



### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 9, 2020



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

Board of County Commissioners  
Highlands County, Florida

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

We have audited Highlands County, Florida's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2019. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program and State Project***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002. Our opinion on each major federal program and state project is not modified with respect to this matter.

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

**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 project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Board of County Commissioners  
Highlands County, Florida

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 that we consider to be material weaknesses.

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

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

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
March 9, 2020

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS  
YEAR ENDED SEPTEMBER 30, 2019**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

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

***Federal Awards***

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

***Identification of Major Federal Programs***

**CFDA Number(s)**

97.036

**Name of Federal Program or Cluster**

Disaster Grants - Public Assistance  
(Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs:

\$   750,000  

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        x   no

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

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**Section I – Summary of Auditors’ Results (Continued)**

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**State Financial Assistance**

1. Internal control over state projects:
  - Material weakness(es) identified?          x     yes                 no
  - Significant deficiency(ies) identified?                 yes          x     none reported
  
2. Type of auditors’ report issued on compliance for state projects:      Unmodified
  
3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?          x     yes                 no

**Identification of Major State Projects**

CSFA Number(s)	Name of State Project
37.039	Statewide Surface Water Restoration and Wastewater Projects
55.008	County Incentive Grant Program
72.003	Prepaid Next Generation 911 (NG911) Grant Program

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

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing standards*.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

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***Section IV – Findings and Questioned Costs – Major State Projects***

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**2019–001 – Reporting for Statewide Surface Water Restoration and Wastewater Projects**

State agency: Florida Department of Environmental Protection

State program title: Statewide Surface Water Restoration and Wastewater Projects

CSFA Number: 37.039

Award Period: November 5, 2013 through March 31, 2020

Type of Finding:

- Material Weakness in Internal Control Over Compliance
- Other Matters

**Criteria or specific requirement:** The County is responsible for establishing and maintaining internal control to ensure the compliance requirements of grants are met. Grant agreements S0650 and NF023 require submission of quarterly progress reports within 20 days of a quarter end (calendar quarters).

**Condition:** Our audit procedures identified noncompliance with the reporting requirements of the Statewide Surface Water Restoration and Wastewater Project grant agreement.

**Questioned Costs:** None

**Context:** Five reports that were due during fiscal year 2019 were selected for testing. Three of the reports were submitted after the due date:

- Grant agreement S0650 – The April 1 – June 30, 2019 quarterly report due August 20, 2019 was submitted September 19, 2019
- Grant agreement S0650 – The July 1 – September 30, 2019 quarterly report due November 20, 2019 was submitted November 25, 2019
- Grant agreement NF023 – The April 1 – June 30, 2019 quarterly report due August 20, 2019 was submitted September 19, 2019

**Cause:** The complexity of the project and grant agreements, coupled with transition to a new project manager, was not adequate to ensure all requirements of the grant agreement were met.

**Effect:** A failure to submit timely, complete, and accurate progress reports to the grantor could cause delayed payments or cancelled funding due to noncompliance with the grant agreement.

**Repeat Finding:** This item was reported in the prior year as 2018-003.

**Recommendation:** The grant manager should ensure that reports are submitted in a timely manner.

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

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***Section IV – Findings and Questioned Costs – Major State Projects (Continued)***

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**2019–001 – Reporting for Statewide Surface Water Restoration and Wastewater Projects (Continued)**

**Views of responsible officials and planned corrective actions:** Administration concurs with the finding and recommendation. Department management will continue to work close with the Project Manger to ensure reports are submitted in a timely manner. Intraoffice support has been assigned to assist the Project Manager on all future grant reports, as a secondary control measure. Additionally, the newly hired Grants Coordinator will be assisting to ensure reporting deadlines are met.

**2019–002 – Reporting for Prepaid Next Generation 911 (NG911) State Grant Program**

State agency: Department of Management Services

State program title: Prepaid Next Generation 911 (NG911) State Grant Program

CSFA Number: 72.003

Type of Finding:

- Material Weakness in Internal Control Over Compliance
- Other Matters

**Criteria or specific requirement:** The County is responsible for establishing and maintaining internal control to ensure the compliance requirements of grants are met. The grant applications for grant numbers S11-18-05-14 and S-13-19-06-03 require submission of quarterly progress reports and quarterly expenditure budget reports to the Florida Department of Management Services within 30 days of a quarter end (calendar quarters).

**Condition:** Our audit procedures identified noncompliance with the reporting requirements of the NG911 grant.

**Questioned Costs:** None

**Context:** Four reports that were due during fiscal year 2019 were selected for testing. The reports covering the period July to September 2019 were submitted to the Florida Department of Management Services on December 1, 2019.

**Cause:** The previous project manager retired. The grant is managed by a single member of management, and there are no controls in place to ensure reports submitted to the grantor are complete, accurate, and timely filed.

**Effect:** A failure to submit timely, complete, and accurate progress reports to the grantor could cause delayed payments or cancelled funding due to noncompliance with the grant agreement.



**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

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***Section IV – Findings and Questioned Costs – Major State Projects (Continued)***

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**2019–002 – Reporting for Prepaid Next Generation 911 (NG911) State Grant Program (Continued)**

**Recommendation:** Grant reports should be reviewed prior to submission by an individual, other than the preparer, who is knowledgeable of the compliance requirements. All reports should be filed by the required deadlines.

**Views of responsible officials and planned corrective actions:** Sheriff’s management concurs with the auditors that the required quarterly reports for the subject E-911 grant were submitted late. However, the Sheriff’s Office does not believe that the reporting delay rose to the level of a “Material Weakness in Internal Control over Compliance” as noted in the Finding. The grant manager filed the required grant reports immediately when notified and there were not findings related to the contents of any report.

The Finding concluded that a failure to submit accurate reports timely could cause cancelled or delayed payments due to noncompliance with the grant agreement. The likelihood of a cancellation or termination of the grant was highly unlikely because a) this was a reimbursement grant, b) reimbursement had been sufficiently documented, and c) all financial transactions, including reimbursement, were complete.

However, Sheriff’s management concurs with the auditors recommendation that reports should be filed timely and reviewed prior to submission by someone other than the preparer who is knowledgeable of the reporting requirements. Steps have been taken to ensure that the Recommendation will be implemented.



## MANAGEMENT LETTER

Board of County Commissioners  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of Highlands County, Florida (County), as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated March 9, 2020.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 9, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

**Financial Condition and Management**

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. Our recommendation is listed in the accompanying schedule of findings and recommendations as 2019-003.

**Special District Component Units**

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

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 9, 2020

**HIGHLANDS COUNTY, FLORIDA  
MANAGEMENT LETTER  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2019**

**Prior Year**

Prior Year Findings		Current Year Status			Current Year Finding #	2017-2018 Year Finding #	2016-2017 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
Revenue Recognition	Material Weakness	X			Not reported	2018-001	Not reported
Preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance	Material Weakness	X			Not reported	2018-002	Not reported
Reporting for Statewide Surface Water Restoration and Wastewater Projects	Material Weakness			X	2019-001	2018-003	Not reported
Reconciliation of EMS Balances	Internal Control Deficiency			X	2019-003	2018-004	Not reported
Tax Roll Recapitulation	Internal Control Deficiency	X			Not reported	2018-005	Not reported

**Current Year**

**2019-003 – Reconciliation of EMS Balances**

**Criteria or specific requirement:** The County uses a service provider for EMS billings and collections. Amounts reported by the service provider should be reconciled to the general ledger on a regular basis to ensure errors are identified and corrected in a timely manner.

**Condition:** Our audit procedures identified that monthly reconciliations are not performed on a timely basis.

**Cause:** The EMS department has encountered turnover in the billing specialist position, and a change in EMS billing vendors.

**Effect:** Lack of timely reconciliation of billings by the EMS department results in delayed reconciliation of the accounts receivable and revenue by the accounting department. Errors related to billings, accounts receivable, revenue, and account write offs may go undetected and uncorrected.

**Recommendation:** We recommend continuing to work with the new EMS billing vendor to obtain the necessary reports to improve timeliness of reconciliations.

**Views of responsible officials and planned corrective actions:** Administration concurs with the finding and recommendation. The Department is taking proactive measures to streamline and improve the process with the recent transition to a new billing company. Currently, staff are holding a weekly phone conference with the billing company to discuss issues and streamline data; billing staff and finance staff have prioritized clearing the issues that were created by the prior billing company along with the collections issue; and billing staff is working on the reconciliation process daily to become current. Once current, reconciliation will be completed in a timely manner.



## INDEPENDENT ACCOUNTANTS' REPORT

Board of County Commissioners and the Florida Auditor General  
Highlands County, Florida

We have examined Highlands County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2019. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2019.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
March 9, 2020

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2019**

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Robert W. Germaine  
Clerk of Courts  
Highlands 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 Clerk of Courts of Highlands County, Florida (the Clerk) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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



The Honorable Robert W. Germaine  
Clerk of Courts  
Highlands County, Florida

### ***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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparisons for the General Fund and Court Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Highlands County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Robert W. Germaine  
Clerk of Courts  
Highlands County, Florida

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2020, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clerk's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
January 14, 2020

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

<b>ASSETS</b>	General	Court	Public Records Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 75,304	\$ 269,274	\$ 82,168	\$ 247,550	\$ 54,559	\$ 728,855
Investments	-	-	156,842	-	52,281	209,123
Accounts Receivable	-	-	283	-	94	377
Due from Other Governmental Units	50,663	39,716	-	2,566	-	92,945
Prepaid Items	81,943	-	-	-	-	81,943
<b>Total Assets</b>	<b>\$ 207,910</b>	<b>\$ 308,990</b>	<b>\$ 239,293</b>	<b>\$ 250,116</b>	<b>\$ 106,934</b>	<b>\$ 1,113,243</b>
 <b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Vouchers Payable	\$ 128,701	\$ 498	\$ 33,400	\$ 5,029	\$ 467	\$ 168,095
Due to Other Governmental Units	20	-	-	213,582	-	213,602
Due to Others	-	303,100	-	-	-	303,100
Due to Constitutional Officers	19,073	-	-	-	-	19,073
Accrued Payroll and Related Liabilities	60,116	5,392	-	31,505	3,875	100,888
<b>Total Liabilities</b>	<b>207,910</b>	<b>308,990</b>	<b>33,400</b>	<b>250,116</b>	<b>4,342</b>	<b>804,758</b>
<b>FUND BALANCES</b>						
Nonspendable	81,943	-	-	-	-	81,943
Restricted	-	-	205,893	-	102,592	308,485
Unassigned	(81,943)	-	-	-	-	(81,943)
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>205,893</b>	<b>-</b>	<b>102,592</b>	<b>308,485</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 207,910</b>	<b>\$ 308,990</b>	<b>\$ 239,293</b>	<b>\$ 250,116</b>	<b>\$ 106,934</b>	<b>\$ 1,113,243</b>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	General	Court	Public Records Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
<b>Intergovernmental:</b>						
Appropriation from Board of County Commissioners	\$ 3,993,028	-	-	-	-	\$ 3,993,028
<b>Miscellaneous Revenues:</b>						
Recording Fees	-	-	52,302	-	148,628	200,930
Intergovernmental	-	300,937	-	216,090	-	517,027
Court Related Service Charge	-	-	-	1,102,820	17,702	1,120,522
Fines and Forfeitures	-	-	-	541,877	-	541,877
Interest Earnings	-	2,353	4,274	3,328	2,279	12,234
Other Miscellaneous Revenues	47,299	-	2,725	-	7,400	57,424
Total Revenues	<u>4,040,327</u>	<u>303,290</u>	<u>59,301</u>	<u>1,864,115</u>	<u>176,009</u>	<u>6,443,042</u>
<b>EXPENDITURES</b>						
<b>General Government:</b>						
Personal Services	2,726,959	-	-	-	-	2,726,959
Operating Expenditures	844,724	21,033	2,725	-	-	868,482
Capital Outlay	105,379	-	33,400	-	-	138,779
Total General Government	<u>3,677,062</u>	<u>21,033</u>	<u>36,125</u>	<u>-</u>	<u>-</u>	<u>3,734,220</u>
<b>Court Related:</b>						
Personal Services	287,104	266,889	-	1,669,109	191,154	2,414,256
Operating Expenditures	5,841	15,368	-	97,266	35,893	154,368
Capital Outlay	51,317	-	-	-	-	51,317
Total Court Related	<u>344,262</u>	<u>282,257</u>	<u>-</u>	<u>1,766,375</u>	<u>227,047</u>	<u>2,619,941</u>
Total Expenditures	<u>4,021,324</u>	<u>303,290</u>	<u>36,125</u>	<u>1,766,375</u>	<u>227,047</u>	<u>6,354,161</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	19,003	-	23,176	97,740	(51,038)	88,881
<b>OTHER FINANCING USES</b>						
Unexpended Budget Balance Reverting to Board of County Commissioners	(19,003)	-	-	-	-	(19,003)
Distribution of Excess Fees to State of Florida	-	-	-	(97,740)	-	(97,740)
Total Other Financing Uses	<u>(19,003)</u>	<u>-</u>	<u>-</u>	<u>(97,740)</u>	<u>-</u>	<u>(116,743)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	23,176	-	(51,038)	(27,862)
Fund Balance - October 1, 2018	-	-	182,717	-	153,630	336,347
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,893</u>	<u>\$ -</u>	<u>\$ 102,592</u>	<u>\$ 308,485</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>Intergovernmental:</b>				
Appropriation from Board of County Commissioners	\$ 3,993,028	\$ 3,993,028	\$ 3,993,028	\$ -
<b>Miscellaneous Revenues:</b>				
Other Miscellaneous Revenues	-	47,299	47,299	-
Total Revenues	<u>3,993,028</u>	<u>4,040,327</u>	<u>4,040,327</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>General Government:</b>				
Personal Services	2,802,675	2,726,959	2,726,959	-
Operating Expenditures	846,966	863,727	844,724	19,003
Capital Outlay	-	105,379	105,379	-
Total General Government	<u>3,649,641</u>	<u>3,696,065</u>	<u>3,677,062</u>	<u>19,003</u>
<b>Court Related:</b>				
Personal Services	278,855	287,104	287,104	-
Operating Expenditures	12,875	5,841	5,841	-
Capital Outlay	51,657	51,317	51,317	-
Total Court Related	<u>343,387</u>	<u>344,262</u>	<u>344,262</u>	<u>-</u>
Total Expenditures	<u>3,993,028</u>	<u>4,040,327</u>	<u>4,021,324</u>	<u>19,003</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	19,003	19,003
<b>OTHER FINANCING USES</b>				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(19,003)	(19,003)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2018	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
COURT SERVICES FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>Miscellaneous Revenues:</b>				
Intergovernmental	\$ 236,032	\$ 236,032	\$ 216,090	\$ (19,942)
Court Related Service Charge	1,061,235	1,061,235	1,102,820	41,585
Fines and Forfeitures	489,980	489,980	541,877	51,897
Interest Earnings	600	600	3,328	2,728
<b>Total Revenues</b>	<b>1,787,847</b>	<b>1,787,847</b>	<b>1,864,115</b>	<b>76,268</b>
<b>EXPENDITURES</b>				
<b>Court Related:</b>				
Personal Services	1,684,308	1,670,196	1,669,109	1,087
Operating Expenditures	103,539	117,651	97,266	20,385
<b>Total Expenditures</b>	<b>1,787,847</b>	<b>1,787,847</b>	<b>1,766,375</b>	<b>21,472</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>97,740</b>	<b>97,740</b>
<b>OTHER FINANCING USES</b>				
Distribution of Excess Fees to State of Florida	-	-	(97,740)	(97,740)
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance - October 1, 2018	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2019**

	Internal Service Fund <u>Compensated Absences</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 165,661
Investments	156,842
Accounts Receivable	281
Total Assets	<u>322,784</u>
<b>LIABILITIES</b>	
Due to BOCC	309
Accrued Compensated Absences Payable	<u>322,475</u>
Total Liabilities	<u>322,784</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 425,152
<b>OPERATING EXPENSES</b>	
Compensated Absences Expense	427,782
<b>OPERATING LOSS</b>	(2,630)
<b>NONOPERATING REVENUES</b>	
Net Change in Fair Value of Investments	2,630
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2018	-
<b>NET POSITION - SEPTEMBER 30, 2019</b>	\$ -

See accompanying Notes to Financial Statements.



**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund <u>Compensated Absences</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 425,152
Cash Paid to Employees for Services	(430,254)
Net Cash Used by Operating Activities	<u>(5,102)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Collection of Advance to Other Funds	216,095
Payment to Other Constitutional Officers	(19)
Net Cash Provided by Noncapital Financing Activities	<u>216,076</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Investments	(80,370)
Investment Income	2,490
Net Cash Used by Investing Activities	<u>(77,880)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	133,094
Cash and Cash Equivalents - October 1, 2018	<u>32,567</u>
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2019</b>	<u><u>\$ 165,661</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (2,630)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	(2,472)
Net Cash Used by Operating Activities	<u><u>\$ (5,102)</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,571,609
Investments	134,037
Due from Others	3,050
Due from Other Governmental Units	1,662
Total Assets	<u>\$ 1,710,358</u>
<b>LIABILITIES</b>	
Due to Others	\$ 349,361
Due to Other Governmental Units	398,859
Due to Constitutional Officers	81,397
Deposits	880,741
Total Liabilities	<u>\$ 1,710,358</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a noncharter County established on April 3, 1921, under the laws of the state of Florida, Chapter 8513. The Clerk of Courts (Clerk) is one of six constitutional officers elected to serve within the County and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Clerk's financial statements include only the funds of the Clerk's office. There are no separate legal entities (component units) for which the Clerk is to be financially accountable.

The Clerk is elected every four years to serve as Clerk of the Circuit Court as well as the County Courts. In addition, the Clerk is the ex-officio Clerk to the Board of County Commissioners of Highlands County (Board). As Clerk to the Board, the Clerk is the auditor, recorder, and custodian of all County funds.

The Clerk is a budget officer in that noncourt functions of the Clerk are funded by revenues that are received from the Board in the form of an appropriation. The Clerk is required to submit to the Board excess revenues over expenditures as of September 30 of each year for the noncourt related budget.

Court related fees collected by the Clerk in carrying out his duties are used to fund the court functions of the Clerk of Courts. Excess fees are remitted per Sections 28.36 and 28.37, Florida Statutes.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

**Basis of Presentation**

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

**Fund Accounting**

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Fund Accounting (Continued)**

The purpose of the Clerk's various funds is as follows:

**Major Governmental Funds**

**General Fund** – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk of the Courts that are not required either legally or by GAAP to be accounted for in another fund.

**Court Fund** – The Court Fund is a special revenue fund used to account for the Child Support Enforcement grant activity, which is restricted by the grantor, and bond estreature activity.

**Public Records Modernization Trust Fund** – The Public Records Modernization Trust Fund is a special revenue fund used to account for the additional service charges on recorded instruments used exclusively for modernizing the official recordkeeping systems in the Clerk's office per Section 28.24(12)(d), Florida Statutes.

**Court Services Fund** – The Court Services Fund is a special revenue fund used to account for court-related filing fees, service charges, fines, court costs, appropriations and expenses of the Clerk as mandated by Section 28.35, Florida Statutes.

**Nonmajor Governmental Funds**

**Court Related Technology Modernization Trust Fund** – The Court Related Technology Modernization Trust Fund is a special revenue fund used to account for the recording fees used exclusively to fund court related technology information needs for the Clerk of Courts per Section 28.24(12)(e), Florida Statutes.

**Teen Court Fund** – The Teen Court Fund is a special revenue fund used to account for assessment of mandatory court costs for the operation and administration of the Highlands County Court Program per Section 938.19, Florida Statutes.

**Homeowner's Foreclosure Education Fund** – The Homeowner's Foreclosure Education Fund is a special revenue fund used to account for funds for the purpose of educating the public as to the rights of homeowners regarding foreclosure proceedings.

**Proprietary Fund**

**Internal Service Fund** – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Fund Accounting (Continued)**

**Fiduciary Funds**

**Agency Funds** – Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Capital Assets**

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the governmental funds at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Clerk and is accountable for them under Florida Law. The Clerk notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Clerk may not dispose of any capital assets in his custody. The Clerk is to notify the Board of any unused or obsolete assets and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

**Measurement Focus**

**Governmental Funds** – Governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported unassigned fund balances (net current assets) are considered a measure of "available, spendable, or appropriable resources." Governmental Funds operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Proprietary Fund** – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position.

**Basis of Accounting**

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.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Basis of Accounting (Continued)**

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary funds and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Clerk's office.

The Clerk is required to prepare two budgets. One budget relates to the Clerk's court related functions and is filed with the Clerks of Court Operations Corporation (CCOC). The other budget relates to the requirement of the Clerk as Clerk to the Board and is filed with the Board. Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP.

**Clerk to the Board Budget**

1. On or before June 1 of each year, the Clerk submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. The Clerk receives his budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Clerk acts on all budget changes between departments, this becomes the level of control.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Budgets and Budgetary Data (Continued)**

Clerk to the Board Budget (Continued)

8. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
9. All appropriations lapse at the close of the fiscal year.

Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP. The Court Fund, Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund are not legally required to have budgets.

**Cash and Cash Equivalents**

Cash and cash equivalents are cash on hand as well as demand deposits and investments with original maturities of three months or less from the date of acquisition.

**Investments**

The Clerk invests surplus public funds in accordance with Section 218.415, Florida Statutes. Investments in the current year are held in certificates of deposits.

**Compensated Absences**

Employees of the Clerk earn paid-time-off in varying amounts. Upon retirement, death, resignation, or separation in good standing employees are eligible to receive payment, at their current rates of pay, up to 100% of accumulated paid-time-off based on years of service. However, employees having less than one year of service will not be paid for any accumulated paid-time-off. Employees of the Clerk are limited to no more than 400 hours of paid time-off carryover at year-end.

In governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Paid-time-off for the Clerk's employees have been fully funded and are recorded as expenditures in the governmental funds.

**Fund Balance**

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Fund Balance (Continued)**

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Clerk is reporting restricted fund balances in the Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund.

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Clerk's highest level of decision-making authority.

**Assigned Fund Balance** – Amounts the Clerk intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned Fund Balance** – Amounts that are available for any purpose; these amounts can be reported only in the Clerk's General Fund. Unassigned fund balance may also include a negative balance for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Clerk does not have a separate fund balance policy.

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Clerk at the end of each fiscal year for noncourt functions shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund and Court Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures, and changes in fund balance, and the related liability is included in due to constitutional officers.

**Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.



**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Other Post Employment Benefit Obligations**

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

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

At September 30, 2019, the bank balance of the Clerk's deposits consisted of the following:

Deposits	\$ 1,689,790
Certificates of Deposit	500,002
Total	<u>\$ 2,189,792</u>

The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Clerk's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Clerk's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year.

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

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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

The Clerk invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2019, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 36.7% of Florida PRIME's portfolio at September 30, 2019.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Clerk's investment policy limits the maximum duration of the overall portfolio to one year.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Clerk's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2019, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Credit Risk (Continued)**

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48-hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

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

Deposits and Certificates of Deposit	\$ 1,884,232
Petty Cash and Change in Funds	6,900
Florida PRIME	1,074,995
Total	\$ 2,966,127
 Balance Sheet - Governmental Funds:	
Cash and Cash Equivalents	\$ 728,855
Investments	209,123
 Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	165,661
Investments	156,842
 Statement of Fiduciary Net Position - Agency Fund:	
Cash and Cash Equivalents	1,571,609
Investments	134,037
Total Cash, Cash Equivalents, and Investments	\$ 2,966,127

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Clerk earn paid-time-off in varying amounts. In the event of retirement or termination of employment, an employee is paid for a portion of paid-time-off credits unused.

The following shows the change in compensated absences for the fiscal year ended September 30, 2019:

Accrued Compensated Absences - September 30, 2018	\$	324,947
Leave Earned by Employees		427,782
Payments to Employees		(430,254)
Accrued Compensated Absences - September 30, 2019	<u>\$</u>	<u>322,475</u>

**NOTE 4 PENSION PLANS**

**Background**

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

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

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

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Benefits Provided**

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

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

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

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

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan**

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$460,231, \$426,056, and \$396,956, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

**NOTE 5 RELATED PARTY TRANSACTIONS**

Transactions with the Board and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2019 were as follows:

**Budget Appropriation**

The General Fund of the Clerk received payments from the Board in the amount of \$3,993,028 for the year ended September 30, 2019. The amounts payable to the Board at September 30, 2019 for excess fees and other items were \$19,073.

**Court Fund**

The Board provides certain indirect costs for Child Support Enforcement Grant activities. The excess of revenues over expenditures is remitted to the Board at fiscal year-end. There were no amounts payable to the Board at September 30, 2019 for excess fees.

**Various Services**

The Board provides various services to the Clerk. The charges for these services for the fiscal year ended September 30, 2019 amounted to \$610,680.

The Clerk provides information technology support, communication and freight services, and other miscellaneous services to the Board. The Clerk received \$1,187,411 for these services for the fiscal year ended September 30, 2019.

The Clerk provides miscellaneous services to the Sheriff. The Clerk received \$23,067 for these services for the fiscal year ended September 30, 2019.

The Clerk provides communication and freight services and other miscellaneous services to the Supervisor of Elections. The Clerk received \$114,466 for these services for the fiscal year ended September 30, 2019.



**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 5 RELATED PARTY TRANSACTIONS (CONTINUED)**

Various Services (Continued)

The Clerk provides information technology support and miscellaneous services to the Tax Collector. The Clerk received \$34,811 for these services for the fiscal year ended September 30, 2019.

The Clerk provides miscellaneous services to the Property Appraiser. The Clerk received \$21,855 for these services for the fiscal year ended September 30, 2019.

**NOTE 6 RISK MANAGEMENT**

The Clerk 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 Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole.

**NOTE 7 CAPITAL ASSETS**

The Clerk's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Clerk, pursuant to Florida Statutes, records no capital assets for which the Clerk is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Operating Machinery and Equipment	4-20
Software - Internally Generated	3-10
Software - Purchased/Leased	3-10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

The following is a summary of the changes in capital assets for which the Clerk is custodian during fiscal year 2019:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets, Not Being Depreciated/Amortized:				
Software Conversion in Process	\$ 27,783	\$ 100,200	\$ (24,211)	\$ 103,772
IT Equipment in Development	176,697	1,053,462	(123,390)	1,106,769
Total Capital Assets Not Being Depreciated/Amortized	204,480	1,153,662	(147,601)	1,210,541
Capital Assets, Being Depreciated/Amortized:				
Equipment	2,480,146	233,622	(131,215)	2,582,553
Computer Software	1,200,419	140,771	-	1,341,190
Total Capital Assets Being Depreciated/Amortized	3,680,565	374,393	(131,215)	3,923,743
Less: Accumulated Depreciation/Amortization:				
Equipment	(1,708,817)	(249,342)	117,616	(1,840,543)
Computer Software	(875,810)	(123,561)	-	(999,371)
Total Accumulated Depreciation/Amortization	(2,584,627)	(372,903)	117,616	(2,839,914)
Total Capital Assets, Being Depreciated/Amortized, Net	1,095,938	1,490	(13,599)	1,083,829
Total Capital Assets, Net	<u>\$ 1,300,418</u>	<u>\$ 1,155,152</u>	<u>\$ (161,200)</u>	<u>\$ 2,294,370</u>

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
MONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	Court Related Technology Modernization Trust	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 52,841	\$ 1,690	\$ 28	\$ 54,559
Investments	52,281	-	-	52,281
Accounts Receivable	94	-	-	94
<b>Total Assets</b>	<b>\$ 105,216</b>	<b>\$ 1,690</b>	<b>\$ 28</b>	<b>\$ 106,934</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers Payable	\$ 324	\$ 143	\$ -	\$ 467
Accrued Payroll and Related Liabilities	3,596	279	-	3,875
<b>Total Liabilities</b>	<b>3,920</b>	<b>422</b>	<b>-</b>	<b>4,342</b>
<b>FUND BALANCES</b>				
Restricted	101,296	1,268	28	102,592
<b>Total Liabilities and Fund Balances</b>	<b>\$ 105,216</b>	<b>\$ 1,690</b>	<b>\$ 28</b>	<b>\$ 106,934</b>

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Court Related Technology Modernization Trust	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Miscellaneous Revenues:				
Recording Fees	\$ 148,628	\$ -	\$ -	\$ 148,628
Court Related Service Charge	-	17,674	28	17,702
Interest Earnings	2,266	13	-	2,279
Other Miscellaneous Revenues	7,400	-	-	7,400
Total Revenues	<u>158,294</u>	<u>17,687</u>	<u>28</u>	<u>176,009</u>
<b>EXPENDITURES</b>				
Court Related:				
Personal Services	177,563	13,591	-	191,154
Operating Expenditures	32,238	3,655	-	35,893
Total Expenditures	<u>209,801</u>	<u>17,246</u>	<u>-</u>	<u>227,047</u>
<b>NET CHANGE IN FUND BALANCE</b>	(51,507)	441	28	(51,038)
Fund Balance - October 1, 2018	<u>152,803</u>	<u>827</u>	<u>-</u>	<u>153,630</u>
<b>FUND BALANCES - SEPTEMBER 30, 2019</b>	<u>\$ 101,296</u>	<u>\$ 1,268</u>	<u>\$ 28</u>	<u>\$ 102,592</u>

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
AGENCY FUND DESCRIPTIONS  
YEAR ENDED SEPTEMBER 30, 2019**

The Clerk maintains the following Agency Funds:

**Child Support** – To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

**Suspense** – Used by the Clerk to account for documentary stamp and recording fees, jury and witness payments, and fines and forfeitures collected through the court system and remitted to other governmental agencies.

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

	Agency Funds		Total
	Child Support	Suspense	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,110	\$ 1,570,499	\$ 1,571,609
Investments	-	134,037	134,037
Due from Others	2,730	320	3,050
Due from Other Governmental Units	-	1,662	1,662
	-	1,662	1,662
Total Assets	\$ 3,840	\$ 1,706,518	\$ 1,710,358
<b>LIABILITIES</b>			
Due to Others	\$ 3,411	\$ 345,950	\$ 349,361
Due to Other Governmental Units	429	398,430	398,859
Due to Constitutional Officers	-	81,397	81,397
Deposits	-	880,741	880,741
	-	880,741	880,741
Total Liabilities	\$ 3,840	\$ 1,706,518	\$ 1,710,358

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<b>CHILD SUPPORT FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,712	\$ 188,603	\$ 191,205	\$ 1,110
Due from Others	-	2,830	100	2,730
Total Assets	<u>\$ 3,712</u>	<u>\$ 191,433</u>	<u>\$ 191,305</u>	<u>\$ 3,840</u>
<b>LIABILITIES</b>				
Due to Others	\$ 3,311	\$ 174,039	\$ 173,939	\$ 3,411
Due to Other Governmental Units	401	17,935	17,907	429
Total Liabilities	<u>\$ 3,712</u>	<u>\$ 191,974</u>	<u>\$ 191,846</u>	<u>\$ 3,840</u>
<b>SUSPENSE</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,696,043	\$ 14,551,430	\$ 14,676,974	\$ 1,570,499
Investments	-	134,037	-	134,037
Due from Others	52	955	687	320
Due from Other Governmental Units	27,406	9,707	35,451	1,662
Total Assets	<u>\$ 1,723,501</u>	<u>\$ 14,696,129</u>	<u>\$ 14,713,112</u>	<u>\$ 1,706,518</u>
<b>LIABILITIES</b>				
Due to Others	\$ 341,170	\$ 752,492	\$ 747,712	\$ 345,950
Due to Other Governmental Units	559,884	8,661,395	8,822,849	398,430
Due to Constitutional Officers	96,236	988,786	1,003,625	81,397
Deposits	726,211	3,646,093	3,491,563	880,741
Total Liabilities	<u>\$ 1,723,501</u>	<u>\$ 14,048,766</u>	<u>\$ 14,065,749</u>	<u>\$ 1,706,518</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,699,755	\$ 14,740,033	\$ 14,868,179	\$ 1,571,609
Investments	-	134,037	-	134,037
Due from Others	52	3,785	787	3,050
Due from Other Governmental Units	27,406	9,707	35,451	1,662
Total Assets	<u>\$ 1,727,213</u>	<u>\$ 14,887,562</u>	<u>\$ 14,904,417</u>	<u>\$ 1,710,358</u>
<b>LIABILITIES</b>				
Due to Others	\$ 344,481	\$ 926,531	\$ 921,651	\$ 349,361
Due to Other Governmental Units	560,285	8,679,330	8,840,756	398,859
Due to Constitutional Officers	96,236	988,786	1,003,625	81,397
Deposits	726,211	3,646,093	3,491,563	880,741
Total Liabilities	<u>\$ 1,727,213</u>	<u>\$ 14,240,740</u>	<u>\$ 14,257,595</u>	<u>\$ 1,710,358</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Robert W. Germaine  
Clerk of Courts  
Highlands 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 Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated January 14, 2020.

**Internal Control Over Financial Reporting**

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

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

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



The Honorable Robert W. Germaine  
Clerk of Courts  
Highlands County, Florida

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Sebring, Florida  
January 14, 2020



## MANAGEMENT LETTER

The Honorable Robert W. Germaine  
Clerk of Courts  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated January 14, 2020.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 14, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

The Honorable Robert W. Germaine  
Clerk of Courts  
Highlands County, Florida

**Financial Management**

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

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
January 14, 2020



## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Robert W. Germaine, Clerk of Courts  
and the Florida Auditor General  
Highlands County, Florida

We have examined the Clerk of Courts of Highlands County, Florida's (the Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerk of the courts alimony and child support payments, and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2019. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2019.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
January 14, 2020

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2019**

**PROPERTY APPRIASER  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands 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 Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Property Appraiser as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sebring, Florida  
December 17, 2019



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

**ASSETS**

Cash and Cash Equivalents	\$ 99,249
Accounts Receivable	1,081
Prepays	<u>2,054</u>
Total Assets	<u><u>\$ 102,384</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Vouchers Payable	\$ 3,678
Accrued Wages Payable	29,886
Due to Other Governmental Units	3,345
Due to Board of County Commissioners	<u>65,475</u>
Total Liabilities	102,384

**FUND BALANCE**

Nonspendable	2,054
Unassigned	<u>(2,054)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 102,384</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRIASER  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Intergovernmental:</b>				
Appropriations from Board of County Commissioners	\$ 3,006,848	\$ 3,007,976	\$ 3,007,976	\$ -
South Florida Water Management District	8,217	8,215	8,215	-
Southwest Florida Water Management District	47,533	47,519	47,519	-
Total Intergovernmental Revenues	<u>3,062,598</u>	<u>3,063,710</u>	<u>3,063,710</u>	<u>-</u>
<b>Miscellaneous Revenues:</b>				
Interest Earnings	-	-	302	302
Other Miscellaneous Revenues	-	-	675	675
Total Miscellaneous Revenues	<u>-</u>	<u>-</u>	<u>977</u>	<u>977</u>
 Total Revenues	 3,062,598	 3,063,710	 3,064,687	 977
<b>EXPENDITURES</b>				
<b>General Government:</b>				
<b>Financial and Administrative:</b>				
Personal Services	2,203,419	2,256,787	2,223,341	33,446
Operating Expenditures	859,179	756,259	723,961	32,298
Capital Outlay	-	50,664	50,664	-
Total Expenditures	<u>3,062,598</u>	<u>3,063,710</u>	<u>2,997,966</u>	<u>65,744</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	66,721	66,721
<b>OTHER FINANCING USES</b>				
Transfer of Excess Fees	-	-	(66,721)	(66,721)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2018	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER**  
**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 466,416
<b>LIABILITIES</b>	
Accrued Compensated Absences Payable	466,416
<b>NET POSITION</b>	
Unrestricted	\$ -

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 256,603
<b>OPERATING EXPENSES</b>	
Compensated Absences Expense	256,879
<b>OPERATING LOSS</b>	(276)
<b>NONOPERATING REVENUES</b>	
Net Change in Fair Value of Investments	276
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2018	-
<b>NET POSITION - SEPTEMBER 30, 2019</b>	\$ -

*See accompanying Notes to Financial Statements.*

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund <u>Compensated Absences</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 256,603
Cash Paid to Employees for Services	(270,557)
Net Cash Used by Operating Activities	<u>(13,954)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>276</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(13,678)
Cash and Cash Equivalents - October 1, 2018	<u>480,094</u>
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2019</b>	<u><u>\$ 466,416</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (276)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	<u>(13,678)</u>
Net Cash Used by Operating Activities	<u><u>\$ (13,954)</u></u>

See accompanying Notes to Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a non-charter county established April 23, 1921 under the laws of Florida 1921, Chapter 8513. The Property Appraiser of Highlands County, Florida (Property Appraiser) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners (the Board), Highlands County, Florida. The Property Appraiser's financial statements include only the funds of the Property Appraiser's office. There are no separate legal entities (component units) for which the Property Appraiser is financially accountable.

The Property Appraiser is elected every four years to serve as the official appraiser of property within the county as it relates to the ad valorem tax rolls. The Property Appraiser is responsible for ensuring that all property is included on the tax rolls, that the fair value of the property is correctly reflected in the rolls and that the proper millage rate has been applied to the recorded property values. In addition, the Property Appraiser is responsible to ensure that all taxable tangible personal property is properly reflected on the tax rolls.

The Property Appraiser is a "fee" officer, in that operating revenues are received based upon the services rendered to the various taxing governmental units within the county. The Property Appraiser receives the majority of his operating revenues from the Board of County Commissioners in the form of an appropriation. The balance of fees in excess of expenditures remaining at September 30 are divided among the various taxing governmental units in the same proportion as that particular unit's payments to the Property Appraiser during the year relates to the total payments from all taxing governmental units.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

**Basis of Presentation**

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

**Fund Accounting**

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

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

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

**Fund Accounting (Continued)**

The purpose of the Property Appraiser's various funds is as follows:

**Governmental Funds**

**General Fund** – The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources not required to be accounted for in another fund. Intergovernmental revenues and fees are recorded in this fund. Expenditures for general governmental services are paid through this fund.

**Proprietary Funds**

**Internal Service Fund** – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**Capital Assets**

All capital assets purchased are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Property Appraiser and is accountable for them under Florida Law. The Property Appraiser notifies the Board of capital assets purchased and the original cost is recorded in the capital assets records of Highlands County as a whole. The Property Appraiser may not dispose of any capital assets in his custody. The Property Appraiser is to notify the Board of any unused or obsolete assets and it is the Boards' responsibility to dispose of these assets in accordance with the various Florida Statutes.

**Measurement Focus**

**Governmental Fund** – The General Fund is accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported unassigned fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources." Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Proprietary Fund** – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the balance sheet. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

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

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

**Basis of Accounting**

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.

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Property Appraiser's office:

1. On or before June 1 of each year, the Property Appraiser submits an annual budget for the operations of his office to the state of Florida, Department of Revenue (the Department). A copy of his budget is also furnished to the Board of County Commissioners. After his budget has been reviewed and approved by the Department, it becomes his operating budget for the ensuing fiscal year.
2. The Property Appraiser's operating budget can only be amended after written approval has been received from the Department.
3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
5. Annual appropriated budget for the General Fund is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America.



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

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

**Cash and Cash Equivalents**

The Property Appraiser considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida Prime) under the management of the State Board of Administration.

**Investments**

The Property Appraiser invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**Compensated Absences**

Employees of the Property Appraiser earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive payment at their current rate of pay 100% of accumulated annual leave.

There is no limit on the amount of sick leave that can be accumulated by employees of the Property Appraiser. The limit of lump-sum reimbursements of sick leave credits is based on years of continuous service. Employees of the Property Appraiser with 10 or more years of continuous service are fully vested for sick leave. Upon termination of employment, these employees are eligible to receive payment for accumulated sick leave up to 500 hours at their current rate of pay.

In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. The vested liability for accrued compensated absences has been budgeted for and fully funded by the General Fund.

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

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

**Fund Balance**

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority.

**Assigned Fund Balance** – Amounts the Property Appraiser intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned Fund Balance** – Amounts that are available for any purpose; these amounts can be reported only in the Property Appraiser's General Fund.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Property Appraiser does not have a separate fund balance policy as any unexpended fund balance is returned to the Board and other taxing units each year.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

**Other Postemployment Benefit Obligations**

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

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

**NOTE 2 CASH AND CASH EQUIVALENTS**

At September 30, 2019, the bank balance of the Property Appraiser's deposits were \$657,485. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

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

The Property Appraiser invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2019, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 36.7% of Florida Prime's portfolio at September 30, 2019.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

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

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida Prime at September 30, 2019 was 85 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2019, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the executive director may extend the moratorium until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days."

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

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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

Demand Deposits	\$ 553,315
Petty Cash and Change Funds	200
Florida PRIME	12,150
Total	<u>\$ 565,665</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 99,249
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	466,416
Total Cash and Cash Equivalents	<u>\$ 565,665</u>

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

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Property Appraiser earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for vested accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2019:

Compensated Absences - September 30, 2018	\$ 480,094
Leave Earned by Employees	256,879
Payments to Employees	<u>(270,557)</u>
Compensated Absences - September 30, 2019	<u>\$ 466,416</u>

**NOTE 4 PENSION PLANS**

**Background**

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

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

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

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

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

**Benefits Provided**

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

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

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

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



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

**NOTE 4 PENSION PLANS (CONTINUED)**

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

**Benefits Provided (Continued)**

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

**FRS Investment Plan**

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

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

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$241,810, \$232,684, and \$212,127, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's comprehensive annual financial report.

**NOTE 5 RELATED PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2019, were as follows:

**Budget Appropriation** – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$3,007,976 for the year ended September 30, 2019. Excess fees payable to the Board at September 30, 2019 was \$65,475.

**Various Services** – The Board of County Commissioners provides various services to the Property Appraiser. The charges for these services for the fiscal year ended September 30, 2019 amounted to \$293,318.

Amounts paid to the Clerk for the fiscal year ended September 30, 2019 for other services were \$21,855.

**NOTE 6 RISK MANAGEMENT**

The Property Appraiser is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole.

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

**NOTE 7 CAPITAL ASSETS**

The Property Appraiser's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Property Appraiser, pursuant to Florida Statutes, records no capital assets for which the Property Appraiser is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost. Contributed assets are recorded at estimated acquisition value at the time received. Contributed assets are recorded at estimated fair value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Assets	Years
Machinery and Equipment	4 - 20
Software - Internally Generated	3 - 10
Software - Purchased/Leased	3 - 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county. The following is a summary of the changes in capital assets for which the Property Appraiser is custodian during fiscal year 2019:

	Beginning Balance	Additions	Deletions	Ending Balances
Capital Assets, Being				
Depreciated/Amortized:				
Equipment	\$ 558,904	\$ 45,930	\$ -	\$ 604,834
Computer Software	2,791,399	-	-	2,791,399
Total Capital Assets Being				
Depreciated/Amortized	3,350,303	45,930	-	3,396,233
Less: Accumulated				
Depreciation/Amortization:				
Equipment	(502,415)	(23,804)	-	(526,219)
Computer Software	(2,791,399)	-	-	(2,791,399)
Total Accumulated				
Depreciation/Amortization	(3,293,814)	(23,804)	-	(3,317,618)
Total Capital Assets, Net	\$ 56,489	\$ 22,126	\$ -	\$ 78,615



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands 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 Highlands County Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated December 17, 2019.

**Internal Control Over Financial Reporting**

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

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

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

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

### **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 Property Appraiser'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 Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
December 17, 2019



## MANAGEMENT LETTER

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated December 17, 2019.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent 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, which are dated December 17, 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 audit findings or recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

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

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

**Financial Management**

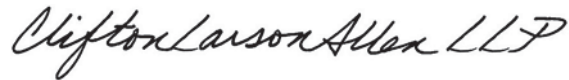
Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
December 17, 2019



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT ACCOUNTANTS' REPORT

Honorable C. Raymond McIntyre, Property Appraiser  
and the Florida Auditor General  
Highlands County, Florida

We have examined the Highlands County Property Appraiser, Highlands County, Florida (Property Appraiser)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2019. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Property Appraiser complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
December 17, 2019



**SHERIFF  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2019**

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Paul Blackman  
Sheriff  
Highlands 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 Sheriff of Highlands County, Florida (Sheriff), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sebring, Florida  
December 19, 2019

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 953,478	\$ 556,324	\$ 1,509,802
Accounts Receivable	10,582	33,238	43,820
Prepaid Items	347,085	-	347,085
	<u>\$ 1,311,145</u>	<u>\$ 589,562</u>	<u>\$ 1,900,707</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Vouchers Payable	\$ 215,465	\$ 15,820	\$ 231,285
Accrued Wages Payable	387,123	311	387,434
Due to Board of County Commissioners	708,557	-	708,557
Total Liabilities	<u>1,311,145</u>	<u>16,131</u>	<u>1,327,276</u>
 <b>FUND BALANCE</b>			
Nonspendable	347,085	-	347,085
Restricted	-	573,431	573,431
Unassigned	(347,085)	-	(347,085)
Total Fund Balance	<u>-</u>	<u>573,431</u>	<u>573,431</u>
	<u>\$ 1,311,145</u>	<u>\$ 589,562</u>	<u>\$ 1,900,707</u>
Total Liabilities and Fund Balance	<u>\$ 1,311,145</u>	<u>\$ 589,562</u>	<u>\$ 1,900,707</u>

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Intergovernmental:			
Appropriation from Board of County Commissioners	\$ 33,895,834	\$ -	\$ 33,895,834
Charges for Services	370,079	-	370,079
Miscellaneous Revenues:			
Commissary Sales	-	98,472	98,472
Miscellaneous Revenues	-	296,808	296,808
Total Revenues	<u>34,265,913</u>	<u>395,280</u>	<u>34,661,193</u>
<b>EXPENDITURES</b>			
Court Related:			
Courthouse Security:			
Personal Services	1,036,188	-	1,036,188
Operating Expenditures	6,129	-	6,129
Total Court Related	<u>1,042,317</u>	<u>-</u>	<u>1,042,317</u>
Public Safety:			
Law Enforcement:			
Personal Services	18,089,230	-	18,089,230
Operating Expenditures	3,341,769	117,380	3,459,149
Capital Outlay	528,876	7,959	536,835
Total Law Enforcement	<u>21,959,875</u>	<u>125,339</u>	<u>22,085,214</u>
Corrections and Detention:			
Personal Services	8,503,258	23,882	8,527,140
Operating Expenditures	2,119,712	186,345	2,306,057
Capital Outlay	129,549	-	129,549
Total Corrections and Detention	<u>10,752,519</u>	<u>210,227</u>	<u>10,962,746</u>
Total Expenditures	<u>33,754,711</u>	<u>335,566</u>	<u>34,090,277</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	511,202	59,714	570,916
<b>OTHER FINANCING USES</b>			
Unexpended Budget Balance Reverting to Board of County Commissioners	<u>(511,202)</u>	<u>-</u>	<u>(511,202)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	59,714	59,714
Fund Balance - October 1, 2018	<u>-</u>	<u>513,717</u>	<u>513,717</u>
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ 573,431</u>	<u>\$ 573,431</u>

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	General Fund			Variance - Positive (Negative)
	Budget		Actual	
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 27,651,517	\$ 34,007,501	\$ 33,895,834	\$ (111,667)
Charges for Services	-	370,079	370,079	-
Total Revenues	<u>27,651,517</u>	<u>34,377,580</u>	<u>34,265,913</u>	<u>(111,667)</u>
<b>EXPENDITURES</b>				
Court Related:				
Courthouse Security:				
Personal Services	1,025,886	1,036,188	1,036,188	-
Operating Expenditures	8,144	6,129	6,129	-
Total Court Related	<u>1,034,030</u>	<u>1,042,317</u>	<u>1,042,317</u>	<u>-</u>
Public Safety:				
Law Enforcement:				
Personal Services	14,916,300	18,461,463	18,089,230	372,233
Operating Expenditures	2,468,355	3,426,451	3,341,769	84,682
Capital Outlay	117,000	535,015	528,876	6,139
Total Law Enforcement	<u>17,501,655</u>	<u>22,422,929</u>	<u>21,959,875</u>	<u>463,054</u>
Corrections and Detention:				
Personal Services	8,537,556	8,596,405	8,503,258	93,147
Operating Expenditures	578,276	2,186,380	2,119,712	66,668
Capital Outlay	-	129,549	129,549	-
Total Corrections and Detention	<u>9,115,832</u>	<u>10,912,334</u>	<u>10,752,519</u>	<u>159,815</u>
Total Expenditures	<u>27,651,517</u>	<u>34,377,580</u>	<u>33,754,711</u>	<u>622,869</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	511,202	511,202
<b>OTHER FINANCING USES</b>				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(511,202)	(511,202)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2018	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.



**SHERIFF**  
**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2019**

	<u>Internal Service Fund</u> <u>Compensated Absences</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,752,100
<b>LIABILITIES</b>	
Accrued Compensated Absences Payable	<u>2,752,100</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF  
 HIGHLANDS COUNTY, FLORIDA  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 2,561,840
<b>OPERATING EXPENSES</b>	
Compensated Absences Expense	2,622,280
<b>OPERATING LOSS</b>	(60,440)
<b>NONOPERATING REVENUES</b>	
Investment Earnings	60,440
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2018	-
<b>NET POSITION - SEPTEMBER 30, 2019</b>	\$ -

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 2,561,840
Cash Paid to Employees for Services	(2,445,245)
Net Cash Provided by Operating Activities	116,595
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	60,440
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	177,035
Cash and Cash Equivalents - October 1, 2018	2,575,065
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2019</b>	\$ 2,752,100
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (60,440)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Increase in Compensated Absences	177,035
Net Cash Provided by Operating Activities	\$ 116,595

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 34,863
Due from Other Governmental Units	367
Due from Others	<u>2,069</u>
Total Assets	<u><u>\$ 37,299</u></u>
 <b>LIABILITIES</b>	
Due to Others	\$ 7,179
Due to Other Governmental Units	<u>30,120</u>
Total Liabilities	<u><u>\$ 37,299</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a noncharter County established April 23, 1921 under the laws of Florida 1921, Chapter 8513. The Sheriff of Highlands County, Florida (Sheriff) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue from the Board of County Commissioners, Highlands County, Florida. The Sheriff's financial statements include only the funds of the Sheriff's office. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

The Sheriff is elected every four years to serve as the Keeper of the Peace for Highlands County.

The Sheriff is a "budget" officer in that all of the Sheriff's operating revenues are received from the Board of County Commissioners (Board) in the form of an appropriation. Any fees collected by the office in carrying out duties as Sheriff, with the exception of reimbursements for extra duty pay or reimbursements for overtime incurred while assisting other federal and state agencies, are remitted to the Board at the end of each month. The Sheriff is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

**Basis of Presentation**

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

**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 or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Fund Accounting (Continued)**

The purpose of the Sheriff's various funds is as follows:

Major Governmental Fund

*General Fund* – The General Fund is the general operating fund of the Sheriff. The majority of the Sheriff's day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general government services are paid through this fund.

Nonmajor Governmental Funds

*Community Donations Fund* – The Community Donations Fund is a special revenue fund used to account for public donations received by the Sheriff's office.

*Inmate Welfare Fund* – The Inmate Welfare Fund is a special revenue fund used to account for the profits earned from telephone services and commissary services operated within the County jail. Profits are earned from sales of products such as candy and toothpaste to the inmates. Profits from these sales can only be spent for the benefit of the inmates.

Proprietary Fund

*Internal Service Fund* – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Fiduciary Funds

*Agency Funds* – Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Capital Assets**

All capital assets purchased are recorded as expenditures in the governmental funds at the time of purchase. Capital assets used by the Sheriff are capitalized in the basic financial statements of the County rather than in the governmental funds of the Sheriff. Capital assets are valued at historical cost or estimated historical cost if actual is not available. Donated capital assets are recorded at acquisition value at the date of donation. The Sheriff maintains custodial responsibility for the capital assets used by his office.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Measurement Focus**

*Governmental Funds* – The governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

*Proprietary Fund* – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

**Basis of Accounting**

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.

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Sheriff’s office:

1. On or before June 1 of each year, the Sheriff submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Budgets and Budgetary Data (Continued)**

3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. If the Board adopts a budget that includes amendments, modifications, increases, or reductions to the Sheriff's proposed budget, they must provide the Sheriff written notice of the changes.
7. The Sheriff receives budgeted revenues from the Board in installments. One twelfth of the budget is received in all months except January and September. One sixth of the budget is received in January, and no appropriation is received in September.
8. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Sheriff acts on all budget changes between departments, this becomes the level of control.
9. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
10. Annual appropriated budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
11. All appropriations lapse at the close of the fiscal year.

**Cash and Cash Equivalents**

The Sheriff considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

**Investments**

The Sheriff invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**Prepaid Items**

Prepaid insurance and similar items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.



**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Compensated Absences**

Employees of the Sheriff earn annual and sick leave in varying amounts. Upon retirement, death, resignation or separation in good standing, employees are eligible to receive payment for accumulated annual and sick leave. Annual leave will be paid out 100% at the current rate of pay. There is no limit on the amount of sick leave that can be accumulated by an employee. Sick leave will be paid out at varying rates based on years of service and minimum balances, and payout is capped at 2,080 hours.

In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Annual and sick leave credits for the Sheriff's Office employees have been fully funded and are recorded as an expenditure in the Internal Service Fund. No liability has been recorded for the nonvesting accumulating rights to receive sick leave pay benefits.

**Fund Balance**

The classifications of fund balances are described as follows:

*Nonspendable Fund Balance* – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

*Restricted Fund Balance* – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Sheriff is reporting restricted fund balances in the Inmate Welfare fund and Community Donations fund.

*Committed Fund Balance* – Amounts that can be spent only for specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority.

*Assigned Fund Balance* – Amounts the Sheriff intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

*Unassigned Fund Balance* – Amounts that are available for any purpose; these amounts can be reported only in the Sheriff's General Fund. Unassigned fund balance may also include a negative balance for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Sheriff does not have a separate fund balance policy.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

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

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Sheriff at the end of each fiscal year shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to the Board.

**Use of Estimates**

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

**Other Postemployment Benefit Obligations**

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

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

At September 30, 2019, the bank balance of the Sheriff's deposits were \$3,234,110. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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

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

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

The Sheriff invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2019, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 36.7% of Florida PRIME's portfolio at September 30, 2019.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sheriff has no policy on interest rate risk.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Sheriff's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2019, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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

Demand Deposits	\$ 1,867,162
Petty Cash and Change Fund	1,234
Florida PRIME	2,428,369
Total	<u>\$ 4,296,765</u>
Balance Sheet:	
Cash and Cash Equivalents	\$ 1,509,802
Statement of Net Position:	
Cash and Cash Equivalents	2,752,100
Statement of Fiduciary Net Position:	
Cash and Cash Equivalents	34,863
Total Cash and Cash Equivalents	<u>\$ 4,296,765</u>

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Sheriff earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated leave credits unused. Employees may be paid for accumulated sick leave benefits at varying amounts based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2019:

Compensated Absences - September 30, 2018	\$ 2,575,065
Leave Earned by Employees	2,622,280
Payments to Employees	<u>(2,445,245)</u>
Compensated Absences - September 30, 2019	<u>\$ 2,752,100</u>

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS**

**Background**

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

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

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS (CONTINUED)**

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

Plan Description (Continued)

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

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

Benefits Provided

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

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

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS (CONTINUED)**

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

Benefits Provided (Continued)

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

**Retiree Health Insurance Subsidy Program**

Plan Description

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

Benefits Provided

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

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

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



**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan**

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. The Sheriff's employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

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

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$3,892,743 \$3,487,762 and \$3,211,203, respectively, equal to the actuarially determined contribution requirements for each year.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Contributions (Continued)**

Additional information about pension plans can be found in the County's comprehensive annual financial report.

**NOTE 5 DEFINED CONTRIBUTION PLAN**

**401(a) Discretionary Contribution Plan**

The Sheriff maintains a defined contribution retirement plan for governmental entities, the Highlands County Sheriff's Office 401(a) Discretionary Contribution Plan. The Sheriff is the Plan Administrator. The Plan was organized pursuant to Internal Revenue Code Section 401(a) by declaration of the Sheriff.

Employees working in the telecommunications and nursing areas are generally eligible to participate in the Plan. The Sheriff determines the contribution rate. The contribution rate for the year ended September 30, 2019 was 3%. There were no employee contributions to the plan. Contributions to the Plan for fiscal years ended September 30, 2019, 2018, and 2017 were \$37,980, \$33,287, and \$37,083, respectively.

**NOTE 6 RELATED PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2019 were as follows:

**Budget Appropriation**

The General Fund of the Sheriff received revenues from the Board of County Commissioners in the amount of \$33,895,834 for the year ended September 30, 2019. Amounts payable to the Board at September 30, 2019 for excess fees was \$511,202. Additionally, the Sheriff received grant reimbursement for Hurricane Michael of \$174,024 and other reimbursements and interest of \$23,331, all of which were payable to the Board of County Commissioners at September 30, 2019.

**Various Goods and Services**

The Board of County Commissioners provides various goods, services, and employee benefits to the Sheriff. The charges for these goods, services, and employee benefits for the fiscal year ended September 30, 2019 amounted to \$2,799,788.

The Clerk of the Circuit Court provides the Sheriff various software maintenance and licensing services. The charges for these services for the fiscal year ended September 30, 2019 amounted to \$23,067.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 7 RISK MANAGEMENT**

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff is a member of the Florida Sheriffs Risk Management Fund and participates in the following programs: Florida Sheriffs' Self-Insurance Program, Florida Sheriffs' Workers' Compensation Self Insurance Program, and the Sheriffs' Automobile Risk Program, governmental insurance carriers. These agencies administer insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The Sheriff is liable for deductibles on certain coverage.

**NOTE 8 CAPITAL ASSETS**

The Sheriff's capital assets include furniture, equipment, computer equipment, vehicles, and software. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Leasehold Improvements	3 - 40
Machinery and Equipment	4 - 20
Software - Internally Generated	3 - 10
Software - Purchased/Leased	3 - 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statement of the County.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**NOTE 8 CAPITAL ASSETS (CONTINUED)**

The following is a summary of the changes in capital assets for which the Sheriff is custodian during fiscal year 2019:

	Beginning Balance	Additions	Deletions	Ending Balances
Capital Assets, Being Depreciated/Amortized:				
Equipment	\$ 11,066,620	\$ 921,942	\$ (465,887)	\$ 11,522,675
Computer Software	195,730	462,213	-	657,943
Total Capital Assets Being Depreciated/Amortized	11,262,350	1,384,155	(465,887)	12,180,618
Less: Accumulated Depreciation/ Amortization:				
Equipment	(7,963,060)	(1,138,519)	332,372	(8,769,207)
Computer Software	(195,730)	(34,666)	-	(230,396)
Total Accumulated Depreciation/Amortization	(8,158,790)	(1,173,185)	332,372	(8,999,603)
Total Capital Assets, Net	<u>\$ 3,103,560</u>	<u>\$ 210,970</u>	<u>\$ (133,515)</u>	<u>\$ 3,181,015</u>

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

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

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

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

<b>ASSETS</b>	Community Donation Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	\$ 66,466	\$ 489,858	\$ 556,324
Accounts Receivable	-	33,238	33,238
	\$ 66,466	\$ 523,096	\$ 589,562
<b>Total Assets</b>	<b>\$ 66,466</b>	<b>\$ 523,096</b>	<b>\$ 589,562</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Vouchers Payable	\$ -	\$ 15,820	\$ 15,820
Accrued Wages Payable	-	311	311
<b>Total Liabilities</b>	-	16,131	16,131
<b>FUND BALANCE</b>			
Restricted	66,466	506,965	573,431
<b>Total Liabilities and Fund Balance</b>	<b>\$ 66,466</b>	<b>\$ 523,096</b>	<b>\$ 589,562</b>

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

	Community Donation Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Miscellaneous Revenues:			
Commissary Sales	\$ -	\$ 98,472	\$ 98,472
Miscellaneous Revenues	53,136	243,672	296,808
Total Revenues	<u>53,136</u>	<u>342,144</u>	<u>395,280</u>
<b>EXPENDITURES</b>			
Public Safety:			
Law Enforcement:			
Operating Expenditures	117,380	-	117,380
Capital Outlay	7,959	-	7,959
Total Law Enforcement	<u>125,339</u>	<u>-</u>	<u>125,339</u>
Corrections and Detention:			
Personal Services	-	23,882	23,882
Operating Expenditures	-	186,345	186,345
Total Corrections and Detention	<u>-</u>	<u>210,227</u>	<u>210,227</u>
Total Expenditures	<u>125,339</u>	<u>210,227</u>	<u>335,566</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(72,203)	131,917	59,714
Fund Balance - October 1, 2018	<u>138,669</u>	<u>375,048</u>	<u>513,717</u>
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<u><u>\$ 66,466</u></u>	<u><u>\$ 506,965</u></u>	<u><u>\$ 573,431</u></u>

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
AGENCY FUNDS DESCRIPTIONS  
YEAR ENDED SEPTEMBER 30, 2019**

These funds are used to account for assets held by the Sheriff as an agent for individuals, other governmental units and/or other funds.

Agency Funds:

Inmates – To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

Cash Bond – To account for cash appearance bonds collected by the Sheriff on behalf of the Clerk of Courts. These funds are disbursed to the Clerk of Courts weekly.

Unclaimed Evidence – To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

Individual Depositors – To account for fees charged to serve civil process. Fees are collected and held until service is complete and then remitted to other entities or individuals.

Suspense – To account for fees and court ordered payments collected for various agencies. These funds are remitted to the County or other governmental agencies.

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

	<u>Inmates</u>	<u>Cash Bond</u>	<u>Unclaimed Evidence</u>	<u>Individual Depositors</u>	<u>Suspense</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 11,357	\$ -	\$ 1,216	\$ -	\$ 22,290	\$ 34,863
Due from Other Governmental Units	-	-	-	-	367	367
Due from Others	2,069	-	-	-	-	2,069
<b>Total Assets</b>	<b><u>\$ 13,426</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,216</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 22,657</u></b>	<b><u>\$ 37,299</u></b>
<b>LIABILITIES</b>						
Due to Others	\$ 5,963	\$ -	\$ 1,216	\$ -	\$ -	\$ 7,179
Due to Other Governmental Units	7,463	-	-	-	22,657	30,120
<b>Total Liabilities</b>	<b><u>\$ 13,426</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,216</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 22,657</u></b>	<b><u>\$ 37,299</u></b>



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

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<b>INMATES</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,842	\$ 546,731	\$ 547,216	\$ 11,357
Due from Others	2,533	197,417	197,881	2,069
Total Assets	<u>\$ 14,375</u>	<u>\$ 744,148</u>	<u>\$ 745,097</u>	<u>\$ 13,426</u>
<b>LIABILITIES</b>				
Due to Others	\$ 5,664	\$ 711,255	\$ 710,956	\$ 5,963
Due to Other Governmental Units	8,711	2,532,454	2,533,702	7,463
Total Liabilities	<u>\$ 14,375</u>	<u>\$ 3,243,709</u>	<u>\$ 3,244,658</u>	<u>\$ 13,426</u>
<b>CASH BOND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 319,605</u>	<u>\$ 319,605</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Deposits	<u>\$ -</u>	<u>\$ 245,003</u>	<u>\$ 245,003</u>	<u>\$ -</u>
<b>UNCLAIMED EVIDENCE</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	<u>\$ 1,296</u>	<u>\$ 13,008</u>	<u>\$ 13,088</u>	<u>\$ 1,216</u>
<b>LIABILITIES</b>				
Due to Others	<u>\$ 1,296</u>	<u>\$ 13,008</u>	<u>\$ 13,088</u>	<u>\$ 1,216</u>

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<b>INDIVIDUAL DEPOSITORS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,680	\$ 12,800	\$ 14,480	\$ -
<b>LIABILITIES</b>				
Due to Others	\$ 1,680	\$ 12,800	\$ 14,480	\$ -
<b>SUSPENSE</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 20,182	\$ 2,903,831	\$ 2,901,723	\$ 22,290
Due from Other Governmental Units	542	2,632,639	2,632,814	367
Total Assets	<u>\$ 20,724</u>	<u>\$ 5,536,470</u>	<u>\$ 5,534,537</u>	<u>\$ 22,657</u>
<b>LIABILITIES</b>				
Due to Other Governmental Units	<u>\$ 20,724</u>	<u>\$ 248,571</u>	<u>\$ 246,638</u>	<u>\$ 22,657</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 35,000	\$ 3,795,975	\$ 3,796,112	\$ 34,863
Due from Other Governmental Units	542	2,632,639	2,632,814	367
Due from Others	2,533	197,417	197,881	2,069
Total Assets	<u>\$ 38,075</u>	<u>\$ 6,626,031</u>	<u>\$ 6,626,807</u>	<u>\$ 37,299</u>
<b>LIABILITIES</b>				
Due to Others	\$ 8,640	\$ 737,063	\$ 738,524	\$ 7,179
Due to Other Governmental Units	29,435	2,781,025	2,780,340	30,120
Deposits	-	245,003	245,003	-
Total Liabilities	<u>\$ 38,075</u>	<u>\$ 3,763,091</u>	<u>\$ 3,763,867</u>	<u>\$ 37,299</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

We have audited, 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, the financial statements of the major fund and the aggregate remaining fund information of the Sheriff of Highlands County, Florida (Sheriff), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated December 19, 2019.

**Internal Control Over Financial Reporting**

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

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

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

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

### **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 Sheriff's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sebring, Florida  
December 19, 2019



## MANAGEMENT LETTER

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Sheriff of Highlands County, Florida (Sheriff), as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated December 19, 2019.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent 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, which are dated December 19, 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. See Note 1 to the financial statements.

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

**Financial Management**

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

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
December 19, 2019



## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Paul Blackman, Sheriff  
and the Florida Auditor General  
Highlands County, Florida

We have examined the Sheriff of Highlands County, Florida's (Sheriff) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2019. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Sheriff complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
December 19, 2019

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2019**



**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Penny Ogg  
Supervisor of Elections  
Highlands 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 Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

The Honorable Penny Ogg  
Supervisor of Elections  
Highlands County, Florida

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the State of Florida Auditor General. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sebring, Florida  
December 17, 2019

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
BALANCE SHEET – GENERAL FUND  
SEPTEMBER 30, 2019**

**ASSETS**

Cash and Cash Equivalents	\$	45,808
Prepaid Items		<u>2,396</u>
Total Assets	\$	<u><u>48,204</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$	3,362
Due to Other Constitutional Officers		35,849
Accrued Wages		<u>8,993</u>
Total Liabilities		<u>48,204</u>

**FUND BALANCE**

Nonspendable		2,396
Unassigned		<u>(2,396)</u>
Total Fund Balance		<u>-</u>

Total Liabilities and Fund Balance	\$	<u><u>48,204</u></u>
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*See accompanying Notes to Financial Statements.*

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Intergovernmental:</b>				
Appropriation from Board of County Commissioners	\$ 849,917	\$ 951,646	\$ 945,146	\$ (6,500)
Intergovernmental	-	14,092	14,092	-
Investment Earnings	-	32	32	-
Total Revenues	<u>849,917</u>	<u>965,770</u>	<u>959,270</u>	<u>(6,500)</u>
<b>EXPENDITURES</b>				
<b>General Government:</b>				
Financial and Administrative:				
Personal Services	619,094	606,094	591,072	15,022
Operating Expenditures	230,823	342,185	315,828	26,357
Capital Outlay	-	17,491	16,548	943
Total Expenditures	<u>849,917</u>	<u>965,770</u>	<u>923,448</u>	<u>42,322</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	35,822	35,822
<b>OTHER FINANCING USES</b>				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	<u>(35,822)</u>	<u>(35,822)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2018	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 36,382
<b>LIABILITIES</b>	
Accrued Compensated Absences Payable	35,890
Due to Other Constitutional Officers	492
Total Liabilities	36,382
<b>NET POSITION</b>	
Unrestricted	-
Total Net Position	\$ -

*See accompanying Notes to Financial Statements.*

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 21,812
<b>OPERATING EXPENSES</b>	
Compensated Absences Expense	21,812
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2018	-
<b>NET POSITION - SEPTEMBER 30, 2019</b>	\$ -

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 21,812
Cash Paid to Employees for Services	(22,779)
Net Cash Used by Operating Activities	(967)
<b>CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES</b>	
Transfer to Other Constitutional Officers	(356)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Receipts of Interest	492
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(831)
Cash and Cash Equivalents - October 1, 2018	37,213
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2019</b>	\$ 36,382
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	\$ (967)
Net Cash Used by Operating Activities	\$ (967)

See accompanying Notes to Financial Statements.



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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a non-charter county established on April 23, 1921 under the laws of the state of Florida 1921, Chapter 8513. The Supervisor of Elections of Highlands County, Florida (Supervisor of Elections) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Supervisor of Elections' financial statements include only the funds of the Supervisor of Elections' office. There are no separate legal entities (component units) for which the Supervisor of Elections is financially accountable.

The Supervisor of Elections is elected every four years to serve as the official responsible for registering eligible voters within the county, conducting elections within the county, receiving qualifying fees for public office, and tabulating results of votes cast during elections.

The Supervisor of Elections is a "budget" officer in that all of the Supervisor of Elections' operating revenues are received from the Board of County Commissioners (the Board) in the form of an appropriation. Any fees collected by the Supervisor of Elections in carrying out her duties are remitted to the Board at the end of each month. The Supervisor of Elections is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

**Basis of Presentation**

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

**Fund Accounting**

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

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

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

**Fund Accounting (Continued)**

The purpose of the Supervisor of Elections' various funds are as follows:

**Governmental Funds**

**General Fund** – The General Fund is the general operating fund of the Supervisor of Elections. The majority of the Supervisor of Elections' day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general governmental services are paid for through this fund.

**Proprietary Funds**

**Internal Service Fund** – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**Capital Assets**

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Supervisor of Elections and is accountable for them under Florida Law. The Supervisor of Elections notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Supervisor of Elections may not dispose of any capital assets in her custody. The Supervisor of Elections is to notify the Board of any unused or obsolete assets and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

**Measurement Focus**

**Governmental Fund** – The General Fund is accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported unassigned fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources". Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Proprietary Fund** – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net position.

**Basis of Accounting**

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.

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

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

**Basis of Accounting (Continued)**

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Supervisor of Elections' office:

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.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed County-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the county's operating budget is legally enacted through passage of a resolution.
6. The Supervisor of Elections receives her budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. The Supervisor of Elections' annual budget is monitored at varying levels of classification detail.
8. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
9. Annual appropriated budgets for the General Fund are legally adopted on a basis consistent with GAAP.
10. All appropriations lapse at the close of the fiscal year.

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

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

**Cash and Cash Equivalents**

The Supervisor of Elections considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

**Investments**

The Supervisor of Elections invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

**Compensated Absences**

Employees of the Supervisor of Elections earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive 100% of accumulated annual leave, up to 240 hours, at their current rates of pay.

There is no limit on the amount of sick leave that can be accumulated by employees of the Supervisor of Elections. Upon separation of service, up to 1,040 hours of sick leave will be paid out at varying rates based on years of continuous service, at the current rate of pay.

In governmental funds, only the amounts that normally would be liquidated with expendable available resources are accrued as current year expenditures. Annual and the vested sick leave credits for the Supervisor of Elections have been fully funded and are recorded as expenditures in the General Fund.

**Fund Balance**

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Supervisor of Elections' highest level of decision-making authority.

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

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

**Fund Balance (Continued)**

**Assigned Fund Balance** – Amounts the Supervisor of Elections intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned Fund Balance** – Amounts that are available for any purpose; these amounts can be reported only in the Supervisor of Elections' General Fund.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections' policy to first apply restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted assets are available. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Supervisor of Elections does not have a separate fund balance policy as any unexpended fund balance is returned to the Board of County Commissioners each year.

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Supervisor of Elections at the end of each fiscal year shall be remitted to the Board of County Commissioners. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to Board of County Commissioners on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to constitutional officers.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

**Other Postemployment Benefit Obligations**

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

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

**NOTE 2 CASH AND CASH EQUIVALENTS**

At September 30, 2019, the bank balance of the Supervisor of Elections' deposits were \$111,246. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

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

The Supervisor of Elections invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2019, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 36.7% of Florida PRIME's portfolio at September 30, 2019.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

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

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted-average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Supervisor of Elections' investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2019, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Credit Risk (Continued)**

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

Demand Deposits	\$ 63,032
Petty Cash and Change Funds	150
Florida PRIME	19,008
Total	<u>\$ 82,190</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 45,808
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	36,382
Total Cash and Cash Equivalents	<u>\$ 82,190</u>

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Supervisor of Elections earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2019:

Compensated Absences - September 30, 2018	\$ 36,857
Leave Earned by Employees	21,812
Payments to Employees	<u>(22,779)</u>
Compensated Absences - September 30, 2019	<u>\$ 35,890</u>

The Supervisor of Elections is obligated to make available to retired employees the option to maintain coverage with the county group health insurance plan. The Supervisor of Elections incurs no cost for this as the retired employee makes monthly payments to the county for this insurance.



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

**NOTE 4 PENSION PLANS**

**Background**

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

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

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

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

**Plan Description**

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

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

**Benefits Provided**

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

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

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

**Benefits Provided (Continued)**

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

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

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

**FRS Investment Plan**

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

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. 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 June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor of Elections.

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

Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Supervisor of Election's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$85,251, \$80,817, and \$71,611, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's comprehensive annual financial report.

**NOTE 5 RELATED PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the fiscal year ended September 30, 2019 were as follows:

**Budget Appropriation**

The General Fund of the Supervisor of Elections received appropriations from the Board of County Commissioners in the amount of \$945,146 for the fiscal year ended September 30, 2019. Excess fees and other amounts payable to the Board at September 30, 2019 were \$35,849.

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

**NOTE 5 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Various Services**

The Board of County Commissioners provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2019 amounted to \$58,963.

The Clerk of Courts provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2019 amounted to \$114,466.

**NOTE 6 RISK MANAGEMENT**

The Supervisor of Elections 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 Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole.

**NOTE 7 CAPITAL ASSETS**

The Supervisor of Elections' capital assets include furniture, equipment, voter equipment, computer equipment, vehicles, and software. The Supervisor of Elections, pursuant to Florida Statutes, records no capital assets for which the Supervisor of Elections is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Assets	Years
Machinery and Equipment	4 to 20
Software - Internally Generated	3 to 10
Software - Purchased/Leased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county.

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

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

The following is a summary of the changes in capital assets for which the Supervisor of Elections is custodian during fiscal year 2019:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets, Being Depreciated/ Amortized:				
Equipment	\$ 575,248	\$ 15,648	\$ -	\$ 590,896
Computer Software	31,914	-	-	31,914
Total Capital Assets, Being Depreciated/Amortized	607,162	15,648	-	622,810
Less: Accumulated Depreciation/ Amortization:				
Equipment	(188,577)	(60,750)	-	(249,327)
Computer Software	(31,914)	-	-	(31,914)
Total Accumulated Depreciation/Amortization	(220,491)	(60,750)	-	(281,241)
Total Capital Assets, Net	<u>\$ 386,671</u>	<u>\$ (45,102)</u>	<u>\$ -</u>	<u>\$ 341,569</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Penny Ogg  
Supervisor of Elections  
Highlands 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 Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated December 17, 2019.

**Internal Control Over Financing Reporting**

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

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

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

The Honorable Penny Ogg  
Supervisor of Elections  
Highlands County, Florida

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
December 17, 2019





CliftonLarsonAllen LLP  
CLAconnect.com

## MANAGEMENT LETTER

The Honorable Penny Ogg  
Supervisor of Elections  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated December 17, 2019.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 17, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

The Honorable Penny Ogg  
Supervisor of Elections  
Highlands County, Florida

**Financial Management**

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

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
December 17, 2019



## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Penny Ogg, Supervisor of Elections  
and the Florida Auditor General  
Highlands County, Florida

We have examined the Supervisor of Elections of Highlands County, Florida's (Supervisor of Elections) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
December 17, 2019

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2019**

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Eric T. Zwyer  
Tax Collector  
Highlands 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 Tax Collector of Highlands County, Florida (Tax Collector), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

The Honorable Eric T. Zwyer  
Tax Collector  
Highlands County, Florida

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.


#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Eric T. Zwyer  
Tax Collector  
Highlands County, Florida

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2020 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
January 13, 2020



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

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 361,289
Accounts Receivable, Net	3,130
Inventory	4,121
Prepaid Items	<u>33,909</u>
Total Assets	<u>\$ 402,449</u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Vouchers Payable	\$ 2,933
Due to Other Governmental Units	9,653
Due to Board of County Commissioners	284,984
Due to Others	1,524
Accrued Wages Payable	46,843
Unearned Revenue	<u>56,512</u>
Total Liabilities	402,449
<b>FUND BALANCE</b>	
Nonspendable	38,030
Unassigned	<u>(38,030)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 402,449</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services:				
Commissions from:				
Board of County Commissioners	\$ 1,715,928	\$ 1,715,928	\$ 1,721,006	\$ 5,078
South Florida Water Management District	15,247	15,247	14,675	(572)
Southwest Florida Water Management District	36,699	36,699	34,919	(1,780)
Other Taxing Districts	259,476	259,476	216,424	(43,052)
Other Fees	1,160,460	1,160,460	1,102,013	(58,447)
Total Charges for Services	<u>3,187,810</u>	<u>3,187,810</u>	<u>3,089,037</u>	<u>(98,773)</u>
Miscellaneous Revenues:				
Interest Earnings	9,500	9,500	20,061	10,561
Other Miscellaneous Revenues	38,035	38,035	38,976	941
Total Miscellaneous Revenues	<u>47,535</u>	<u>47,535</u>	<u>59,037</u>	<u>11,502</u>
Total Revenues	3,235,345	3,235,345	3,148,074	(87,271)
<b>EXPENDITURES</b>				
General Government:				
Financial and Administrative:				
Personal Services	2,725,581	2,725,581	2,553,274	172,307
Operating Expenditures	451,703	451,703	300,163	151,540
Total Expenditures	<u>3,177,284</u>	<u>3,177,284</u>	<u>2,853,437</u>	<u>323,847</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	58,061	58,061	294,637	236,576
<b>OTHER FINANCING USES</b>				
Transfer of Excess Fees	-	-	(294,637)	(294,637)
Unbudgeted Excess Fees	(58,061)	(58,061)	-	58,061
Total Other Financing Uses	<u>(58,061)</u>	<u>(58,061)</u>	<u>(294,637)</u>	<u>(236,576)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2018	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
 HIGHLANDS COUNTY, FLORIDA  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 89,445
<b>LIABILITIES</b>	
Accrued Compensated Absences Payable	89,445
<b>NET POSITION</b>	
Unrestricted	\$ -

*See accompanying Notes to Financial Statements.*

**TAX COLLECTOR  
 HIGHLANDS COUNTY, FLORIDA  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 176,816
<b>OPERATING EXPENSES</b>	
Compensated Absence Expense	178,335
<b>OPERATING LOSS</b>	(1,519)
<b>NONOPERATING REVENUES</b>	
Net Change in Fair Value of Investments	1,519
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2018	-
<b>NET POSITION - SEPTEMBER 30, 2019</b>	\$ -

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2019**

	Internal Service Fund
	Compensated Absences
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 176,816
Cash Paid to Employees for Services	(167,641)
Net Cash Provided by Operating Activities	9,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	1,519
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	10,694
Cash and Cash Equivalents - October 1, 2018	78,751
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2019</b>	\$ 89,445
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (1,519)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	10,694
Net Cash Provided by Operating Activities	\$ 9,175

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,515,981
Due from Others	<u>37,105</u>
Total Assets	<u><u>\$ 1,553,086</u></u>
<b>LIABILITIES</b>	
Due to Other Governmental Units	\$ 1,338,920
Due to Others	<u>214,166</u>
Total Liabilities	<u><u>\$ 1,553,086</u></u>

See accompanying Notes to Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a noncharter County established April 23, 1921 under the Constitution and Laws of the State of Florida, 1921, Chapter 8513. The Tax Collector of Highlands County, Florida (Tax Collector) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue through the fees and commissions that are generated by the Tax Collector's office pursuant to the provisions of Section 192.091, Florida Statutes. These financial statements include only the funds of the Tax Collector and are not meant to represent Highlands County, Florida, as a whole. There are no separate legal entities (component units) for which the Tax Collector is financially accountable.

The Tax Collector is elected every four years to serve as the public official charged with the responsibility for collecting and disbursing ad valorem taxes, non-ad valorem taxes, and tangible taxes for the County as well as various other taxes and licenses. Additional duties of the Tax Collector include motor vehicle, mobile home, vessel and drivers' license registrations, hunting and fishing licenses, yard sale permits, certified copies of birth certificates, and concealed weapons licensing processing.

The Tax Collector is a "fee" officer in that operating revenues are received based upon the services rendered. The balance of fees in excess of expenditures remaining at September 30 is divided among the various taxing units in the same proportion as that particular unit's payments to the Tax Collector during the year bear to the total payments received from all taxing units.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

**Basis of Presentation**

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

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

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

**Fund Accounting**

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

**Governmental Fund**

**General Fund** – The General Fund is the general operating fund of the Tax Collector. The majority of the Tax Collector's day-to-day operating costs are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Fees from the collection of general property taxes, licenses, and certain other intergovernmental revenues are recorded in this fund. Expenditures for general governmental services are paid through this fund.

**Proprietary Fund**

**Internal Service Fund** – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**Fiduciary Funds**

**Agency Funds** – Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Capital Assets**

All capital assets purchased, which include furniture, equipment, computer equipment, and vehicles, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Tax Collector and is accountable for them under Florida Law. The Tax Collector notifies the Board of County Commissioners of capital assets purchased and the original cost is recorded in the capital asset records of the Board of County Commissioners. The Tax Collector may not dispose of any capital assets in his custody. The Tax Collector is to notify the Board of County Commissioners of any unused or obsolete assets and it is the Board of County Commissioners' responsibility to dispose of these assets in accordance with the various Florida Statutes.



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

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

**Measurement Focus**

**Governmental Fund** – The General Fund is presented using the flow of current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Proprietary Fund** – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

**Basis of Accounting**

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.

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Tax Collector's office:

1. On or before August 1 of each year, the Tax Collector submits an annual budget for the operations of the office to the State of Florida, Department of Revenue, Property Tax Administration (Department). A copy of the budget is also furnished to the Board of County Commissioners. After the budget has been reviewed and approved by the Department, it becomes the operating budget for the ensuing fiscal year.
2. The Tax Collector's operating budget can only be amended after written approval has been received from the Department.

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

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

**Budgets and Budgetary Data (Continued)**

3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
5. The budget for the General Fund is adopted on a basis consistent with GAAP.

**Cash and Cash Equivalents**

Cash and cash equivalents is cash on hand as well as demand deposits and investments in the Local Government Surplus Funds Trust Fund (Florida PRIME) with original maturities of three months or less from the date of acquisition.

The Tax Collector maintains a pooled bank account where cash resources of several funds are consolidated for investment purposes. This account represents the amount owned by each fund. This practice gives the Tax Collector the ability to maximize the yield on the short-term investment of cash, increasing interest earnings accordingly.

Interest earned on pooled investments is allocated to the participating funds.

**Investments**

The Tax Collector invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**Prepaid Items**

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

**Compensated Absences**

Employees of the Tax Collector earn paid time off in varying amounts. Paid time off credits earned in excess of 400 hours which are not used by the close of business on December 31 of each calendar year shall be canceled. Upon terminal separation from the Tax Collector's office, employees having one year of satisfactory, continuous and creditable service are eligible to receive payment for paid time off up to 400 hours at their current rate of pay. The limit of lump-sum reimbursements of paid time off credits is based on years of service.

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

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

**Fund Balance**

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Tax Collector's highest level of decision-making authority.

**Assigned Fund Balance** – Amounts the Tax Collector intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned Fund Balance** – Amounts that are available for any purpose; positive amounts can be reported only in the Tax Collector's General Fund.

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Tax Collector considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Tax Collector does not have a separate fund balance policy because, by Florida Statute, the Tax Collector must return any excess fees at year-end.

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund (excess fees) held by the Tax Collector at the end of each fiscal year be distributed to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the office. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues, expenditures and changes in fund balance, and the related liability is recorded as due to the Board of County Commissioners and other governmental units.

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

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

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**Other Postemployment Benefit Obligations**

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

**NOTE 2 CASH AND CASH EQUIVALENTS**

At year-end, the bank balance of the Tax Collector's deposits were \$329,511. The entire amount of the demand deposits is deposited in a State of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

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

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

The Tax Collector invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2019, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 36.7% of Florida PRIME's portfolio at September 30, 2019.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2019, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Credit Risk (Continued)**

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

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

Demand Deposits	\$ 494,445
Petty Cash and Change Funds	12,735
Florida PRIME	1,459,535
Total	\$ 1,966,715
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 361,289
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	89,445
Statement of Fiduciary Net Position - Agency Funds:	
Cash and Cash Equivalents	1,515,981
Total Cash and Cash Equivalents	\$ 1,966,715

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

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Tax Collector earn paid time off in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated paid time off credits unused based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2019:

Compensated Absences - September 30, 2018	\$ 78,751
Increase in Leave Earned by Employees	178,335
Payments to Employees	(167,641)
Compensated Absences - September 30, 2019	\$ 89,445

**NOTE 4 PENSION PLANS**

**Background**

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

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

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

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



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

**NOTE 4 PENSION PLANS (CONTINUED)**

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

**Benefits Provided**

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

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

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

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

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan**

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**Contributions**

Participating employer contributions are based upon statewide rates established by the State of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$286,289, \$259,638, and \$228,694, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

**NOTE 5 RELATED-PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2019 were as follows:

**Charges for Services**

The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$1,721,006 for the year ended September 30, 2019. Excess fees payable to the Board at September 30, 2019 was \$284,984.

**Various Services**

The Board of County Commissioners provides various services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2019 amounted to \$304,319.

The Clerk of Courts provides various services to the Tax Collector. The charges for IT support and software related expenditures for the fiscal year ended September 30, 2019 amounted to \$34,811.

**NOTE 6 RISK MANAGEMENT**

The Tax Collector 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 Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole.

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

**NOTE 7 CAPITAL ASSETS**

The Tax Collector's capital assets include furniture, equipment, computer equipment, and vehicles. The Tax Collector, pursuant to Florida Statutes, records no capital assets for which the Tax Collector is custodian. The threshold for capitalizing all capital assets except software is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Assets	
Machinery and Equipment	4 to 20 Years
Software - Internally Generated	3 to 10 Years
Software - Purchased/Leased	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County. The following is a summary of the changes in capital assets for which the Tax Collector was custodian during fiscal year 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated/ Amortized:				
Equipment	\$ 712,973	\$ -	\$ (12,550)	\$ 700,423
Less Accumulated Depreciation/ Amortization:				
Equipment	(681,702)	(4,750)	12,550	(673,902)
Total Capital Assets, Net	\$ 31,271	\$ (4,750)	\$ -	\$ 26,521

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
AGENCY FUNDS DESCRIPTIONS  
YEAR ENDED SEPTEMBER 30, 2019**

The Tax Collector maintains the following Agency Funds:

**Agency Funds:**

**Tag Agency** – Used by the Tax Collector to account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the State of Florida.

**Tax and License** – Used by the Tax Collector to account for the collection of ad valorem and non ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the State of Florida.

**Tax Redemption** – Used by the Tax Collector to account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non ad valorem taxes and remittance to certificate holders.

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

	<u>Tag Agency</u>	<u>Tax and License</u>	<u>Tax Redemption</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 156,858	\$ 1,265,414	\$ 93,709	\$ 1,515,981
Due from Others	8,446	28,659	-	37,105
Total Assets	<u>\$ 165,304</u>	<u>\$ 1,294,073</u>	<u>\$ 93,709</u>	<u>\$ 1,553,086</u>
<b>LIABILITIES</b>				
Due to Other Governmental Units	\$ 165,304	\$ 1,173,616	-	\$ 1,338,920
Due to Others	-	120,457	93,709	214,166
Total Liabilities	<u>\$ 165,304</u>	<u>\$ 1,294,073</u>	<u>\$ 93,709</u>	<u>\$ 1,553,086</u>

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

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
<b>TAG AGENCY</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 187,287	\$ 13,796,699	\$ 13,827,128	\$ 156,858
Due from Others	11,388	2,635,337	2,638,279	8,446
Total Assets	<u>\$ 198,675</u>	<u>\$ 16,432,036</u>	<u>\$ 16,465,407</u>	<u>\$ 165,304</u>
<b>LIABILITIES</b>				
Due to Other Governmental Units	\$ 194,579	\$ 13,174,357	\$ 13,203,632	\$ 165,304
Due to Others	4,096	-	4,096	-
Total Liabilities	<u>\$ 198,675</u>	<u>\$ 13,174,357</u>	<u>\$ 13,207,728</u>	<u>\$ 165,304</u>
<b>TAX AND LICENSE</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,711,629	\$ 180,838,233	\$ 182,284,448	\$ 1,265,414
Due from Others	56	28,659	56	28,659
Total Assets	<u>\$ 2,711,685</u>	<u>\$ 180,866,892</u>	<u>\$ 182,284,504</u>	<u>\$ 1,294,073</u>
<b>LIABILITIES</b>				
Due to Other Governmental Units	\$ 2,585,139	\$ 102,582,601	\$ 103,994,124	\$ 1,173,616
Due to Others	126,546	3,451,561	3,457,650	120,457
Total Liabilities	<u>\$ 2,711,685</u>	<u>\$ 106,034,162</u>	<u>\$ 107,451,774</u>	<u>\$ 1,294,073</u>
<b>TAX REDEMPTION</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 147,550	\$ 3,680,276	\$ 3,734,117	\$ 93,709
<b>LIABILITIES</b>				
Due to Others	\$ 147,550	\$ 3,362,219	\$ 3,416,060	\$ 93,709
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,046,466	\$ 198,315,208	\$ 199,845,693	\$ 1,515,981
Due from Others	11,444	2,663,996	2,638,335	37,105
Total Assets	<u>\$ 3,057,910</u>	<u>\$ 200,979,204</u>	<u>\$ 202,484,028</u>	<u>\$ 1,553,086</u>
<b>LIABILITIES</b>				
Due to Other Governmental Units	\$ 2,779,718	\$ 115,756,958	\$ 117,197,756	\$ 1,338,920
Due to Others	278,192	6,813,780	6,877,806	214,166
Total Liabilities	<u>\$ 3,057,910</u>	<u>\$ 122,570,738</u>	<u>\$ 124,075,562</u>	<u>\$ 1,553,086</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Eric T. Zwyer  
Tax Collector  
Highlands 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 Tax Collector of Highlands County, Florida (Tax Collector), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated January 13, 2020.

**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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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



The Honorable Eric T. Zwyer  
Tax Collector  
Highlands County, Florida

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
January 13, 2020



## MANAGEMENT LETTER

The Honorable Eric T. Zwyer  
Tax Collector  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Tax Collector of Highlands County, Florida (Tax Collector), as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated January 13, 2020.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 13, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations in the preceding annual financial 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. Information regarding the specific legal authority for the entity is contained in Note 1 to the Financial Statements.

The Honorable Eric T. Zwyer  
Tax Collector  
Highlands County, Florida

**Financial Management**

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

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
January 13, 2020



## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Eric T. Zwyer  
Tax Collector  
Highlands County, Florida

We have examined the Tax Collector of Highlands County, Florida (Tax Collector)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2019. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Tax Collector complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
January 13, 2020



# HIGHLANDS COUNTY

## BOARD OF COUNTY COMMISSIONERS

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### HIGHLANDS COUNTY, FLORIDA SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS YEAR ENDED SEPTEMBER 30, 2019

Highlands County, Florida respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2019.

Audit period: October 1, 2018 through September 30, 2019

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

#### **FINDINGS—FINANCIAL STATEMENT AUDIT**

##### **2018 – 001 Revenue Recognition**

**Condition:** As part of the audit, adjustments were proposed to correct the following errors in the County's financial statements:

- Local Government Infrastructure Surtax Fund receivables and deferred inflows of resources were understated because a reimbursement request for grant expenditures through September 30, 2018 was not recorded.
- County Transportation Trust Fund receivables and revenue were overstated because a grant reimbursement request was recorded in the wrong fund.

**Status:** Corrective action was taken. A grant manager was hired and worked with the Clerk's Office to improve the process and controls over grant recording and reporting.

#### **FINDINGS—STATE AWARD PROJECT AUDITS**

##### **2018 – 002 Preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance**

**Condition:** Audit procedures identified an understatement of \$700,841 in expenditures initially reported on the Schedule relating to a particular state project (09021 Sebring Parkway). The Schedule was subsequently corrected after audit inquiry.

**Status:** Corrective action was taken. Additional preparation and review procedures were implemented to ensure that federal program and state project expenditures are completely and accurately reported.

## **2018 – 003 Reporting for Statewide Surface Water Restoration and Wastewater Projects**

**Condition:** Audit procedures identified noncompliance with the reporting requirements of the Statewide Surface Water Restoration and Wastewater Project grant agreement.

**Status:** See current year finding 2019-001.

**Reason for finding's recurrence:** As noted previously, Board Management recognized the need for a Grant Manager, with a strong financial and reporting background. As part of the FY 2018/2019 budget, that position was approved and funded by the Board and the position was filled in September 2019. That position along with the Department and Project Managers continue to make improvements in the area of grant monitoring and reporting.

**Corrective Action:** Department Management will continue to work close with the Project Manger to ensure reports are submitted in a timely manner. Intraoffice support has been assigned to assist the Project Manager on all future grant reports, as a secondary control measure. Additionally, the newly hired Grants Coordinator will be assisting to ensure reporting deadlines are met.

If there are questions regarding this plan, please call Sally Hood, Accounting Director, Highlands County Clerk of Courts at 863-402-6898.



# HIGHLANDS COUNTY

## BOARD OF COUNTY COMMISSIONERS

### HIGHLANDS COUNTY, FLORIDA CORRECTIVE ACTION PLAN YEAR ENDED SEPTEMBER 30, 2019

Highlands County, Florida respectfully submits the following corrective action plan for the year ended September 30, 2019.

Audit period: October 1, 2018 through September 30, 2019

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

#### **FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no findings in the year that require a corrective action plan.

#### **FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

There were no findings in the year that require a corrective action plan.

#### **FINDINGS—STATE AWARD PROJECT AUDITS**

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLAINTS

OTHER MATTERS

Florida Department of Environmental Protection

2019-001 Statewide Surface Water Restoration and Wastewater Projects – CSFA No. 37.039

Recommendation: Grant manager should ensure that reports are submitted in a timely manner.

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

Action taken in response to finding: As noted previously, Board Management recognized the need for a Grant Manager, with a strong financial and reporting background. As part of the FY 2018/2019 budget, that position was approved and funded by the Board and the position was filled in September 2019. That position along with the Department and Project Managers continue to make improvements in the area of grant monitoring and reporting.

Department Management will continue to work close with the Project Manager to ensure reports are submitted in a timely manner. Intraoffice support has been assigned to assist the Project Manager on all future grant reports, as a secondary control measure. Additionally, the newly hired Grants Coordinator will be assisting to ensure reporting deadlines are met.

Name(s) of the contact person(s) responsible for corrective action: Tasha Morgan, Assistant County Administrator

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600 S. Commerce Ave., B233  
Sebring, Florida 33870  
863-402-6500  
FAX 863-402-6835

Planned completion date for corrective action plan: Fiscal year ending September 30, 2020

Department of Management Services

2019-002      Prepaid Next Generation 911 (NG911) State Grant Program – CSFA No. 72.003

Recommendation: Grant reports should be reviewed prior to submission by an individual, other than the preparer, who is knowledgeable of the compliance requirements. All reports should be filed by the required deadlines.

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

Action taken in response to finding: Sheriff's management will ensure that reports are filed timely and reviewed prior to submission by someone other than the preparer who is knowledgeable of the reporting requirements.

Name(s) of the contact person(s) responsible for corrective action: Rob Reed, Highlands County Sheriff's Office, Business Administrator

Planned completion date for corrective action plan: Fiscal year ending September 30, 2020

If there are questions regarding this plan, please call Sally Hood, Accounting Director, Highlands County Clerk of Courts at 863-402-6898.