

Polk County, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2019



Prepared By:
Stacy M. Butterfield, CPA
Clerk of the Circuit Court & Comptroller
Polk County, Florida

POLK COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2019**

**PREPARED BY THE OFFICE OF
STACY M. BUTTERFIELD, CPA, CLERK OF CIRCUIT COURT
AND COUNTY COMPTROLLER**

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INTRODUCTORY SECTION



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March 27, 2020

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

We are pleased to present you the Comprehensive Annual Financial Report (CAFR) of Polk County, Florida for the fiscal year ended September 30, 2019. The financial activities of the Board of County Commissioners and the Constitutional Officers as well as the Harden/Parkway, Polk Commerce Centre and Eloise Community Redevelopment Agencies, which are blended component units, are included in the CAFR.

The Clerk of the Circuit Court, by authority of the Constitution of the State of Florida, serves as the Chief Financial Officer of the County and is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the data presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, and that all disclosures necessary to enable the reader to obtain a comprehensive understanding of the County have been included.

Internal accounting controls for the County have been designed to provide reasonable 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 a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

Chapter 218.39 of the Florida Statutes requires an annual financial audit of counties in the state. In addition to meeting the requirements set forth in the state statutes, the County's audit was designed to meet the requirements of the Government Auditing Standards, 2 CFR 200--Federal Uniform Grant Guidance (single audit), and the Rules of the Auditor General Chapter 10.550.

The County's financial statements were audited by CliftonLarsonAllen, LLP. The audit was performed to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2019, are free from material misstatement. The independent auditors concluded there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with generally accepted accounting principles (GAAP). The Independent Auditors' Report is located at the front of the Financial Section of this report on page B-1. The independent auditors' reports related specifically to Government Auditing Standards and the single audit are included in the Compliance Section.

Management's Discussion & Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements and begins on page C-1. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

A-1

The mission of the Clerk of Courts & Comptroller is to function as a team dedicated to our customers by preparing and maintaining accurate records, furnishing assistance in an understanding and compassionate manner, and providing services with competence, professionalism, and courtesy in compliance with laws, rules and regulations.

COUNTY PROFILE

Polk County, Florida, is a political subdivision of the State of Florida. On November 3, 1998, the citizens of Polk County adopted a Home Rule Charter in accordance with the Constitution and Statutes of the State of Florida. The Home Rule Charter assumed all powers and duties on the first day of January 1999. The Home Rule Charter sets forth a “commission” form of government under which a five member Board of County Commissioners is elected to serve as the executive and legislative body for the County.

The Commissioners appoint a County Manager whose duties include the administration of directives and policies of the Commissioners, responsibility for the operation of all business centers and the provision of services under the purview of the Commissioners. The citizens of the County also elect a Sheriff, a Clerk of the Circuit Court and County Comptroller, a Supervisor of Elections, a Tax Collector and a Property Appraiser whose responsibilities and duties are not altered by this Home Rule Charter. The Constitutional Officers perform their executive and administrative functions as specified by law.

Formal budgetary integration is employed as a management control device during the year for all fund types. The Constitutional Officers submit, at various times, to the Board and to certain divisions within the State of Florida Department of Revenue, 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 as set forth in Chapter 129 of the Florida Statutes.

Constitutional Officers and all divisions of the Board of County Commissioners submit their proposed budgets to the Budget and Management Services Division for assistance, review and compilation. The County Manager then reviews the budgets of all County divisions and Constitutional Officers and makes his budget recommendation to the Board of County Commissioners in July of each year. The tentative budget includes proposed appropriations and the means of financing them.

During September, public hearings are held pursuant to Section 200.065, Florida Statutes, in order for the Board to receive public input on the tentative budget. At the end of the last public hearing, the Board adopts resolutions, at the fund level, to approve the budgets for all governmental fund types. The budgets legally adopted by the Board set forth the anticipated revenues by source and the appropriations by function. Budgets for enterprise and internal service funds are adopted on a basis consistent with generally accepted accounting principles. Computerized integrated budget reports are used for management control purposes throughout the year. Management is authorized to transfer budgeted amounts between cost centers and divisions in any fund as long as the total appropriations of a fund are not exceeded. Board approval is required to appropriate reserves and to amend the budget when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund. The appropriations lapse at the close of the fiscal year.

Polk County is the geographical center of the State of Florida and is the fourth largest county and the ninth most populous county in the state. The County is comprised of seventeen municipalities, of which Lakeland is the largest. Polk County also has numerous institutions of higher education including technical schools, community colleges, and public and private universities. One of these, Florida Polytechnic University, which opened in August 2014, is Florida’s only public university dedicated to science, technology, engineering and mathematics (STEM) and is one of the largest development projects in Polk County’s history. In addition to being a new top engineering school, Florida Polytechnic University is also known for its Santiago Calatrava designed architecture.

Polk County offers many services to its citizens including fire suppression, law enforcement and emergency medical activities; construction and maintenance of street and traffic systems, highways, bridges and other infrastructure; preservation and maintenance of lakes, parks and environmentally sensitive lands; recreational facilities, programs and cultural activities; comprehensive planning and community development; community information and education programs; health and human services; water and wastewater utilities; solid waste collection and disposal facilities; and storm water utility facilities.

LOCAL ECONOMY

The local economy has been steadily improving for the past several years. Taxable values have increased every year since 2014, and increased by 9.2 percent in FYE 2019. In FYE 2014, the County experienced record tourism tax collections which have continued to increase each year and increased by 4.2 percent in FYE 2019. In addition, sales tax revenues increased by 8.5 percent, state revenue sharing by 6.1 percent and gas tax revenues by 5.2 percent in 2019.

The largest employers in the County by industry are trade, transportation and utilities (25.3 percent), education and health services (14.9 percent), professional and business services (12.7 percent) and government (12.7 percent). The unemployment rate at the end of FYE 2018 and FYE 2019 was 3.5 percent, but remains higher than the state average of 3.0 percent in FYE 2019.

While Polk County's economy is still heavily based in citrus and agriculture, the economy has diversified in recent years. Healthcare, manufacturing and professional services are growing industries and tourism is one of the largest industries thanks to a well-executed long-term plan that focuses on both driving demand and developing new supply. Major attractions such as LEGOLAND Florida, Streamsong Resort – boasting three of the nation's top 15 golf courses; historic Bok Tower Gardens, Safari Wilderness and the County's close proximity to other Central Florida attractions such as Walt Disney World have played a major role, as well. Attracting leisure travelers is Polk's number one priority followed closely by driving demand from the state's number two industry, sports. Recruiting and hosting more than 270 sporting events has proven to be a powerful recession resistant economic engine for the area. Polk County is also headquarters for the Detroit Tigers Spring Training, the Lakeland Flying Tigers, the Orlando Magic's G-League affiliate – the Lakeland Magic, two professional soccer teams, the annual Sun 'n Fun International Fly-In and Expo and the Miss Florida Pageant. Additionally, Polk County has the second largest water area for a non-coastal county in Florida with 213 miles of lakes, rivers and streams, and is known worldwide as the "Water Ski Capital of the World." The County's natural resources and abundant wildlife are second to none, particularly at locations such as the Circle B Bar Reserve and the delicate ecosystems on the Lake Wales Ridge. They all provide a unique opportunity to see the real Florida and enjoy a welcome respite from the hustle and bustle of the I-4 corridor.

A relatively low cost of living, attractive tax rates, local and state incentive programs, and location make Polk County the best place for business in Florida. The County is less than an hour away from Florida's largest cargo tonnage port in Tampa, and has more rail miles than any other community in the state. Polk County is the only southeast location with two international airports (Tampa and Orlando) within an hour's drive, and is also home to four general aviation airports. The CSX Integrated Logistics Center recently opened in the region and is a critical point of connection throughout the state. Due to these logistical advantages and large parcels of available land, Polk County has become the epicenter of e-commerce distribution in Florida. However, the real testament to Polk's reputation as a welcoming business and tourist destination is evident by the Fortune 500 and major corporations who call Polk County home, or have located major operations here, including: Publix, Amazon, DHL, UPS, Walmart, Ford, State Farm, Geico, and Lockheed Martin. Additionally, NUCOR, the largest steel company in the U.S., is in the process of constructing a \$240 million steel plant on approximately 440 acres in Frostproof and expects to employ 235 workers with entry-level jobs positions paying \$60,000 per year.

LONG-TERM FINANCIAL PLANNING

Polk County is focused on strategic, long-term decision making and committed to fiscal responsibility, and has developed a strategic business plan that will provide the framework to guide the County in this direction. This plan focuses on several key business units that required policy decisions on significant funding and service level issues that are anticipated to occur in the next five years. The work on this plan will help direct the budget process in future years. The County prepares a biennial budget and five-year projections to enhance long term financial planning.

RELEVANT FINANCIAL POLICIES

Fund Balance Policy

The County's budgetary goal is to maintain a fund balance in the General Fund of 60 days or 16 percent of the operating budget for adequate cash flow and emergency purposes. The Enterprise Funds are budgeted to maintain a minimum of 30 to 60 days of operating expenditures plus debt service requirements. During times of economic recession, it may not be practical to maintain these levels but, in those instances, the County's goal is to restore these levels as funds can be made available.

Community Investment Program Policy

Polk County has a Capital Improvement Program that is a five-year plan for capital/infrastructure projects. The program identifies anticipated projects, schedules, costs, revenue sources, comprehensive plan information, and future operating impacts and presents the proposed projects to the Board in August for discussion and input before requesting approval in September.

INITIATIVES

Several years ago, input received from citizens helped to establish seven result areas that captured what citizens expect from government. These result areas continue to help guide the budget process as the County focuses on providing the desired services for citizens. In addition, the Polk County Board of County Commissioners holds an annual retreat to discuss major issues and give direction on key strategic items. The Board has maintained a consistent, long-standing conservative fiscal policy of maintaining millage rates and allowing recovering property values and new growth to gradually increase investments in public safety, infrastructure projects and improved quality of life for our citizens. For FYE 2019, the Board approved two new millage rates totaling 0.3750 mills to fund Emergency Medical Service needs (0.2500 Mills) and the construction of a new government center (0.1250 mills). Even with these new millage rates, the total countywide millage rate is 7.1565 mills, which is still lower than the countywide millage rate in 2006 which was 8.7270 mills.

Each year, the budget decisions are guided by Board policy with funding being directed towards the Board's highest priority goals. For several years, these goals have been focused in the Safety Result Area and the Growth and Infrastructure Result Area. The following highlights the result areas and some of the accomplishments:

Basic Needs – All Polk County residents who are at-risk because of their health or economic status will have their basic needs met, and become as self-sufficient as possible.

- One of the Board's priorities is the improvement of behavioral health services for the indigent population. Polk County is a federally-designated medical provider shortage area, which includes

behavioral health. The Board has increased behavioral health funding beyond existing programs and state mandated mental health and substance abuse requirements based on recommendations from the Citizens Healthcare Oversight Committee since FYE 2018.

- Veteran Service Officers saw over 10,000 clients during FYE 2019, an increase of over 5,700 from the previous year. In order to meet this growing need, three additional locations in Davenport, Lakeland, and Lake Wales were established at which veterans can receive services and an additional Veteran Services Officer was hired to ease the burden of wait times.
- Polk County's Helping HANDS (Healthcare: Access, Navigation, Delivery, and Support) program, barely a year into its existence, received a State and a National award for how it has helped recently released inmates access important medications after leaving jail. The awards were received from the Florida Association of Counties and from the National Association of Counties.

Economic Development – Well-paying jobs and business opportunities will be available in Polk County and people will be appropriately trained and educated to take advantage of them.

- The County has focused on attracting businesses to Polk County. The County offers incentives through four programs: Ad Valorem Tax Exemptions (AVTE), Impact Fee Mitigation, Business Incentive and Florida State Incentives. To date, 33 companies have received tax exemptions from the Board of County Commissioners creating an estimated 1,940 incentivized jobs while investing \$1 billion in capital.
- This was a big year for Tourism and Sports Marketing with the completion of renovations to the RP Funding Center, home of the Lakeland Magic Basketball; and the construction of a new Winter Haven Fieldhouse and Conference Center. In addition, Lakeland and Auburndale now have professional soccer with the Florida Tropics playing indoor soccer at the Lakeland Center and outdoor soccer at the Lake Myrtle Sports Park in Auburndale.

Recreation and Cultural Arts – Polk County offers safe, plentiful and diverse recreation and cultural arts opportunities.

- Additional property tax revenue received from the Parks MSTU continues to provide funding needed to support the master plan ideas identified in the strategic plan such as replacing and repurposing existing park facilities.
- The Polk County History Center achieved accreditation from the American Alliance of Museums, the highest national recognition afforded to museums. The History Center is one of only 15 accredited museums in Florida and one of only 1,078 in the nation.

Good Government – Citizens can trust that government is well run and is a good steward of their tax dollars.

- The County continues to provide recurring funding for building asset management to ensure that County facilities can be maintained, as this was an area that received minimal funding during the recession.
- County employees continue to work with the State and the Federal Emergency Management Agency (FEMA) to receive reimbursement for costs resulting from Hurricane Irma in 2017. By the end of FY 2019, the County had received approximately \$20.0 million from the State and Federal Governments.

- Additional regulations and laws went into effect at the beginning of 2018 significantly expanding the requirements for websites to provide ADA accessibility. These new requirements will challenge the County to continue to provide an open and transparent government that is accessible by all citizens, regardless of handicap or limitation. Staff will be redesigning the seven websites maintained by IT before the end of 2019 to meet the new ADA requirements.
- Strategic Plans were created for each division over the last three years. These plans which include a mission, vision, values, goals, strategies, objectives, metrics and indicators, will be updated on a regular basis and serve as a work plan for each division and the County as a whole.

Natural Resources and Environment – Polk County will have clean and plentiful natural resources for a healthy environment.

- The Board established a Stormwater Technical Advisory Committee to assist in managing the permit requirements of a National Pollutant Discharge Elimination System reissued in 2016. The projected revenue (\$1.9 million) generated in conjunction with various partnerships across the County should prove to be adequate in maintaining the future of the Water Resources Program.
- Many of our environmental lands were impacted by Hurricane Irma in 2017, including Circle B Bar Reserves. The high winds and flooding from the hurricane eroded and shut down one of the most popular trails, Alligator Alley. It took approximately a year and four months of work to obtain funding and repair the trail, which was re-opened in January 2019.

Growth/Infrastructure – Polk County will grow in a manner and pace that County residents find desirable and allows them to move around the County safely and without excessive congestion.

- The County increased funding for pavement management, drainage/culverts, and sidewalks from \$15.0 million to \$18.0 million which will help maintain the 2,695 miles of roads and right of way. The County also added several high priority CIP projects to their work list including pavement management (\$90.0 million), CR557 widening (\$88.0 million), Pipkin Road widening (\$51.0 million), Marigold widening (\$28.6 million), Lake Wilson widening (\$25.0 million), and Cypress Parkway (\$22.0 million).
- Single family residences permitted totaled 3,024 representing a 17.0 percent increase over FYE 2018.
- Utilities continues to add approximately 100 new services per month, producing roughly a 2.5 percent to 3.0 percent system growth rate. Growth is expected to continue at a rate between 2.0 percent and 5.0 percent in the coming years which is fueled primarily by the Northeast Utility Service Area.
- Polk County is a founding member of the Polk Regional Water Cooperative, an agency created with the Southwest Florida Water Management District and fifteen of the municipalities within Polk County. The cooperative has identified three alternative water supply projects and will begin conceptual designs of these facilities.

Safety – People will feel safe from crime, fire, and the effects of natural disasters.

- The Board approved additional countywide millage rate and established the Emergency Medical Millage Fund in FYE 2019 to fund critically needed investments for medical services as the population and number of 9-1-1 medical calls continue to increase. The estimated revenue in FYE 2019 was approximately \$8.1 million. This funding source is included in a 10-year plan to utilize an additional 0.2500 mill levy for emergency medical service investments in stations, ambulance and staffing.
- The Fire Rescue Division received its first ambulance accreditation from the Commission on Accreditation of Ambulance Services. The accreditation recognizes Emergency Medical Services agencies that follow best practices, increase their organizational performance and efficiency, and increase clinical quality and decrease risk and liability.
- A new Mulberry Fire Station opened in FYE 2019, replacing a small outdated facility.

AWARDS AND ACKNOWLEDGEMENTS


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County, Florida, for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. In order to be awarded a Certificate of Achievement, a government must go beyond the minimum requirements of GAAP and prepare a CAFR that evidences the spirit of transparency and full disclosure.

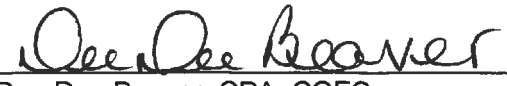
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We are very proud that Polk County has been the recipient of this award for the last 39 consecutive years – a record that only one other county in Florida exceeds.

A comprehensive annual financial report of this nature could not have been prepared on a timely basis without the dedicated efforts of all staff members concerned. We would like to thank the entire staff of the Comptroller Division of the Clerk of the Circuit Court and County Comptroller of Polk County for their invaluable assistance in the preparation of this report. We would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and dedicated support in planning and conducting the financial operations of the County in a responsible and progressive manner. We would also like to recognize our auditors, CliftonLarsonAllen, LLP, for their continuing support in helping us achieve the Certificate of Achievement for Excellence in Financial Reporting.

Sincerely,


Stacy M. Butterfield, CPA
Clerk of the Circuit Court and
County Comptroller


Dee Dee Beaver, CPA, CGFO
Director, Comptroller Division

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Polk County
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

**POLK COUNTY, FLORIDA
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2019**

BOARD OF COUNTY COMMISSIONERS

Rick Wilson, District 2
Martha Santiago, District 4
John E. Hall, District 5
George M. Lindsey III, District 1
Bill Braswell, District 3

Member
Member
Vice Chair
Chairman
Member

CLERK OF THE CIRCUIT COURT

Stacy M. Butterfield

PROPERTY APPRAISER

Marsha Faux

SHERIFF

Grady Judd

SUPERVISOR OF ELECTIONS

Lori Edwards

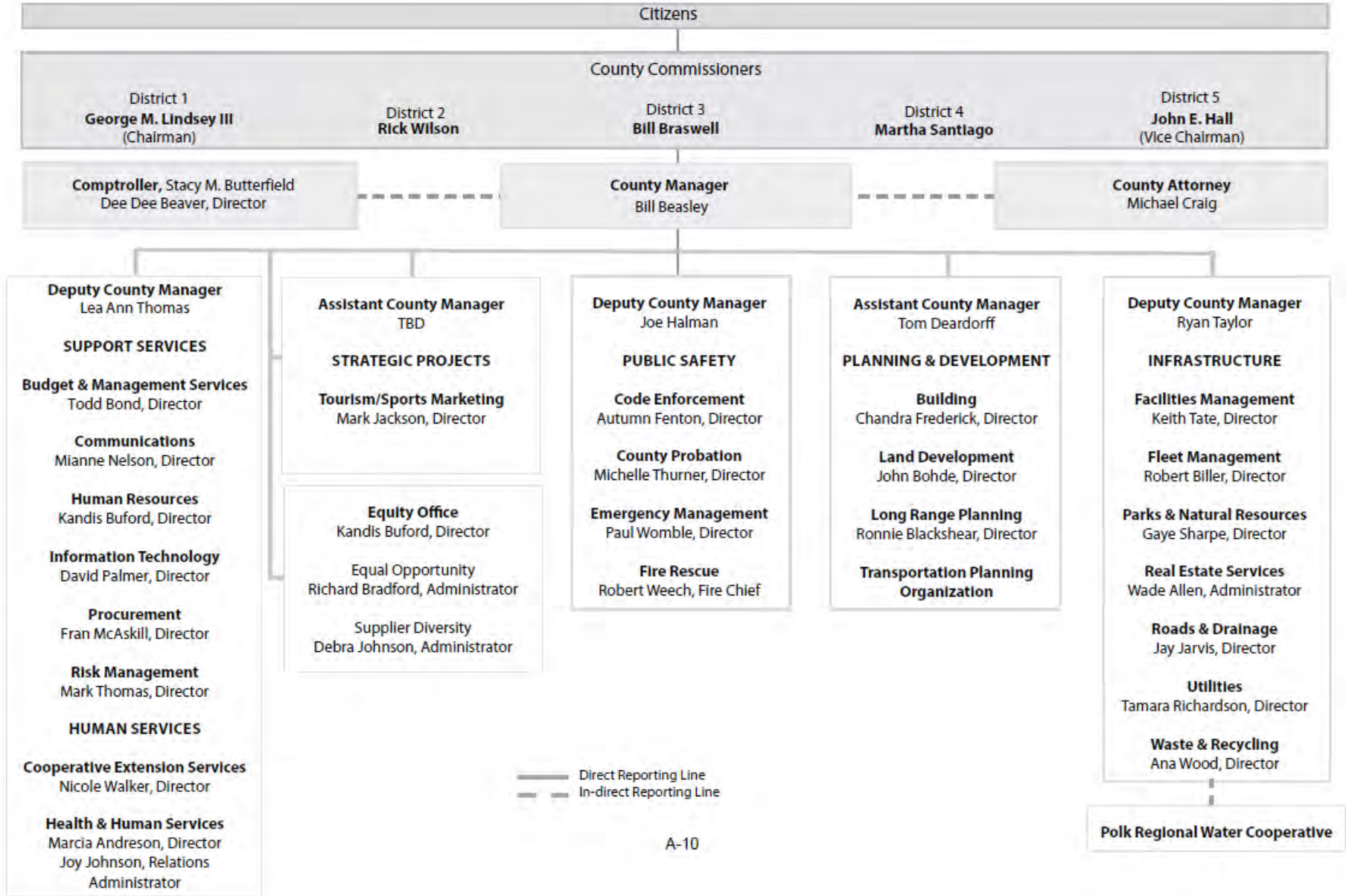
TAX COLLECTOR

Joe G. Tedder

COUNTY MANAGER

Bill Beasley

**POLK COUNTY, FLORIDA
ORGANIZATIONAL CHART
SEPTEMBER 30, 2019**



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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tax Collector, Polk County, Florida, which represents 1.79% and 5.16%, respectively, of the assets and revenues of the general fund, and 0.53% and 2.67%, respectively, of assets and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tax Collector, Polk County, Florida, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Auditors' Responsibility (Continued)

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, 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 budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Harden/Parkway Community Redevelopment Agency Fund, Polk Commerce Centre Community Redevelopment Agency Fund, and the Eloise Community Redevelopment Agency Fund of the County as of September 30, 2019, and the respective changes in financial position and budgetary comparison thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and the schedule of changes to the County's total OPEB liability, schedules of the County's proportionate share of the net pension liability and of its contributions – pension plans on pages C-1 to C-16 and F-1 to F-5 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 nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *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 nonmajor fund financial statements 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
March 27, 2020

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Management's Discussion and Analysis

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

Polk County's discussion and analysis provides a narrative overview and easily readable analysis of the County's financial activities. The analysis provides a summary of financial information for the County and should be read in conjunction with the transmittal letter and the County's financial statements.

FINANCIAL HIGHLIGHTS

- Total net position at the end of the fiscal year was \$3,686.7 million, an increase of \$89.8 million with \$16.8 million related to governmental activities and \$73.0 million to business-type activities.
- Total assets and deferred outflows were \$4,869.8 million resulting in a total increase of \$84.3 million, an increase of \$24.1 million in governmental activities and an increase of \$60.2 million in business-type activities.
- Total liabilities and deferred inflows were \$1,183.1 million, a decrease of \$5.3 million, as a result of a \$7.4 million increase in governmental activities and a \$12.7 million decrease in business-type activities.
- Polk County's combined ending fund balance for governmental funds was \$469.6 million, an increase of \$102.6 million over the prior year ending fund balance with \$241.3 million of the fund balance restricted and \$74.4 million unassigned in the various governmental fund types of the County.
- At the end of the current fiscal year, the fund balance for the general fund was \$104.8 million, an increase of \$35.5 million over the prior year. Of this amount, \$74.5 million was unassigned and \$4.8 million was restricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements comprise three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. This report also contains the statistical section, single audit and other supplementary information in addition to the basic financial statements themselves. The government-wide financial statements present an overall picture of the County's financial position and results of operations. The fund financial statements present financial information for the County's various funds. The notes to the financial statements provide additional information that is not disclosed in the government-wide or fund financial statements.

The government-wide financial statements are the statement of net position and the statement of activities. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by property taxes, charges for services, fuel taxes, sales taxes, services taxes, and grants. Business-type activities are supported by charges to the users of those activities, such as water and sewer service charges and landfill tipping fees.

The government-wide financial statements include not only Polk County itself (known as the primary government) but also the legally separate component units for which Polk County is financially accountable. These component units are detailed in the notes to the financial statements.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

The statement of net position presents information on all assets, deferred outflows, liabilities, and deferred inflows of the County, with the difference between assets plus deferred outflows and liabilities plus deferred inflows reported as net position. Net position is reported in three categories: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Assets, deferred outflows, liabilities, deferred inflows and net position are reported for all governmental activities separate from the assets, deferred outflows, liabilities, deferred inflows and net position of business-type activities. It is not uncommon, particularly in the governmental activities column, to see an unrestricted net position deficit. For example, this may occur when governments have long-term liabilities that they fund on a pay-as-you-go basis, rather than accumulating resources in advance or issue debt to build capital assets for another government.

The statement of activities reflects the expenses of a given function or program, which are offset by program revenues providing the net cost of all functions of the County. General revenues are presented following the total net expense of the functions or programs. To assist in understanding the County's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation and debt service. Business-type activities financed by user charges include water and sewer services, garbage collection/disposal and a nursing home.

Fund financial statements present financial information for governmental funds, proprietary funds, and fiduciary funds. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The proprietary funds financial statement provides information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. The fiduciary fund statement provides information concerning assets held in trust by the County on behalf of others.

Fund financial statements include a *balance sheet* and a *statement of revenues, expenditures, and changes in fund balances – budget and actual* for all governmental funds. For the proprietary funds, which include internal service funds in addition to business-type activities, a *statement of net position*, a *statement of revenues, expenses, and changes in fund net position* and a *statement of cash flows* are presented. A *statement of fiduciary assets and liabilities* is presented for the County's agency funds. Fund financial statements provide more detailed information about the County's activities. Individual funds are established by the County to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The government-wide financial statements and the fund financial statements provide different pictures of the County. The government-wide financial statements provide an overall picture of the County's financial standing; divided into governmental activities and business-type activities. These statements are comparable to private-sector companies and provide a good understanding of the County's overall financial status and how the County paid for the various activities, or functions, provided by the County. Assets of the County, including buildings, land, roads, bridges, and traffic signals are reported in the statement of net position. All liabilities, including principal outstanding on bonds and future employee benefits obligated but not paid by the County, are included. The statement of activities includes depreciation on all long-lived assets of the County, but transactions between the different functions of the County have been eliminated in order to avoid duplication of the revenues and expenses. The fund financial statements provide a picture of the major funds of the County and all non-major funds. In the case of governmental activities, outlays for long-lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. A

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

reconciliation has been included to provide a link from the fund financial statements to the government-wide financial statements.

Notes to the financial statements provide additional detail concerning the financial activities and financial activities of the County. Additional information regarding the accounting practices of the County, investments of the County, capital assets, and long-term debt are some of the items included in the notes to the financial statements.

The statistical section has been prepared in accordance with Governmental Accounting Standards Board Statement No. 44. This section contains selected data regarding financial trends, revenue capacity, debt capacity, demographic and economic conditions, and operating indicators of the County.

The single audit compliance section lists the expenditures of federal awards and state financial assistance during the fiscal year and presents grant compliance information and auditor reports.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following schedule provides a summary of assets, liabilities, deferred inflows and outflows, and net position of the County for fiscal years 2019 and 2018:

**Net Position
September 30, 2019 and 2018
(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 590.8	\$ 502.7	\$ 304.0	\$ 286.0	\$ 894.8	\$ 788.7
Capital Assets	3,213.3	3,261.1	606.8	564.0	3,820.1	3,825.1
Total Assets	3,804.1	3,763.8	910.8	850.0	4,714.9	4,613.8
Deferred outflows of resources	148.7	164.9	6.2	6.7	154.9	171.6
Other Liabilities	103.7	97.1	24.5	26.6	128.2	123.7
Noncurrent Liabilities	733.9	755.4	245.9	257.2	979.8	1,012.6
Total Liabilities	837.6	852.5	270.4	283.8	1,108.0	1,136.3
Deferred inflows of resources	71.8	49.5	3.3	2.6	75.1	52.1
Net Investment in Capital Assets	3,076.2	3,114.7	429.1	377.2	3,505.3	3,491.9
Restricted	241.4	191.4	30.6	36.7	272.0	228.1
Unrestricted	(274.2)	(279.5)	183.6	156.4	(90.6)	(123.1)
Total Net Position	\$ 3,043.4	\$ 3,026.6	\$ 643.3	\$ 570.3	\$ 3,686.7	\$ 3,596.9

Polk County's net investment in capital assets, such as land, roads, parks, buildings, machinery and equipment as a percentage of net position was 95.1 percent in 2019 and 97.1 percent in 2018. These asset values are presented less any outstanding debt related to the acquisition and including accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens. Consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the capital assets cannot be used to liquidate that liability and, therefore, other resources will be needed to repay any associated debt.

The County's unrestricted net position increased \$32.5 million and restricted net position increased \$43.9 million in 2019. Unrestricted net position represents County resources that may be used for any purpose while restricted net position represents resources that are constrained for a particular purpose.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

The schedule below provides a summary of the changes in net position for fiscal years 2019 and 2018.

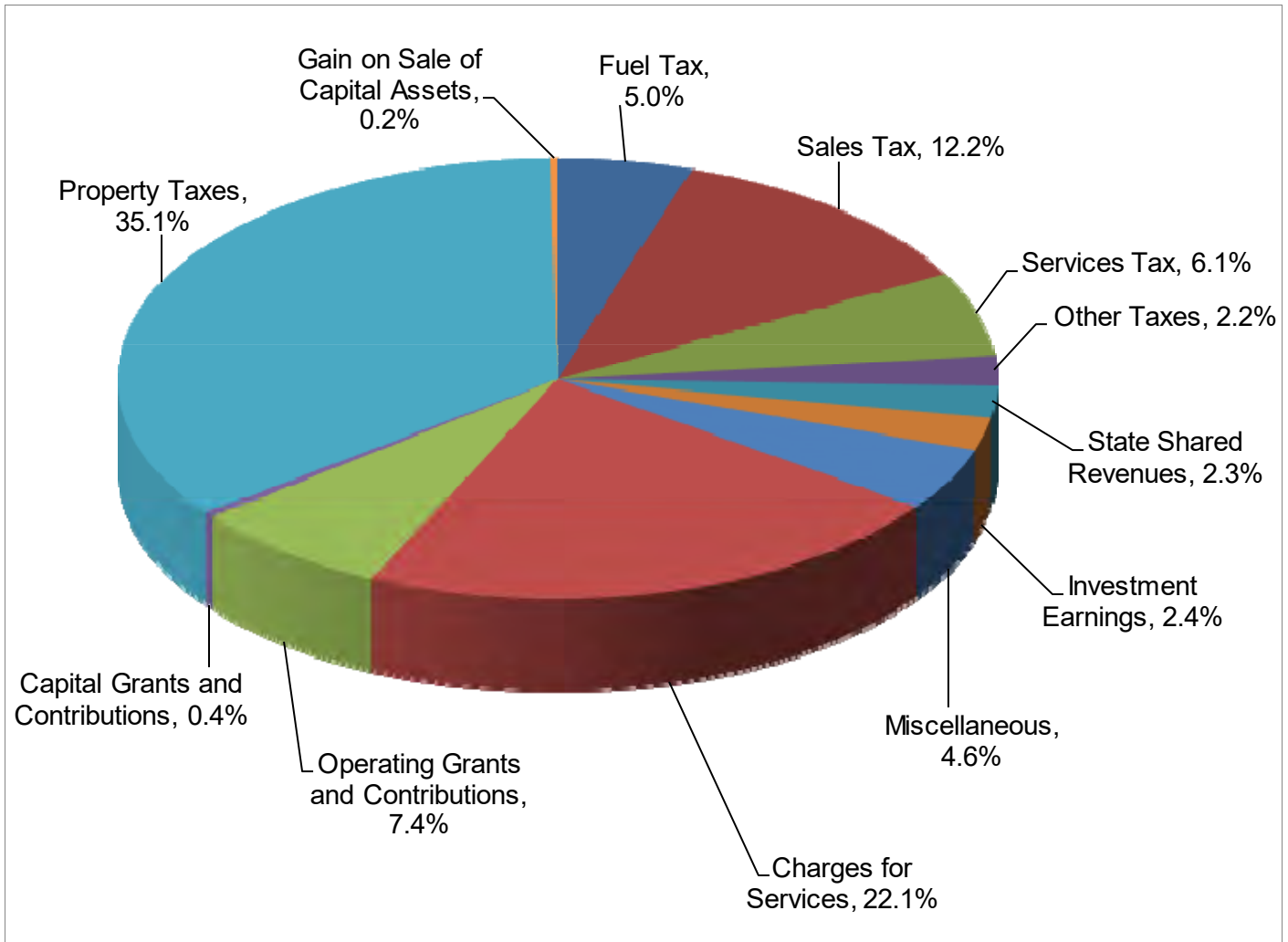
**Change in Net Position
Years Ended September 30, 2019 and 2018
(In Millions)**

	Governmental Activities		Business-Type Activities		Total Government	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for Services	\$ 160.8	\$ 153.8	\$ 135.3	\$ 129.3	\$ 296.1	\$ 283.1
Operating Grants and Contributions	53.5	14.5	-	-	53.5	14.5
Capital Grants and Contributions	3.1	2.0	12.2	3.0	15.3	5.0
General Revenues:						
Property Taxes	255.5	222.9	-	-	255.5	222.9
Fuel Tax	36.3	34.4	-	-	36.3	34.4
Sales Tax	89.1	82.1	-	-	89.1	82.1
Services Tax	44.6	42.5	-	-	44.6	42.5
Other Taxes	15.9	15.4	-	-	15.9	15.4
State Shared Revenues	16.5	15.6	-	-	16.5	15.6
Investment Earnings	17.4	11.8	8.4	7.9	25.8	19.7
Net Change in Fair Value of Investments	3.9	(5.9)	2.2	(4.2)	6.1	(10.1)
Gain on Sale of Capital Assets	1.1	0.9	-	-	1.1	0.9
Miscellaneous	33.8	10.6	3.6	3.7	37.4	14.3
Total Revenues	<u>731.5</u>	<u>600.6</u>	<u>161.7</u>	<u>139.7</u>	<u>893.2</u>	<u>740.3</u>
EXPENSES						
General Government	135.7	128.4	-	-	135.7	128.4
Public Safety	335.5	284.7	-	-	335.5	284.7
Physical Environment	7.8	7.2	-	-	7.8	7.2
Transportation	117.0	123.3	-	-	117.0	123.3
Economic Environment	16.8	14.1	-	-	16.8	14.1
Human Services	64.8	57.1	-	-	64.8	57.1
Culture/Recreation	17.9	16.6	-	-	17.9	16.6
Interest on Long-Term Debt	6.7	6.8	-	-	6.7	6.8
Water and Sewer	-	-	63.6	62.3	63.6	62.3
Garbage Collection/Disposal	-	-	33.0	58.1	33.0	58.1
Nursing Home	-	-	4.6	6.0	4.6	6.0
Total Expenses	<u>702.2</u>	<u>638.2</u>	<u>101.2</u>	<u>126.4</u>	<u>803.4</u>	<u>764.6</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES						
	29.3	(37.6)	60.5	13.3	89.8	(24.3)
Transfers In/Transfers (Out)	<u>(12.5)</u>	<u>8.2</u>	<u>12.5</u>	<u>(8.2)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	16.8	(29.4)	73.0	5.1	89.8	(24.3)
Net Position - Beginning of Year,	<u>3,026.6</u>	<u>3,088.6</u>	<u>570.3</u>	<u>567.5</u>	<u>3,596.9</u>	<u>3,656.1</u>
Restatement Due to GASB No. 75	-	(32.6)	-	(2.3)	-	(34.9)
Net Position - Beginning of Year, As Restated	-	3,056.0	-	565.2	-	3,621.2
NET POSITION - END OF YEAR	<u>\$ 3,043.4</u>	<u>\$ 3,026.6</u>	<u>\$ 643.3</u>	<u>\$ 570.3</u>	<u>\$ 3,686.7</u>	<u>\$ 3,596.9</u>

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

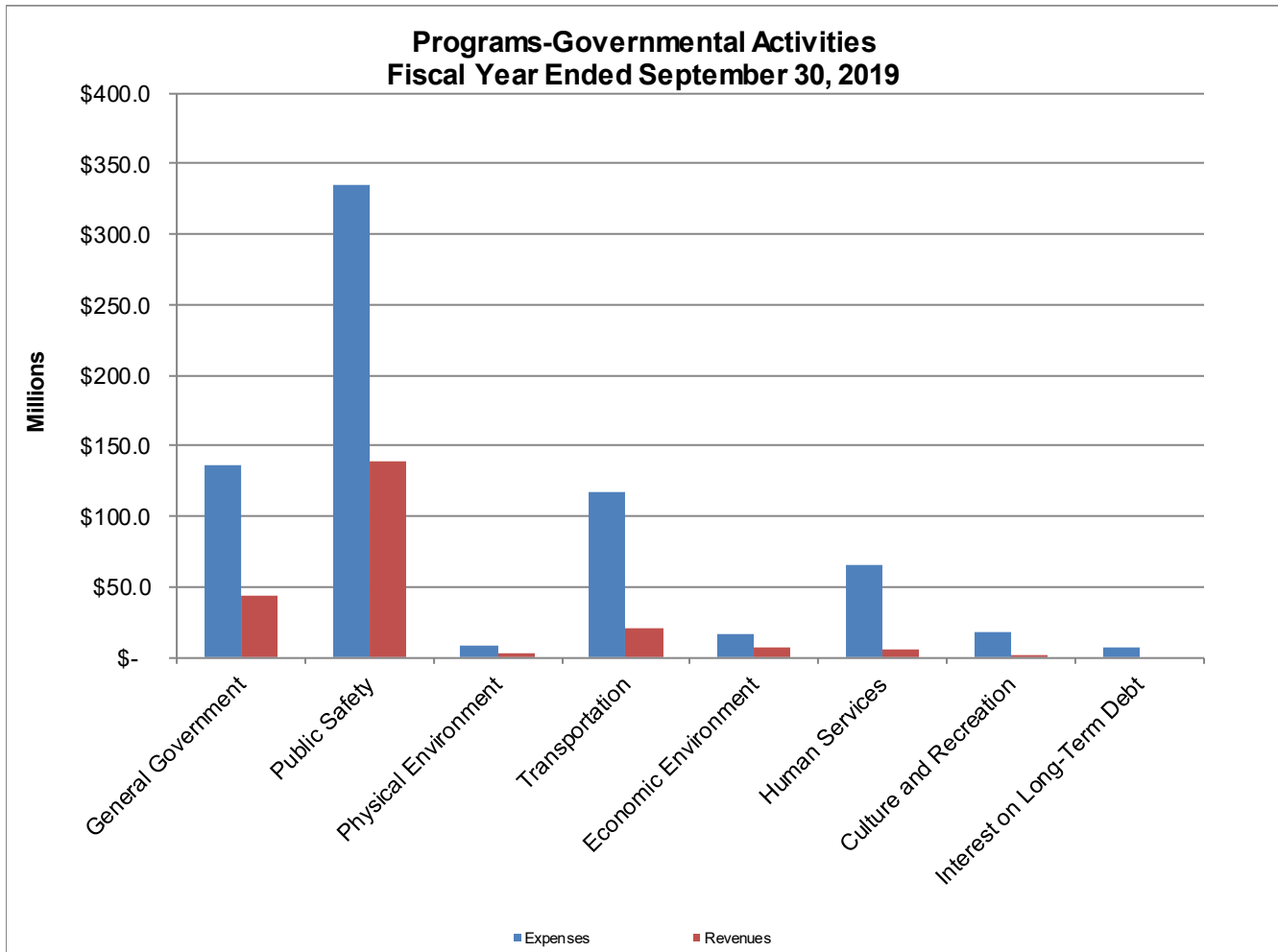
The following chart depicts revenues of the governmental activities for the fiscal year, excluding transfers and net change in fair market value of investments.

**Revenues-Governmental Activities
Fiscal Year Ended September 30, 2019**



**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

The following chart depicts governmental activities expenses compared to the program revenues which funded those activities for the fiscal year. The amounts not funded by program revenues were funded by general revenues (e.g., property taxes, etc.).



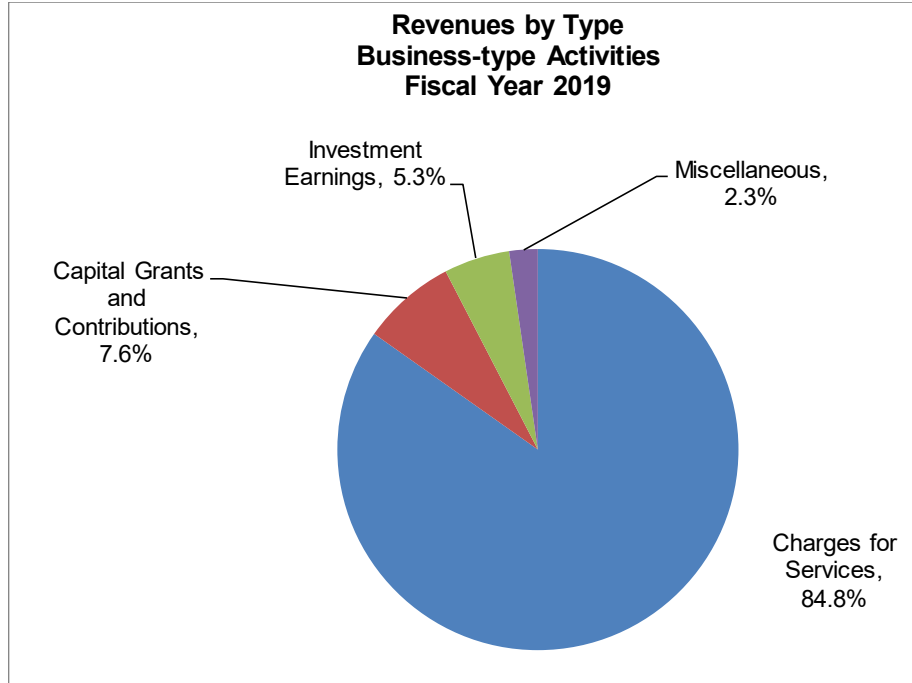
**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

Governmental activities. Governmental activities resulted in a \$16.8 million increase in net position as the result of current fiscal year activities.

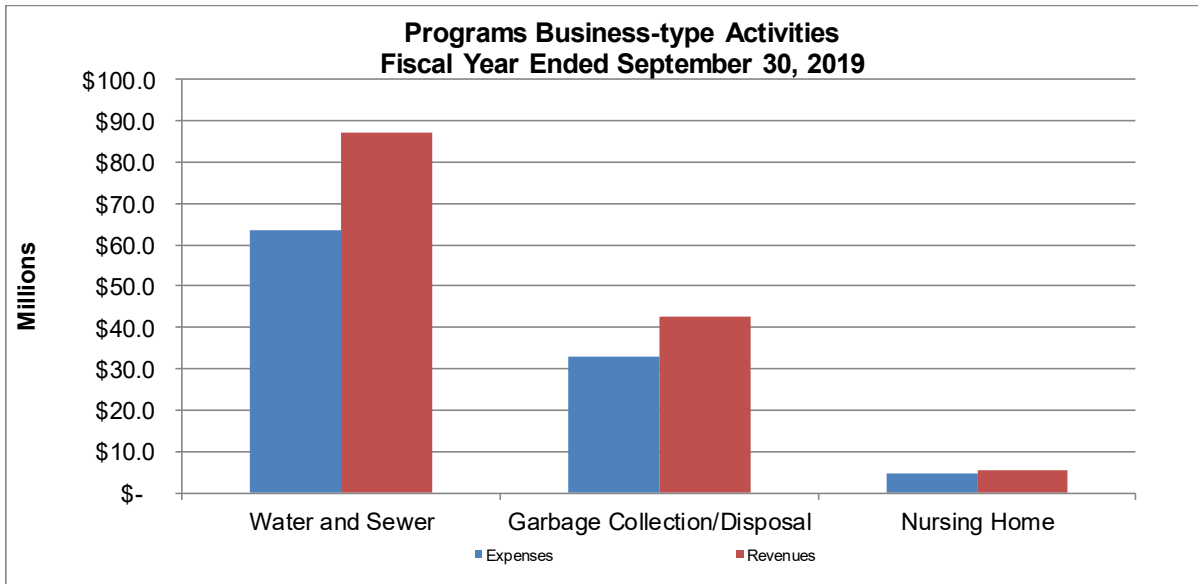
- Overall, revenues related to governmental activities increased by \$130.9 million or 21.8 percent.
- Operating grants and contributions increased \$39.0 million or 269.0 percent primarily due to disaster relief funding from The Federal Emergency Management Agency (FEMA) for Hurricane Irma.
- Property taxes increased \$32.6 million or 14.6 percent due to growth and increases in the millage rate and taxable values.
- Sales tax revenues increased \$7.0 million or 8.5 percent due to a growing economy and an increase in tourism.
- Miscellaneous revenues increased by \$23.2 million which is primarily attributable to a \$9.1 million increase in contributed capital assets and donations, a \$4.8 million reimbursement from the State for amounts overbilled in prior years, an increase in other contributions and donations of \$3.7 million and a \$2.4 million increase in rebates.
- Tourism tax revenues increased by \$0.6 million or 4.2 percent as a result of the County's long-term plan that focuses on both driving demand and developing new supply. Major attractions such as LEGOLAND, Streamsong Resort, and Bok Tower Gardens as well as the County's close proximity to other Central Florida attractions such as Walt Disney World have also played a significant role.
- The net change in the fair value of investments was a positive \$3.9 million in 2019 and a negative \$5.9 million in 2018 while investment earnings increased by \$5.6 million or 47.5 percent as a result of market conditions and portfolio composition.
- In total, expenses in governmental activities increased by \$64.0 million or 10.0 percent.
- General government expenses increased \$7.3 million or 5.7 percent. Employee health insurance claim expense increased by \$3.3 million, and Community Redevelopment Area tax increment payments to municipalities increased by \$1.1 million.
- Public safety expenses increased by \$50.8 million or 17.8 percent primarily due to an increase in pension expense of \$23.1 million.
- Transportation expenses decreased \$6.3 million or 5.1 percent as a result of a decrease in road resurfacing projects.
- Human services expenses increased by \$7.7 million or 13.5 percent mainly due to an increase in expenses related to indigent healthcare.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

The following chart depicts revenues of the business-type activities for the fiscal year, excluding transfers and net change in fair market value of investments.



The following chart depicts business-type activities expenses compared to revenues.



**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

Business-type activities. Business-type activities resulted in a \$73.0 million increase in net position for the fiscal year.

- Overall, revenues for business-type activities increased by \$22.0 million or 15.7 percent.
- Charges for services increased \$6.0 million or 4.6 percent. There was an increase of \$7.2 million in Water and Sewer due an increase in water rates of 2.5 percent and growth while Garbage Collection/Disposal and the Nursing Home had small decreases of \$0.9 million and \$0.3 million, respectively.
- The net change in the fair value of investments was \$2.2 million in 2019 and negative \$4.2 million in 2018 while investment earnings increased \$0.5 million or 6.3 percent as a result of market conditions and portfolio composition.
- In total, expenses for business-type activities decreased \$25.2 million or 19.9 percent. Of this amount, \$25.1 million was in Garbage Collection/Disposal and is mainly attributable to increased expenses in 2018 related to debris collection after Hurricane Irma.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

FINANCIAL ANALYSIS OF FUNDS

Fund accounting is used to demonstrate and insure compliance with finance-related legal requirements.

Governmental Funds

Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. In assessing Polk County's financing requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The County's governmental fund types include the general, special revenue, debt service and capital project funds.

Polk County's governmental funds combined fund balance was \$469.6 million in 2019 as compared to \$367.0 million in 2018. These fund balances reflect an increase of \$102.5 million and \$48.4 million for 2019 and 2018, respectively.

**Major Fund Information
(In Millions)**

	General
<u>Fiscal Year 2019:</u>	
Revenues	\$ 369.6
Expenditures	(348.0)
Other Financing Sources (Uses)	13.8
Net Change in Fund Balances	\$ 35.4
 <u>Fiscal Year 2018:</u>	
Revenues	\$ 338.4
Expenditures	(329.8)
Other Financing Sources (Uses)	(3.7)
Net Change in Fund Balances	\$ 4.9

General Fund

The fund balance for the General Fund, the main operating fund of the County, increased by \$35.4 million in 2019.

- Total revenues increased \$31.2 million or 9.2 percent.
- Taxes increased by \$17.6 million or 8.1 percent primarily due to a \$15.7 million increase in property tax revenue as a result of growth and increases in the millage rate and taxable property values.
- Miscellaneous revenues increased by \$5.1 million or 77.3 percent largely due to a reimbursement from the State of \$4.8 million for overbillings in prior years.
- Intergovernmental revenues increased by \$3.8 million or 8.0 percent as a result of a \$2.5 million increase in sales tax and a \$1.0 million increase in state revenue sharing.
- Interest income increased by \$2.1 million or 77.8 percent and the net change in fair value of investments was \$1.0 million in 2019 compared to negative \$1.5 million in 2018 as a result of market conditions and portfolio composition.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

- Total expenses increased \$18.2 million or 5.5 percent.
- General government increased by \$1.3 million or 1.2 percent largely due to increases in salaries and benefits and were offset by small decreases in various other expenses.
- Public safety increased by \$16.2 million or 7.7 percent primarily due to increases in salaries and benefits for Emergency Management, Fire Services and the Sheriff in order to maintain competitive pay and appropriate staffing, and the replacement of the Emergency Management's old microwave radio system and supporting equipment as well as the construction of a new tower site.
- These changes, when combined with other financing sources of \$13.9 million in 2019, resulted in fund balance increasing to \$104.8 million as of September 30, 2019, compared to \$69.3 million in 2018.

Proprietary Funds

Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds and internal service funds.

Enterprise Funds

At September 30, 2019, total net position amounted to \$643.4 million for enterprise funds compared to \$570.3 million at September 30, 2018, an increase of \$73.1 million.

The Utilities Fund had operating income of \$39.1 million in 2019 and \$30.2 million in 2018. Operating revenues increased by \$7.2 million due to a 2.5 percent increase in water rates and growth while operating expenses decreased by \$1.6 million primarily due to a decrease in personnel services expenses related to a reduction in other post-employment expenses in 2019.

The Waste and Recycling Fund had an operating income of \$10.1 million in 2019 compared to an operating loss of \$14.0 million in 2018. Operating revenues decreased by \$1.0 million while operating expenses decreased by \$25.1 million. The change in operating expense was primarily due to a decrease in operations and maintenance expense of \$31.1 million as a result of the cost of debris removal in 2018 after Hurricane Irma and was partially offset by an increase in landfill closure and long-term care expense.

Operations of the Rohr Nursing Home Fund (nonmajor enterprise fund) resulted in an operating income of \$0.9 million in 2019 and an operating loss of \$0.2 million in 2018 primarily due to a \$1.4 million decrease in operating expenses offset by \$0.3 million decrease in operating revenue.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

Internal Service Funds

Internal service funds are designed to recover the costs of general services provided to the other fund groups.

The Fleet Fund operations resulted in an operating income in 2019 of \$0.7 million compared to an operating loss of \$1.4 million in fiscal year 2018 due to an increase of \$2.0 million in charges for services.

The Employee Health Insurance Fund operating income for 2019 was \$1.8 million compared to an operating loss of \$4.2 million in 2018 primarily due to an increase in charges for services. The County continues to review insurance needs as well as cost containment.

The Information Technology Fund had an operating income of \$0.2 million in 2019 compared to an operating loss of \$0.5 million in 2018 primarily due to a decrease in operating expenses of \$1.0 million.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget to actual statement is presented in the Basic Financial Statements. Variances between original and final budget amounts are due to excess revenue and unspent appropriations. Revenues were budgeted at 95.0 percent of the anticipated amount as required by State Statute.

The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$48.1 million. General Fund revenues were \$23.8 million more than the final budget amounts. The most significant areas of revenue overages were in the areas of taxes, miscellaneous revenue and intergovernmental. Furthermore, actual expenditures in the General Fund functional areas were \$20.2 million less than the final budget. Unspent appropriations represent 5.5 percent of the total expenditure budget.

CAPITAL ASSETS ACTIVITY

At year end, the County had \$3,820.0 million (net of accumulated depreciation) invested in a variety of capital assets as reflected in the following schedule. The net decrease in capital assets in 2019 as a result of additions, deletions, and depreciation/amortization was \$5.1 million. For more detailed information regarding capital asset activity see Note 6 in the Notes to Financial Statements.

**Capital Assets, Net of Accumulated Depreciation/Amortization
(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and Right-of-Way	\$ 925.5	\$ 927.7	\$ 17.2	\$ 14.5	\$ 942.7	\$ 942.2
Infrastructure	1,946.9	1,991.9	-	-	1,946.9	1,991.9
Building and Improvements	228.7	238.1	508.0	477.1	736.7	715.2
Equipment	74.8	67.9	5.9	5.0	80.7	72.9
Intangibles	5.0	3.2	2.0	1.6	7.0	4.8
Construction in Progress	32.4	32.3	73.6	65.8	106.0	98.1
Total	<u>\$ 3,213.3</u>	<u>\$ 3,261.1</u>	<u>\$ 606.7</u>	<u>\$ 564.0</u>	<u>\$ 3,820.0</u>	<u>\$ 3,825.1</u>

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

DEBT MANAGEMENT

At September 30, 2019, the County had \$433.4 million in long-term liabilities (bonds, notes, etc.) outstanding compared to \$448.8 million last year. For additional details see Notes 9 in the Notes to the Financial Statements.

**Long-Term Liabilities
(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds Payable	\$ 125.2	\$ 132.6	\$ 176.0	\$ 180.3	\$ 301.2	\$ 312.9
Note Payable	15.1	16.7	-	-	15.1	16.7
Interlocal Agreements	34.4	36.7	2.3	2.5	36.7	39.2
Closure and Long-Term Care	-	-	48.9	46.4	48.9	46.4
Compensated Absences	18.5	19.2	1.0	0.8	19.5	20.0
Self-Insurance Liability	11.6	13.2	-	-	11.6	13.2
Other Long-Term Liabilities	-	-	0.4	0.4	0.4	0.4
Total	\$ 204.8	\$ 218.4	\$ 228.6	\$ 230.4	\$ 433.4	\$ 448.8

The primary changes in long-term liabilities were decreases of \$11.7 million in bonds payable and \$2.5 million in interlocal agreements due to principal payments, and an increase of \$2.5 million in closure and long-term care. All other long-term liabilities had small decreases. All of Polk County's bonded debt represents bonds secured solely by specified revenue sources.

**POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- According to the U.S Bureau of Labor Statistics, the unemployment rate for Polk County in September 2019 and September 2018 was 3.5 percent. In contrast, the statewide and national annual averages in September 2019 were 3.0 and 3.5 percent, respectively. The last time that the County had an unemployment rate near its current rate was in June 2006.
- Service demands are growing as the County continues to urbanize. Polk County's April 2019 median population estimate from the University of Florida's Bureau of Economic and Business Research (BEBR) was 690,606 with forecasts suggesting the County will be home to an estimated 704,100 by 2020 and 817,000 by 2030. Polk County provides many services for its citizens, including fire suppression and ambulance services; building and maintaining parks, roads, sidewalks and trails; garbage and recycling collection; and water/wastewater utilities.
- County-wide budgeted property values increased 7.8 percent in FYE 2020 as compared to 8.4 percent in FYE 2019. However, even with this increase, property values have now only slightly exceeded the peak in FYE 2007. The County is currently in the process of developing a strategic business plan that will provide the framework to guide a long-term plan and to help with making difficult decisions for the future.
- The FYE 2020 budget continues to respond to the needs of citizens and includes property tax levies of 0.2500 mills dedicated to countywide emergency medical services and 0.1250 mills to fund construction of a new Northeast Government Center. More information can be found by accessing the County's website at www.polk-county.net and selecting "Government" and then "Budget and Management Services."
- On January 20, 2020 the first case of COVID-19 (otherwise known as the "coronavirus") was reported in the United States. Since that date, COVID-19 has spread to numerous states, counties and municipalities. In the weeks since the COVID-19 outbreak, the County has also experienced reported cases of COVID-19. On March 21, 2020, the County closed all County parks and natural resource facilities to the public. On March 23, 2020, all County facilities closed to public walk-in transactions, though internet-based transactions are still being accepted. Residential garbage collection will continue as scheduled, the landfill will remain open and critical public services will remain operational. At this time, the County is uncertain how long County facilities will be closed or the financial impact COVID-19 will have on the County.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Polk County's finances and was prepared by the Comptroller Division of the Clerk of the Circuit Court and County Comptroller. Requests for additional information should be addressed to the above department at P.O. Box 988, Bartow, Florida, 33831, or by accessing the website at www.polkcountyclerk.net.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 522,752,764	\$ 206,954,103	\$ 729,706,867
Cash with Fiscal Agent	700,000	-	700,000
Restricted Cash and Investments	-	85,707,474	85,707,474
Accounts Receivable - Net	23,888,231	11,064,714	34,952,945
Interest Receivable	1,112,430	600,319	1,712,749
Due from Other Governments	36,003,817	529,048	36,532,865
Internal Balances	3,453,312	(3,453,312)	-
Inventory	1,011,943	2,537,756	3,549,699
Other Assets	1,828,852	81,753	1,910,605
Capital Assets Not Being Depreciated/Amortized	960,680,688	92,522,000	1,053,202,688
Capital Assets Net of Accumulated Depreciation/Amortization	2,252,609,975	514,226,363	2,766,836,338
Total Assets	<u>3,804,042,012</u>	<u>910,770,218</u>	<u>4,714,812,230</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Pension	136,529,920	5,276,897	141,806,817
Deferred Amounts on OPEB	8,605,564	342,796	8,948,360
Deferred Charges on Debt Refundings	3,573,080	624,137	4,197,217
Total Deferred Outflows of Resources	<u>\$ 148,708,564</u>	<u>\$ 6,243,830</u>	<u>\$ 154,952,394</u>

See accompanying Notes to Financial Statements.

POLK COUNTY, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2019

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Vouchers Payable	\$ 29,576,049	\$ 10,525,441	\$ 40,101,490
Accrued Liabilities	14,497,544	1,939,756	16,437,300
Accrued Interest Payable	1,843,919	-	1,843,919
Customer Deposits and Other Liabilities			
Payable from Restricted Assets	-	6,379,920	6,379,920
Other Deposits	4,952,323	-	4,952,323
Due to Other Governments	9,614,512	50,961	9,665,473
Unearned Revenue	4,111,950	-	4,111,950
Claims Payable	4,178,000	-	4,178,000
Due within One Year	34,897,345	5,623,315	40,520,660
Noncurrent Liabilities:			
Net Pension Liability	397,853,467	16,323,966	414,177,433
Total OPEB Liability	166,121,050	6,617,306	172,738,356
Due in More than One Year	169,950,657	222,928,163	392,878,820
Total Liabilities	837,596,816	270,388,828	1,107,985,644
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Pension	27,424,602	1,179,859	28,604,461
Deferred Amounts on OPEB	41,779,623	1,664,259	43,443,882
Taxes Received in Advance	2,593,996	406,021	3,000,017
Total Deferred Inflows of Resources	71,798,221	3,250,139	75,048,360
NET POSITION			
Net Investment in Capital Assets	3,076,238,733	429,136,625	3,505,375,358
Restricted for:			
Court Fund and Records Modernization	6,265,681	-	6,265,681
Grants, Federal Elections	670,239	-	670,239
Public Safety	22,664,449	-	22,664,449
Physical Environment	9,913,201	-	9,913,201
Transportation	73,659,103	-	73,659,103
Economic Environment	15,035,158	-	15,035,158
Human Services	45,946,315	-	45,946,315
Culture and Recreation	10,642,687	-	10,642,687
Debt Service	9,241,419	4,636,000	13,877,419
Capital Projects	47,246,573	-	47,246,573
Landfill Closure and Long-Term Care	-	24,998,059	24,998,059
Renewal, Replacement & Improvements	-	1,000,000	1,000,000
Restricted for Other Purposes	64,703	-	64,703
Unrestricted	(274,232,722)	183,604,397	(90,628,325)
Total Net Position	\$ 3,043,355,539	\$ 643,375,081	\$ 3,686,730,620

See accompanying Notes to Financial Statements.

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 135,675,718	\$ 37,638,881	\$ 1,661,141	\$ -
Public Safety	335,481,293	97,192,071	39,907,532	1,957,013
Physical Environment	7,816,153	948,197	642,034	746,500
Transportation	116,998,337	20,082,007	924,392	233,232
Economic Environment	16,759,484	462,696	6,718,721	-
Human Services	64,839,994	2,721,805	3,402,931	-
Culture and Recreation	17,896,996	1,729,061	293,644	161,177
Debt Service:				
Interest on Long-Term Debt	6,717,274	-	-	-
Total Governmental Activities	702,185,249	160,774,718	53,550,395	3,097,922
Business-Type Activities:				
Water and Sewer	63,590,688	87,165,566	-	12,150,138
Garbage Collection/Disposal	32,976,015	42,727,872	-	-
Nursing Home	4,597,940	5,435,686	-	-
Total Business-Type Activities	101,164,643	135,329,124	-	12,150,138
Total Primary Government	\$ 803,349,892	\$ 296,103,842	\$ 53,550,395	\$ 15,248,060

GENERAL REVENUES

Taxes:

Property Taxes
Fuel Taxes
Sales Tax
Services Taxes
Other Taxes

State Shared Revenues, Unrestricted

Investment Earnings

Net Change in Fair Value of Investments

Gain on Sale of Capital Assets

Miscellaneous

TRANSFERS

Total General Revenues and Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (96,375,696)	\$ -	\$ (96,375,696)
(196,424,677)	-	(196,424,677)
(5,479,422)	-	(5,479,422)
(95,758,706)	-	(95,758,706)
(9,578,067)	-	(9,578,067)
(58,715,258)	-	(58,715,258)
(15,713,114)	-	(15,713,114)
(6,717,274)	-	(6,717,274)
<u>(484,762,214)</u>	<u>-</u>	<u>(484,762,214)</u>
-	35,725,016	35,725,016
-	9,751,857	9,751,857
-	837,746	837,746
<u>-</u>	<u>46,314,619</u>	<u>46,314,619</u>
(484,762,214)	46,314,619	(438,447,595)
255,492,946	-	255,492,946
36,253,973	-	36,253,973
89,132,246	-	89,132,246
44,555,971	-	44,555,971
15,908,728	-	15,908,728
16,524,279	-	16,524,279
17,408,065	8,373,962	25,782,027
3,878,545	2,223,317	6,101,862
1,075,990	-	1,075,990
33,766,841	3,623,935	37,390,776
(12,490,683)	12,490,683	-
<u>501,506,901</u>	<u>26,711,897</u>	<u>528,218,798</u>
16,744,687	73,026,516	89,771,203
<u>3,026,610,852</u>	<u>570,348,565</u>	<u>3,596,959,417</u>
<u>\$ 3,043,355,539</u>	<u>\$ 643,375,081</u>	<u>\$ 3,686,730,620</u>

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

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 134,320,073	\$ 356,850,860	\$ 491,170,933
Cash with Fiscal Agent	200,000	500,000	700,000
Accounts Receivable	22,550,388	399,861	22,950,249
Interest Receivable	264,252	785,798	1,050,050
Due from Other Governments	4,895,519	31,108,298	36,003,817
Due from Other Funds	280,326	15,368,185	15,648,511
Advances to Other Funds	74,604	-	74,604
Inventory, at Cost	647,539	-	647,539
Other Assets	1,179,428	210,525	1,389,953
	<u>\$ 164,412,129</u>	<u>\$ 405,223,527</u>	<u>\$ 569,635,656</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES:			
Vouchers Payable	\$ 17,174,220	\$ 10,050,904	\$ 27,225,124
Accrued Liabilities	7,743,329	6,584,276	14,327,605
Customer Deposits	2,280,709	2,671,614	4,952,323
Due to Other Governments	7,726,701	1,887,811	9,614,512
Due to Other Funds	4,783,251	13,302,514	18,085,765
Advances from Other Funds	-	74,604	74,604
Unearned Revenue	109,178	4,741,198	4,850,376
Total Liabilities	<u>39,817,388</u>	<u>39,312,921</u>	<u>79,130,309</u>
DEFERRED INFLOWS:			
Taxes Received in Advance	1,477,982	1,116,014	2,593,996
Unavailable Revenue	18,345,016	-	18,345,016
Total Deferred Inflows	<u>19,822,998</u>	<u>1,116,014</u>	<u>20,939,012</u>
FUND BALANCES:			
Nonspendable	1,901,571	70,724	1,972,295
Restricted	4,778,557	236,570,971	241,349,528
Committed	1,002,823	100,439,327	101,442,150
Assigned	22,544,776	27,817,695	50,362,471
Unassigned	74,544,016	(104,125)	74,439,891
Total Fund Balances	<u>104,771,743</u>	<u>364,794,592</u>	<u>469,566,335</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 164,412,129</u>	<u>\$ 405,223,527</u>	<u>\$ 569,635,656</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Total Fund Balances - Total Governmental Funds		\$ 469,566,335
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Nondepreciable Capital Assets	\$ 960,680,688	
Depreciable Capital Assets	<u>2,252,609,975</u>	3,213,290,663
Ambulance receivables are not financial resources in the current period and, therefore, are reported as deferred inflows.		
		18,345,016
Other long-term assets are not available to pay for current period expenditures and, therefore, are expensed in future periods. This item includes unamortized bond insurance.		
		1,488,949
Deferred Charges on Debt Refundings		
		3,573,080
Long-term liabilities, including bonds payable, capital leases, and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable, Net of Premiums (Amortized as Interest Expense)	(125,216,221)	
Note Payable	(15,137,000)	
Interlocal Agreements	(34,349,463)	
Self-Insurance Liability	(11,630,000)	
Compensated Absences	<u>(18,515,318)</u>	(204,848,002)
Net Pension Liability and Related Deferred Outflows and Inflows		
		(288,748,150)
Total OPEB Liability and Related Deferred Outflows and Inflows		
		(199,295,109)
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the funds and other liabilities.		
		(1,843,919)
Internal service funds are used by management to charge the costs of certain activities, such as employee health insurance, information technology support and fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position, net of amounts for capital assets, net other post employment benefits obligation (OPEB), net pension liability and related amounts, and accrued compensated absences which are listed below.		
Internal Service Net Position	50,564,331	
Internal Service Capital Assets	(31,291,306)	
Internal Service Pension Liability and Related Deferred Outflows and Inflows	5,468,355	
Internal Service OPEB Liability and Related Deferred Outflows and Inflows	2,762,022	
Internal Service Accrued Compensated Absences	<u>444,026</u>	27,947,428
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.		
		<u>3,879,248</u>
Net Position of Governmental Activities		
		<u>\$ 3,043,355,539</u>

See accompanying Notes to Financial Statements.

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

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 234,146,028	\$ 156,770,549	\$ 390,916,577
Licenses and Permits	7,077,248	8,701,774	15,779,022
Intergovernmental	51,091,587	71,736,347	122,827,934
Charges for Services	57,448,609	17,739,508	75,188,117
Fines and Forfeitures	2,046,713	7,397,006	9,443,719
Special Assessments	286,871	62,729,133	63,016,004
Interest Income	4,782,348	11,399,057	16,181,405
Net Change in Fair Value of Investments	978,675	2,899,870	3,878,545
Miscellaneous Revenue	11,708,911	5,802,123	17,511,034
Total Revenues	<u>369,566,990</u>	<u>345,175,367</u>	<u>714,742,357</u>
EXPENDITURES			
Current:			
General Government	107,368,413	16,847,766	124,216,179
Public Safety	226,137,249	62,560,534	288,697,783
Physical Environment	5,239,645	3,265,809	8,505,454
Transportation	2,042,959	54,789,552	56,832,511
Economic Environment	1,977,647	16,050,300	18,027,947
Human Services	4,651,143	58,384,206	63,035,349
Culture and Recreation	575,363	15,438,974	16,014,337
Debt Service:			
Principal Retirement	-	10,755,256	10,755,256
Interest and Fiscal Charges	-	6,944,149	6,944,149
Capital Projects	-	6,794,693	6,794,693
Total Expenditures	<u>347,992,419</u>	<u>251,831,239</u>	<u>599,823,658</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,574,571	93,344,128	114,918,699
OTHER FINANCING SOURCES (USES)			
Transfers In	21,608,386	24,382,765	45,991,151
Transfers Out	(8,214,699)	(50,645,837)	(58,860,536)
Proceeds from the Sale of Capital Assets	471,203	-	471,203
Total Other Financing Sources (Uses)	<u>13,864,890</u>	<u>(26,263,072)</u>	<u>(12,398,182)</u>
NET CHANGE IN FUND BALANCES	35,439,461	67,081,056	102,520,517
Fund Balances - Beginning of Year	<u>69,332,282</u>	<u>297,713,536</u>	<u>367,045,818</u>
FUND BALANCES - END OF YEAR	<u>\$ 104,771,743</u>	<u>\$ 364,794,592</u>	<u>\$ 469,566,335</u>

See accompanying Notes to Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds \$ 102,520,517

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/amortization expense. This is the amount by which depreciation expense is more than capital outlay in the current period.

Reduction in Capital Expenditures (excluding internal service)	\$ (148,545,048)	
Net Book Value of Disposed Capital Assets (excluding internal service)	671,327	
Depreciation Expense (excluding internal service)	<u>99,760,315</u>	(48,113,406)

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 deferred and amortized in the statement of activities.

Amortization of Bond Premium/Discount	493,707	
Principal Payments - Note Payable	1,572,000	
Principal Payments - Bonds Payable	6,890,000	
Principal Payments - Interlocal Agreements	<u>2,293,256</u>	11,248,963

Some expenses, such as expenses related to accrued compensated absences, accrued interest expense, self-insurance liabilities, postemployment benefits obligations (OPEB), and other accrued liabilities are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	676,438	
Self-Insurance Liability	1,580,000	
Interest Expense	114,114	
Pension Expense	(51,137,931)	
OPEB Expense	<u>(5,199,306)</u>	(53,966,685)

Governmental funds record unavailable ambulance receivables, other assets and unavailable accrued interest receivable as deferred inflows. However, on the government-wide financial statements these are recorded as revenue. 31,770

Internal service funds are used by management to charge the costs of insurance, information technology support and fleet management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 5,023,528

Change in Net Position of Governmental Activities \$ 16,744,687

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 226,205,566	\$ 226,205,566	\$ 234,146,028	\$ 7,940,462
Licenses and Permits	1,916,467	1,916,467	7,077,248	5,160,781
Intergovernmental	46,247,996	46,248,059	51,091,587	4,843,528
Charges for Services	47,107,810	59,884,242	57,448,609	(2,435,633)
Fines and Forfeitures	1,445,666	2,227,867	2,046,713	(181,154)
Special Assessments	206,679	206,679	286,871	80,192
Interest Income	2,724,520	2,724,520	4,782,348	2,057,828
Net Change in Fair Value of Investments	-	-	978,675	978,675
Miscellaneous Revenue	2,757,843	6,403,110	11,708,911	5,305,801
Total Revenues	<u>328,612,547</u>	<u>345,816,510</u>	<u>369,566,990</u>	<u>23,750,480</u>
EXPENDITURES				
Current:				
General Government	114,505,035	114,805,098	107,368,413	7,436,685
Public Safety	218,570,796	235,724,613	226,137,249	9,587,364
Physical Environment	6,607,636	6,607,636	5,239,645	1,367,991
Transportation	2,093,744	2,093,744	2,042,959	50,785
Economic Environment	1,936,155	2,023,351	1,977,647	45,704
Human Services	6,146,525	6,189,425	4,651,143	1,538,282
Culture and Recreation	744,512	744,512	575,363	169,149
Total Expenditures	<u>350,604,403</u>	<u>368,188,379</u>	<u>347,992,419</u>	<u>20,195,960</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,991,856)	(22,371,869)	21,574,571	43,946,440
OTHER FINANCING SOURCES (USES)				
Transfers In	21,096,235	21,096,235	21,608,386	512,151
Transfers Out	(11,704,085)	(11,704,085)	(8,214,699)	3,489,386
Proceeds from the Sale of Capital Assets	-	284,917	471,203	186,286
Total Other Financing Sources (Uses)	<u>9,392,150</u>	<u>9,677,067</u>	<u>13,864,890</u>	<u>4,187,823</u>
NET CHANGE IN FUND BALANCE	(12,599,706)	(12,694,802)	35,439,461	48,134,263
Fund Balance - Beginning of Year	<u>69,332,282</u>	<u>69,332,282</u>	<u>69,332,282</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 56,732,576</u>	<u>\$ 56,637,480</u>	<u>\$ 104,771,743</u>	<u>\$ 48,134,263</u>

See accompanying Notes to Financial Statements.

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**POLK COUNTY, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF FUND NET POSITION
SEPTEMBER 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS					
Cash and Investments	\$ 95,341,229	\$ 110,591,610	\$ 1,021,264	\$ 206,954,103	\$ 31,581,831
Restricted Cash and Investments	6,216,177	163,743	-	6,379,920	-
Accounts Receivable	18,856,559	1,412,014	73,552	20,342,125	937,982
Allowance for Uncollectible Accounts	(9,127,059)	-	(150,352)	(9,277,411)	-
Interest Receivable	249,877	185,786	2,403	438,066	62,380
Due from Other Funds	6,068	420,185	-	426,253	2,011,918
Due from Other Governments	-	-	529,048	529,048	-
Inventory	2,537,756	-	-	2,537,756	364,404
Other Assets	81,753	-	-	81,753	-
Total Current Assets	<u>114,162,360</u>	<u>112,773,338</u>	<u>1,475,915</u>	<u>228,411,613</u>	<u>34,958,515</u>
NONCURRENT ASSETS					
Restricted Cash and Investments	5,636,000	73,691,554	-	79,327,554	-
Restricted Interest Receivable	-	162,253	-	162,253	-
Capital Assets:					
Land and Improvements	11,935,457	5,158,301	56,410	17,150,168	-
Buildings, Utility Plants and Improvements	658,561,823	82,192,974	4,081,170	744,835,967	8,317,625
Equipment, including Equipment under Capital Leases	4,614,434	6,730,442	322,610	11,667,486	90,886,010
Infrastructure	-	82,833	-	82,833	-
Intangible Assets	8,556,992	359,004	-	8,915,996	6,934,673
Construction in Progress	63,793,633	9,838,177	-	73,631,810	-
Less: Accumulated Depreciation/Amortization	(178,729,648)	(68,902,600)	(1,903,649)	(249,535,897)	(74,847,002)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	<u>568,732,691</u>	<u>35,459,131</u>	<u>2,556,541</u>	<u>606,748,363</u>	<u>31,291,306</u>
Total Noncurrent Assets	<u>574,368,691</u>	<u>109,312,938</u>	<u>2,556,541</u>	<u>686,238,170</u>	<u>31,291,306</u>
Total Assets	<u>688,531,051</u>	<u>222,086,276</u>	<u>4,032,456</u>	<u>914,649,783</u>	<u>66,249,821</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts on Pension	3,668,858	836,041	771,998	5,276,897	2,372,254
Deferred Amounts on OPEB	235,458	45,817	61,521	342,796	119,265
Deferred Charges on Debt Refundings	624,137	-	-	624,137	-
Total Deferred Outflows of Resources	<u>4,528,453</u>	<u>881,858</u>	<u>833,519</u>	<u>6,243,830</u>	<u>2,491,519</u>

See accompanying Notes to Financial Statements.

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
LIABILITIES AND DEFERRED INFLOWS					
CURRENT LIABILITIES					
Vouchers Payable	\$ 6,690,923	\$ 3,603,740	\$ 230,778	\$ 10,525,441	\$ 2,350,924
Accrued Liabilities	1,829,763	53,960	56,033	1,939,756	169,939
Due to Other Funds	288	29	-	317	600
Due to Other Governments	50,961	-	-	50,961	-
Unearned Revenue	-	-	-	-	311,624
Accrued Compensated Absences, Current Portion	709,738	104,310	132,159	946,207	444,026
Interlocal Agreement, Current Portion	201,217	-	-	201,217	-
Revenue Bonds Payable, Current Portion	4,475,891	-	-	4,475,891	-
Claims Payable	-	-	-	-	4,178,000
Total Current Liabilities	<u>13,958,781</u>	<u>3,762,039</u>	<u>418,970</u>	<u>18,139,790</u>	<u>7,455,113</u>
CURRENT LIABILITIES, Payable from Restricted Assets					
Vouchers Payable	-	14,781	-	14,781	-
Customer Deposits	6,216,177	148,962	-	6,365,139	-
Total Current Liabilities, Payable from Restricted Assets	<u>6,216,177</u>	<u>163,743</u>	<u>-</u>	<u>6,379,920</u>	<u>-</u>
Total Current Liabilities	20,174,958	3,925,782	418,970	24,519,710	7,455,113
NONCURRENT LIABILITIES					
Closure and Long-Term Care, Payable from Restricted Assets	-	48,855,748	-	48,855,748	-
Contracts Payable	58,880	-	-	58,880	-
Interlocal Agreement, Net of Current Portion	2,098,689	-	-	2,098,689	-
Revenue Bonds Payable (Net of Unamortized Premiums)	171,536,861	-	-	171,536,861	-
Total OPEB Liability	4,545,266	884,435	1,187,605	6,617,306	2,302,265
Net Pension Liability	11,333,156	2,597,014	2,393,796	16,323,966	7,313,381
Other Noncurrent Liabilities	377,985	-	-	377,985	-
Total Noncurrent Liabilities	<u>189,950,837</u>	<u>52,337,197</u>	<u>3,581,401</u>	<u>245,869,435</u>	<u>9,615,646</u>
Total Liabilities	<u>210,125,795</u>	<u>56,262,979</u>	<u>4,000,371</u>	<u>270,389,145</u>	<u>17,070,759</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts on Pension	818,244	188,290	173,325	1,179,859	527,228
Deferred Amounts on OPEB	1,143,139	222,436	298,684	1,664,259	579,022
Taxes Received In Advance	2,833	403,188	-	406,021	-
Total Deferred Inflows of Resources	<u>1,964,216</u>	<u>813,914</u>	<u>472,009</u>	<u>3,250,139</u>	<u>1,106,250</u>
NET POSITION					
Net Investment in Capital Assets	391,120,953	35,459,131	2,556,541	429,136,625	31,291,306
Restricted for:					
Revenue Bonds Debt Service	4,636,000	-	-	4,636,000	-
Renewal, Replacement and Improvements	1,000,000	-	-	1,000,000	-
Landfill Closure and Long-Term Care Costs	-	24,998,059	-	24,998,059	-
Unrestricted (Deficit)	<u>84,212,540</u>	<u>105,434,051</u>	<u>(2,162,946)</u>	<u>187,483,645</u>	<u>19,273,025</u>
Total Net Position	<u>\$ 480,969,493</u>	<u>\$ 165,891,241</u>	<u>\$ 393,595</u>	<u>647,254,329</u>	<u>\$ 50,564,331</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds (Cumulative)				(3,879,248)	
Net Position of Business-Type Activities				<u>\$ 643,375,081</u>	

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
OPERATING REVENUES					
Charges for Services	\$ 87,165,566	\$ 42,727,872	\$ 5,435,686	\$ 135,329,124	\$ 81,580,306
Other Revenue	3,375,430	252,451	(3,112)	3,624,769	6,669,682
Total Operating Revenues	<u>90,540,996</u>	<u>42,980,323</u>	<u>5,432,574</u>	<u>138,953,893</u>	<u>88,249,988</u>
OPERATING EXPENSES					
Personnel Services	11,531,800	2,581,346	1,749,024	15,862,170	7,792,556
Operations and Maintenance	22,639,150	24,724,927	2,190,199	49,554,276	11,701,652
Indirect	2,056,711	509,378	346,063	2,912,152	960,517
Depreciation/Amortization	15,197,040	2,547,613	250,172	17,994,825	8,267,220
Closure and Long-Term Care	-	2,522,238	-	2,522,238	-
Healthcare Program	-	-	-	-	56,789,806
Other	38,626	20,319	22,639	81,584	20,628
Total Operating Expenses	<u>51,463,327</u>	<u>32,905,821</u>	<u>4,558,097</u>	<u>88,927,245</u>	<u>85,532,379</u>
OPERATING INCOME	39,077,669	10,074,502	874,477	50,026,648	2,717,609
NONOPERATING REVENUES (EXPENSES)					
Interest Income	3,514,561	4,827,401	32,000	8,373,962	880,438
Net Change in Fair Value of Investments	925,433	1,288,984	8,900	2,223,317	231,027
Interest Expense	(8,130,074)	-	-	(8,130,074)	-
Gain (Loss) on Disposition of Equipment	(2,409,421)	(44,863)	-	(2,454,284)	845,061
Total Nonoperating Revenues (Expenses), Net	<u>(6,099,501)</u>	<u>6,071,522</u>	<u>40,900</u>	<u>12,921</u>	<u>1,956,526</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	32,978,168	16,146,024	915,377	50,039,569	4,674,135
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions	12,150,138	-	-	12,150,138	26,780
Transfer of Capital Assets	(51,959)	(1,438,671)	-	(1,490,630)	(219,333)
Transfers In	28,246	28,073,458	-	28,101,704	378,702
Transfers Out	(1,810,597)	(13,639,086)	(161,338)	(15,611,021)	-
Total Capital Contributions and Transfers	<u>10,315,828</u>	<u>12,995,701</u>	<u>(161,338)</u>	<u>23,150,191</u>	<u>186,149</u>
CHANGE IN NET POSITION	43,293,996	29,141,725	754,039	73,189,760	4,860,284
Total Net Position - Beginning of Year	<u>437,675,497</u>	<u>136,749,516</u>	<u>(360,444)</u>		<u>45,704,047</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 480,969,493</u>	<u>\$ 165,891,241</u>	<u>\$ 393,595</u>		<u>\$ 50,564,331</u>
Adjustments to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds:					
Current Year Adjustment				<u>(163,244)</u>	
Change in Net Position of Business-Type Activities				<u>\$ 73,026,516</u>	

See accompanying Notes to Financial Statements.

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 86,257,181	\$ 42,913,881	\$ 5,441,264	\$ 134,612,326	\$ 2,413,160
Cash Received from Internal Services	-	-	-	-	79,858,134
Cash Paid for Internal Services	(3,708,130)	(656,889)	(457,243)	(4,822,262)	-
Cash Paid to Suppliers for Goods and Services	(26,359,376)	(27,771,162)	(2,181,287)	(56,311,825)	(69,578,195)
Cash Paid to Employees for Services	(13,457,125)	(2,266,735)	(2,780,926)	(18,504,786)	(8,230,794)
Cash Received from Other Sources	3,395,985	252,451	-	3,648,436	6,669,682
Net Cash From Operating Activities	<u>46,128,535</u>	<u>12,471,546</u>	<u>21,808</u>	<u>58,621,889</u>	<u>11,131,987</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from Other Funds	28,246	28,073,458	-	28,101,704	349,914
Transfers to Other Funds	(1,810,597)	(13,890,359)	(161,338)	(15,862,294)	-
Net Cash From Noncapital Financing Activities	<u>(1,782,351)</u>	<u>14,183,099</u>	<u>(161,338)</u>	<u>12,239,410</u>	<u>349,914</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(47,173,642)	(5,056,929)	(23,208)	(52,253,779)	(8,843,355)
Principal Paid on Bonds, Capital Leases, and Contracts	(3,991,216)	-	-	(3,991,216)	-
Interest Paid on Bonds, Capital Leases, and Interlocal Loans	(8,067,466)	-	-	(8,067,466)	-
Proceeds on Sales of Capital Assets	16,619	-	-	16,619	880,741
Net Cash From Capital and Related Financing Activities	<u>(59,215,705)</u>	<u>(5,056,929)</u>	<u>(23,208)</u>	<u>(64,295,842)</u>	<u>(7,962,614)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends on Investments	3,950,157	6,192,597	41,021	10,183,775	1,113,048
Net Cash From Investing Activities	<u>3,950,157</u>	<u>6,192,597</u>	<u>41,021</u>	<u>10,183,775</u>	<u>1,113,048</u>
NET CHANGE IN CASH AND INVESTMENTS	(10,919,364)	27,790,313	(121,717)	16,749,232	4,632,335
Cash and Investments - Beginning of Year	<u>118,112,770</u>	<u>156,656,594</u>	<u>1,142,981</u>	<u>275,912,345</u>	<u>26,949,496</u>
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 107,193,406</u>	<u>\$ 184,446,907</u>	<u>\$ 1,021,264</u>	<u>\$ 292,661,577</u>	<u>\$ 31,581,831</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Transfer of Capital Assets - Governmental Funds	\$ (51,959)	\$ (1,438,671)	\$ -	\$ (1,490,630)	\$ (219,333)
Capital Assets Financed by Accounts Payable	<u>\$ 2,223,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,223,123</u>	<u>\$ -</u>
Contribution and Transfer of Capital Assets	<u>\$ 12,150,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,150,138</u>	<u>\$ (192,553)</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Waste and Recycling	Rohr Nursing Home (Nonmajor Fund)	Total	
RECONCILIATION OF NET OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES					
Operating Income	\$ 39,077,669	\$ 10,074,502	\$ 874,477	\$ 50,026,648	\$ 2,717,609
Adjustments to Reconcile Operating Income to Net Cash From Operating Activities:					
Depreciation/Amortization	15,197,040	2,547,613	250,172	17,994,825	8,267,220
Reduction in Long Term Care Liability	-	2,522,238	-	2,522,238	-
(Increase) Decrease in Assets and Deferred Outflows:					
Accounts Receivable, Net of Allowance	(1,339,055)	198,569	(16,902)	(1,157,388)	33,292
Due from Other Governments	20,555	-	25,592	46,147	-
Due from Other Funds	1,076	27,791	-	28,867	643,509
Other Assets	3,059	-	-	3,059	-
Inventory	(379,047)	-	-	(379,047)	24,870
Deferred Outflow from Pension	128,706	(30,391)	(2,141)	96,174	71,593
Deferred Outflow from OPEB	181,260	52,834	72,923	307,017	80,190
Increase (Decrease) in Liabilities and Deferred Inflows:					
Vouchers Payable	(5,311,110)	462,604	(79,629)	(4,928,135)	(49,530)
Accrued Liabilities	242,209	(2,760,638)	10,479	(2,507,950)	16,787
Accrued Compensated Absences	30,858	54,377	25,811	111,046	(31,122)
Customer Deposits	431,160	(15,913)	-	415,247	-
Unearned Revenue	-	-	-	-	14,187
Self-Insurance Liability	-	-	-	-	(83,301)
Total OPEB Liability	(4,357,902)	(1,223,232)	(1,684,795)	(7,265,929)	(1,959,078)
Due to Other Governments	4,475	-	-	4,475	-
Due to Other Funds	(64)	(69,167)	-	(69,231)	600
Taxes Received In Advance	(490)	3,353	-	2,863	-
Net Pension Liability	1,748,961	551,279	442,495	2,742,735	1,165,502
Deferred Inflow from Pension	(185,254)	(26,281)	(31,234)	(242,769)	(115,879)
Deferred Outflow from OPEB	634,429	102,008	134,560	870,997	335,538
Total Adjustments	7,050,866	2,397,044	(852,669)	8,595,241	8,414,378
 Net Cash From Operating Activities	 \$ 46,128,535	 \$ 12,471,546	 \$ 21,808	 \$ 58,621,889	 \$ 11,131,987

See accompanying Notes to Financial Statements.

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

ASSETS

Cash and Cash Equivalents	\$ 21,002,544
Due from Other Governments	27,627
Due from Others	<u>14,111</u>
Total Assets	<u><u>\$ 21,044,282</u></u>

LIABILITIES

Due to Other Governments	\$ 5,172,670
Due to Others	5,816,701
Deposits	<u>10,054,911</u>
Total Liabilities	<u><u>\$ 21,044,282</u></u>

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Polk County is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The legislative and governing body of the County is the five-member Board of County Commissioners (Board). Each County Commissioner is elected on a county-wide basis for a four year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

There are six offices elected countywide which are as follows: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The Board of County Commissioners and all Constitutional Officers maintain their accounts in accordance with the uniform classification of accounts required by Section 218.33, *Florida Statutes*. Pursuant to Section 125.17, *Florida Statutes*, the Clerk of the Courts of the County is designated as clerk, auditor and accountant for the Board.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The County is financially responsible if it appoints a voting majority of the organization's governing body and (a) is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. If a component unit is, in substance, part of the government's operations, it should be reported as a blended component unit. Otherwise, a component unit should be discretely presented. For the year ended September 30, 2019, the County had no discretely presented component units.

Blended Component Units

The Harden/Parkway, Polk Commerce Centre, and Eloise Community Redevelopment Agencies (CRAs), were created pursuant to Section 163.360 of the *Florida Statutes* and by County Ordinances 04-11, 92-40, and 98-50, respectively. The CRAs provide for the rehabilitation and/or conservation of the communities in the interest of the public health, safety, morals or welfare of the residents in these unincorporated areas of Polk County. The financial information for these component units is included with the financial information of the primary government in the government-wide statements since the Board of County Commissioners serves as the governing body of these CRAs and approves the annual budgets. The Harden/Parkway, Polk Commerce Centre, and Eloise CRAs are reported as special revenue funds of Polk County.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

The CRAs are presented separately as a blended unit due to the CRA's governing body being substantively the same as the governing body of the Board of County Commissioners and there being a financial burden between the County and the CRAs.

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

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, gains and losses on all of the nonfiduciary activities of the County, providing a consolidated financial picture of the government as a whole. The effect of interfund activity has been removed from these statements.

Each statement distinguishes between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and activities that are intended to recover all or most 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, and culture and recreation. The business-type activities of the County include the Utilities Fund, Waste and Recycling Fund, and the Rohr Nursing Home Fund.

The statement of net position reports all financial and capital resources and obligations of the County as a whole. The effects of fiduciary funds are not included as a part of this statement. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. The statement of activities presents information showing how the County's net position changed during the fiscal year. Further, this statement demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (Continued)

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

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing source. 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 effects of intrafund transfers among governmental funds and enterprise funds, respectively, have been eliminated from the government-wide financial statements. However, certain interfund services, accounted for in the internal service funds, have not been eliminated from the government-wide financial statements. The County eliminates 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 the activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. 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. Property taxes, intergovernmental revenues and interest earned associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

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

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

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

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

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met: (a) the activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; (b) laws or regulations require that the activity’s costs of providing services, including capital costs be recovered with fees and charges, rather than with taxes or similar revenues, or (c) the pricing policies of the activity establish fees and charges designated to recover its costs, including capital costs.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds (Continued)

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 principal operating revenues of the County's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for the County's enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Basis of Presentation

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

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.

Business-Type Major Funds

Utilities Fund – This fund accounts for all activities necessary to provide water and sewer services to residents in certain unincorporated areas of the County.

Waste and Recycling Fund – This fund accounts for all activities necessary to provide garbage collection and disposal services to the residents and businesses of the County.

Other Fund Types (Nonmajor)

Internal Service Funds – Internal Service Funds account for Fleet Management, Information Technology, and Employee Health Insurance services provided to other departments of the County on a cost reimbursement basis.

Agency Fund – The Agency Fund accounts for all assets held by Polk County in its capacity as custodian or agent for individuals, other governmental units, and nonpublic organizations. The Agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Other Fund Types (Nonmajor) (Continued)

Agency Fund (Continued) - The County's Agency Funds are: County Court Fund, Registry of Court Fund, Jury and Witness Fund, Domestic Relations Fund, Tax Deed Fund, Intangible Tax and Documentary Stamp Fund, County Court / Civil Court Fund, Cash Bonds Fund, Taxes Fund, Fees and Suspense Fund, Fines and DRD Fund, Inmate Fund, and Other Agency Fund. A description of each agency fund can be found on pages G-54 and G-55.

Noncurrent Governmental Assets/Liabilities

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

Pooled Cash and Investments

All funds participate in the pooled cash and investments program for the purpose of maximizing investment yields. The earnings of the pool are allocated on a monthly basis to individual funds based upon their average monthly balance in the pool.

Each fund's equity in the County's pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Pooled cash of the County determined to be available in excess of immediate needs is placed in investments in accordance with the Polk County Investment Policy as amended December 16, 2014, under the guidelines of Section 218.415, *Florida Statutes*.

Allowance for Doubtful Accounts

The County provides an allowance for water and sewer accounts, Rohr nursing home and governmental funds receivables, which include ambulance and impact fee receivables, which may become uncollectible. At September 30, 2019, these allowances were \$9,127,059, \$150,352, and \$11,430,327 respectively. No other allowances for doubtful accounts are maintained since all other receivables are considered collectible as reported at September 30, 2019.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventory

Inventories are stated at cost using the first-in, first-out, (FIFO) method. Inventories consist of expendable supplies held for consumption (consumption method).

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Certain funds of the County are classified as restricted assets on the statement of net position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets (e.g., software and easements) and infrastructure (e.g., roads, bridges, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Capital assets are 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.

Betterments and major improvements which significantly increase the values, change capacities, or extend the useful lives are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are charged to expenditures/expenses as incurred and 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 Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the rest of the County's governmental capital assets in the statement of net position.

Property, plant, equipment, infrastructure, and intangibles related to software of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives. Assets with an initial, individual cost equal to or greater than the following thresholds, along with their estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Buildings and Improvements	10, 40 - 45	Capitalize All
Equipment	5 - 15	\$1,000
Infrastructure	10 - 75	Capitalize All
Intangibles - Software	3 - 10	\$100,000

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ad Valorem Taxes

The property tax calendar for 2019 is as follows:

Lien Date	January 1
Levy Date	January 1
Due Dates	November 1 through March 31
Delinquent Date	April 1
Tax Certificate Sale	Not Later than June 1

No accrual for the property tax levy becoming due in November of 2019 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

Capitalized Lease Obligations

Assets acquired under capitalized lease obligations for governmental and enterprise fund types are accounted for as assets and liabilities in the government-wide statement of net position. In the individual fund statements, these lease obligations are included in the enterprise funds, but not in the governmental funds. The capitalized lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease discounted at the implicit rate in the lease.

Pension

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.

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 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. Changes to liability are first put into deferred inflows and deferred outflows then amortized.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources which 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

The amounts from pension, OPEB, and deferred amounts of refunding will be recognized as increases in expense in future years. In addition to liabilities, the statement of net position includes a separate section for the deferred inflows of resources. This represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue or decrease in expense) until that time. The amounts will be recognized as decreases in pension and OPEB expenses in future years. In addition, the County has deferred inflows as of September 30, 2019 resulting from prepayment of taxes collected by the Tax Collector. These prepaid taxes will be recorded as revenue in November 2019.

Compensated Absences

The unpaid vacation and sick leave accumulated by employees is accrued as an expense when incurred in the government-wide statement of activities and the proprietary funds. Therefore, the entire unpaid liability for compensated absences is recorded in the government-wide statement of net position. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

Unearned Revenue

Revenue related to federal and state financial assistance programs is recognized when funds are expended. Grant funds received in advance of meeting any eligibility requirements other than a time requirement are reported as unearned revenues.

Amortization

Bond premiums and discounts are presented as additions or reductions of the face amount of bonds payable.

Contributions

Contributions of cash or property received from other County funds, other governmental units and from contractors or developers are credited directly to the contribution accounts in the proprietary funds. Property and equipment contributed for general governmental purposes are recorded in the government-wide statement of net position.

Use of Estimates

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board of County Commissioners, the County’s highest level of decision making authority, by establishment of an Ordinance. Commitments may be modified or removed by the Board of County Commissioners by amending or repealing an Ordinance.

Assigned – Amounts that are intended by the Board to be used for specific purposes, but are neither restricted nor committed. The Board has not granted any specific individual the authority to assign amounts, thus assignments may be made only by the Board.

Unassigned – All other spendable amounts. The general fund is the only fund that may report a positive unassigned fund balance amount.

The County has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when a general fund expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the County will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which an expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the County will first use unassigned amounts, then assigned amounts, then committed amounts, and finally restricted amounts.

The Unbudgeted Other Special Revenue Funds are comprised of the Clerk of Courts’ Records Modernization Trust, the Sheriff’s Other Special Revenue Funds (Grants Fund and Other Governmental Funds) and the Supervisor of Elections’ Special Revenue Grants Fund. These funds have distinct revenue sources and serve different purposes for the entities which administer them; therefore, their respective fund balances are classified separately before being combined together for financial reporting purposes.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the County’s policy is to first use restricted net position then unrestricted net position.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New GASB Pronouncements

The County fully implemented the following GASB Statements during the fiscal year-ended September 30, 2019:

- 1) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which improves the consistency in the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. Requires disclosure of additional essential information about debt.
- 2) Statement No. 83, *Certain Asset Retirement Obligations*, provides accounting and financial reporting requirements for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

NOTE 2 BUDGETS AND BUDGETARY ACCOUNTING

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

- 1) Prior to July 15, the County Manager, as County Budget Officer, submits to the Board of County Commissioners 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.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) Prior to October 1, the budget is legally enacted through passage of a resolution.
- 4) Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, debt service funds and capital projects funds.
- 5) Budgets for the general, certain special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 6) The County Manager (or his designee) approves budget transfers at the department level within a fund. Budget amendments at the fund level are approved by the Board.
- 7) Section 129.07, *Florida Statutes*, provides that expenditures in excess of total fund budgets are unlawful. When supplemental appropriations are necessary, the budget is amended by the Board in a legally permissible manner. The budgetary data presented herein reflects the original adopted budget and the final budget after all amendments were made.
- 8) Unused appropriations lapse at the end of each fiscal year. However, some amounts may be carried forward to the following fiscal year in the form of a new appropriation which must be approved by the County Commission.

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

NOTE 2 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Chapter 195, *Florida Statutes*, governs the preparation, adoption and administration of the Tax Collector and Property Appraiser's annual budgets. The annual budget of the Tax Collector and the Property Appraiser must be submitted to and approved by the Department of Revenue, State of Florida.

The budget for the Clerk of the Circuit Court's general fund is prepared, adopted and administered in accordance with Sections 129.03 and 218.35, *Florida Statutes*, which requires separation of the part pertaining to the court system from that pertaining to the Clerk and Comptroller to the Board of County Commissioners.

The budget for the Clerk of the Circuit Court's court fund is prepared, adopted and administered in accordance with Section 28.36, *Florida Statutes*.

The budget for the Sheriff's general fund is prepared, adopted and administered in accordance with Section 30.49, *Florida Statutes*.

The budget for the Supervisor of Election's general fund is prepared, adopted and administered in accordance with Sections 129.201 and 129.202, *Florida Statutes*.

NOTE 3 POOLED CASH AND INVESTMENTS

In order to minimize its cost basis and limit taxpayer liability in the provision of a full range of county services, the County manages a portfolio of cash and investments to maximize net investment earnings on invested surplus funds. The Board of County Commissioners and Constitutional Officers each maintain investment guidelines in compliance with Section 218.415 *Florida Statutes*. Investment policy objectives place an emphasis on enhancing yield while maintaining safety and liquidity by continually balancing risk and cash flow management.

Investment risk is managed in the following forms:

- Custodial credit risk – risk that a government will not be able to recover deposits or the value of an investment that is in the possession of a failed institution or counterparty;
- Credit risk – risk of loss from an issuer's failure to repay principal and/or interest on a debt obligation;
- Liquidity risk – risk that an investment cannot be bought or sold quickly enough to minimize a loss stemming from a lack of marketability;
- Concentration risk – increasing probability of loss arising from heavily lopsided exposure to an asset class, issuer, structure or maturity;
- Interest rate risk – risk that a security's value will decrease with a rise in interest rates.

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

NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

To manage custodial credit risk for deposits, the County's investment policy requires that all demand and time deposits, including money market accounts, are insured and fully collateralized. The County's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances are insured and collateralized in accordance with Chapter 280, *Florida Statutes*, which established the Public Deposit Security Trust Fund, a multiple financial institution collateral pool. Section 280.08, *Florida Statutes* provides for assessments against the members of the pool on a pro rata basis in the event that the collateral pool is insufficient to cover the losses of a member financial institution that fails. As such, all deposits covered by the collateral pool are considered to be fully insured. As of September 30, 2019, the County's book balance of cash was \$150,456,698 and the bank balance was \$162,376,880.

The County may also enter into overnight repurchase agreements with a local banking institution. On any given banking day, the County may authorize the bank to "sweep" their account for the purpose of entering into repurchase agreements and other investments. The next day the same account is credited for the principal amount of the previous day's sweep, plus interest earned. As such, the balance is included as part of the deposit total for purposes of financial statement presentation. The amounts are fully collateralized by U.S. Government Treasury and/or Agency Securities. There were no outstanding amounts on September 30, 2019.

Investment in State Investment Pool

The County participates in the State of Florida Local Government Surplus Funds Trust Fund (LGIP), also known as Florida Prime administered by the State Board of Administration (SBA), under the regulatory oversight of the State of Florida. The purpose of this pool is to promote, through State assistance, the maximization of net interest earnings on invested surplus funds of local units of government. The LGIP is a 2a-7 like external investment pool and therefore uses amortized cost which is reported at a stable Net Asset Value (NAV), typically \$1.00 per share. Therefore, the account balance should be considered the fair value of the investment. As of September 30, 2019, the LGIP, now known as Florida Prime, is rated AAAM for Credit Quality by Standard & Poor's Rating Agency and had a weighted average maturity (WAM) of 37 days, and had a weighted average life (WAL) of 85 days.

A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments.

In accordance with GASB 79, as a participant in a qualifying external investment pool, the County should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority) to impose liquidity fees or redemption gates in the notes to the financial statements.

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

NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

Investment in State Investment Pool (Continued)

With regard to redemption dates, Section 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 monies 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 monies 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, Section 218.409(4), *Florida Statute* 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.

In addition, the County participates in the Florida Trust, formerly known as the Florida Local Government Investment Trust, which is administered by a Board of Trustees appointed by the Florida Association of Court Clerks and County Comptroller, and the Florida Association of Counties, Inc. The Florida Trust was created in December 1991 to provide a means for public entities to pool surplus funds to maximize net earnings. As of September 30, 2019, all noncash investments held by the Florida Trust were money market, U.S. Treasury Notes, Commercial Paper, Collateralized Mortgage Obligations, Asset-Backed Securities, Agency ARM Pass-Throughs, Corporate Notes, Government Related securities, Agency Notes and Municipal Notes. The Florida Trust reports share all information at Net Asset Value and reflects share value, in accordance with GASB 31. As of September 30, 2019, the Florida Trust was rated AA+ for Credit Quality and S1, S2, and S3 for Bond Fund Volatility by Standard and Poor’s Ratings and had an effective duration of 1.51.

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

NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

To further manage custodial credit risk for investments, the County's investment policy specifies the County will execute a Third-Party Custodial Safekeeping Agreement with a commercial bank's trust department separately chartered by the U.S. Government or State of Florida. All securities purchased by the County are properly designated as an asset of the County and are held in safekeeping by the bank's trust department.

Credit Risk

To manage credit risk, the County's investment policy identifies and limits investments to only top ratings issued by nationally recognized statistical rating organizations. The County's investments in Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA) and Government National Mortgage Association (GNMA) were rated AAA by Moody's Investor Service and as of the reporting date, exceeded five percent of the portfolio. The following table illustrates the credit quality distribution with credit exposure as a percentage of the County's investment securities.

Rating Concentration Matrix

Type / Rating	AAAF ¹ AAAm ²	AAA	AA	A	BBB	A-1	NR ³	Totals
U.S. Treasury								
Bills	0.00%	0.00%	0.72%	0.00%	0.00%	0.00%	0.00%	0.72%
Notes	0.00%	0.00%	2.91%	0.00%	0.00%	0.00%	0.00%	2.91%
Corporates								
Fixed	0.00%	0.00%	0.72%	3.65%	0.00%	0.00%	0.00%	4.37%
Adjustable Rates	0.00%	0.00%	0.88%	13.64%	0.66%	0.00%	0.00%	15.18%
CMOs								
Fixed	0.00%	0.00%	12.50%	0.00%	0.00%	0.00%	0.00%	12.50%
Adjustable Rates	0.00%	0.00%	0.31%	0.00%	0.00%	0.00%	0.00%	0.31%
MBS								
Fixed	0.00%	0.00%	11.59%	0.00%	0.00%	0.00%	0.00%	11.59%
Adjustable Rates	0.00%	0.00%	2.02%	0.00%	0.00%	0.00%	0.00%	2.02%
Municipal								
Fixed	0.00%	0.93%	8.20%	1.07%	0.00%	0.00%	0.00%	10.20%
Asset Backed								
Fixed	0.00%	13.77%	0.00%	0.00%	0.00%	0.41%	0.00%	14.18%
CMBS								
Fixed	0.00%	0.00%	5.26%	0.00%	0.00%	0.00%	0.00%	5.26%
Adjustable Rates	0.00%	0.00%	2.67%	0.00%	0.00%	0.00%	0.00%	2.67%
Other								
FL Trust ¹	5.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.38%
FL Prime ²	8.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.80%
Bank United (Money Market) ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.91%	3.91%
Total	14.18%	14.70%	47.78%	18.36%	0.66%	0.41%	3.91%	100.00%

¹ Florida Trust

² Florida Prime

³ Not Rated

⁴ Qualified Public Depository

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

NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)

Liquidity Risk

To manage liquidity risk, the County's investment policy identifies and limits investment to only top ratings issued by nationally recognized statistical rating organizations. In order to ensure deep liquid markets, the County's investment policy identifies and limits investment in various issuers. Position size is also taken into consideration with regard to liquidity risk.

Concentration Risk

To manage concentration of investment risk, the County's investment policy stipulates maximum limitation guidelines for diversification by instrument. The following limits are established to serve as guidelines for diversification by instrument:

Local Government Surplus Funds Trust Fund	100%
Certificates of Deposit	50%
Federal Instrumentalities/ Government Sponsored Enterprises (GSEs)	50%
SEC Registered Money Market Funds	50%
United States Treasury Bills/Notes/Bonds/Strips	50%
Repurchase Agreements	35%
Asset Backed Securities (ABS)	25%
Collateralized Mortgage Obligations	25%
Commercial Paper	25%
Corporate Bonds	25%
Mortgage Backed Securities (MBS) Pass Through(s)	25%
Municipal Bonds Gen.Oblig. (GO) and Water & Sewer (WS)	25%
Other United States Agencies Full Faith & Credit	25%
Supranationals	25%
United States Federal Agencies Full Faith & Credit (FFC)	25%
Banker's Acceptances	20%
Florida Local Government Investment Trust	20%
Israel Bonds	5%

Interest Rate Risk

To manage interest rate risk, the County maintains a formal investment policy that limits investment maturities. The County manages interest rate risk by limiting how much of the portfolio is allocated to longer dated maturities. This coupled with a diversified portfolio of differing maturities and coupons that employ callable and structured securities limits exposure to fair value losses arising from interest rate risk.

In accordance with the County's investment policy, the County may invest in mortgage-backed securities, including collateralized mortgage backed securities. It is management's opinion that the credit and legal risk associated with these investments would be comparable to other investments within the portfolio. The principal repayment portions may be sensitive to prepayment by mortgagors, which may be affected by interest rate changes.

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

NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

The prepayments and anticipated interest rate changes can therefore affect the fair values of the respective investments. As of September 30, 2019, the County has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		< 1 Year	1 - 5 Years	> 5 Years
U.S. Treasury Bills				
Fixed Rates	\$ 4,970,085	\$ 4,970,085	\$ -	\$ -
U.S. Treasury Notes				
Fixed Rates	19,937,700	4,985,940	14,951,760	-
Corporates				
Fixed Rates	29,987,429	3,500,588	21,522,976	4,963,865
Adjustable Rates	104,027,998	12,018,654	47,947,972	44,061,372
CMO's				
Fixed Rates	85,638,511	154,581	800,738	84,683,192
Adjustable Rates	2,094,681	-	-	2,094,681
MBS				
Fixed Rates	79,461,697	103,241	5,250	79,353,206
Adjustable Rates	13,876,727	-	-	13,876,727
Municipal				
Fixed Rates	69,947,505	1,301,301	21,358,730	47,287,474
Asset Backed				
Fixed Rate	97,268,160	2,839,451	94,428,709	-
CMBS				
Fixed Rate	36,060,785	3,579,027	7,722,863	24,758,895
Adjustable Rates	18,307,167	-	-	18,307,167
FL Trust (FLGIT)	36,920,566	36,920,566	-	-
Florida Prime (SBA)	60,327,921	60,327,921	-	-
Bank United (Money Market)	26,833,255	26,833,255	-	-
Total	<u>\$ 685,660,187</u>	<u>\$ 157,534,610</u>	<u>\$ 208,738,998</u>	<u>\$ 319,386,579</u>

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

NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, sets forth the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1 – Investments reflect prices quoted in active markets for identical assets or liabilities.

Level 2 – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include input in markets that are not considered to be active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Investments reflect prices that are based on unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Investments whose values are based on quoted market prices in active markets, and are therefore classified as Level 1, primarily include those assets that are traded daily in public markets in the United States. The fair value of these investments is based on the last reported sales price on the last day of the fiscal year.

Investments that trade in markets that are not considered to be actively traded on a daily basis, but are valued based on quoted market prices, dealer and broker quotations, bid prices, or alternative pricing sources using observable inputs, are classified within Level 2. Inputs used in fair value measurement should be consistent with the inputs that market participants would use in pricing the asset or liability. These include U.S. Government obligations, investment grade corporate bonds and bank loans, certain mortgage and asset backed securities, less liquid listed securities and certain government agency securities. For example, inputs other than quoted prices, which provide a reasonable basis for fair value determination may include interest rates and yield curves, volatilities, prepayment speeds, credit risks and default rates. The fair value of these investments is based upon the last reported observable input(s) on the last day of the fiscal year.

Investments classified Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 investments include private equity funds, real estate investment, limited partnerships, certain mortgages and asset backed and common and collective trust funds that are primarily real estate. The fair value of these investments is determined by estimations provided by independent pricing sources in asset classes, non-binding prices from industry vendors and managers, and the net asset value on the last day of the fiscal year.

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

NOTE 3 POOLED CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The County has the following recurring fair value measurements as of September 30, 2019:

	Fair Value Measurements			September 30, 2019
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level				
Debt Securities				
U.S. Treasury Bills	\$ -	\$ 4,970,085	\$ -	\$ 4,970,085
U.S. Treasury Notes	-	19,937,700	-	19,937,700
Corporate - Fixed	-	29,987,429	-	29,987,429
Corporate - Adjustable	-	104,027,998	-	104,027,998
CMO - Fixed	-	85,638,511	-	85,638,511
CMO - Adjustable	-	2,094,681	-	2,094,681
MBS - Fixed	-	79,461,697	-	79,461,697
MBS - Adjustable	-	13,876,727	-	13,876,727
Municipal - Fixed	-	69,947,505	-	69,947,505
Asset Backed - Fixed	-	97,268,160	-	97,268,160
CMBS -Fixed	-	36,060,785	-	36,060,785
CMBS - Adjustable	-	18,307,167	-	18,307,167
Total Investments by Fair Value Level	<u>\$ -</u>	<u>\$ 561,578,445</u>	<u>\$ -</u>	<u>\$ 561,578,445</u>
Investments Measured at the Net Asset Value (NAV)				
Florida Trust (FLGIT)				36,920,566
Total Investments Measured at the NAV				<u>36,920,566</u>
Investments Measured at \$1.00				
LGIP				
State Board of Administration - FL PRIME				60,327,921
Qualified Public Deposits				
Money Market Deposits				26,833,255
Total Investments Measured at \$1.00				<u>87,161,176</u>
Total Investments				<u>\$ 685,660,187</u>

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

NOTE 4 RESTRICTED ASSETS, LIABILITIES AND NET POSITION – ENTERPRISE FUNDS

Revenue bond ordinances and certain other agreements generally require the restriction of certain fund assets for specific purposes. Reserves, representing the excess of amounts provided for certain restricted asset accounts over the liabilities payable there from, are established by a reduction of unrestricted net position.

Restricted Assets, Liabilities, and Net Position as of September 30, 2019, consist of the following:

Utilities Fund	Revenue Bonds Debt Service	Renewal Replacement and Improvements	Customer Deposits	Total
Cash and Investments	\$ 4,636,000	\$ 1,000,000	\$ 6,216,177	\$ 11,852,177
Liabilities, Payable from Restricted Assets	-	-	(6,216,177)	(6,216,177)
Restricted Net Position	\$ 4,636,000	\$ 1,000,000	\$ -	\$ 5,636,000
Waste and Recycling Fund	Landfill Closure	Customer Deposits	Other Liabilities	Total
Cash and Investments	\$ 73,691,554	\$ 148,962	\$ 14,781	\$ 73,855,297
Interest Receivable	162,253	-	-	162,253
Restricted Assets	73,853,807	148,962	14,781	74,017,550
Liabilities, Payable from Restricted Assets	(48,855,748)	(148,962)	(14,781)	(49,019,491)
Restricted Net Position	\$ 24,998,059	\$ -	\$ -	\$ 24,998,059

Rule 62-701 of the Florida Administrative Code requires owners or operators of existing landfills to establish and maintain a landfill management escrow account or an alternative financial mechanism to show proof of financial responsibility for future landfill closure costs. The reserve for landfill closure includes funds restricted for this purpose.

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

NOTE 5 INTERFUND BALANCES

The outstanding balances between funds result mainly from a time lag between the dates that (1) interfund services are provided or reimbursement occurs, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be collected in the subsequent year.

Advances Due to General Fund from:

Nonmajor Governmental Funds	\$ 74,604
Total	\$ 74,604

The \$74,604 amount advanced from the General Fund to the Nonmajor Governmental Fund (Polk Commerce Centre CRA Fund) was for the purpose of paying for consulting, engineering, and legal fees.

The composition of interfund balances as of September 30, 2019, was as follows:

Due to General Fund from:

Nonmajor Governmental Funds	\$ 279,409
Utilities Fund	288
Waste and Recycling Fund	29
Internal Service Funds	600
Total	\$ 280,326

Due to Nonmajor Governmental Funds from:

General Fund	\$ 2,345,080
Nonmajor Governmental Funds	13,023,105
Total	\$ 15,368,185

Due to Utilities Fund from:

General Fund	\$ 6,068
Total	\$ 6,068

Due to Waste and Recycling Fund from:

General Fund	\$ 420,185
Total	\$ 420,185

Due to Internal Service from:

General Fund	\$ 2,011,918
Total	\$ 2,011,918

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

NOTE 6 CAPITAL ASSETS

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

	October 1, 2018	Additions	Deletions	September 30, 2019
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated/Amortized:				
Land and Right of Way	\$ 927,642,140	\$ -	\$ (2,097,668)	\$ 925,544,472
Intangibles - Easements	1,622,100	1,086,769	-	2,708,869
Construction in Process	32,307,350	21,363,900	(21,243,903)	32,427,347
Total Capital Assets Not Being Depreciated/Amortized	961,571,590	22,450,669	(23,341,571)	960,680,688
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	456,916,179	5,494,208	(326,391)	462,083,996
Equipment	221,308,334	16,865,011	(15,849,507)	222,323,838
Infrastructure	3,681,106,901	38,155,086	(3,046,691)	3,716,215,296
Intangibles - Software	20,398,504	1,593,710	-	21,992,214
Total Capital Assets Being Depreciated/Amortized	4,379,729,918	62,108,015	(19,222,589)	4,422,615,344
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(218,850,948)	(14,806,465)	210,583	(233,446,830)
Equipment	(153,446,370)	(9,728,641)	15,656,707	(147,518,304)
Infrastructure	(1,689,170,879)	(82,584,287)	2,401,190	(1,769,353,976)
Intangibles	(18,777,144)	(909,115)	-	(19,686,259)
Total Accumulated Depreciation/Amortization	(2,080,245,341)	(108,028,508)	18,268,480	(2,170,005,369)
Total Capital Assets Being Depreciated/Amortized, Net	2,299,484,577	(45,920,493)	(954,109)	2,252,609,975
Governmental Activities Capital Assets, Net	<u>\$ 3,261,056,167</u>	<u>\$ (23,469,824)</u>	<u>\$ (24,295,680)</u>	<u>\$ 3,213,290,663</u>
<u>Business-Type Activities:</u>				
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 14,531,592	\$ 2,675,059	\$ (56,483)	\$ 17,150,168
Intangibles - Easements	1,542,677	197,345	-	1,740,022
Construction in Progress	65,821,792	46,188,962	(38,378,944)	73,631,810
Total Capital Assets Not Being Depreciated/Amortized	81,896,061	49,061,366	(38,435,427)	92,522,000
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	697,881,858	49,919,699	(2,965,590)	744,835,967
Equipment	9,621,503	2,255,878	(209,895)	11,667,486
Infrastructure	82,833	-	-	82,833
Intangibles - Software	6,856,320	319,654	-	7,175,974
Total Capital Assets Being Depreciated/Amortized	714,442,514	52,495,231	(3,175,485)	763,762,260
Less Accumulated Depreciation/Amortization for:				
Buildings, Distribution Systems, and Improvements	(220,792,974)	(16,569,722)	573,730	(236,788,966)
Equipment	(4,604,884)	(1,331,797)	174,242	(5,762,439)
Infrastructure	(72,248)	(5,522)	-	(77,770)
Intangibles	(6,818,938)	(87,784)	-	(6,906,722)
Total Accumulated Depreciation/Amortization	(232,289,044)	(17,994,825)	747,972	(249,535,897)
Total Capital Assets Being Depreciated/Amortized, Net	482,153,470	34,500,406	(2,427,513)	514,226,363
Business-Type Activities Capital Assets, Net	<u>\$ 564,049,531</u>	<u>\$ 83,561,772</u>	<u>\$ (40,862,940)</u>	<u>\$ 606,748,363</u>

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

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government	\$ 4,288,237
Public Safety	14,946,504
Physical Environment	1,273,745
Transportation	73,417,543
Economic Environment	435,014
Human Services	1,600,875
Culture/Recreation	3,799,370
Capital Assets Held by Internal Service Funds	8,267,220
Total Additions to Accumulated Depreciation/Amortization	\$ 108,028,508

Business-Type Activities:

Utilities	\$ 15,197,040
Waste and Recycling	2,547,613
Rohr Nursing Home	250,172
Total Additions to Accumulated Depreciation/Amortization	\$ 17,994,825

NOTE 7 RISK MANAGEMENT

The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County. Additional information regarding the self-insured employee health plan can be found in Note 8. The County also maintains fully-insured policies with several different carriers for property insurance with the total insured value for all properties estimated at \$836,850,360.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third party carriers in any of the last three years.

Litigation

Various suits and claims arising in the ordinary course of operations, some of which involve substantial amounts, are pending against the County. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of council for the County, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the County or the results of its operations.

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

NOTE 7 RISK MANAGEMENT (CONTINUED)

Claim Type	County Coverage (Deductible/Self-insured Amount)	Excess Carrier's Coverage
Property	Deductible \$1,000,000 except for as below: Named Windstorm 3% of TIV with \$5,000,000 Maximum \$1,000,000 Builders Risk	\$135,000,000 Named Windstorm \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (Zones A & V)
General and Employment Practices Liability	\$1,000,000 Self-insured Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$7,000,000 Per Occurrence \$14,000,000 Aggregate
Auto Liability	\$1,000,000 Self-insured Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$7,000,000 Per Occurrence
Employee Health	\$900,000 Self-insured Retention	Unlimited Stop Loss
Workers Compensation	\$1,250,000 Self-insured Retention \$1,000,000 Employers Liability	Workers Compensation – Statutory Employers Liability – No Excess Coverage

NOTE 8 SELF-INSURED EMPLOYEE HEALTH PLAN

The County provides a self-insured health plan for all eligible employees, retirees under the age of 65, and their dependents. Medical claims for the self-insured plan are paid from premium contributions made by participants and the County. The amount of the contribution toward the premium paid by the participant and the County are determined by projected claims based on historical and actuarial experience. Claim liabilities are recorded when it is probable to determine that a liability has been incurred and the amount can be reasonably estimated. This estimate is based on the County's actual claims incurred and payment patterns. The County no claims against its stop loss policy in the current fiscal year.

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

Fiscal Year	Beginning Balance	Incurred Claims	Payments	Ending Balance
2019	\$ 4,261,301	\$ 48,841,581	\$ 48,924,882	\$ 4,178,000
2018	4,117,000	33,429,131	33,284,830	4,261,301

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

NOTE 9 LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2019:

	October 1, 2018	Additions	Deletions	September 30, 2019	Due Within One Year
Governmental Activities:					
Revenue Bonds Payable	\$ 125,890,000	\$ -	\$ (6,890,000)	\$ 119,000,000	\$ 7,205,000
Plus Deferred Amounts:					
For Issuance Premium	6,709,928	-	(493,707)	6,216,221	493,707
Net Bonds Payable	132,599,928	-	(7,383,707)	125,216,221	7,698,707
Interlocal Agreements	36,642,719	-	(2,293,256)	34,349,463	2,311,320
Note Payable	16,709,000	-	(1,572,000)	15,137,000	1,672,000
Compensated Absences	19,222,878	19,064,337	(19,771,897)	18,515,318	18,515,318
Self-Insurance Liability	13,210,000	2,371,571	(3,951,571)	11,630,000	4,700,000
Governmental Activities Long-Term Liabilities	<u>\$ 218,384,525</u>	<u>\$ 21,435,908</u>	<u>\$ (34,972,431)</u>	<u>\$ 204,848,002</u>	<u>\$ 34,897,345</u>
Business-Type Activities:					
Revenue Bonds Payable	\$ 174,320,000	\$ -	\$ (3,790,000)	\$ 170,530,000	\$ 3,955,000
Plus Deferred Amounts:					
For Issuance Premium	6,003,643	-	(520,891)	5,482,752	520,891
Net Bonds Payable	180,323,643	-	(4,310,891)	176,012,752	4,475,891
Interlocal Agreements	2,501,122	-	(201,216)	2,299,906	201,217
Contracts Payable	58,880	-	-	58,880	-
Closure and Long-Term Care	46,333,510	2,522,238	-	48,855,748	-
Compensated Absences	835,161	1,560,215	(1,449,169)	946,207	946,207
Other Long-Term Liabilities	377,985	-	-	377,985	-
Business-Type Activities Long-Term Liabilities	<u>\$ 230,430,301</u>	<u>\$ 4,082,453</u>	<u>\$ (5,961,276)</u>	<u>\$ 228,551,478</u>	<u>\$ 5,623,315</u>

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

The self-insurance claims liability consists of \$11,630,000 for worker's compensation, general liability and employment practices, and automobile liability.

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

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds, Note, and Interlocal Agreements

Revenue bonds payable and interlocal agreements at September 30, 2019, are comprised of the following individual issues:

<u>Business-Type Activities - Revenue Bonds Payable</u>	<u>Amount</u>
<p>\$46,360,000 in Utility System Revenue Bonds, Series 2010 (Federally Taxable-Build America Bonds-Direct Subsidy); due in annual installments of \$2,751,466 to \$9,766,466, including interest, through October 1, 2040, with principal payments beginning October 1, 2035; interest rate of 5.935%; collateralized by an irrevocable senior lien on gross revenues derived from the operation of the system and certain connection charges.</p>	\$ 46,360,000
<p>\$43,815,000 in Utility System Revenue Refunding Bonds, Series 2012; due in annual installments of \$1,568,038 to \$4,818,000, including interest, through October 1, 2029, with principal payments beginning October 1, 2018; interest rate ranging from 3% to 5%; collateralized by an irrevocable senior lien on gross revenues derived from the operation of the system and certain connection charges.</p>	38,045,000
<p>\$53,630,000 in Utility System Revenue and Refunding Bonds, Series 2013; due in annual installments of \$1,954,715 to \$12,596,000, including interest through October 1, 2043; interest ranging from 1.75% to 5.0%; collateralized by an irrevocable senior lien on gross revenues derived from the operation of the system and certain connection charges.</p>	50,290,000
<p>\$41,740,000 in Utility System Revenue Refunding Bonds, Series 2014A, Utility System Revenue Refunding Bonds, Series 2014B and Utility System Revenue Refunding Bonds, Series 2014C (not being reoffered pursuant to a Tender and Purchase Agreement with Citibank); due in annual installments of \$904,058 to \$7,708,313, including interest through October 1, 2034; interest ranging from 0.58% to 5.0%; collateralized by an irrevocable senior lien on gross revenues derived from the operation of the system and certain connection charges.</p>	<u>35,835,000</u>
<p>Total Business-Type Activities - Revenue Bonds Payable</p>	<u>170,530,000</u>
<u>Business Type Activities - Interlocal Agreements</u>	
<p>\$4,050,046 interlocal agreement with the City of Bartow due in annual installments of \$201,217 through August 15, 2031, collateralized by a portion of operating revenue.</p>	<u>2,299,906</u>
<p>Total Business-Type Activities - Interlocal Agreements</p>	<u>2,299,906</u>
<p>Total Business-Type Activities - Revenue Bonds Payable and Interlocal Agreement Payable</p>	<u><u>\$ 172,829,906</u></u>

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

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds, Note, and Interlocal Agreements (Continued)

<u>Governmental Activities - Revenue Bonds Payable</u>	Amount
<p>\$32,265,000 in Capital Improvement Refunding Revenue Bonds, Series 2010 due in annual installments of \$2,779,050 to \$2,784,200, including interest, through December 2026; interest ranging from 3.0% to 5.0%; collateralized by a pledge of local government half-cent sales tax accruing to the County under provisions of Part VI of Chapter 218, Florida Statutes.</p>	\$ 18,720,000
<p>\$53,035,000 in Transportation Improvement Refunding Revenue Bonds, Series 2010 due in annual installments of \$4,172,725 to \$4,176,975, including interest, through December 2029; interest ranging from 2.5% to 5.0%; collateralized by a pledge of revenues from a 5-cents per gallon local option fuel tax and 2.0% of the 10.0% public service tax accruing to the County under provision of Chapter 125, Florida Statutes, Sections 336.025 and 166.231.</p>	36,025,000
<p>\$71,510,000 in Public Facilities Revenue Refunding Bonds, Series 2014, due in annual installments of \$1,787,556 to \$5,453,600, including interest through December 1, 2035; interest ranging from 3.0% to 5.0%; collateralized by a pledge of revenues from the State Revenue Sharing Trust Funds, and 8.0% of the 10.0% public service tax accruing to the County under provisions of Chapter 210, Florida Statutes, Section 212.20 and Chapter 125, Florida Statutes; Chapter 218, Part II, Florida Statutes; Section 166.231, Florida Statutes.</p>	64,255,000
<p>Total Governmental Activities - Revenue Bonds Payable</p>	119,000,000
<u>Governmental Activities - Revenue Note Payable</u>	
<p>\$18,157,000 in Public Facilities Revenue Refunding Note, Series 2015, due in annual installments of \$592,356 to \$2,151,780; including interest through December 1, 2026; interest of 2.14%; collateralized by a pledge of State Revenue Sharing Trust Funds and 8.0% of the 10.0% public service tax accruing to the County under provisions of Section 210, <i>Florida Statutes</i>, Section 212.20 and Chapter 125, <i>Florida Statutes</i>; Chapter 128, Part II, <i>Florida Statutes</i>; Section 166.231, <i>Florida Statutes</i>.</p>	15,137,000
<p>Total Governmental Activities - Revenue Note Payable</p>	15,137,000

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

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds, Note, and Interlocal Agreements (Continued)

<u>Governmental Activities - Interlocal Agreements</u>	Amount
\$8,730,000 interlocal agreement with the City of Auburndale due in annual installments not to exceed \$937,631, through September 2022; collateralized by a portion of the local 5th cent tourism tax accruing to the County under provisions of Chapter 125, <i>Florida Statutes</i> .	\$ 2,640,000
\$5,500,000 interlocal agreement with the City of Auburndale due in annual installments not to exceed \$303,672, through October 2035; collateralized by a portion of the local 4% and 5% of the Tourist Development Tax.	4,000,000
\$13,616,000 interlocal agreement with the City of Lakeland (Joker Marchant Stadium) due in annual installments not to exceed \$1,044,561, through September 2036; collateralized by a portion of the Tourist Development Tax.	12,150,167
\$6,718,697 interlocal agreement with the City of Lakeland due in annual installments not to exceed \$537,016, through October 2032; collateralized by a portion of the local 4% and 5% of the Tourist Development Tax.	5,954,296
\$10,000,000 interlocal agreement with the City of Winter Haven (Chain of Lakes) due in annual installments not to exceed \$786,375, through September 2037.	9,605,000
Total Governmental Activities - Interlocal Agreements	34,349,463
Total Governmental Activities - Revenue Bonds Payable, Revenue Note Payable, and Interlocal Agreements Payable	\$ 168,486,463

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

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds, Note, and Interlocal Agreements (Continued)

Annual debt service requirements to maturity for bonds, notes, and interlocal agreements are as follows:

Year Ended September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 11,188,320	\$ 6,514,350	\$ 4,156,217	\$ 8,415,559
2021	11,680,305	6,063,693	4,306,217	8,265,910
2022	12,185,241	5,619,970	4,431,217	8,142,760
2023	11,681,161	5,189,879	4,626,217	7,944,910
2024	12,144,099	5,076,969	4,836,217	7,738,854
2025-2029	58,671,660	15,967,935	28,034,785	35,027,980
2030-2034	36,190,742	6,358,310	34,254,036	28,609,930
2035-2039	14,744,935	776,887	43,595,000	19,389,068
2040-2044	-	-	44,590,000	5,794,492
Total	<u>\$ 168,486,463</u>	<u>\$ 51,567,993</u>	<u>\$ 172,829,906</u>	<u>\$ 129,329,463</u>

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2019, all funds are being maintained in accordance with the ordinances and resolutions.

Revenue Bonds – Pledged Future Revenues

Polk County Board of County Commissioners has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$170,530,000 in revenue bonds issued in 2010, 2012, 2013, and 2014. Proceeds from the bonds were used to finance the cost of the acquisition and construction of additions, extensions and improvements to the System. Principal and interest on the bonds are payable through 2043, from the water and sewer gross revenues and connection charges. Annual principal and interest on the bonds are expected to require approximately 14% of such gross revenues and connection charges. Principal and interest paid for the year ended September 30, 2019, was \$12,372,089.

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

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Closure and Long-Term Care Costs

State and federal laws and regulations require that a final cover be placed on all landfill sites when they are no longer accepting waste and that certain maintenance and monitoring functions are performed at the respective sites for thirty years after closure. Although closure and long-term care costs will be paid only near or after the date that the landfill stops accepting waste, a portion of these closure and long-term care costs are reported as an operating expense in each period based on the landfill capacity used as of each balance sheet date. The \$48,855,748 reported as landfill closure and long-term care liability at September 30, 2019, represents the cumulative amount reported to date based on the use of 88% of the estimated capacity for all landfill sites. The remaining \$6,359,514 will be recognized as the remaining estimated capacity is filled. These amounts are estimated based on what it would cost to perform all closure and long-term care as of September 30, 2019. County landfills are permitted to remain open through 2038. One phase of the County's current landfill is not open yet and one phase is expected to close in fiscal year 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

State and federal laws and regulations require that annual contributions be made to a trust to finance closure and long-term care. At September 30, 2019, cash, investments and receivables of \$73,853,807 are held for these purposes; therefore, the County is in compliance with financial assurance requirements. These assets are reported as Restricted Assets on the statement of net position. Future inflation costs are expected to be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional long-term care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

Compensated Absences

The liability for compensated absences is liquidated in the fund in which an employee's payroll expense is normally recorded. The significant funds that have been used in prior years to liquidate this liability have been the General, Transportation, and Fire Rescue Funds. Total available vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. The County uses the last-in, first-out (LIFO) method of recognizing the use of vacation and sick leave hours. Employees are charged for the last day of vacation or sick leave earned when the leave is used. Thus, unless it is anticipated that vacation or sick leave will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

Self-Insurance

In an effort to combat the rising cost of insurance premiums and the unavailability of coverage, the County has initiated self-insured worker's compensation, general liability, employment practices and automobile liability programs. The programs effectively interrelate between an independent risk manager, a loss control consultant, an excess reinsurer, and County management.

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

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Self-Insurance (Continued)

The changes in aggregate liability for claims and judgments for the past two fiscal years are:

<u>Year Ended September 30,</u>	<u>Beginning Balance</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Current Year Claims Payments</u>	<u>Ending Balance</u>
2019:				
Worker's Compensation General and Employment	\$ 7,100,000	\$ 2,399,707	\$ 2,499,707	\$ 7,000,000
Practices Liability	4,470,000	34,492	874,492	3,630,000
Automobile Liability	1,640,000	(62,628)	577,372	1,000,000
Total Self-Insurance Liability	<u>\$ 13,210,000</u>	<u>\$ 2,371,571</u>	<u>\$ 3,951,571</u>	<u>\$ 11,630,000</u>
2018:				
Worker's Compensation General and Employment	\$ 7,650,000	\$ 2,584,616	\$ 3,134,616	\$ 7,100,000
Practices Liability	5,010,000	510,030	1,050,030	4,470,000
Automobile Liability	1,560,000	502,206	422,206	1,640,000
Total Self-Insurance Liability	<u>\$ 14,220,000</u>	<u>\$ 3,596,852</u>	<u>\$ 4,606,852</u>	<u>\$ 13,210,000</u>

Interlocal Agreements

The County has entered into Interlocal agreements, in accordance with *Florida Statute* 163.01, with various municipalities within Polk County, Florida. The County and the various municipalities have joint powers to develop projects that contribute to economic development of Polk County, Florida. The County's participation in these projects include providing financing for a portion of the projects. The amounts contributed to these projects are disclosed in this footnote including the term and annual payments. These ventures are funded primarily through the tourism development tax. In addition to providing financing, the County provides other services to the developments including marketing, construction development oversight, and economic development services. These ventures allow for a method for equitably providing for and allocating and financing the capital and operating costs, including payments to reserve funds authorized by law and payments of principal and interest on obligations. The method is established by the participating parties to the interlocal agreement on a ratio of full valuation of real property, on the basis of the amount of services rendered or to be rendered or benefits received or conferred or to be received or conferred, or on any other equitable basis, subject to such limitations as may be contained in the constitution and statutes of this state.

Pension and Other Postemployment Benefits (OPEB)

The liabilities for pension and OPEB are liquidated in the fund in which an employee's payroll expense is normally recorded. The significant funds that have been used in prior years to liquidate these liabilities have been the General, Transportation, and Fire Rescue Funds. Additional disclosure for Pension and OPEB can be found in Note 10 and Note 11, respectively of the financial statements.

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

NOTE 10 RETIREMENT 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' website (www.dms.myflorida.com).

The County's aggregate pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense for all plans total \$414,177,433, \$141,806,816, \$28,604,461, and \$89,799,697, respectively.

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.

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

NOTE 10 RETIREMENT 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 member's five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the member's 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.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

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

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular employees 8.26% and 8.47%; Special Risk employees 24.50% and 25.48%; County Elected Officials 48.70% and 48.82%; Senior Management Services 24.06% and 25.41%, and DROP participants 14.03% and 14.60%. The County's contributions to the FRS Plan were \$31,176,804 for the year ended September 30, 2019.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)
Pension Costs

At September 30, 2019, the County reported a liability of \$339,082,409 for its proportionate share of the FRS Pension 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 0.984599641%, which was an increase of 0.004627460% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$83,291,867 for its proportionate share of the FRS Pension Plan's pension expense. In addition, the County reported its proportionate share of FRS Pension'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		
Economic Experience	\$ 20,111,949	\$ 210,433
Changes in Actuarial Assumptions	87,090,951	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	18,759,809
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	11,339,574	2,587,272
County's Contributions Subsequent to the Measurement Date	8,621,674	-
Total	<u>\$ 127,164,148</u>	<u>\$ 21,557,514</u>

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

An amount of \$8,621,674 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Pension 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 in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2020	\$ 34,378,408
2021	12,749,597
2022	25,227,512
2023	18,514,628
2024	4,928,486
Thereafter	1,186,329
Total	<u>\$ 96,984,960</u>

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	7.20%, Net of Pension Plan Expense

Mortality rates were based on the PUB2010 base table which varies by member category and sex, projected generationally with Scale MP-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.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

The target allocation, as outlined in the FRS Pension 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	100.0%			
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 Pension 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 in Discount Rate	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	\$ 586,160,570	\$ 339,082,409	\$ 132,730,351

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

NOTE 10 RETIREMENT 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 (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 \$3,767,613 for the year ended September 30, 2019.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs

At September 30, 2019, the County reported a liability of \$75,095,024 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, 2019. The District'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 0.671150490%, which is an increase of 0.002240333% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$6,507,830 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 912,113	\$ 91,952
Changes in Actuarial Assumptions	8,695,293	6,137,655
Net Difference Between Projected and Actual		
Earnings on HIS Program Investments	48,458	-
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	3,978,967	817,340
County's Contributions Subsequent to the Measurement Date	1,007,838	-
Total	<u>\$ 14,642,669</u>	<u>\$ 7,046,947</u>

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

An amount of \$1,007,838 reported as deferred outflows of resources related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended 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	\$ 2,208,421
2021	2,001,067
2022	1,309,477
2023	266
2024	432,584
Thereafter	636,069
Total	<u>\$ 6,587,884</u>

Actuarial Assumptions

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

HIS Actuarial Assumptions

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

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 3.50% 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.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liability Sensitivity

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

Description	1% Decrease in Discount Rate	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	\$ 85,724,819	\$ 75,095,024	\$ 66,241,607

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 (www.dms.myflorida.com).

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. District 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.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

FRS Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 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 contributions to the Investment Plan totaled \$4,176,097 for the year ended September 30, 2019.

Employee contributions to the Investment Plan totaled \$955,121 for the year ended September 30, 2019.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The postemployment benefits plan is a single-employer defined benefit plan administered by the County. In accordance with Section 112.0801, *Florida Statutes* and as authorized by County Ordinance 2011-023 effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The postemployment benefits plan does not issue a separate financial statement.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

If an employee wishes to immediately continue group health insurance through the County, the appropriate paperwork must be submitted within 30 days of their employment termination date. A retired employee, who retired on or after November 20, 2018, has a one-time option to elect to cease participation in the group health insurance plan upon retirement, enter into inactive status, and enroll at a later date. A surviving spouse may also elect this one-time option. An employee who retires under a state retirement system or a state optional annuity or retirement program or is placed on disability retirement must immediately begin receiving retirement benefits after leaving County employment to qualify for this benefit. Any employee who retires under the FRS Investment plan must meet the age and service requirements set forth in Section 121.021(29) Florida Statutes or attained the retirement age specified by Section 72(t)(2)AA(i) of the *Internal Revenue Code* and have the years of service required for vesting as set forth in Section 121.021(45) *Florida Statutes*. However, an exception to this qualification is that some employees who did not retire, were employed with County government a minimum of 15 years and terminated their employment prior to January 1, 2012, qualified for participation in the Retiree Benefits Program based solely upon their years of service. Retirees age 65 and older and/or their Medicare eligible dependents are required to participate in the fully-insured Medicare Advantage plan and must enroll in the Federal Medicare program (Part A & Part B) to be eligible for enrollment in this plan option. Retirees under the age of 65 may remain on the County's self-insured medical plan.

The premiums for the retirees and dependents participating in the County's health plans are the same as that of active employees. If a retiree was employed before January 1, 2009, elects to continue group health insurance, and was employed by County government for a minimum of ten years, or eight years for elected officials and senior management, the County contributes toward the payment of the premium for the employee only coverage. If an employee retired before January 1, 2012, the County contributes 3% of the retiree's premium for each full year of employment that the employee had with a Polk County agency affiliated with the County's health plan. The maximum contribution that the County will provide to a retiree at 3% per year is 75% of the premium. If an employee retires after January 1, 2012, the County contributes the lesser of \$16 per year of service, up to a maximum of \$400 or 3% per year of service up to a maximum of 75%. The County does not make a contribution toward premiums for any employee hired after December 31, 2008. The County also subsidizes the premium rates paid by non-Medicare eligible retirees and their dependents by allowing them to participate in the self-insured plans at the blended group (implicitly subsidized) premium rates for both active and non-Medicare eligible retired employees. These rates provide an implicit subsidy because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

Employees may also retain the amount of basic life coverage in effect on the group life insurance plan at the time of they become a retiree; however, they are fully responsible for the premium.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) or the net OPEB obligation. 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. 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:

Plan Participants

Inactive employees or beneficiaries currently receiving benefits	1,468	
Active plan members	4,009	
Total Participants	5,477	

Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2019 and was determined by an actuarial valuation as of October 1, 2018. The following table shows the County's total OPEB liability for the year ended September 30, 2019.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance - October 1, 2018	\$ 207,521,608	\$ -	\$ 207,521,608
Changes for the Year:			
Service Cost	5,016,274	-	5,016,274
Interest	6,957,959	-	6,957,959
Changes in Assumptions	(37,082,312)	-	(37,082,312)
Differences Between Expected and Actual Experience	-	-	-
Benefit Payments	(9,675,173)	-	(9,675,173)
Net Changes	(34,783,252)	-	(34,783,252)
Balance - September 30, 2019	\$ 172,738,356	\$ -	\$ 172,738,356

Discount Rate Sensitivity

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

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	2.83 %	3.83 %	4.83 %
Total OPEB Liability	\$ 194,002,060	\$ 172,738,356	\$ 154,659,620

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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	5.75 %	6.75 %	7.75 %
Total OPEB Liability	\$ 162,228,946	\$ 172,738,356	\$ 185,482,998

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 \$6,482,817. In addition, the County reported deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,587	\$ -
Changes of assumptions	-	43,443,882
County's Contributions Subsequent to the Measurement Date	8,914,773	-
Total	\$ 8,948,360	\$ 43,443,882

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

Year Ended September 30,	Amount
2020	\$ (5,491,417)
2021	(5,491,417)
2022	(5,491,417)
2023	(5,491,417)
2024	(5,491,417)
Thereafter	(15,953,210)
Total	\$ (43,410,295)

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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:

Discount Rate	3.35%
Inflation	2.60%
Healthcare Cost Trend Rates	3.00%

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 at the measurement date is 3.83%. Benefit payments are funded on a pay-as-you go basis. The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2019.

NOTE 12 OPERATING LEASES

The following is a schedule by years of future minimum rental payments required under operating leases for certain land, buildings and equipment used in governmental operations that have initial or remaining noncancelable lease terms as of September 30, 2019:

Year Ended September 30,	Amount
2020	\$ 1,404,134
2021	853,601
2022	407,802
2023	130,050
2024	40,273
Thereafter	283,506
Total Minimum Payments Required	\$ 3,119,366

Rent expenditures under cancelable and noncancelable lease arrangements for the year ended September 30, 2019 were \$1,956,769. The leases generally provide for automatic termination in any year in which the County fails to appropriate funds for rental payments.

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

NOTE 13 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The County's governmental fund balances as of September 30, 2019, were classified as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Prepays	\$ 1,179,428	\$ 70,724	\$ 1,250,152
Advances	74,604	-	74,604
Inventories	647,539	-	647,539
Total Nonspendable	<u>1,901,571</u>	<u>70,724</u>	<u>1,972,295</u>
Restricted:			
Economic Development	1,462,747	-	1,462,747
General County Admin Events	64,703	-	64,703
Human Services Multi-Purpose Centers and Healthy Families Program	12,371	-	12,371
Roadway Maintenance, Operations, and Capital	-	80,621,735	80,621,735
Community Redevelopment Areas	-	795,179	795,179
Emergency Services	-	9,218,434	9,218,434
Libraries, Museums and Parks, Maintenance Operations and Capital	462,838	12,821,939	13,284,777
Law Enforcement	854,633	3,603,388	4,458,021
Court Related Operation/Technology	1,921,265	4,344,416	6,265,681
Debt Service	-	9,241,419	9,241,419
Tourism Development	-	12,470,887	12,470,887
Indigent Healthcare	-	45,332,242	45,332,242
Impact Fees	-	47,246,573	47,246,573
Building Code Enforcement	-	9,102,996	9,102,996
Election Activities	-	670,239	670,239
Grant Housing Program	-	1,101,524	1,101,524
Total Restricted	<u>4,778,557</u>	<u>236,570,971</u>	<u>241,349,528</u>
Committed:			
Roadway Maintenance, Operations, and Capital	285,575	50,872,399	51,157,974
Environmental Lands Acquisition and Maintenance	717,248	43,227,257	43,944,505
Emergency Medical Services	-	6,339,671	6,339,671
Total Committed	<u>1,002,823</u>	<u>100,439,327</u>	<u>101,442,150</u>
Assigned:			
Project Excess of Expected Expenditures Over Expected Revenues	22,544,776	-	22,544,776
Roadway Maintenance, Operations, and Capital	-	4,665,525	4,665,525
Debt Service	-	8,367,737	8,367,737
General Capital Improvement Projects	-	14,784,433	14,784,433
Total Assigned	<u>22,544,776</u>	<u>27,817,695</u>	<u>50,362,471</u>
Unassigned	<u>74,544,016</u>	<u>(104,125)</u>	<u>74,439,891</u>
Total Fund Balances	<u>\$ 104,771,743</u>	<u>\$ 364,794,592</u>	<u>\$ 469,566,335</u>

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

NOTE 14 PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the year ended September 30, 2019, were levied in January 2018. All taxes are payable on November 1 and due by March 31, or as soon as the assessments roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of four percent in November, three percent in December, two percent in January, and one percent in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year-end. Any prepaid taxes paid in June through September are accrued as deferred inflows at the fiscal year-end.

NOTE 15 REHABILITATION AND HOMEOWNERSHIP LOAN PROGRAMS

The County has multi and single-family home rehabilitation and homeownership loan programs funded under the Community Development Block Grant (CDBG), HOME Investment Partnership Loan Program (HOME), and the State Housing Initiative Partnership Program (SHIP). If the homeowners remain in their homes for the full term of the deferred loan, the loan is forgiven. If the property is transferred or sold before the end of the loan period, the proceeds from the repayment including interest, if any, are then repaid and returned to the appropriate grant program. If the net proceeds from a voluntary (sale) or involuntary (foreclosure) sale are insufficient to repay the amount of the assistance, the County shall recapture the balance due on the loan or 100% of net proceeds from the sale, whichever is less. If there are no net proceeds from the sale, no repayment is required. A lien is placed against the property to ensure the repayment of the loan and interest, if any. As collection is uncertain on these loans, they are not recognized in the financial statements.

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

NOTE 16 AFFORDABLE HOUSING ASSISTANCE TRUST FUND – STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP)

The Affordable Housing Assistance Trust Fund – State Housing Initiative Partnership Program (SHIP) is included in the Nonmajor Governmental Funds. Separate financial information for this fund is reported below:

ASSETS

Cash and Investments	\$ 3,088,194
Interest Receivable	7,049
Total Assets	\$ 3,095,243

LIABILITIES AND FUND BALANCE

Liabilities:	
Vouchers Payable	\$ 80,539
Accrued Liabilities	6,728
Unearned Revenue	3,007,976
Total Liabilities	3,095,243

Fund Balance:	-
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Total Liabilities and Fund Balance	\$ 3,095,243
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	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 744,090	\$ 744,090	\$ 2,392,389	\$ 1,648,299
Interest Income	45,000	45,000	4,025	(40,975)
Net Increase (Decrease) in				
Fair Value of Investments	-	-	15,729	15,729
Gain on Sale of Capital Assets	-	-	1,816	1,816
Miscellaneous Revenues	205,000	205,000	-	(205,000)
Total Revenues	994,090	994,090	2,413,959	1,419,869
EXPENDITURES				
Economic Environment	5,020,432	5,020,432	2,413,959	2,606,473
Total Expenditures	5,020,432	5,020,432	2,413,959	2,606,473
NET CHANGE IN FUND BALANCE	(4,026,342)	(4,026,342)	-	4,026,342
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ (4,026,342)	\$ (4,026,342)	\$ -	\$ 4,026,342

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

NOTE 17 COMMITMENTS AND CONTINGENCIES

Federal Grant Programs

The County participates in a number of federal programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. The grantor audits of all programs for or including the year ended September 30, 2019, have not been completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies, cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Large Contractual Commitments

The County has contractual commitments at September 30, 2019 for the following:

Roads & Drainage Annex Facility	\$ 3,498,579
SW Regional Wastewater Treatment Facility Reclaim	2,642,663
Proposed Clinic Space and Graduate Medical Residency Program	2,188,987
Provide SCADA Upgrades to WPF's	1,974,070
Construction Contract for Lake Gwyn East Surface Water Restoration	1,662,619
Q18-4967 Supply & Install 35 LS panels	1,642,130
Marigold Ave & CR 580 Widening	1,335,165
Primary Care Services for Qualified Polk County Residents	1,300,584
Northwest Regional Utility Service Area Cherry Hill Water Production Facility	1,288,673
Tonka Water Simul-Wash Backwash System	1,177,939
US 17-92 RCVI Improvements	1,153,342
Gibson Oaks Water Production Facility	1,028,519
NERWWTF Clarifier Addition	1,026,323
North Central Landfill	965,276
CR 557 Widening	903,503
Ernie Caldwell Reclaimed Water Main Improvements Phase 1	869,025
Thornhill Rd to Landfill Main	858,991
Dinner Lake Construction	790,742
Lake Wilson Widening	685,252
SWRUSA Inflow and Infiltration Phase 1A	556,688
Behavioral Health Services for Qualified Polk County Residents	503,182
Other Miscellaneous Contracts	13,848,222
Total	<u>\$ 41,900,474</u>

Litigation

Various suits and claims involving disputed ad valorem real property taxes are pending against Polk County. Portions of these taxes have been voluntarily paid, others have been paid under protest, and in certain instances, there are unpaid balances.

Various other suits and claims arising in the ordinary course of County operations, some of which may involve substantial amounts, are pending against the County. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the County, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of Polk County or the results of its operations.

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

NOTE 18 TRANSFERS

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

Transfers to General Fund from:

Nonmajor Governmental Funds	\$ 11,649,728
Utilities Fund	1,810,597
Waste and Recycling Fund	7,986,723
ROHR Nursing Home	161,338
Total	<u>\$ 21,608,386</u>

Transfers to Nonmajor Governmental Funds from:

General Fund	\$ 7,841,760
Nonmajor Governmental Funds	10,888,642
Waste and Recycling Fund	5,652,363
Total	<u>\$ 24,382,765</u>

Transfer to Utilities Fund from:

General Fund	\$ 3,235
Nonmajor Governmental Funds	25,011
Total	<u>\$ 28,246</u>

Transfer to Waste and Recycling Fund from:

General Fund	\$ 369,704
Nonmajor Governmental Funds	27,703,754
Total	<u>\$ 28,073,458</u>

Transfers to Internal Service from:

Nonmajor Governmental Funds	\$ 378,702
Total	<u>\$ 378,702</u>

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

NOTE 19 DEFICIT FUND BALANCES

At September 30, 2019, the Polk Commerce Centre CRA Fund had a fund balance deficit of \$74,604. The deficit in the Polk Commerce Centre CRA fund will be eliminated through future receipts of ad valorem taxes.

At September 30, 2019, the Information Technology Fund had a fund balance deficit of \$459,253. The deficit in the Information Technology Fund will be eliminated through future charges to other funds.

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

NOTE 20 POLK COUNTY ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM

On November 6, 2012, the electorate of Polk County, Florida, passed a referendum authorizing the County to grant ad valorem tax exemptions to qualifying businesses. The Polk County Board of County Commissioners adopted Ordinance 2013-017 on May 7, 2013, to establish such a program. This ordinance authorized the County to grant economic development ad valorem tax exemptions to new businesses and expansions of existing businesses as defined in section 196.012 of the *Florida Statutes* as authorized by Article VII, Section 3 of the Florida Constitution and section 196.195 of the *Florida Statutes*.

The ad valorem tax exemption program currently recognizes three categories of businesses for eligibility: new businesses in qualified target industries (QTI), existing businesses in QTI seeking to expand, and manufacturing expansion. Qualified applicants are eligible to receive ad valorem tax exemptions for up to 100% of the assessed value of the property for a maximum of 10 years. There were 24 businesses participating in the ad valorem tax exemption program for year ended September 30, 2019. The mutual agreement provides financial incentives to the companies and economic job growth for the County. The County assesses compliance with these agreements on an annual basis. The exemptions offered by the County do not apply to taxes levied by the Polk County School Board, Southwest Florida Water Management District, or any other taxing authorities not governed by the County. The following is a schedule of tax assessments and exemptions by exemption type for year ended September 30, 2019:

Taxable Value Summary - New Business QTI

Assessed Taxes Without Abatements	\$ 3,336,364
Tax Revenue Abated	3,003,200
Tax Revenue to County	<u>\$ 333,164</u>

Tax Revenue Summary - New Business NonQTI

Assessed Taxes Without Abatements	\$ 288,811
Tax Revenue Abated	216,608
Tax Revenue to County	<u>\$ 72,203</u>

Taxable Value Summary - Existing Business QTI

Assessed Taxes Without Abatements	\$ 1,039,237
Tax Revenue Abated	550,691
Tax Revenue to County	<u>\$ 488,546</u>

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

NOTE 21 SUBSEQUENT EVENTS

Bond Issuance

On February 25, 2020, the County defeased a portion of its Utility System Revenue Refunding Bonds, Series 2012, Utility System Revenue and Refunding Bonds, Series 2013 and Utility System Revenue Refunding Bonds, Series 2014A with legally available funds of the System. The callable defeased 2012 Bonds will be redeemed prior to maturity on October 1, 2022 at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The callable defeased 2013 Bonds will be redeemed prior to maturity on October 1, 2023 at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The callable defeased 2014A Bonds will be redeemed prior to maturity on October 1, 2024 at a redemption price of 100% of the principal amount plus accrued interest to the redemption date.

On March 12, 2020, the County issued \$87,550,000 of its Utility System Revenue and Revenue Refunding Bonds, Series 2020 to 1) advance refund the County's Outstanding Utility System Revenue Bonds, Series 2010 (Federally Taxable – Build America Bonds – Direct Subsidy), and 2) finance the acquisition and construction of additions, extensions and improvements to the County's water distribution and wastewater collection and treatment system. The refinancing resulted in net present value savings of \$8,753,834.

Worldwide Pandemic

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Polk County, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes Polk County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

During the period from January 1, 2020 through March 27, 2020, both domestic and international equity markets have experienced significant declines. These losses are not reflected in the financial statements as of and for the year ended September 30, 2019 as these events occurred subsequent to year end and are still developing.

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REQUIRED SUPPLEMENTARY INFORMATION

**POLK COUNTY, FLORIDA
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	\$ 5,016,274	\$ 5,521,352
Interest	6,957,959	6,311,071
Changes of Benefit Terms	-	-
Difference Between Expected and Actual Experience	-	42,401
Changes of Assumptions	(37,082,312)	(13,232,965)
Benefit Payments	<u>(9,675,173)</u>	<u>(7,893,882)</u>
Net Change in Total OPEB Liability	(34,783,252)	(9,252,023)
Total OPEB Liability - Beginning	<u>207,521,608</u>	<u>216,773,631</u>
Total OPEB Liability - Ending	<u>\$ 172,738,356</u>	<u>\$ 207,521,608</u>
County's Covered-employee Payroll	\$ 268,972,837	\$ 201,726,831
County's Total OPEB Liability as a Percentage of Covered-employee Payroll	64.22%	102.87%
OPEB Plan's Fiduciary Net Position	\$ -	\$ -
OPEB Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	N/A	N/A

Notes to Schedule:

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

Changes in Assumptions: The following assumptions have been updated in accordance with GASB Statement No. 75.

- The trend table was updated to the last 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 Statement No. 75.
- The mortality and disability decrements were updated to the latest assumptions used for the OPEB Valuation

POLK COUNTY, FLORIDA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN MEASUREMENT PERIODS¹

	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.984599641%	0.979972181%	0.957941800%	0.941256310%	0.857017154%
County's Proportionate Share of the Net Pension Liability	\$ 339,082,409	\$ 295,172,700	\$ 283,352,754	\$ 237,667,957	\$ 110,695,258
County's Covered Payroll ²	\$ 187,983,897	\$ 187,511,944	\$ 172,448,583	\$ 175,979,949	\$ 162,213,496
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	180.38%	157.42%	164.31%	135.05%	68.24%
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.

¹ 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.

² Covered payroll consists of pensionable wages calculated as of the respective measurement date.

**POLK COUNTY, FLORIDA
SCHEDULE OF COUNTY CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS¹**

	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 31,176,804	\$ 28,567,372	\$ 25,519,776	\$ 24,584,511	\$ 21,103,282
Contributions in Relation to the Contractually Required Contribution	<u>(31,176,804)</u>	<u>(28,567,372)</u>	<u>(25,519,776)</u>	<u>(24,584,511)</u>	<u>(21,103,282)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 189,658,115	\$ 189,552,917	\$ 176,635,169	\$ 180,312,824	\$ 171,452,221
Contributions as a Percentage of Covered Payroll	16.44%	15.07%	14.45%	13.63%	12.31%

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

¹ 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.

POLK COUNTY, FLORIDA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN MEASUREMENT PERIODS¹

	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.671150490%	0.668910157%	0.647821000%	0.640800865%	0.625554561%
County's Proportionate Share of the Net Pension Liability	\$ 75,095,024	\$ 70,798,201	\$ 69,268,011	\$ 74,682,686	\$ 63,796,725
County's Covered Payroll ²	\$ 219,181,243	\$ 218,394,455	\$ 194,438,570	\$ 197,293,241	\$ 190,065,812
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	34.26%	32.42%	35.62%	37.85%	33.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	21.50%	1.64%	0.97%	0.50%

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

¹ 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.

² Covered payroll consists of pensionable wages calculated as of the respective measurement date.

**POLK COUNTY, FLORIDA
SCHEDULE OF COUNTY CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS¹**

	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 3,767,613	\$ 3,643,123	\$ 3,492,346	\$ 3,424,007	\$ 2,391,259
Contributions in Relation to the Contractually Required Contribution	<u>(3,767,613)</u>	<u>(3,643,123)</u>	<u>(3,492,346)</u>	<u>(3,424,007)</u>	<u>(2,391,259)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	221,501,919	219,482,843	\$ 203,529,598	\$ 202,834,766	\$ 189,492,682
Contributions as a Percentage of Covered Payroll	1.70%	1.66%	1.72%	1.69%	1.26%

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

¹ 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.

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COMBINING AND INDIVIDUAL FUND SCHEDULES

**POLK COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

Special Revenue Grants Fund

This fund accounts for the various federal and state grants obtained by the County.

County Transportation Trust Fund

The main sources of revenues are from state-shared revenues and local option gas taxes. These revenues are used for road and bridge maintenance and construction.

Tourist Development Tax Fund

The County's portion of the four and five cent tourism tax revenue is recorded in this fund. These revenues are to be used to promote tourism for the County.

Impact Fees Fund

This fund accounts for impact fees used for the construction or improvement of the County's emergency medical system, roads, and correctional facilities.

Lake and River Enhancement Fund

The annual County vessel registration fee revenues are recorded in this fund. These revenues are used for the maintenance and enhancement of the lakes, rivers, and waters, and for other boating related activities.

Lighting Districts Fund

This fund accounts for the costs of providing street lighting to residents living within the boundaries of the lighting districts. The primary revenue source is from non-ad valorem special assessments restricted for the purpose of street lighting in special districts.

Stormwater MSTU Fund

This fund accounts for MSTU revenue and cost of operating and maintaining the stormwater management system and complying with mandates of the National Pollutant Discharge Elimination System Stormwater (NPDES) permitting program.

Fire Rescue Fund

This fund accounts for the costs of providing fire protection services to the residents living within the unincorporated areas of the County. The primary revenue source is from various special assessments to citizens to be used for fire rescue and emergency medical services.

Emergency 911 Fund

This fund accounts for fees provided by the Florida emergency telephone act and by ordinance No. 86-23. These revenues are to be used for the acquisition, implementation, and maintenance of public safety answering point equipment and "911" service features.

**POLK COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

SPECIAL REVENUE FUNDS (CONTINUED)

Hazardous Waste Fund

This fund accounts for costs of regulations and inspections of hazardous waste facilities. The primary revenue source is from a 3% tax on gross receipts on commercial hazardous waste facilities pursuant to Section 403.7215, *Florida Statutes*. According to Florida Statutes, these funds are restricted to be spent on the regulation and inspection of hazardous waste facilities.

Radio Communications Fund

This fund accounts for the cost of constructing and maintaining the County-wide 800 megahertz radio communications system. Primary revenue sources are court fines and radio communication user fees.

Law Enforcement Trust Fund

This fund accounts for the monies obtained from cash forfeitures and the sale of property and equipment confiscated by the Sheriff as provided for in Chapter 932, *Florida Statutes*, the amounts in the fund are to be expended only for certain law enforcement purposes.

Land Management Trust Fund

This fund accounts for monies obtained from ad valorem taxes, which may only be expended for the purchase and management of environmentally sensitive lands.

Building Fund

This fund accounts for building permit fees. Revenues are used solely to defer the costs of inspections and to enforce the building code, as permitted by Section 125.56 and 553.80, *Florida Statutes*.

Indigent Healthcare Fund

This fund accounts for receipts and disbursements of monies received from the discretionary half-cent sales tax approved by Polk County voters. Monies may be expended only for healthcare services for qualified residents, including but not limited to, the indigent and medically poor.

Harden/Parkway CRA Fund

This fund was established in 2004 and has a 40-year sunset date. This fund accounts for monies obtained from ad valorem taxes, which may only be expended to fund the design, construction, and payment for all components of the transportation improvements to the Harden/Parkway area.

Polk Commerce Centre CRA Fund

This fund was established in 2006 when Polk County commissioners were assigned to the CRA board. This fund accounts for monies obtained from ad valorem taxes, which may only be expended to fund the design, construction, and payment for all components of the transportation improvements to the Polk Commerce Centre area.

**POLK COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

SPECIAL REVENUE FUNDS (CONTINUED)

Leisure Services MSTU Fund

The leisure services MSTU was established in 2005 to provide and maintain expanded public access to parks and recreation areas and activities, by improving, acquiring, and operating parks, recreation areas and facilities, historical venues and trails within unincorporated areas of the county. Revenues are provided by ad valorem taxes.

Libraries MSTU Fund

The libraries MSTU fund was established in 2005 to provide and maintain expanded public access to library facilities and programs by improving, acquiring, constructing, and operating library facilities within the unincorporated areas of the County. Revenues are provided by ad valorem taxes.

Rancho Bonito MSTU Fund

The Rancho Bonito MSTU fund was established in 2013 to fund County and law enforcement services, facilities, operations, maintenance and programs properly located within Rancho Bonito. Revenues are provided by ad valorem taxes.

Transportation Millage Fund

This fund accounts for 1.1 mill of ad valorem revenue levied county-wide. In addition, the Board of Commissioners has assigned a portion of the Public Service Tax, assessed on the purchase of utilities such as electricity, water, natural gas, and petroleum gas, to the fund. The primary purpose of the fund is for pavement management, roadway drainage, road capacity, road safety, and general roadway improvements.

Eloise CRA Fund

This fund accounts for monies obtained from ad valorem taxes, which may only be expended for the rehabilitation, conservation, or redevelopment of the Eloise area.

Emergency Medical Millage

This fund was established based on a proposed millage increase of 0.25 mills. The fund is to support Emergency Medical Services (EMS) throughout the county, covering operating and capital costs associated with Emergency Medical Services.

Clerk of the Circuit Courts – Court Fund

This fund accounts for court-related financial resources. The primary revenue source is revenue sharing from Florida Clerks of Court Operations Corporation and is restricted for court-related operations.

**POLK COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

SPECIAL REVENUE FUNDS (CONTINUED)

Unbudgeted Other Special Revenue Funds

The Clerk of Courts' Records Modernization Trust accounts for the proceeds of specified revenue sources that are legally restricted to expenditures for specified purposes. The Sheriff's Other Special Revenue Funds (Grants Fund and Other Governmental Funds) account for the proceeds of specific revenue sources related to law enforcement education, law enforcement equipment, and other governmental activities that are legally restricted or committed to expenditures for these specified purposes. The Supervisor of Elections' Special Revenue Grants Fund accounts for the proceeds and expenditures of grants that are contractually restricted for election related expenditures. Funds are unbudgeted and will not have a budget to actual fund statement.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for and payment of the County's long-term debt other than those payable from the operations of enterprise funds.

Capital Improvement Refunding Revenue Bonds, Series 2010 Fund

This fund accumulates monies for the payment of the \$32,265,000 Capital Improvement Refunding Revenue Bonds, Series 2010, which are serial bonds, due in annual installments of \$2,779,050 to \$2,784,200 through December 2026. Principal and interest are paid from the county share of the half-cent sales tax funds received from the state.

Transportation Improvement Refunding Revenue Bonds, Series 2010 Fund

This fund accumulates monies for the payment of the \$53,035,000 Transportation Improvement Refunding Revenue Bonds, Series 2010, which are serial bonds, due in annual installments of \$4,172,725 to \$4,176,975 through December 2029. Principal and interest are paid from the 5-cents per gallon local option fuel tax and two percent of the public service tax levied by the County.

Public Facilities Revenue Refunding Bonds, Series 2014 Fund

This fund accumulates monies for the payment of the \$71,510,000 Public Facilities Revenue Refunding Bond. Series 2014, which are serial bonds, due in annual installments of \$1,787,556 to \$5,453,600 through December 2035. Principal and interest are paid by a pledge of revenues from the State Revenue Sharing Trust Funds and 8% of the 10% public service tax accruing to the County under provisions of Chapter 210, *Florida Statutes*, Section 212.20 and Chapter 125, *Florida Statutes*; Chapter 218, Part II, *Florida Statutes*; Section 166.231, *Florida Statutes*.

Public Facilities Revenue Refunding Note, Series 2015 Fund

This fund accumulates monies for the payment of the \$18,157,000 in Public Facilities Revenue Refunding Note, Series 2015, due in annual installments of \$592,356 to \$2,151,780; including interest through December 1, 2026; interest of 2.14%; collateralized by a pledge of State Revenue Sharing Trust Funds and 8% of the 10% public service tax accruing to the County under provisions of Chapter 210, *Florida Statutes*, Section 212.20 and Chapter 125, *Florida Statutes*; Chapter 218, Part II, *Florida Statutes*; Section 166.231, *Florida Statutes*.

**POLK COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

CAPITAL PROJECT FUNDS

Capital project funds account for funds used for the acquisition or construction of major capital facilities.

General Capital Improvements Fund

This fund is used to account for the acquisition, construction, modification, improvement and renovation of major capital facilities such as buildings and parks.

Northeast Polk Roadway Fund

This fund was established to spend down the remaining balance on projects in Northeast Polk County transferred from the North Ridge CRA Fund that was sunset in 2015.

Environmental Lands Acquisition Fund

This fund is used to account for the purchase of environmentally sensitive lands which are funded by a 0.2 mill ad valorem tax levy.

Drainage and Water Quality Fund

This fund was established to account for drainage and water quality activities.

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

	Special Revenue				
	Special Revenue Grants	County Transportation Trust	Tourist Development Tax	Impact Fees	Lake and River Enhancement
ASSETS					
Cash and Investments	\$ -	\$ 56,566,842	\$ 12,905,205	\$ 46,635,069	\$ 2,605,792
Cash and Investments with Fiscal Agent	-	-	-	-	-
Accounts Receivable	1,093	2,689	342	59,403	204
Interest Receivable	7,050	148,745	28,921	101,200	5,781
Due from Other Governments	19,755,188	4,046,772	-	1,262,530	5,178
Due from Other Funds	-	13,011,624	894,258	-	33,251
Other Assets	-	-	-	-	-
Total Assets	\$ 19,763,331	\$ 73,776,672	\$ 13,828,726	\$ 48,058,202	\$ 2,650,206
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Vouchers Payable	\$ 1,035,043	\$ 551,562	\$ 1,316,321	\$ 770,734	\$ 5,780
Accrued Liabilities	90,762	122,451	29,831	-	-
Customer Deposits	-	-	-	-	-
Due to Other Governments	97,876	92,849	-	-	-
Due to Other Funds	13,011,624	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Unearned Revenue	4,426,502	60,108	11,687	40,895	2,336
Total Liabilities	18,661,807	826,970	1,357,839	811,629	8,116
DEFERRED INFLOWS OF RESOURCES					
Taxes Received in Advance	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	1,101,524	72,949,702	12,470,887	47,246,573	2,642,090
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	1,101,524	72,949,702	12,470,887	47,246,573	2,642,090
Total Liabilities, Deferred Inflows and Fund Balances	\$ 19,763,331	\$ 73,776,672	\$ 13,828,726	\$ 48,058,202	\$ 2,650,206

Special Revenue

Lighting Districts	Stormwater MSTU	Fire Rescue	Emergency 911	Hazardous Waste	Radio Communications	Law Enforcement Trust
\$ 720,477	\$ 6,879,837	\$ 7,184,149	\$ 2,011,308	\$ 117,488	\$ 1,555,018	\$ 1,078,788
-	-	-	-	-	-	-
-	-	9,652	-	-	36,000	-
1,814	15,256	7,040	4,326	278	3,589	2,382
-	474,041	5,044	249,081	-	-	-
480	17,369	627,043	-	-	38,842	123,608
-	-	-	-	-	-	-
<u>\$ 722,771</u>	<u>\$ 7,386,503</u>	<u>\$ 7,832,928</u>	<u>\$ 2,264,715</u>	<u>\$ 117,766</u>	<u>\$ 1,633,449</u>	<u>\$ 1,204,778</u>
\$ 206,114	\$ 79,780	\$ 149,637	\$ 32,369	\$ 2,652	\$ 39,460	\$ -
-	128,757	1,631,080	12,848	-	14,931	-
-	-	-	-	-	-	-
-	-	137,222	-	-	-	-
-	10	29	-	-	991	-
-	-	-	-	-	-	-
733	6,165	2,845	1,748	112	1,450	963
206,847	214,712	1,920,813	46,965	2,764	56,832	963
-	15,682	603,050	-	-	-	-
-	15,682	603,050	-	-	-	-
-	-	-	-	-	-	-
515,924	7,156,109	5,309,065	2,217,750	115,002	1,576,617	1,203,815
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>515,924</u>	<u>7,156,109</u>	<u>5,309,065</u>	<u>2,217,750</u>	<u>115,002</u>	<u>1,576,617</u>	<u>1,203,815</u>
<u>\$ 722,771</u>	<u>\$ 7,386,503</u>	<u>\$ 7,832,928</u>	<u>\$ 2,264,715</u>	<u>\$ 117,766</u>	<u>\$ 1,633,449</u>	<u>\$ 1,204,778</u>

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

	Special Revenue				
	Land Management Trust	Building	Indigent Healthcare	Harden / Parkway CRA	Polk Commerce Centre CRA
ASSETS					
Cash and Investments	\$ 40,741,207	\$ 10,251,073	\$ 44,428,789	\$ 193,222	\$ -
Cash and Investments with Fiscal Agent	-	-	500,000	-	-
Accounts Receivable	-	41,191	231,370	-	-
Interest Receivable	90,246	23,101	98,886	428	-
Due from Other Governments	-	-	5,130,689	-	-
Due from Other Funds	317	-	-	-	-
Other Assets	-	-	70,210	-	-
Total Assets	\$ 40,831,770	\$ 10,315,365	\$ 50,459,944	\$ 193,650	\$ -
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Vouchers Payable	\$ -	\$ 75,431	\$ 2,350,533	\$ -	\$ -
Accrued Liabilities	-	1,127,603	2,737,208	-	-
Customer Deposits	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	74,604
Unearned Revenue	36,469	9,335	39,961	173	-
Total Liabilities	36,469	1,212,369	5,127,702	173	74,604
DEFERRED INFLOWS OF RESOURCES					
Taxes Received in Advance	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	9,102,996	45,332,242	193,477	-
Committed	40,795,301	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(74,604)
Total Fund Balances	40,795,301	9,102,996	45,332,242	193,477	(74,604)
Total Liabilities, Deferred Inflows and Fund Balances	\$ 40,831,770	\$ 10,315,365	\$ 50,459,944	\$ 193,650	\$ -

Special Revenue

Leisure Services MSTU	Libraries MSTU	Rancho Bonito MSTU	Transportation Millage	Eloise CRA	Emergency Medical Millage	Clerk of the Circuit Courts Court Fund
\$ 8,872,923	\$ 1,558,830	\$ 40,619	\$ 43,430,678	\$ 601,409	\$ 6,397,004	\$ 4,613,047
-	-	-	-	-	-	-
8,396	-	-	5,987	-	-	-
20,197	3,459	90	98,523	1,334	14,358	-
-	-	-	1,615	-	-	28,663
97,144	36,806	575	310,540	-	-	-
-	-	-	-	-	69,591	-
<u>\$ 8,998,660</u>	<u>\$ 1,599,095</u>	<u>\$ 41,284</u>	<u>\$ 43,847,343</u>	<u>\$ 602,743</u>	<u>\$ 6,480,953</u>	<u>\$ 4,641,710</u>
\$ 197,820	\$ 1,825	\$ -	\$ 2,100,329	\$ -	\$ 62,459	\$ 15,073
87,250	-	-	133,356	502	9,262	405,065
-	-	-	-	-	-	2,671,614
-	-	-	-	-	-	1,549,958
228	24	11	176	-	16	-
-	-	-	-	-	-	-
8,162	1,398	36	39,814	539	5,802	-
<u>293,460</u>	<u>3,247</u>	<u>47</u>	<u>2,273,675</u>	<u>1,041</u>	<u>77,539</u>	<u>4,641,710</u>
88,126	33,073	-	280,469	-	63,743	-
<u>88,126</u>	<u>33,073</u>	<u>-</u>	<u>280,469</u>	<u>-</u>	<u>63,743</u>	<u>-</u>
-	-	-	-	-	-	-
8,617,074	1,562,775	41,237	-	601,702	-	-
-	-	-	41,293,199	-	6,339,671	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,617,074</u>	<u>1,562,775</u>	<u>41,237</u>	<u>41,293,199</u>	<u>601,702</u>	<u>6,339,671</u>	<u>-</u>
<u>\$ 8,998,660</u>	<u>\$ 1,599,095</u>	<u>\$ 41,284</u>	<u>\$ 43,847,343</u>	<u>\$ 602,743</u>	<u>\$ 6,480,953</u>	<u>\$ 4,641,710</u>

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

	Special Revenue		Debt Service		
	Unbudgeted Other Special Revenue Funds	Capital Improvement Refunding Revenue Bonds Series 2010	Transportation Improvement Refunding Revenue Bonds Series 2010	Public Facilities Revenue Refunding Bonds Series 2014	Public Facilities Revenue Refunding Note Series 2015
ASSETS					
Cash and Investments	\$ 7,624,575	\$ 5,164,139	\$ 7,385,201	\$ 3,281,681	\$ 1,755,285
Cash and Investments with Fiscal Agent	-	-	-	-	-
Accounts Receivable	3,534	-	-	-	-
Interest Receivable	-	10,926	16,359	7,173	3,888
Due from Other Governments	149,497	-	-	-	-
Due from Other Funds	141,365	-	-	-	-
Other Assets	70,724	-	-	-	-
Total Assets	<u>\$ 7,989,695</u>	<u>\$ 5,175,065</u>	<u>\$ 7,401,560</u>	<u>\$ 3,288,854</u>	<u>\$ 1,759,173</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Vouchers Payable	\$ 216,500	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	53,370	-	-	-	-
Customer Deposits	-	-	-	-	-
Due to Other Governments	9,906	-	-	-	-
Due to Other Funds	289,397	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Unearned Revenue	-	4,415	6,611	2,899	1,571
Total Liabilities	<u>569,173</u>	<u>4,415</u>	<u>6,611</u>	<u>2,899</u>	<u>1,571</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes Received in Advance	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	70,724	-	-	-	-
Restricted	7,372,991	1,940,567	2,684,659	3,114,883	1,501,310
Committed	-	-	-	-	-
Assigned	6,328	3,230,083	4,710,290	171,072	256,292
Unassigned	(29,521)	-	-	-	-
Total Fund Balances	<u>7,420,522</u>	<u>5,170,650</u>	<u>7,394,949</u>	<u>3,285,955</u>	<u>1,757,602</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 7,989,695</u>	<u>\$ 5,175,065</u>	<u>\$ 7,401,560</u>	<u>\$ 3,288,854</u>	<u>\$ 1,759,173</u>

Capital Projects

General Capital Improvements	Northeast Polk Roadway	Environmental Lands Acquisition	Drainage and Water Quality	Total Nonmajor Governmental Funds
\$ 15,369,957	\$ 9,684,829	\$ 2,466,208	\$ 4,730,211	\$ 356,850,860
-	-	-	-	500,000
-	-	-	-	399,861
32,879	21,548	5,530	10,491	785,798
-	-	-	-	31,108,298
34,795	-	168	-	15,368,185
-	-	-	-	210,525
<u>\$ 15,437,631</u>	<u>\$ 9,706,377</u>	<u>\$ 2,471,906</u>	<u>\$ 4,740,702</u>	<u>\$ 405,223,527</u>
\$ 608,032	\$ 118,469	\$ 37,715	\$ 77,266	\$ 10,050,904
-	-	-	-	6,584,276
-	-	-	-	2,671,614
-	-	-	-	1,887,811
8	-	-	-	13,302,514
-	-	-	-	74,604
13,287	8,708	2,235	4,239	4,741,198
621,327	127,177	39,950	81,505	39,312,921
31,871	-	-	-	1,116,014
31,871	-	-	-	1,116,014
-	-	-	-	70,724
-	-	-	-	236,570,971
-	9,579,200	2,431,956	-	100,439,327
14,784,433	-	-	4,659,197	27,817,695
-	-	-	-	(104,125)
<u>14,784,433</u>	<u>9,579,200</u>	<u>2,431,956</u>	<u>4,659,197</u>	<u>364,794,592</u>
<u>\$ 15,437,631</u>	<u>\$ 9,706,377</u>	<u>\$ 2,471,906</u>	<u>\$ 4,740,702</u>	<u>\$ 405,223,527</u>

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

	Special Revenue				
	Special Revenue Grants	County Transportation Trust	Tourist Development Tax	Impact Fees	Lake and River Enhancement
REVENUES					
Taxes	\$ -	\$ 24,884,004	\$ 14,082,594	\$ -	\$ -
Licenses and Permits	-	-	-	-	171,189
Intergovernmental	52,464,074	11,369,969	-	-	-
Charges for Services	-	-	-	-	329,849
Fines and Forfeitures	-	-	-	-	-
Special Assessments	-	-	-	21,401,085	-
Interest Income	11,042	1,848,941	373,198	1,181,601	78,384
Net Change in Fair Value of Investments	15,729	550,881	107,112	374,800	21,412
Miscellaneous Revenue	1,645,764	38,077	214,742	2,400	6
Total Revenues	<u>54,136,609</u>	<u>38,691,872</u>	<u>14,777,646</u>	<u>22,959,886</u>	<u>600,840</u>
EXPENDITURES					
Current:					
General Government	27,975	-	-	-	-
Public Safety	5,326,426	-	-	840,276	-
Physical Environment	1,249,416	-	-	-	163,107
Transportation	1,165,223	14,560,979	-	2,560,789	-
Economic Environment	6,744,796	-	9,281,766	-	-
Human Services	3,783,842	-	-	-	-
Culture and Recreation	784,337	-	-	140,631	175,826
Debt Service:					
Principal Retirements	-	-	2,293,256	-	-
Interest and Fiscal Charges	-	-	1,235,353	-	-
Capital Projects	-	-	-	-	-
Total Expenditures	<u>19,082,015</u>	<u>14,560,979</u>	<u>12,810,375</u>	<u>3,541,696</u>	<u>338,933</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	35,054,594	24,130,893	1,967,271	19,418,190	261,907
OTHER FINANCING SOURCES (USES)					
Transfers In	3,161,751	2,650,543	7,205	-	-
Transfers Out	(37,938,434)	(5,070,000)	(50,624)	(1,050,000)	-
Total Other Financing Sources (Uses)	<u>(34,776,683)</u>	<u>(2,419,457)</u>	<u>(43,419)</u>	<u>(1,050,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	277,911	21,711,436	1,923,852	18,368,190	261,907
Fund Balances - Beginning of Year	<u>823,613</u>	<u>51,238,266</u>	<u>10,547,035</u>	<u>28,878,383</u>	<u>2,380,183</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,101,524</u>	<u>\$ 72,949,702</u>	<u>\$ 12,470,887</u>	<u>\$ 47,246,573</u>	<u>\$ 2,642,090</u>

Special Revenue

Lighting Districts	Stormwater MSTU	Fire Rescue	Emergency 911	Hazardous Waste	Radio Communications	Law Enforcement Trust
\$ -	\$ 1,989,955	\$ -	\$ -	\$ 148,977	\$ -	\$ -
-	-	-	-	-	-	-
-	-	69,924	-	-	-	-
-	-	549,433	2,897,867	-	2,398,548	-
-	-	-	-	-	566,077	175,559
2,714,323	-	38,613,725	-	-	-	-
44,625	223,252	395,720	41,866	3,939	27,042	36,411
6,720	56,503	26,072	16,021	1,030	13,291	8,827
-	474,040	24,738	1,999	-	225,464	5,546
<u>2,765,668</u>	<u>2,743,750</u>	<u>39,679,612</u>	<u>2,957,753</u>	<u>153,946</u>	<u>3,230,422</u>	<u>226,343</u>
-	-	-	-	-	-	-
-	-	40,054,193	1,986,719	-	2,941,023	219,277
-	1,433,456	-	-	143,456	-	-
2,535,560	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,535,560</u>	<u>1,433,456</u>	<u>40,054,193</u>	<u>1,986,719</u>	<u>143,456</u>	<u>2,941,023</u>	<u>219,277</u>
230,108	1,310,294	(374,581)	971,034	10,490	289,399	7,066
-	1,200	2,740,106	-	-	450,000	-
-	(142,317)	(1,129,187)	-	-	-	-
-	(141,117)	1,610,919	-	-	450,000	-
230,108	1,169,177	1,236,338	971,034	10,490	739,399	7,066
285,816	5,986,932	4,072,727	1,246,716	104,512	837,218	1,196,749
<u>\$ 515,924</u>	<u>\$ 7,156,109</u>	<u>\$ 5,309,065</u>	<u>\$ 2,217,750</u>	<u>\$ 115,002</u>	<u>\$ 1,576,617</u>	<u>\$ 1,203,815</u>

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

	Special Revenue				
	Land Management Trust	Building	Indigent Healthcare	Harden / Parkway CRA	Polk Commerce Centre CRA
REVENUES					
Taxes	\$ 3,094	\$ -	\$ 50,572,043	\$ 492,151	\$ 333,723
Licenses and Permits	-	8,504,970	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	196,659	533,952	-	-
Fines and Forfeitures	-	2,354	-	-	-
Special Assessments	-	-	-	-	-
Interest Income	1,245,010	282,339	1,415,543	13,429	-
Net Change in Fair Value of Investments	334,233	85,555	366,231	1,585	-
Miscellaneous Revenue	-	-	656,883	-	-
Total Revenues	<u>1,582,337</u>	<u>9,071,877</u>	<u>53,544,652</u>	<u>507,165</u>	<u>333,723</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	7,210,310	98,987	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	54,585,189	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Retirements	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	3,619
Capital Projects	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>7,210,310</u>	<u>54,684,176</u>	<u>-</u>	<u>3,619</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,582,337	1,861,567	(1,139,524)	507,165	330,104
OTHER FINANCING SOURCES (USES)					
Transfers In	-	93	9,434	670,852	608,733
Transfers Out	(72,000)	-	(45,081)	(1,200,000)	-
Total Other Financing Sources (Uses)	<u>(72,000)</u>	<u>93</u>	<u>(35,647)</u>	<u>(529,148)</u>	<u>608,733</u>
NET CHANGE IN FUND BALANCES	1,510,337	1,861,660	(1,175,171)	(21,983)	938,837
Fund Balances - Beginning of Year	<u>39,284,964</u>	<u>7,241,336</u>	<u>46,507,413</u>	<u>215,460</u>	<u>(1,013,441)</u>
FUND BALANCES - END OF YEAR	<u>\$ 40,795,301</u>	<u>\$ 9,102,996</u>	<u>\$ 45,332,242</u>	<u>\$ 193,477</u>	<u>\$ (74,604)</u>

Special Revenue

Leisure Services MSTU	Libraries MSTU	Rancho Bonito MSTU	Transportation Millage	Eloise CRA	Emergency Medical Millage	Clerk of the Circuit Courts Court Fund
\$ 11,184,024	\$ 4,198,502	\$ 8,647	\$ 36,460,015	\$ -	\$ 8,273,618	\$ -
-	-	-	25,615	-	-	-
-	-	-	-	-	-	357,636
723,658	-	-	-	-	-	7,683,798
-	-	-	-	-	-	6,581,853
-	-	-	-	-	-	-
355,443	73,026	1,195	1,578,944	18,615	184,380	363,336
74,801	12,809	333	364,885	4,939	53,177	-
43,769	-	-	1,705,954	-	-	42,067
<u>12,381,695</u>	<u>4,284,337</u>	<u>10,175</u>	<u>40,135,413</u>	<u>23,554</u>	<u>8,511,175</u>	<u>15,028,690</u>
-	-	-	-	-	-	15,028,690
-	-	-	-	-	1,670,499	-
-	-	-	276,374	-	-	-
-	-	-	33,967,001	-	-	-
-	-	-	-	23,738	-	-
-	-	-	-	15,175	-	-
10,693,629	3,642,356	-	-	2,195	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>10,693,629</u>	<u>3,642,356</u>	<u>-</u>	<u>34,243,375</u>	<u>41,108</u>	<u>1,670,499</u>	<u>15,028,690</u>
1,688,066	641,981	10,175	5,892,038	(17,554)	6,840,676	-
183,532	2,500	17	196,976	73,966	5,000	-
(676,173)	(236,907)	(470)	(2,227,551)	(10,147)	(506,005)	-
<u>(492,641)</u>	<u>(234,407)</u>	<u>(453)</u>	<u>(2,030,575)</u>	<u>63,819</u>	<u>(501,005)</u>	<u>-</u>
1,195,425	407,574	9,722	3,861,463	46,265	6,339,671	-
7,421,649	1,155,201	31,515	37,431,736	555,437	-	-
<u>\$ 8,617,074</u>	<u>\$ 1,562,775</u>	<u>\$ 41,237</u>	<u>\$ 41,293,199</u>	<u>\$ 601,702</u>	<u>\$ 6,339,671</u>	<u>\$ -</u>

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

	Special Revenue	Debt Service			
	Unbudgeted Other Special Revenue Funds	Capital Improvement Refunding Revenue Bonds Series 2010	Transportation Improvement Refunding Revenue Bonds Series 2010	Public Facilities Revenue Refunding Bonds Series 2014	Public Facilities Revenue Refunding Note Series 2015
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	299,744	2,780,000	-	4,395,000	-
Charges for Services	2,425,744	-	-	-	-
Fines and Forfeitures	71,163	-	-	-	-
Special Assessments	-	-	-	-	-
Interest Income	153,693	131,061	195,551	74,427	28,708
Net Change in Fair Value of Investments	-	40,465	60,587	26,567	14,400
Miscellaneous Revenue	708,236	-	-	-	-
Total Revenues	3,658,580	2,951,526	256,138	4,495,994	43,108
EXPENDITURES					
Current:					
General Government	1,791,101	-	-	-	-
Public Safety	2,212,824	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Retirements	-	1,925,000	2,470,000	2,495,000	1,572,000
Interest and Fiscal Charges	-	808,074	1,648,551	2,907,800	340,752
Capital Projects	-	-	-	-	-
Total Expenditures	4,003,925	2,733,074	4,118,551	5,402,800	1,912,752
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(345,345)	218,452	(3,862,413)	(906,806)	(1,869,644)
OTHER FINANCING SOURCES (USES)					
Transfers In	175,000	-	4,170,000	1,050,000	2,100,000
Transfers Out	(9,220)	-	-	-	-
Total Other Financing Sources (Uses)	165,780	-	4,170,000	1,050,000	2,100,000
NET CHANGE IN FUND BALANCES	(179,565)	218,452	307,587	143,194	230,356
Fund Balances - Beginning of Year	7,600,087	4,952,198	7,087,362	3,142,761	1,527,246
FUND BALANCES - END OF YEAR	\$ 7,420,522	\$ 5,170,650	\$ 7,394,949	\$ 3,285,955	\$ 1,757,602

Capital Projects

General Capital Improvements	Northeast Polk Roadway	Environmental Lands Acquisition	Drainage and Water Quality	Total All Nonmajor Governmental Funds
\$ 4,136,809	\$ -	\$ 2,393	\$ -	\$ 156,770,549
-	-	-	-	8,701,774
-	-	-	-	71,736,347
-	-	-	-	17,739,508
-	-	-	-	7,397,006
-	-	-	-	62,729,133
485,782	310,367	73,870	148,317	11,399,057
121,766	79,805	20,481	38,853	2,899,870
-	12,438	-	-	5,802,123
<u>4,744,357</u>	<u>402,610</u>	<u>96,744</u>	<u>187,170</u>	<u>345,175,367</u>
-	-	-	-	16,847,766
-	-	-	-	62,560,534
-	-	-	-	3,265,809
-	-	-	-	54,789,552
-	-	-	-	16,050,300
-	-	-	-	58,384,206
-	-	-	-	15,438,974
-	-	-	-	10,755,256
-	-	-	-	6,944,149
<u>4,351,273</u>	<u>1,569,216</u>	<u>273,039</u>	<u>601,165</u>	<u>6,794,693</u>
<u>4,351,273</u>	<u>1,569,216</u>	<u>273,039</u>	<u>601,165</u>	<u>251,831,239</u>
393,084	(1,166,606)	(176,295)	(413,995)	93,344,128
2,125,857	-	-	4,000,000	24,382,765
(253,003)	-	(28,718)	-	(50,645,837)
<u>1,872,854</u>	<u>-</u>	<u>(28,718)</u>	<u>4,000,000</u>	<u>(26,263,072)</u>
2,265,938	(1,166,606)	(205,013)	3,586,005	67,081,056
<u>12,518,495</u>	<u>10,745,806</u>	<u>2,636,969</u>	<u>1,073,192</u>	<u>297,713,536</u>
<u>\$ 14,784,433</u>	<u>\$ 9,579,200</u>	<u>\$ 2,431,956</u>	<u>\$ 4,659,197</u>	<u>\$ 364,794,592</u>

**POLK COUNTY, FLORIDA
SPECIAL REVENUE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 60,931,462	\$ 62,520,034	\$ 52,464,074	\$ (10,055,960)
Interest Income	45,000	45,000	11,042	(33,958)
Net Change in Fair Value of Investments	-	-	15,729	15,729
Miscellaneous Revenue	2,031,258	2,170,547	1,645,764	(524,783)
Total Revenues	<u>63,007,720</u>	<u>64,735,581</u>	<u>54,136,609</u>	<u>(10,598,972)</u>
EXPENDITURES				
Current:				
General Government	-	-	27,975	(27,975)
Public Safety	10,233,584	10,836,210	5,326,426	5,509,784
Physical Environment	825,190	1,224,301	1,249,416	(25,115)
Transportation	2,087,302	2,596,855	1,165,223	1,431,632
Economic Environment	14,990,731	15,021,031	6,744,796	8,276,235
Human Services	4,915,905	5,011,455	3,783,842	1,227,613
Culture and Recreation	1,485,300	1,670,805	784,337	886,468
Total Expenditures	<u>34,538,012</u>	<u>36,360,657</u>	<u>19,082,015</u>	<u>17,278,642</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	28,469,708	28,374,924	35,054,594	6,679,670
OTHER FINANCING SOURCES (USES)				
Transfers In	6,965,595	7,005,595	3,161,751	(3,843,844)
Transfers Out	-	-	(37,938,434)	(37,938,434)
Total Other Financing Sources (Uses)	<u>6,965,595</u>	<u>7,005,595</u>	<u>(34,776,683)</u>	<u>(41,782,278)</u>
NET CHANGE IN FUND BALANCE	35,435,303	35,380,519	277,911	(35,102,608)
Fund Balance - Beginning of Year	823,613	823,613	823,613	-
FUND BALANCE - END OF YEAR	<u>\$ 36,258,916</u>	<u>\$ 36,204,132</u>	<u>\$ 1,101,524</u>	<u>\$ (35,102,608)</u>

**POLK COUNTY, FLORIDA
COUNTY TRANSPORTATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 21,423,647	\$ 21,423,647	\$ 24,884,004	\$ 3,460,357
Intergovernmental	9,851,315	9,851,315	11,369,969	1,518,654
Interest Income	607,871	607,871	1,848,941	1,241,070
Net Change in Fair Value of Investments	-	-	550,881	550,881
Miscellaneous Revenue	28,000	28,000	38,077	10,077
Total Revenues	<u>31,910,833</u>	<u>31,910,833</u>	<u>38,691,872</u>	<u>6,781,039</u>
EXPENDITURES				
Current:				
Transportation	<u>33,595,369</u>	<u>33,595,369</u>	<u>14,560,979</u>	<u>19,034,390</u>
Total Expenditures	<u>33,595,369</u>	<u>33,595,369</u>	<u>14,560,979</u>	<u>19,034,390</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,684,536)	(1,684,536)	24,130,893	25,815,429
OTHER FINANCING SOURCES (USES)				
Transfers In	7,000,000	7,000,000	2,650,543	(4,349,457)
Transfers Out	<u>(10,070,000)</u>	<u>(10,070,000)</u>	<u>(5,070,000)</u>	<u>5,000,000</u>
Total Other Financing Sources (Uses)	<u>(3,070,000)</u>	<u>(3,070,000)</u>	<u>(2,419,457)</u>	<u>650,543</u>
NET CHANGE IN FUND BALANCE	(4,754,536)	(4,754,536)	21,711,436	26,465,972
Fund Balance - Beginning of Year	<u>51,238,266</u>	<u>51,238,266</u>	<u>51,238,266</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 46,483,730</u>	<u>\$ 46,483,730</u>	<u>\$ 72,949,702</u>	<u>\$ 26,465,972</u>

**POLK COUNTY, FLORIDA
TOURIST DEVELOPMENT TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,769,475	\$ 11,769,475	\$ 14,082,594	\$ 2,313,119
Interest Income	119,254	119,254	373,198	253,944
Net Change in Fair Value of Investments	-	-	107,112	107,112
Miscellaneous Revenue	340,000	340,000	214,742	(125,258)
Total Revenues	<u>12,228,729</u>	<u>12,228,729</u>	<u>14,777,646</u>	<u>2,548,917</u>
EXPENDITURES				
Current:				
Economic Environment	11,706,013	11,706,013	9,281,766	2,424,247
Debt Service:				
Principal Retirement	2,293,256	2,293,256	2,293,256	-
Interest and Fiscal Charges	1,235,387	1,235,387	1,235,353	34
Total Expenditures	<u>15,234,656</u>	<u>15,234,656</u>	<u>12,810,375</u>	<u>2,424,281</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,005,927)	(3,005,927)	1,967,271	4,973,198
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	7,205	7,205
Transfers Out	(47,000)	(47,000)	(50,624)	(3,624)
Total Other Financing Sources (Uses)	<u>(47,000)</u>	<u>(47,000)</u>	<u>(43,419)</u>	<u>3,581</u>
NET CHANGE IN FUND BALANCE	(3,052,927)	(3,052,927)	1,923,852	4,976,779
Fund Balance - Beginning of Year	<u>10,547,035</u>	<u>10,547,035</u>	<u>10,547,035</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,494,108</u>	<u>\$ 7,494,108</u>	<u>\$ 12,470,887</u>	<u>\$ 4,976,779</u>

**POLK COUNTY, FLORIDA
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special Assessments	\$ 10,876,351	\$ 10,876,351	\$ 21,401,085	\$ 10,524,734
Interest Income	266,307	266,307	1,181,601	915,294
Net Change in Fair Value of Investments	-	-	374,800	374,800
Miscellaneous Revenue	-	-	2,400	2,400
Total Revenues	<u>11,142,658</u>	<u>11,142,658</u>	<u>22,959,886</u>	<u>11,817,228</u>
EXPENDITURES				
Current:				
Public Safety	1,218,433	1,218,433	840,276	378,157
Transportation	11,712,652	11,712,652	2,560,789	9,151,863
Culture and Recreation	483,945	483,945	140,631	343,314
Total Expenditures	<u>13,415,030</u>	<u>13,415,030</u>	<u>3,541,696</u>	<u>9,873,334</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,272,372)	(2,272,372)	19,418,190	21,690,562
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,079,538)</u>	<u>(1,079,538)</u>	<u>(1,050,000)</u>	<u>29,538</u>
Total Other Financing Sources (Uses)	<u>(1,079,538)</u>	<u>(1,079,538)</u>	<u>(1,050,000)</u>	<u>29,538</u>
NET CHANGE IN FUND BALANCE	(3,351,910)	(3,351,910)	18,368,190	21,720,100
Fund Balance - Beginning of Year	<u>28,878,383</u>	<u>28,878,383</u>	<u>28,878,383</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,526,473</u>	<u>\$ 25,526,473</u>	<u>\$ 47,246,573</u>	<u>\$ 21,720,100</u>

**POLK COUNTY, FLORIDA
LAKE AND RIVER ENHANCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 147,431	\$ 147,431	\$ 171,189	\$ 23,758
Charges for Services	295,908	295,908	329,849	33,941
Interest Income	25,258	25,258	78,384	53,126
Net Change in Fair Value of Investments	-	-	21,412	21,412
Miscellaneous Revenue	-	-	6	6
Total Revenues	<u>468,597</u>	<u>468,597</u>	<u>600,840</u>	<u>132,243</u>
EXPENDITURES				
Current:				
Physical Environment	320,116	320,116	163,107	157,009
Culture and Recreation	1,209,000	1,209,000	175,826	1,033,174
Total Expenditures	<u>1,529,116</u>	<u>1,529,116</u>	<u>338,933</u>	<u>1,190,183</u>
NET CHANGE IN FUND BALANCE	(1,060,519)	(1,060,519)	261,907	1,322,426
Fund Balance - Beginning of Year	<u>2,380,183</u>	<u>2,380,183</u>	<u>2,380,183</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,319,664</u>	<u>\$ 1,319,664</u>	<u>\$ 2,642,090</u>	<u>\$ 1,322,426</u>

**POLK COUNTY, FLORIDA
LIGHTING DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special Assessments	\$ 2,906,674	\$ 2,906,674	\$ 2,714,323	\$ (192,351)
Interest Income	5,000	5,000	44,625	39,625
Net Change in Fair Value of Investments	-	-	6,720	6,720
Total Revenues	<u>2,911,674</u>	<u>2,911,674</u>	<u>2,765,668</u>	<u>(146,006)</u>
EXPENDITURES				
Current:				
Transportation	<u>2,961,674</u>	<u>2,961,674</u>	<u>2,535,560</u>	<u>426,114</u>
Total Expenditures	<u>2,961,674</u>	<u>2,961,674</u>	<u>2,535,560</u>	<u>426,114</u>
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	230,108	280,108
Fund Balance - Beginning of Year	<u>285,816</u>	<u>285,816</u>	<u>285,816</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 235,816</u></u>	<u><u>\$ 235,816</u></u>	<u><u>\$ 515,924</u></u>	<u><u>\$ 280,108</u></u>

**POLK COUNTY, FLORIDA
STORMWATER MSTU FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,946,599	\$ 1,946,599	\$ 1,989,955	\$ 43,356
Interest Income	91,178	91,178	223,252	132,074
Net Change in Fair Value of Investments	-	-	56,503	56,503
Miscellaneous Revenue	<u>1,563,875</u>	<u>1,563,875</u>	<u>474,040</u>	<u>(1,089,835)</u>
Total Revenues	<u>3,601,652</u>	<u>3,601,652</u>	<u>2,743,750</u>	<u>(857,902)</u>
EXPENDITURES				
Current:				
Physical Environment	<u>6,845,639</u>	<u>6,845,639</u>	<u>1,433,456</u>	<u>5,412,183</u>
Total Expenditures	<u>6,845,639</u>	<u>6,845,639</u>	<u>1,433,456</u>	<u>5,412,183</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,243,987)	(3,243,987)	1,310,294	4,554,281
OTHER FINANCING SOURCES (USES)				
Transfers In	1,200	1,200	1,200	-
Transfers Out	<u>(142,522)</u>	<u>(142,522)</u>	<u>(142,317)</u>	<u>205</u>
Total Other Financing Sources (Uses)	<u>(141,322)</u>	<u>(141,322)</u>	<u>(141,117)</u>	<u>205</u>
NET CHANGE IN FUND BALANCE	(3,385,309)	(3,385,309)	1,169,177	4,554,486
Fund Balance - Beginning of Year	<u>5,986,932</u>	<u>5,986,932</u>	<u>5,986,932</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,601,623</u>	<u>\$ 2,601,623</u>	<u>\$ 7,156,109</u>	<u>\$ 4,554,486</u>

**POLK COUNTY, FLORIDA
FIRE RESCUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 59,000	\$ 59,000	\$ 69,924	\$ 10,924
Charges for Services	281,536	281,536	549,433	267,897
Special Assessments	37,585,813	37,585,813	38,613,725	1,027,912
Interest Income	22,101	22,101	395,720	373,619
Net Change in Fair Value of Investments	-	-	26,072	26,072
Miscellaneous Revenue	-	-	24,738	24,738
Total Revenues	<u>37,948,450</u>	<u>37,948,450</u>	<u>39,679,612</u>	<u>1,731,162</u>
EXPENDITURES				
Current:				
Public Safety	<u>40,782,187</u>	<u>40,782,187</u>	<u>40,054,193</u>	<u>727,994</u>
Total Expenditures	<u>40,782,187</u>	<u>40,782,187</u>	<u>40,054,193</u>	<u>727,994</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,833,737)	(2,833,737)	(374,581)	2,459,156
OTHER FINANCING SOURCES (USES)				
Transfers In	2,677,631	2,677,631	2,740,106	62,475
Transfers Out	<u>(1,137,000)</u>	<u>(1,137,000)</u>	<u>(1,129,187)</u>	<u>7,813</u>
Total Other Financing Sources (Uses)	<u>1,540,631</u>	<u>1,540,631</u>	<u>1,610,919</u>	<u>70,288</u>
NET CHANGE IN FUND BALANCE	(1,293,106)	(1,293,106)	1,236,338	2,529,444
Fund Balance - Beginning of Year	<u>4,072,727</u>	<u>4,072,727</u>	<u>4,072,727</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,779,621</u>	<u>\$ 2,779,621</u>	<u>\$ 5,309,065</u>	<u>\$ 2,529,444</u>

**POLK COUNTY, FLORIDA
EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 2,458,930	\$ 2,458,930	\$ 2,897,867	\$ 438,937
Interest Income	11,293	11,293	41,866	30,573
Net Change in Fair Value of Investments	-	-	16,021	16,021
Miscellaneous Revenue	-	-	1,999	1,999
Total Revenues	<u>2,470,223</u>	<u>2,470,223</u>	<u>2,957,753</u>	<u>487,530</u>
EXPENDITURES				
Current:				
Public Safety	<u>2,627,348</u>	<u>2,627,348</u>	<u>1,986,719</u>	<u>640,629</u>
Total Expenditures	<u>2,627,348</u>	<u>2,627,348</u>	<u>1,986,719</u>	<u>640,629</u>
NET CHANGE IN FUND BALANCE	(157,125)	(157,125)	971,034	1,128,159
Fund Balance - Beginning of Year	<u>1,246,716</u>	<u>1,246,716</u>	<u>1,246,716</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,089,591</u></u>	<u><u>\$ 1,089,591</u></u>	<u><u>\$ 2,217,750</u></u>	<u><u>\$ 1,128,159</u></u>

**POLK COUNTY, FLORIDA
HAZARDOUS WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 114,000	\$ 114,000	\$ 148,977	\$ 34,977
Interest Income	952	952	3,939	2,987
Net Change in Fair Value of Investments	-	-	1,030	1,030
Total Revenues	<u>114,952</u>	<u>114,952</u>	<u>153,946</u>	<u>38,994</u>
EXPENDITURES				
Current:				
Physical Environment	<u>132,673</u>	<u>151,091</u>	<u>143,456</u>	<u>7,635</u>
Total Expenditures	<u>132,673</u>	<u>151,091</u>	<u>143,456</u>	<u>7,635</u>
NET CHANGE IN FUND BALANCE	(17,721)	(36,139)	10,490	46,629
Fund Balance - Beginning of Year	<u>104,512</u>	<u>104,512</u>	<u>104,512</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 86,791</u>	<u>\$ 68,373</u>	<u>\$ 115,002</u>	<u>\$ 46,629</u>

**POLK COUNTY, FLORIDA
RADIO COMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 2,369,028	\$ 2,369,028	\$ 2,398,548	\$ 29,520
Fines and Forfeitures	515,509	515,509	566,077	50,568
Interest Income	7,717	7,717	27,042	19,325
Net Change in Fair Value of Investments	-	-	13,291	13,291
Miscellaneous Revenue	180,400	180,400	225,464	45,064
Total Revenues	<u>3,072,654</u>	<u>3,072,654</u>	<u>3,230,422</u>	<u>157,768</u>
EXPENDITURES				
Current:				
Public Safety	<u>3,732,378</u>	<u>3,732,378</u>	<u>2,941,023</u>	<u>791,355</u>
Total Expenditures	<u>3,732,378</u>	<u>3,732,378</u>	<u>2,941,023</u>	<u>791,355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(659,724)	(659,724)	289,399	949,123
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(209,724)	(209,724)	739,399	949,123
Fund Balance - Beginning of Year	<u>837,218</u>	<u>837,218</u>	<u>837,218</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 627,494</u>	<u>\$ 627,494</u>	<u>\$ 1,576,617</u>	<u>\$ 949,123</u>

**POLK COUNTY, FLORIDA
LAW ENFORCEMENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and Forfeitures	\$ 47,500	\$ 47,500	\$ 175,559	\$ 128,059
Interest Income	8,640	8,640	36,411	27,771
Net Change in Fair Value of Investments	-	-	8,827	8,827
Miscellaneous Revenue	-	-	5,546	5,546
Total Revenues	<u>56,140</u>	<u>56,140</u>	<u>226,343</u>	<u>170,203</u>
EXPENDITURES				
Current:				
Public Safety	<u>1,126,580</u>	<u>1,126,580</u>	<u>219,277</u>	<u>907,303</u>
Total Expenditures	<u>1,126,580</u>	<u>1,126,580</u>	<u>219,277</u>	<u>907,303</u>
NET CHANGE IN FUND BALANCE	(1,070,440)	(1,070,440)	7,066	1,077,506
Fund Balance - Beginning of Year	<u>1,196,749</u>	<u>1,196,749</u>	<u>1,196,749</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 126,309</u></u>	<u><u>\$ 126,309</u></u>	<u><u>\$ 1,203,815</u></u>	<u><u>\$ 1,077,506</u></u>

**POLK COUNTY, FLORIDA
LAND MANAGEMENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 3,094	\$ 3,094
Interest Income	505,718	505,718	1,245,010	739,292
Net Change in Fair Value of Investments	-	-	334,233	334,233
Total Revenues	<u>505,718</u>	<u>505,718</u>	<u>1,582,337</u>	<u>1,076,619</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>505,718</u>	<u>505,718</u>	<u>1,582,337</u>	<u>1,076,619</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(72,000)	(72,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(72,000)</u>	<u>(72,000)</u>
NET CHANGE IN FUND BALANCE	505,718	505,718	1,510,337	1,004,619
Fund Balance - Beginning of Year	<u>39,284,964</u>	<u>39,284,964</u>	<u>39,284,964</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 39,790,682</u>	<u>\$ 39,790,682</u>	<u>\$ 40,795,301</u>	<u>\$ 1,004,619</u>

**POLK COUNTY, FLORIDA
BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 7,028,833	\$ 7,028,833	\$ 8,504,970	\$ 1,476,137
Charges for Services	360,288	360,288	196,659	(163,629)
Fines and Forfeitures	-	-	2,354	2,354
Interest Income	83,576	83,576	282,339	198,763
Net Change in Fair Value of Investments	-	-	85,555	85,555
Miscellaneous Revenue	5,226	5,226	-	(5,226)
Total Revenues	<u>7,477,923</u>	<u>7,477,923</u>	<u>9,071,877</u>	<u>1,593,954</u>
EXPENDITURES				
Current:				
Public Safety	<u>8,830,976</u>	<u>8,830,976</u>	<u>7,210,310</u>	<u>1,620,666</u>
Total Expenditures	<u>8,830,976</u>	<u>8,830,976</u>	<u>7,210,310</u>	<u>1,620,666</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,353,053)</u>	<u>(1,353,053)</u>	<u>1,861,567</u>	<u>3,214,620</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>93</u>	<u>93</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>93</u>	<u>93</u>
NET CHANGE IN FUND BALANCE	(1,353,053)	(1,353,053)	1,861,660	3,214,713
Fund Balance - Beginning of Year	<u>7,241,336</u>	<u>7,241,336</u>	<u>7,241,336</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,888,283</u>	<u>\$ 5,888,283</u>	<u>\$ 9,102,996</u>	<u>\$ 3,214,713</u>

**POLK COUNTY, FLORIDA
INDIGENT HEALTHCARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 44,713,883	\$ 44,713,883	\$ 50,572,043	\$ 5,858,160
Charges for Services	351,977	351,977	533,952	181,975
Interest Income	542,777	542,777	1,415,543	872,766
Net Change in Fair Value of Investments	-	-	366,231	366,231
Miscellaneous Revenue	115,904	115,904	656,883	540,979
Total Revenues	<u>45,724,541</u>	<u>45,724,541</u>	<u>53,544,652</u>	<u>7,820,111</u>
EXPENDITURES				
Current:				
Public Safety	84,836	99,787	98,987	800
Human Services	54,603,292	57,545,876	54,585,189	2,960,687
Total Expenditures	<u>54,688,128</u>	<u>57,645,663</u>	<u>54,684,176</u>	<u>2,961,487</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,963,587)	(11,921,122)	(1,139,524)	10,781,598
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	9,434	9,434
Transfers Out	-	(80,000)	(45,081)	34,919
Total Other Financing Sources (Uses)	<u>-</u>	<u>(80,000)</u>	<u>(35,647)</u>	<u>44,353</u>
NET CHANGE IN FUND BALANCE	(8,963,587)	(12,001,122)	(1,175,171)	10,825,951
Fund Balance - Beginning of Year	<u>46,507,413</u>	<u>46,507,413</u>	<u>46,507,413</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 37,543,826</u>	<u>\$ 34,506,291</u>	<u>\$ 45,332,242</u>	<u>\$ 10,825,951</u>

**POLK COUNTY, FLORIDA
HARDEN / PARKWAY CRA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 476,791	\$ 476,791	\$ 492,151	\$ 15,360
Interest Income	1,900	1,900	13,429	11,529
Net Change in Fair Value of Investments	-	-	1,585	1,585
Total Revenues	<u>478,691</u>	<u>478,691</u>	<u>507,165</u>	<u>28,474</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	478,691	478,691	507,165	28,474
OTHER FINANCING SOURCES (USES)				
Transfers In	670,855	670,855	670,852	(3)
Transfers Out	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(529,145)</u>	<u>(529,145)</u>	<u>(529,148)</u>	<u>(3)</u>
NET CHANGE IN FUND BALANCE	(50,454)	(50,454)	(21,983)	28,471
Fund Balance - Beginning of Year	<u>215,460</u>	<u>215,460</u>	<u>215,460</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 165,006</u>	<u>\$ 165,006</u>	<u>\$ 193,477</u>	<u>\$ 28,471</u>

**POLK COUNTY, FLORIDA
POLK COMMERCE CENTRE CRA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 308,532	\$ 308,532	\$ 333,723	\$ 25,191
Total Revenues	308,532	308,532	333,723	25,191
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	978,735	978,735	3,619	975,116
Total Expenditures	978,735	978,735	3,619	975,116
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(670,203)	(670,203)	330,104	1,000,307
OTHER FINANCING SOURCES (USES)				
Transfers In	670,203	670,203	608,733	(61,470)
Total Other Financing Sources (Uses)	670,203	670,203	608,733	(61,470)
NET CHANGE IN FUND BALANCE	-	-	938,837	938,837
Fund Balance - Beginning of Year	(1,013,441)	(1,013,441)	(1,013,441)	-
FUND BALANCE - END OF YEAR	<u>\$ (1,013,441)</u>	<u>\$ (1,013,441)</u>	<u>\$ (74,604)</u>	<u>\$ 938,837</u>

**POLK COUNTY, FLORIDA
LEISURE SERVICES MSTU FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,937,932	\$ 10,937,932	\$ 11,184,024	\$ 246,092
Charges for Services	475,054	475,054	723,658	248,604
Interest Income	147,385	147,385	355,443	208,058
Net Change in Fair Value of Investments	-	-	74,801	74,801
Miscellaneous Revenue	23,000	23,000	43,769	20,769
Total Revenues	<u>11,583,371</u>	<u>11,583,371</u>	<u>12,381,695</u>	<u>798,324</u>
EXPENDITURES				
Current:				
Culture and Recreation	13,060,116	13,020,116	10,693,629	2,326,487
Total Expenditures	<u>13,060,116</u>	<u>13,020,116</u>	<u>10,693,629</u>	<u>2,326,487</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,476,745)	(1,436,745)	1,688,066	3,124,811
OTHER FINANCING SOURCES (USES)				
Transfers In	26,000	26,000	183,532	157,532
Transfers Out	(1,008,261)	(1,048,261)	(676,173)	372,088
Total Other Financing Sources (Uses)	<u>(982,261)</u>	<u>(1,022,261)</u>	<u>(492,641)</u>	<u>529,620</u>
NET CHANGE IN FUND BALANCE	(2,459,006)	(2,459,006)	1,195,425	3,654,431
Fund Balance - Beginning of Year	<u>7,421,649</u>	<u>7,421,649</u>	<u>7,421,649</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,962,643</u>	<u>\$ 4,962,643</u>	<u>\$ 8,617,074</u>	<u>\$ 3,654,431</u>

**POLK COUNTY, FLORIDA
LIBRARIES MSTU FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,105,375	\$ 4,105,375	\$ 4,198,502	\$ 93,127
Interest Income	24,041	24,041	73,026	48,985
Net Change in Fair Value of Investments	-	-	12,809	12,809
Total Revenues	<u>4,129,416</u>	<u>4,129,416</u>	<u>4,284,337</u>	<u>154,921</u>
EXPENDITURES				
Current:				
Culture and Recreation	<u>3,932,020</u>	<u>3,932,009</u>	<u>3,642,356</u>	<u>289,653</u>
Total Expenditures	<u>3,932,020</u>	<u>3,932,009</u>	<u>3,642,356</u>	<u>289,653</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	197,396	197,407	641,981	444,574
OTHER FINANCING SOURCES (USES)				
Transfers In	2,500	2,500	2,500	-
Transfers Out	<u>(236,948)</u>	<u>(236,959)</u>	<u>(236,907)</u>	<u>52</u>
Total Other Financing Sources (Uses)	<u>(234,448)</u>	<u>(234,459)</u>	<u>(234,407)</u>	<u>52</u>
NET CHANGE IN FUND BALANCE	(37,052)	(37,052)	407,574	444,626
Fund Balance - Beginning of Year	<u>1,155,201</u>	<u>1,155,201</u>	<u>1,155,201</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,118,149</u>	<u>\$ 1,118,149</u>	<u>\$ 1,562,775</u>	<u>\$ 444,626</u>

**POLK COUNTY, FLORIDA
RANCHO BONITO MSTU FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,103	\$ 8,103	\$ 8,647	\$ 544
Interest Income	221	221	1,195	974
Net Change in Fair Value of Investments	-	-	333	333
Total Revenues	<u>8,324</u>	<u>8,324</u>	<u>10,175</u>	<u>1,851</u>
EXPENDITURES				
Current:				
Public Safety	<u>20,000</u>	<u>19,989</u>	<u>-</u>	<u>19,989</u>
Total Expenditures	<u>20,000</u>	<u>19,989</u>	<u>-</u>	<u>19,989</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,676)	(11,665)	10,175	21,840
OTHER FINANCING SOURCES (USES)				
Transfers In	16	16	17	1
Transfers Out	<u>(460)</u>	<u>(471)</u>	<u>(470)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>(444)</u>	<u>(455)</u>	<u>(453)</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	(12,120)	(12,120)	9,722	21,842
Fund Balance - Beginning of Year	<u>31,515</u>	<u>31,515</u>	<u>31,515</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 19,395</u>	<u>\$ 19,395</u>	<u>\$ 41,237</u>	<u>\$ 21,842</u>

**POLK COUNTY, FLORIDA
TRANSPORTATION MILLAGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 35,605,631	\$ 35,605,631	\$ 36,460,015	\$ 854,384
Licenses and Permits	-	-	25,615	25,615
Interest Income	414,505	414,505	1,578,944	1,164,439
Net Change in Fair Value of Investments	-	-	364,885	364,885
Miscellaneous Revenue	1,172,376	1,172,376	1,705,954	533,578
Total Revenues	<u>37,192,512</u>	<u>37,192,512</u>	<u>40,135,413</u>	<u>2,942,901</u>
EXPENDITURES				
Current:				
Physical Environment	271,528	271,528	276,374	(4,846)
Transportation	43,876,724	43,876,724	33,967,001	9,909,723
Total Expenditures	<u>44,148,252</u>	<u>44,148,252</u>	<u>34,243,375</u>	<u>9,904,877</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,955,740)	(6,955,740)	5,892,038	12,847,778
OTHER FINANCING SOURCES (USES)				
Transfers In	43,147	43,147	196,976	153,829
Transfers Out	(2,237,532)	(2,237,532)	(2,227,551)	9,981
Total Other Financing Sources (Uses)	<u>(2,194,385)</u>	<u>(2,194,385)</u>	<u>(2,030,575)</u>	<u>163,810</u>
NET CHANGE IN FUND BALANCE	(9,150,125)	(9,150,125)	3,861,463	13,011,588
Fund Balance - Beginning of Year	<u>37,431,736</u>	<u>37,431,736</u>	<u>37,431,736</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 28,281,611</u>	<u>\$ 28,281,611</u>	<u>\$ 41,293,199</u>	<u>\$ 13,011,588</u>

**POLK COUNTY, FLORIDA
ELOISE CRA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 5,704	\$ 5,704	\$ 18,615	\$ 12,911
Net Change in Fair Value of Investments	-	-	4,939	4,939
Total Revenues	<u>5,704</u>	<u>5,704</u>	<u>23,554</u>	<u>17,850</u>
EXPENDITURES				
Current:				
Economic Environment	22,718	23,743	23,738	5
Human Services	25,000	23,975	15,175	8,800
Culture and Recreation	-	-	2,195	(2,195)
Total Expenditures	<u>47,718</u>	<u>47,718</u>	<u>41,108</u>	<u>6,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(42,014)	(42,014)	(17,554)	24,460
OTHER FINANCING SOURCES (USES)				
Transfers In	74,076	74,076	73,966	(110)
Transfers Out	(10,147)	(10,147)	(10,147)	-
Total Other Financing Sources (Uses)	<u>63,929</u>	<u>63,929</u>	<u>63,819</u>	<u>(110)</u>
NET CHANGE IN FUND BALANCE	21,915	21,915	46,265	24,350
Fund Balance - Beginning of Year	<u>555,437</u>	<u>555,437</u>	<u>555,437</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 577,352</u>	<u>\$ 577,352</u>	<u>\$ 601,702</u>	<u>\$ 24,350</u>

**POLK COUNTY, FLORIDA
EMERGENCY MEDICAL MILLAGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,092,190	\$ 8,092,190	\$ 8,273,618	\$ 181,428
Interest Income	64,650	64,650	184,380	119,730
Net Change in Fair Value of Investments	-	-	53,177	53,177
Total Revenues	<u>8,156,840</u>	<u>8,156,840</u>	<u>8,511,175</u>	<u>354,335</u>
EXPENDITURES				
Current:				
Public Safety	<u>3,374,342</u>	<u>3,372,742</u>	<u>1,670,499</u>	<u>1,702,243</u>
Total Expenditures	<u>3,374,342</u>	<u>3,372,742</u>	<u>1,670,499</u>	<u>1,702,243</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,782,498	4,784,098	6,840,676	2,056,578
OTHER FINANCING SOURCES (USES)				
Transfers In	5,000	5,000	5,000	-
Transfers Out	<u>(506,621)</u>	<u>(508,221)</u>	<u>(506,005)</u>	<u>2,216</u>
Total Other Financing Sources (Uses)	<u>(501,621)</u>	<u>(503,221)</u>	<u>(501,005)</u>	<u>2,216</u>
NET CHANGE IN FUND BALANCE	4,280,877	4,280,877	6,339,671	2,058,794
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,280,877</u>	<u>\$ 4,280,877</u>	<u>\$ 6,339,671</u>	<u>\$ 2,058,794</u>

**POLK COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURTS – COURT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 360,394	\$ 360,394	\$ 357,636	\$ (2,758)
Charges for Services	6,704,973	6,889,973	7,683,798	793,825
Fines and Forfeitures	6,230,281	6,230,281	6,581,853	351,572
Interest Income	265,167	265,167	363,336	98,169
Miscellaneous	225,829	40,829	42,067	1,238
Total Revenues	<u>13,786,644</u>	<u>13,786,644</u>	<u>15,028,690</u>	<u>1,242,046</u>
EXPENDITURES				
Current:				
General Government	<u>13,786,644</u>	<u>13,786,644</u>	<u>15,028,690</u>	<u>(1,242,046)</u>
Total Expenditures	<u>13,786,644</u>	<u>13,786,644</u>	<u>15,028,690</u>	<u>(1,242,046)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

POLK COUNTY, FLORIDA
CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 2010 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,780,000	\$ 2,780,000	\$ 2,780,000	\$ -
Interest Income	5,086	5,086	131,061	125,975
Net Change in Fair Value of Investments	-	-	40,465	40,465
Total Revenues	<u>2,785,086</u>	<u>2,785,086</u>	<u>2,951,526</u>	<u>166,440</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	1,925,000	1,925,000	1,925,000	-
Interest and Fiscal Charges	<u>809,325</u>	<u>809,325</u>	<u>808,074</u>	<u>1,251</u>
Total Expenditures	<u>2,734,325</u>	<u>2,734,325</u>	<u>2,733,074</u>	<u>1,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	50,761	50,761	218,452	167,691
OTHER FINANCING SOURCES (USES)				
Transfers In	5,086	5,086	-	(5,086)
Transfers Out	<u>(5,086)</u>	<u>(5,086)</u>	-	<u>5,086</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	50,761	50,761	218,452	167,691
Fund Balance - Beginning of Year	<u>4,952,198</u>	<u>4,952,198</u>	<u>4,952,198</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,002,959</u>	<u>\$ 5,002,959</u>	<u>\$ 5,170,650</u>	<u>\$ 167,691</u>

POLK COUNTY, FLORIDA
TRANSPORTATION IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 2010 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 7,146	\$ 7,146	\$ 195,551	\$ 188,405
Net Change in Fair Value of Investments	-	-	60,587	60,587
Total Revenues	<u>7,146</u>	<u>7,146</u>	<u>256,138</u>	<u>248,992</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	2,470,000	2,470,000	2,470,000	-
Interest and Fiscal Charges	<u>1,649,300</u>	<u>1,649,300</u>	<u>1,648,551</u>	749
Total Expenditures	<u>4,119,300</u>	<u>4,119,300</u>	<u>4,118,551</u>	<u>749</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,112,154)	(4,112,154)	(3,862,413)	249,741
OTHER FINANCING SOURCES (USES)				
Transfers In	4,177,146	4,177,146	4,170,000	(7,146)
Transfers Out	<u>(7,146)</u>	<u>(7,146)</u>	-	<u>7,146</u>
Total Other Financing Sources (Uses)	<u>4,170,000</u>	<u>4,170,000</u>	<u>4,170,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	57,846	57,846	307,587	249,741
Fund Balance - Beginning of Year	<u>7,087,362</u>	<u>7,087,362</u>	<u>7,087,362</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,145,208</u>	<u>\$ 7,145,208</u>	<u>\$ 7,394,949</u>	<u>\$ 249,741</u>

POLK COUNTY, FLORIDA
PUBLIC FACILITIES REVENUE REFUNDING BONDS, SERIES 2014 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Intergovernmental	\$ 4,395,000	\$ 4,395,000	\$ 4,395,000	\$ -
Interest Income	5,000	5,000	74,427	69,427
Net Change in Fair Value of Investments	-	-	26,567	26,567
Total Revenues	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,495,994</u>	<u>95,994</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	2,495,000	2,495,000	2,495,000	-
Interest and Fiscal Charges	<u>2,910,050</u>	<u>2,910,050</u>	<u>2,907,800</u>	<u>2,250</u>
Total Expenditures	<u>5,405,050</u>	<u>5,405,050</u>	<u>5,402,800</u>	<u>2,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,005,050)	(1,005,050)	(906,806)	98,244
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	44,950	44,950	143,194	98,244
Fund Balance - Beginning of Year	<u>3,142,761</u>	<u>3,142,761</u>	<u>3,142,761</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,187,711</u></u>	<u><u>\$ 3,187,711</u></u>	<u><u>\$ 3,285,955</u></u>	<u><u>\$ 98,244</u></u>

POLK COUNTY, FLORIDA
PUBLIC FACILITIES REVENUE REFUNDING NOTE, SERIES 2015 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 3,414	\$ 3,414	\$ 28,708	\$ 25,294
Net Change in Fair Value of Investments	-	-	14,400	14,400
Total Revenues	3,414	3,414	43,108	39,694
EXPENDITURES				
Debt Service:				
Principal Retirement	1,572,000	1,572,000	1,572,000	-
Interest and Fiscal Charges	342,252	342,252	340,752	1,500
Total Expenditures	1,914,252	1,914,252	1,912,752	1,500
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,910,838)	(1,910,838)	(1,869,644)	41,194
OTHER FINANCING SOURCES (USES)				
Transfers In	2,100,000	2,100,000	2,100,000	-
Total Other Financing Sources (Uses)	2,100,000	2,100,000	2,100,000	-
NET CHANGE IN FUND BALANCE	189,162	189,162	230,356	41,194
Fund Balance - Beginning of Year	1,527,246	1,527,246	1,527,246	-
FUND BALANCE - END OF YEAR	<u>\$ 1,716,408</u>	<u>\$ 1,716,408</u>	<u>\$ 1,757,602</u>	<u>\$ 41,194</u>

**POLK COUNTY, FLORIDA
GENERAL CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,046,095	\$ 4,046,095	\$ 4,136,809	\$ 90,714
Interest Income	226,448	226,448	485,782	259,334
Net Change in Fair Value of Investments	(50,000)	(50,000)	121,766	171,766
Total Revenues	<u>4,222,543</u>	<u>4,222,543</u>	<u>4,744,357</u>	<u>521,814</u>
EXPENDITURES				
Capital Projects	<u>14,170,615</u>	<u>15,210,280</u>	<u>4,351,273</u>	<u>10,859,007</u>
Total Expenditures	<u>14,170,615</u>	<u>15,210,280</u>	<u>4,351,273</u>	<u>10,859,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,948,072)	(10,987,737)	393,084	11,380,821
OTHER FINANCING SOURCES (USES)				
Transfers In	1,533,197	1,533,197	2,125,857	592,660
Transfers Out	(253,310)	(254,110)	(253,003)	1,107
Total Other Financing Sources (Uses)	<u>1,279,887</u>	<u>1,279,087</u>	<u>1,872,854</u>	<u>593,767</u>
NET CHANGE IN FUND BALANCE	(8,668,185)	(9,708,650)	2,265,938	11,974,588
Fund Balance - Beginning of Year	<u>12,518,495</u>	<u>12,518,495</u>	<u>12,518,495</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,850,310</u>	<u>\$ 2,809,845</u>	<u>\$ 14,784,433</u>	<u>\$ 11,974,588</u>

**POLK COUNTY, FLORIDA
NORTHEAST POLK ROADWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Interest Income	\$ 63,297	\$ 63,297	\$ 310,367	\$ 247,070
Net Change in Fair Value of Investments	-	-	79,805	79,805
Miscellaneous Revenue	-	-	12,438	12,438
Total Revenues	<u>63,297</u>	<u>63,297</u>	<u>402,610</u>	<u>339,313</u>
EXPENDITURES				
Capital Projects	<u>3,365,473</u>	<u>3,679,839</u>	<u>1,569,216</u>	<u>2,110,623</u>
Total Expenditures	<u>3,365,473</u>	<u>3,679,839</u>	<u>1,569,216</u>	<u>2,110,623</u>
NET CHANGE IN FUND BALANCE	(3,302,176)	(3,616,542)	(1,166,606)	2,449,936
Fund Balance - Beginning of Year	<u>10,745,806</u>	<u>10,745,806</u>	<u>10,745,806</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 7,443,630</u></u>	<u><u>\$ 7,129,264</u></u>	<u><u>\$ 9,579,200</u></u>	<u><u>\$ 2,449,936</u></u>

**POLK COUNTY, FLORIDA
ENVIRONMENTAL LANDS ACQUISITION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 2,393	\$ 2,393
Interest Income	30,290	30,290	73,870	43,580
Net Change in Fair Value of Investments	-	-	20,481	20,481
Total Revenues	<u>30,290</u>	<u>30,290</u>	<u>96,744</u>	<u>66,454</u>
EXPENDITURES				
Capital Projects	<u>986,091</u>	<u>986,091</u>	<u>273,039</u>	<u>713,052</u>
Total Expenditures	<u>986,091</u>	<u>986,091</u>	<u>273,039</u>	<u>713,052</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(955,801)	(955,801)	(176,295)	779,506
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(20,012)</u>	<u>(20,012)</u>	<u>(28,718)</u>	<u>(8,706)</u>
Total Other Financing Sources (Uses)	<u>(20,012)</u>	<u>(20,012)</u>	<u>(28,718)</u>	<u>(8,706)</u>
NET CHANGE IN FUND BALANCE	(975,813)	(975,813)	(205,013)	770,800
Fund Balance - Beginning of Year	<u>2,636,969</u>	<u>2,636,969</u>	<u>2,636,969</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,661,156</u>	<u>\$ 1,661,156</u>	<u>\$ 2,431,956</u>	<u>\$ 770,800</u>

**POLK COUNTY, FLORIDA
DRAINAGE AND WATER QUALITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 958	\$ 958	\$ 148,317	\$ 147,359
Net Change in Fair Value of Investments	-	-	38,853	38,853
Total Revenues	958	958	187,170	186,212
EXPENDITURES				
Capital Projects	3,076,307	3,378,807	601,165	2,777,642
Total Expenditures	3,076,307	3,378,807	601,165	2,777,642
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,075,349)	(3,377,849)	(413,995)	2,963,854
OTHER FINANCING SOURCES (USES)				
Transfers In	4,000,000	4,000,000	4,000,000	-
Total Other Financing Sources (Uses)	4,000,000	4,000,000	4,000,000	-
NET CHANGE IN FUND BALANCE	924,651	622,151	3,586,005	2,963,854
Fund Balance - Beginning of Year	1,073,192	1,073,192	1,073,192	-
FUND BALANCE - END OF YEAR	<u>\$ 1,997,843</u>	<u>\$ 1,695,343</u>	<u>\$ 4,659,197</u>	<u>\$ 2,963,854</u>

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**POLK COUNTY, FLORIDA
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies, and to other governments on a cost reimbursement basis.

FLEET MANAGEMENT FUND

This fund accounts for all activities necessary to provide for the maintenance, replacement, and management of the County's fleet of vehicles.

EMPLOYEE HEALTH INSURANCE FUND

This fund accounts for the provision of health benefits to County employees, retirees, and their dependents.

INFORMATION TECHNOLOGY FUND

This fund accounts for the operations of the computer replacement and information technology enhancement and maintenance programs.

**POLK COUNTY, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF FUND NET POSITION
SEPTEMBER 30, 2019**

	Fleet Management	Employee Health Insurance	Information Technology	Total
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS				
Cash and Investments	\$ 15,398,082	\$ 14,472,495	\$ 1,711,254	\$ 31,581,831
Accounts Receivable	403,410	534,562	10	937,982
Interest Receivable	34,224	24,161	3,995	62,380
Due from Other Funds	115,647	1,896,271	-	2,011,918
Inventory	364,404	-	-	364,404
Total Current Assets	<u>16,315,767</u>	<u>16,927,489</u>	<u>1,715,259</u>	<u>34,958,515</u>
NONCURRENT ASSETS				
Capital Assets:				
Buildings and Improvements	2,208,323	-	6,109,302	8,317,625
Equipment	85,683,196	3,757	5,199,057	90,886,010
Intangibles	-	-	6,934,673	6,934,673
Less: Accumulated Depreciation	<u>(59,868,603)</u>	<u>(751)</u>	<u>(14,977,648)</u>	<u>(74,847,002)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>28,022,916</u>	<u>3,006</u>	<u>3,265,384</u>	<u>31,291,306</u>
Total Assets	<u>44,338,683</u>	<u>16,930,495</u>	<u>4,980,643</u>	<u>66,249,821</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts on Pension	807,218	136,412	1,428,624	2,372,254
Deferred Amounts on OPEB	44,872	7,971	66,422	119,265
Total Deferred Outflows of Resources	<u>852,090</u>	<u>144,383</u>	<u>1,495,046</u>	<u>2,491,519</u>
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES				
Vouchers Payable	799,054	1,290,630	261,240	2,350,924
Accrued Liabilities	56,674	9,553	103,712	169,939
Due to Other Funds	-	600	-	600
Unearned Revenue	-	311,624	-	311,624
Accrued Compensated Absences	190,529	22,121	231,376	444,026
Claims Payable	-	4,178,000	-	4,178,000
Total Current Liabilities	<u>1,046,257</u>	<u>5,812,528</u>	<u>596,328</u>	<u>7,455,113</u>
NONCURRENT LIABILITIES				
Total OPEB Liability	866,198	153,864	1,282,203	2,302,265
Net Pension Liability	2,480,502	417,817	4,415,062	7,313,381
Total Noncurrent Liabilities	<u>3,346,700</u>	<u>571,681</u>	<u>5,697,265</u>	<u>9,615,646</u>
Total Liabilities	<u>4,392,957</u>	<u>6,384,209</u>	<u>6,293,593</u>	<u>17,070,759</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Amounts on Pension	178,382	29,972	318,874	527,228
Deferred Amounts on OPEB	217,850	38,697	322,475	579,022
Total Deferred Inflows of Resources	<u>396,232</u>	<u>68,669</u>	<u>641,349</u>	<u>1,106,250</u>
NET POSITION				
Net Investment in Capital Assets	28,022,916	3,006	3,265,384	31,291,306
Unrestricted (Deficit)	<u>12,378,668</u>	<u>10,618,994</u>	<u>(3,724,637)</u>	<u>19,273,025</u>
Total Net Position	<u>\$ 40,401,584</u>	<u>\$ 10,622,000</u>	<u>\$ (459,253)</u>	<u>\$ 50,564,331</u>

**POLK COUNTY, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED SEPTEMBER 30, 2019**

	Fleet Management	Employee Health Insurance	Information Technology	Total
OPERATING REVENUES				
Charges for Services	\$ 15,916,665	\$ 55,995,074	\$ 9,668,567	\$ 81,580,306
Other Revenue	6,372	6,660,417	2,893	6,669,682
Total Operating Revenues	<u>15,923,037</u>	<u>62,655,491</u>	<u>9,671,460</u>	<u>88,249,988</u>
OPERATING EXPENSES				
Personnel Services	2,704,490	211,986	4,876,080	7,792,556
Operations and Maintenance	4,963,312	3,790,677	2,947,663	11,701,652
Indirect	344,894	93,376	522,247	960,517
Depreciation/Amortization	7,185,709	535	1,080,976	8,267,220
Healthcare Program	-	56,789,806	-	56,789,806
Miscellaneous Expense	1,928	1,587	17,113	20,628
Total Operating Expenses	<u>15,200,333</u>	<u>60,887,967</u>	<u>9,444,079</u>	<u>85,532,379</u>
OPERATING INCOME	722,704	1,767,524	227,381	2,717,609
NONOPERATING REVENUES (EXPENSES)				
Interest Income	487,743	351,682	41,013	880,438
Net Change in Fair Value of Investments	126,748	89,482	14,797	231,027
Gain (Loss) on Disposal of Equipment	846,731	-	(1,670)	845,061
Total Nonoperating Revenues	<u>1,461,222</u>	<u>441,164</u>	<u>54,140</u>	<u>1,956,526</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	2,183,926	2,208,688	281,521	4,674,135
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	26,780	-	-	26,780
Transfer of Capital Assets	4,522	-	(223,855)	(219,333)
Transfers In	378,702	-	-	378,702
Total Capital Contributions and Transfers	<u>410,004</u>	<u>-</u>	<u>(223,855)</u>	<u>186,149</u>
CHANGE IN NET POSITION	2,593,930	2,208,688	57,666	4,860,284
Net Position - Beginning of Year	<u>37,807,654</u>	<u>8,413,312</u>	<u>(516,919)</u>	<u>45,704,047</u>
NET POSITION - END OF YEAR	<u>\$ 40,401,584</u>	<u>\$ 10,622,000</u>	<u>\$ (459,253)</u>	<u>\$ 50,564,331</u>

**POLK COUNTY, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2019**

	Fleet Management	Employee Health Insurance	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 2,413,160	\$ -	\$ -	\$ 2,413,160
Cash Received from Internal Services	13,435,461	56,752,099	9,670,574	79,858,134
Cash Paid to Suppliers for Goods and Services	(5,487,604)	(60,701,775)	(3,388,816)	(69,578,195)
Cash Paid to Employees for Services	(2,841,599)	(468,431)	(4,920,764)	(8,230,794)
Cash Received from Other Sources	6,372	6,660,417	2,893	6,669,682
Net Cash from Operating Activities	<u>7,525,790</u>	<u>2,242,310</u>	<u>1,363,887</u>	<u>11,131,987</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers from Other Funds	349,914	-	-	349,914
Net Cash from Noncapital and Related Financing Activities	<u>349,914</u>	<u>-</u>	<u>-</u>	<u>349,914</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(8,085,769)	(2,390)	(755,196)	(8,843,355)
Proceeds from Sale of Capital Assets	880,741	-	-	880,741
Net Cash from Capital and Related Financing Activities	<u>(7,205,028)</u>	<u>(2,390)</u>	<u>(755,196)</u>	<u>(7,962,614)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends on Investments	613,111	444,715	55,222	1,113,048
Net Cash from Investing Activities	<u>613,111</u>	<u>444,715</u>	<u>55,222</u>	<u>1,113,048</u>
NET CHANGE IN CASH AND INVESTMENTS				
	1,283,787	2,684,635	663,913	4,632,335
Cash and Investments - Beginning of Year	<u>14,114,295</u>	<u>11,787,860</u>	<u>1,047,341</u>	<u>26,949,496</u>
CASH AND INVESTMENTS - END OF YEAR	<u><u>\$ 15,398,082</u></u>	<u><u>\$ 14,472,495</u></u>	<u><u>\$ 1,711,254</u></u>	<u><u>\$ 31,581,831</u></u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES				
Net Income from Operations	\$ 722,704	\$ 1,767,524	\$ 227,381	\$ 2,717,609
Adjustments to Reconcile Net Operating Income to Net Cash from Operating Activities:				
Depreciation/Amortization	7,185,709	535	1,080,976	8,267,220
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable, Net of Allowance	(68,044)	99,329	2,007	33,292
Due from Other Funds	-	643,509	-	643,509
Inventory	24,870	-	-	24,870
Deferred Outflows of Pension	9,812	966	60,815	71,593
Deferred Outflows of OPEB	26,821	14,467	38,902	80,190
Increase (Decrease) in Liabilities and Deferred Outflows:				
Vouchers Payable	(202,340)	54,603	98,207	(49,530)
Accrued Liabilities	(9,717)	1,769	24,735	16,787
Due to Other Funds	-	600	-	600
Unearned Revenue	-	14,187	-	14,187
Claims Payable	-	(83,301)	-	(83,301)
Accrued Compensated Absences	(10,851)	(19,371)	(900)	(31,122)
Total OPEB Liability	(665,520)	(325,521)	(968,037)	(1,959,078)
Net Pension Liability	419,409	68,402	677,691	1,165,502
Deferred Inflows of Pension	(37,394)	(6,694)	(71,791)	(115,879)
Deferred Inflows of OPEB	130,331	11,306	193,901	335,538
Total Adjustments	<u>6,803,086</u>	<u>474,786</u>	<u>1,136,506</u>	<u>8,414,378</u>
Net Cash from Operating Activities	<u><u>\$ 7,525,790</u></u>	<u><u>\$ 2,242,310</u></u>	<u><u>\$ 1,363,887</u></u>	<u><u>\$ 11,131,987</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution and Transfers of Capital Assets	<u><u>\$ 31,302</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (223,855)</u></u>	<u><u>\$ (192,553)</u></u>

**POLK COUNTY, FLORIDA
AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

Agency funds account for all assets held as custodian or agent for individuals, governmental entities and nonpublic organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

COUNTY COURT FUND

This fund accounts for the fine and forfeiture collections generated from criminal cases which is then disbursed to state or local agencies.

REGISTRY OF COURT FUND

This fund accounts for deposits from civil cases at the direction of the court, the funds are held until the court directs the fund to be disbursed.

JURY AND WITNESS FUND

This fund accounts for money used by the state attorney, public defender, and regional counsel to pay their witnesses when called for trial.

DOMESTIC RELATIONS FUND

This fund accounts for the money collected for court order child support payments.

TAX DEED FUND

This fund accounts for the proceeds from sales of property held due to delinquent property taxes.

INTANGIBLE TAX AND DOCUMENTARY STAMP FUND

This fund accounts for the documentary stamps and intangible taxes collected on items recorded in the Official Records to be remitted to the state.

COUNTY COURT/CIVIL COURT FUND

This fund accounts for the money collected on civil cases for funds collected for sheriff services.

CASH BONDS FUND

This fund accounts for cash bonds received on criminal cases as well as civil bonds deposited by parties in civil cases.

TAXES FUND

This fund accounts for the collection and distribution of the following taxes and fees: ad valorem taxes on real and tangible property and non-ad valorem assessments on property within Polk County, vehicle, vessel and mobile home registration taxes and title fees, driver license fees, tourist development taxes, business tax receipts, hunting and fishing licenses and sales tax on vehicle, vessel and mobile home sales with non-dealers.

FEES AND SUSPENSE FUND

This fund accounts for fees and related sales taxes collected for other governmental units, judgement levies, charity fundraisers, forfeitures and F.S. Chapter 705 property awaiting award or distribution.

**POLK COUNTY, FLORIDA
AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

FINES AND DRD FUND

This fund accounts for the fines and child support payments collected for other governments.

INMATE FUND

This fund accounts for monies collected from inmates who have money in their possession at the time of their arrest and subsequent deposits to their accounts during incarceration.

OTHER AGENCY FUND

This fund accounts for all the other funds collected by the Clerk to be disbursed out to other agencies. These funds mainly come from civil cases and Official Records filings.

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**POLK COUNTY, FLORIDA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2019**

	County Court	Registry of Court	Jury and Witness	Domestic Relations	Tax Deed	Intangible Tax and Documentary Stamp
ASSETS						
Cash and Cash Equivalents	\$ 1,891,061	\$ 7,231,124	\$ 29,026	\$ 322,988	\$ 2,966,068	\$ 324,821
Due from Other Governments	-	-	-	-	-	-
Due from Others	-	-	-	-	-	-
Total Assets	<u>\$ 1,891,061</u>	<u>\$ 7,231,124</u>	<u>\$ 29,026</u>	<u>\$ 322,988</u>	<u>\$ 2,966,068</u>	<u>\$ 324,821</u>
LIABILITIES						
Due to Other Governments	\$ 859,335	\$ -	\$ -	\$ -	\$ -	\$ 324,821
Due to Others	1,031,726	-	-	322,988	2,966,068	-
Deposits	-	7,231,124	29,026	-	-	-
Total Liabilities	<u>\$ 1,891,061</u>	<u>\$ 7,231,124</u>	<u>\$ 29,026</u>	<u>\$ 322,988</u>	<u>\$ 2,966,068</u>	<u>\$ 324,821</u>

County Court/ Civil Court	Cash Bonds	Taxes	Fees and Suspense	Fines and DRD	Inmate	Other Agency	Totals
\$ 72,612	\$ 1,557,739	\$ 4,806,603	\$ 1,153,519	\$ 4,070	\$ 92,511	\$ 550,402	\$ 21,002,544
-	-	-	27,627	-	-	-	27,627
-	-	-	-	-	14,111	-	14,111
<u>\$ 72,612</u>	<u>\$ 1,557,739</u>	<u>\$ 4,806,603</u>	<u>\$ 1,181,146</u>	<u>\$ 4,070</u>	<u>\$ 106,622</u>	<u>\$ 550,402</u>	<u>\$ 21,044,282</u>
\$ -	\$ -	\$ 3,657,765	\$ 48,754	\$ 4,070	\$ 1,471	\$ 276,454	\$ 5,172,670
72,612	-	1,148,838	-	-	521	273,948	5,816,701
-	1,557,739	-	1,132,392	-	104,630	-	10,054,911
<u>\$ 72,612</u>	<u>\$ 1,557,739</u>	<u>\$ 4,806,603</u>	<u>\$ 1,181,146</u>	<u>\$ 4,070</u>	<u>\$ 106,622</u>	<u>\$ 550,402</u>	<u>\$ 21,044,282</u>

**POLK COUNTY, FLORIDA
AGENCY FUND
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
COUNTY COURT FUND				
ASSETS				
Cash and Cash Equivalents	\$ 1,875,841	\$ 12,140,235	\$ 12,125,015	\$ 1,891,061
LIABILITIES				
Due to Other Governments	\$ 911,357	\$ 11,350,577	\$ 11,402,599	\$ 859,335
Due to Others	964,484	789,658	722,416	1,031,726
Total	<u>\$ 1,875,841</u>	<u>\$ 12,140,235</u>	<u>\$ 12,125,015</u>	<u>\$ 1,891,061</u>
REGISTRY OF COURT FUND				
ASSETS				
Cash and Cash Equivalents	\$ 6,838,016	\$ 28,711,886	\$ 28,318,778	\$ 7,231,124
LIABILITIES				
Deposits	\$ 6,838,016	\$ 28,711,886	\$ 28,318,778	\$ 7,231,124
JURY AND WITNESS FUND				
ASSETS				
Cash and Cash Equivalents	\$ 39,464	\$ 30,000	\$ 40,438	\$ 29,026
LIABILITIES				
Deposits	\$ 39,464	\$ 30,000	\$ 40,438	\$ 29,026
DOMESTIC RELATIONS FUND				
ASSETS				
Cash and Cash Equivalents	\$ 309,911	\$ 3,406,601	\$ 3,393,524	\$ 322,988
LIABILITIES				
Due to Others	\$ 309,911	\$ 3,406,601	\$ 3,393,524	\$ 322,988

**POLK COUNTY, FLORIDA
AGENCY FUND
COMBINING SCHEDULE 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
TAX DEED FUND				
ASSETS				
Cash and Cash Equivalents	<u>\$ 2,950,354</u>	<u>\$ 4,656,257</u>	<u>\$ 4,640,543</u>	<u>\$ 2,966,068</u>
LIABILITIES				
Due to Others	<u>\$ 2,950,354</u>	<u>\$ 4,656,257</u>	<u>\$ 4,640,543</u>	<u>\$ 2,966,068</u>
INTANGIBLE TAX AND DOCUMENTARY STAMP FUND				
ASSETS				
Cash and Cash Equivalents	<u>\$ 139,028</u>	<u>\$ 143,673,528</u>	<u>\$ 143,487,735</u>	<u>\$ 324,821</u>
LIABILITIES				
Due to Other Governments	<u>\$ 139,028</u>	<u>\$ 143,673,528</u>	<u>\$ 143,487,735</u>	<u>\$ 324,821</u>
COUNTY COURT / CIVIL COURT FUND				
ASSETS				
Cash and Cash Equivalents	<u>\$ 72,612</u>	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ 72,612</u>
LIABILITIES				
Due to Others	<u>\$ 72,612</u>	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ 72,612</u>
CASH BONDS FUND				
ASSETS				
Cash and Cash Equivalents	<u>\$ 1,228,296</u>	<u>\$ 1,708,870</u>	<u>\$ 1,379,427</u>	<u>\$ 1,557,739</u>
LIABILITIES				
Deposits	<u>\$ 1,228,296</u>	<u>\$ 1,708,870</u>	<u>\$ 1,379,427</u>	<u>\$ 1,557,739</u>

**POLK COUNTY, FLORIDA
AGENCY FUND
COMBINING SCHEDULE 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
TAXES FUND				
ASSETS				
Cash and Cash Equivalents	\$ 4,915,117	\$ 433,445,315	\$ 433,553,829	\$ 4,806,603
LIABILITIES				
Due to Other Governments	\$ 3,413,484	\$ 408,795,698	\$ 408,551,417	\$ 3,657,765
Due to Others	1,501,633	24,649,617	25,002,412	1,148,838
Total	<u>\$ 4,915,117</u>	<u>\$ 433,445,315</u>	<u>\$ 433,553,829</u>	<u>\$ 4,806,603</u>
FEES AND SUSPENSE FUND				
ASSETS				
Cash and Cash Equivalents	\$ 1,030,075	\$ 482,228	\$ 358,784	\$ 1,153,519
Due from Other Governments	32,536	10,554	15,463	27,627
Total	<u>\$ 1,062,611</u>	<u>\$ 492,782</u>	<u>\$ 374,247</u>	<u>\$ 1,181,146</u>
LIABILITIES				
Due to Other Governments	\$ 3,206	\$ 177,722	\$ 132,174	\$ 48,754
Deposits	1,059,405	315,060	242,073	1,132,392
Total	<u>\$ 1,062,611</u>	<u>\$ 492,782</u>	<u>\$ 374,247</u>	<u>\$ 1,181,146</u>
FINES AND DRD FUND				
ASSETS				
Cash and Cash Equivalents	\$ 2,070	\$ 31,477	\$ 29,477	\$ 4,070
LIABILITIES				
Deposits	\$ -	\$ 1,955	\$ 1,955	\$ -
Due to Other Governments	2,070	29,522	27,522	4,070
Total	<u>\$ 2,070</u>	<u>\$ 31,477</u>	<u>\$ 29,477</u>	<u>\$ 4,070</u>
INMATE FUND				
ASSETS				
Cash and Cash Equivalents	\$ 279,729	\$ 3,787,549	\$ 3,974,767	\$ 92,511
Due From Others	34,295	3,189,201	3,209,385	14,111
Total	<u>\$ 314,024</u>	<u>\$ 6,976,750</u>	<u>\$ 7,184,152</u>	<u>\$ 106,622</u>
LIABILITIES				
Due to Other Governments	\$ 229,353	\$ 3,086,682	\$ 3,314,564	\$ 1,471
Due to Others	2,712	511,463	513,654	521
Deposits	81,959	3,767,365	3,744,694	104,630
Total	<u>\$ 314,024</u>	<u>\$ 7,365,510</u>	<u>\$ 7,572,912</u>	<u>\$ 106,622</u>

**POLK COUNTY, FLORIDA
AGENCY FUND
COMBINING SCHEDULE 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
OTHER AGENCY FUND				
ASSETS				
Cash and Cash Equivalents	\$ 524,044	\$ 3,562,699	\$ 3,536,341	\$ 550,402
LIABILITIES				
Due to Other Governments	\$ 274,067	\$ 3,238,436	\$ 3,236,049	\$ 276,454
Due to Others	249,977	324,263	300,292	273,948
Total	<u>\$ 524,044</u>	<u>\$ 3,562,699</u>	<u>\$ 3,536,341</u>	<u>\$ 550,402</u>
TOTALS - AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 20,204,557	\$ 635,636,685	\$ 634,838,698	\$ 21,002,544
Due from Other Governments	32,536	10,554	15,463	27,627
Due from Others	34,295	3,189,201	3,209,385	14,111
Total	<u>\$ 20,271,388</u>	<u>\$ 638,836,440</u>	<u>\$ 638,063,546</u>	<u>\$ 21,044,282</u>
LIABILITIES				
Due to Other Governments	\$ 4,972,565	\$ 570,352,165	\$ 570,152,060	\$ 5,172,670
Due to Others	6,051,683	34,337,899	34,572,881	5,816,701
Deposits	9,247,140	34,535,136	33,727,365	10,054,911
Total	<u>\$ 20,271,388</u>	<u>\$ 639,225,200</u>	<u>\$ 638,452,306</u>	<u>\$ 21,044,282</u>

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STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

The statistical data presents physical, economic, social, and political characteristics of Polk County. It is intended to provide users with a more broad and complete understanding of the County and its financial affairs than is possible from the financial statements and supporting schedules included in the financial section.

Contents

Financial Trends

These schedules contain trend information designed to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the factors of affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators designed to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**POLK COUNTY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Net Invested in Capital Assets	\$ 3,395,974,885	\$ 3,394,238,901	\$ 3,380,518,836	\$ 3,343,123,129
Restricted	236,735,654	188,583,685	166,188,534	152,319,970
Unrestricted	15,743,716	27,480,451	9,030,450	3,093,083
Total Governmental Activities Net Position	<u>\$ 3,648,454,255</u>	<u>\$ 3,610,303,037</u>	<u>\$ 3,555,737,820</u>	<u>\$ 3,498,536,182</u>
Business-Type Activities				
Net Invested in Capital Assets	\$ 296,259,475	\$ 285,152,606	\$ 320,067,713	\$ 330,488,480
Restricted	29,695,245	41,502,026	45,784,109	19,551,752
Unrestricted	90,569,155	112,280,426	87,768,675	103,119,602
Total Business-Type Activities Net Position	<u>\$ 416,523,875</u>	<u>\$ 438,935,058</u>	<u>\$ 453,620,497</u>	<u>\$ 453,159,834</u>
Primary Government				
Net Invested in Capital Assets	\$ 3,692,234,360	\$ 3,679,391,507	\$ 3,700,586,549	\$ 3,673,611,609
Restricted	266,430,899	230,085,711	211,972,643	171,871,722
Unrestricted	106,312,871	139,760,877	96,799,125	106,212,685
Total Primary Government Net Position	<u>\$ 4,064,978,130</u>	<u>\$ 4,049,238,095</u>	<u>\$ 4,009,358,317</u>	<u>\$ 3,951,696,016</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 3,295,884,984	\$ 3,254,563,988	\$ 3,222,781,761	\$ 3,177,524,066	\$ 3,114,700,553	\$ 3,076,238,733
153,476,375	118,288,655	133,940,651	155,163,331	191,429,236	241,349,528
(15,116,546)	(163,365,832)	(199,386,710)	(244,108,343)	(279,518,937)	(274,232,722)
<u>\$ 3,434,244,813</u>	<u>\$ 3,209,486,811</u>	<u>\$ 3,157,335,702</u>	<u>\$ 3,088,579,054</u>	<u>\$ 3,026,610,852</u>	<u>\$ 3,043,355,539</u>
\$ 320,023,881	\$ 322,060,952	\$ 342,297,477	\$ 352,745,164	\$ 377,253,771	\$ 429,136,625
18,664,740	16,734,479	18,524,034	30,141,818	36,663,476	30,634,059
134,980,905	154,786,344	162,680,642	184,654,457	156,431,318	183,604,397
<u>\$ 473,669,526</u>	<u>\$ 493,581,775</u>	<u>\$ 523,502,153</u>	<u>\$ 567,541,439</u>	<u>\$ 570,348,565</u>	<u>\$ 643,375,081</u>
\$ 3,615,908,865	\$ 3,576,624,940	\$ 3,565,079,238	\$ 3,530,269,230	\$ 3,491,954,324	\$ 3,505,375,358
172,141,115	135,023,134	152,464,685	185,305,149	228,092,712	271,983,587
119,864,359	(8,579,488)	(36,706,068)	(59,453,886)	(123,087,619)	(90,628,325)
<u>\$ 3,907,914,339</u>	<u>\$ 3,703,068,586</u>	<u>\$ 3,680,837,855</u>	<u>\$ 3,656,120,493</u>	<u>\$ 3,596,959,417</u>	<u>\$ 3,686,730,620</u>

**POLK COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental Activities:				
General Government	\$ 131,653,631	\$ 112,598,626	\$ 110,078,971	\$ 103,605,266
Public Safety	247,201,013	220,644,026	210,566,850	214,611,466
Physical Environment	9,118,306	8,233,955	7,834,716	7,225,524
Transportation	126,630,202	116,721,262	127,506,085	131,794,835
Economic Environment	24,664,070	17,956,238	17,255,226	19,017,660
Human Services	38,464,068	49,004,048	52,336,517	45,313,412
Culture and Recreation	15,529,282	14,637,775	13,993,492	13,541,668
Debt Service:				
Interest on Long-Term Debt	11,151,553	11,856,609	9,108,671	9,563,343
Other Debt Service	6,525	3,650,000	-	-
Total Governmental Activities	<u>604,418,650</u>	<u>555,302,539</u>	<u>548,680,528</u>	<u>544,673,174</u>
Business-Type Activities:				
Water and Sewer	48,469,852	48,803,998	50,714,388	50,774,356
Garbage Collection/Disposal	43,066,353	10,653,153	27,972,738	31,204,164
Rohr Home	6,034,903	5,606,396	5,573,542	5,345,517
Total Business-Type Activities Expenses	<u>97,571,108</u>	<u>65,063,547</u>	<u>84,260,668</u>	<u>87,324,037</u>
Total Primary Government Expenses	<u>\$ 701,989,758</u>	<u>\$ 620,366,086</u>	<u>\$ 632,941,196</u>	<u>\$ 631,997,211</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 38,031,711	\$ 38,215,727	\$ 40,239,900	\$ 33,631,443
Public Safety	63,140,637	67,172,294	69,383,644	68,330,068
Physical Environment	2,628,731	2,346,194	1,709,568	2,504,693
Transportation	12,648,036	5,629,093	4,677,442	4,415,322
Economic Environment	402,204	444,714	412,052	280,575
Human Services	3,615,869	3,212,869	2,980,932	2,325,203
Culture and Recreation	749,687	853,550	626,228	613,564
Operating Grants and Contributions	40,909,504	31,354,398	30,002,057	32,333,945
Capital Grants and Contributions	19,894,541	17,948,314	12,280,841	8,179,826
Total Governmental Activities Program Revenues	<u>182,020,920</u>	<u>167,177,153</u>	<u>162,312,664</u>	<u>152,614,639</u>
Business-Type Activities:				
Charges for Services:				
Water and Sewer	44,961,630	49,227,115	51,252,821	54,360,685
Garbage Collection/Disposal	35,756,298	32,913,597	33,818,946	37,195,482
Rohr Home	5,333,134	5,366,036	5,487,428	5,458,664
Operating Grants and Contributions	95,239	479,256	1,305,974	192,892
Capital Grants and Contributions	9,114,662	1,346,385	237,414	1,046,001
Total Business-Type Activities Program Revenues	<u>95,260,963</u>	<u>89,332,389</u>	<u>92,102,583</u>	<u>98,253,724</u>
Total Primary Government Program Revenues	<u>\$ 277,281,883</u>	<u>\$ 256,509,542</u>	<u>\$ 254,415,247</u>	<u>\$ 250,868,363</u>
Net (Expense) / Revenue				
Governmental Activities	\$ (422,397,730)	\$ (388,125,386)	\$ (386,367,864)	\$ (392,058,535)
Business-Type Activities	(2,310,145)	24,268,842	7,841,915	10,929,687
Total Primary Government Net Expense	<u>\$ (424,707,875)</u>	<u>\$ (363,856,544)</u>	<u>\$ (378,525,949)</u>	<u>\$ (381,128,848)</u>

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 103,142,641	\$ 106,269,143	\$ 112,588,018	\$ 122,095,397	\$ 128,375,707	\$ 135,675,718	
225,028,502	219,642,284	255,382,758	280,780,239	284,730,743	335,481,293	
7,192,813	8,849,680	7,404,169	7,274,077	7,237,187	7,816,153	
134,520,164	120,607,902	124,866,353	114,415,680	123,289,846	116,998,337	
16,486,708	20,970,749	28,564,232	33,536,843	14,107,210	16,759,484	
44,615,646	43,438,103	47,792,049	53,221,121	57,083,269	64,839,994	
16,037,738	15,891,522	15,324,797	15,858,425	16,559,029	17,896,996	
11,389,933	7,512,970	6,859,878	6,970,445	6,843,112	6,717,274	
260,000	-	-	-	-	-	
<u>558,674,145</u>	<u>543,182,353</u>	<u>598,782,254</u>	<u>634,152,227</u>	<u>638,226,103</u>	<u>702,185,249</u>	
53,800,262	53,461,214	54,859,927	56,680,180	62,274,176	63,590,688	
29,549,650	30,053,873	26,138,255	17,791,119	58,080,819	32,976,015	
5,651,668	5,591,712	5,405,268	5,759,243	5,979,361	4,597,940	
<u>89,001,580</u>	<u>89,106,799</u>	<u>86,403,450</u>	<u>80,230,542</u>	<u>126,334,356</u>	<u>101,164,643</u>	
<u>\$ 647,675,725</u>	<u>\$ 632,289,152</u>	<u>\$ 685,185,704</u>	<u>\$ 714,382,769</u>	<u>\$ 764,560,459</u>	<u>\$ 803,349,892</u>	
\$ 30,626,565	\$ 36,236,245	\$ 34,560,775	\$ 37,585,325	\$ 38,882,736	\$ 37,638,881	
69,117,893	73,064,996	82,858,025	84,436,135	92,282,419	97,192,071	
1,477,612	1,864,546	948,514	934,766	863,975	948,197	
5,296,043	4,401,814	7,182,673	11,477,984	17,145,175	20,082,007	
363,684	317,089	727,661	1,799,119	867,523	462,696	
1,937,828	1,843,022	3,305,504	2,328,155	2,237,569	2,721,805	
585,083	624,396	598,052	894,608	1,480,703	1,729,061	
28,545,720	23,844,332	19,573,115	14,941,900	14,538,931	53,550,395	
9,913,802	5,719,753	15,009,142	5,792,061	2,017,716	3,097,922	
<u>147,864,230</u>	<u>147,916,193</u>	<u>164,763,461</u>	<u>160,190,053</u>	<u>170,316,747</u>	<u>217,423,035</u>	
59,018,202	65,041,048	68,436,965	77,895,390	80,010,629	87,165,566	
34,308,297	36,590,939	35,638,509	35,898,865	43,612,417	42,727,872	
5,194,508	5,428,674	5,122,598	5,938,925	5,742,733	5,435,686	
1,400,308	635,427	1,906	57,874	-	-	
751,712	4,311,391	7,046,400	6,157,649	3,032,456	12,150,138	
<u>100,673,027</u>	<u>112,007,479</u>	<u>116,246,378</u>	<u>125,948,703</u>	<u>132,398,235</u>	<u>147,479,262</u>	
<u>\$ 248,537,257</u>	<u>\$ 259,923,672</u>	<u>\$ 281,009,839</u>	<u>\$ 286,138,756</u>	<u>\$ 302,714,982</u>	<u>\$ 364,902,297</u>	
\$ (410,809,915)	\$ (395,266,160)	\$ (434,018,793)	\$ (473,962,174)	\$ (467,909,356)	\$ (484,762,214)	
11,671,447	22,900,680	29,842,928	45,718,161	6,063,879	46,314,619	
<u>\$ (399,138,468)</u>	<u>\$ (372,365,480)</u>	<u>\$ (404,175,865)</u>	<u>\$ (428,244,013)</u>	<u>\$ (461,845,477)</u>	<u>\$ (438,447,595)</u>	

**POLK COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN YEARS (CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 216,289,675	\$ 185,000,565	\$ 173,286,436	\$ 164,522,102
Fuel Taxes	29,353,181	28,514,524	28,072,504	28,024,723
Sales Tax	52,925,965	54,828,461	58,660,893	61,694,047
Service Taxes	42,652,529	40,693,633	39,553,256	39,737,835
Other Taxes	9,469,499	9,168,910	9,094,402	9,756,263
State Shared Revenues	10,043,254	10,350,001	10,947,298	11,599,248
Investment Earnings	9,958,159	6,766,324	6,375,893	2,254,483
Net Change in Fair Value of Investments (1)	-	-	-	(5,775,806)
Gain/(Loss) on Sale of Capital Assets	-	-	369,658	937,258
Miscellaneous	18,034,746	14,673,720	5,499,571	6,678,881
Transfers	5,906,519	(21,970)	(57,264)	15,427,863
Total Governmental Activities	<u>\$ 394,633,527</u>	<u>\$ 349,974,168</u>	<u>\$ 331,802,647</u>	<u>\$ 334,856,897</u>
Business-Type Activities:				
Investment Earnings	\$ 3,765,410	\$ 3,231,314	\$ 3,308,516	\$ 1,479,586
Net Change in Fair Value of Investments	-	-	-	(4,052,963)
Gain on Sale of Capital Assets	-	-	-	-
Miscellaneous	6,601,606	5,207,190	3,477,744	6,610,890
Transfers	(5,906,519)	21,970	57,264	(15,427,863)
Total Business-Type Activities	<u>\$ 4,460,497</u>	<u>\$ 8,460,474</u>	<u>\$ 6,843,524</u>	<u>\$ (11,390,350)</u>
Total Primary Government	<u>\$ 399,094,024</u>	<u>\$ 358,434,642</u>	<u>\$ 338,646,171</u>	<u>\$ 323,466,547</u>
Change in Net Position				
Governmental Activities	\$ (27,764,203)	\$ (38,151,218)	\$ (54,565,217)	\$ (57,201,638)
Business-Type Activities	2,150,352	32,729,316	14,685,439	(460,663)
Total Primary Government	<u>\$ (25,613,851)</u>	<u>\$ (5,421,902)</u>	<u>\$ (39,879,778)</u>	<u>\$ (57,662,301)</u>

Note:

(1) Net Change in Fair Value of Investments was included in the Investments earnings amount for fiscal years 2010 - 2012.

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 171,248,724	\$ 181,626,076	\$ 190,279,026	\$ 202,427,517	\$ 222,886,089	\$ 255,492,946	
29,600,822	30,557,569	32,198,727	33,100,879	34,443,610	36,253,973	
65,293,550	69,160,414	74,798,881	77,192,196	82,123,979	89,132,246	
40,607,851	41,060,278	41,409,750	42,214,128	42,546,116	44,555,971	
10,123,215	11,182,147	12,204,723	12,992,572	15,392,857	15,908,728	
12,422,530	13,554,377	13,999,363	14,712,512	15,571,560	16,524,279	
5,341,795	5,352,754	6,767,080	9,157,906	11,814,141	17,408,065	
2,685,845	(858,747)	(1,242,549)	(4,034,397)	(5,918,987)	3,878,545	
804,830	1,290,814	-	1,993,156	911,451	1,075,990	
7,817,205	5,970,833	4,448,071	7,111,146	10,582,958	33,766,841	
572,179	625,593	7,004,612	8,337,911	8,233,201	(12,490,683)	
<u>\$ 346,518,546</u>	<u>\$ 359,522,108</u>	<u>\$ 381,867,684</u>	<u>\$ 405,205,526</u>	<u>\$ 438,586,975</u>	<u>\$ 501,506,901</u>	
\$ 3,203,378	\$ 3,821,568	\$ 4,635,458	\$ 6,583,564	\$ 7,871,778	\$ 8,373,962	
2,295,784	(759,805)	(989,160)	(3,270,174)	(4,199,272)	2,223,317	
22,267	-	-	-	-	-	
3,888,995	3,425,590	3,435,764	3,345,646	3,644,542	3,623,935	
(572,179)	(625,593)	(7,004,612)	(8,337,911)	(8,233,201)	12,490,683	
<u>\$ 8,838,245</u>	<u>\$ 5,861,760</u>	<u>\$ 77,450</u>	<u>\$ (1,678,875)</u>	<u>\$ (916,153)</u>	<u>\$ 26,711,897</u>	
<u>\$ 355,356,791</u>	<u>\$ 365,383,868</u>	<u>\$ 381,945,134</u>	<u>\$ 403,526,651</u>	<u>\$ 437,670,822</u>	<u>\$ 528,218,798</u>	
\$ (64,291,369)	\$ (35,744,052)	\$ (52,151,109)	\$ (68,756,648)	\$ (29,322,381)	\$ 16,744,687	
20,509,692	28,762,440	29,920,378	44,039,286	5,147,726	73,026,516	
<u>\$ (43,781,677)</u>	<u>\$ (6,981,612)</u>	<u>\$ (22,230,731)</u>	<u>\$ (24,717,362)</u>	<u>\$ (24,174,655)</u>	<u>\$ 89,771,203</u>	

**POLK COUNTY, FLORIDA
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 301,983	\$ -	\$ -	\$ -
Unreserved	84,560,504	-	-	-
Nonspendable (1)	-	1,048,565	2,166,961	1,973,966
Restricted (1)	-	283,097	253,984	3,855,045
Committed (1)	-	-	387,648	1,573,131
Assigned (1)	-	-	16,076,877	23,075,160
Unassigned (1)	-	71,162,488	44,483,532	37,330,730
Total General Fund	<u>\$ 84,862,487</u>	<u>\$ 72,494,150</u>	<u>\$ 63,369,002</u>	<u>\$ 67,808,032</u>
All Other Governmental Funds				
Unreserved, reported in:				
Special Revenue Funds	\$ 239,447,361	\$ -	\$ -	\$ -
Debt Service Funds	23,472,585	-	-	-
Capital Projects Funds	43,114,357	-	-	-
Nonspendable (1)	-	56,412	23,653	-
Restricted (1)	-	188,583,685	167,139,807	154,060,530
Committed (1)	-	60,901,656	59,652,613	56,047,382
Assigned (1)	-	34,324,198	27,880,817	21,241,820
Unassigned (1)	-	(1,377,375)	(1,549,015)	(1,278,101)
Total all Other Governmental Funds	<u>\$ 306,034,303</u>	<u>\$ 282,488,576</u>	<u>\$ 253,147,875</u>	<u>\$ 230,071,631</u>

Note:

- (1) Fund balance classifications were revised beginning in 2011 with the implementation of GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,422,318	2,529,876	2,375,422	5,009,020	2,749,680	1,901,571
3,834,633	3,927,059	3,632,172	3,599,854	4,143,272	4,778,557
859,383	5,140,246	3,699,649	3,167,473	2,164,342	1,002,823
12,650,559	19,542,951	21,609,306	21,507,052	20,076,216	22,544,776
41,990,434	40,379,474	42,922,323	31,152,780	40,198,772	74,544,016
<u>\$ 61,757,327</u>	<u>\$ 71,519,606</u>	<u>\$ 74,238,872</u>	<u>\$ 64,436,179</u>	<u>\$ 69,332,282</u>	<u>\$ 104,771,743</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,950	92,697	77,390	75,376	81,744	70,724
149,641,742	114,361,596	130,308,479	151,563,477	187,285,964	236,570,971
62,420,804	91,236,101	88,860,554	84,457,383	90,099,475	100,439,327
17,312,112	15,324,433	13,405,998	19,608,186	21,303,773	27,817,695
(1,368,997)	(1,494,427)	(1,555,075)	(1,479,663)	(1,057,420)	(104,125)
<u>\$ 228,007,611</u>	<u>\$ 219,520,400</u>	<u>\$ 231,097,346</u>	<u>\$ 254,224,759</u>	<u>\$ 297,713,536</u>	<u>\$ 364,794,592</u>

POLK COUNTY, FLORIDA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 314,583,312	\$ 281,894,373	\$ 271,088,886	\$ 264,332,941
Licenses and Permits	5,661,414	5,302,264	5,331,550	5,763,182
Intergovernmental	110,449,762	97,803,674	92,854,299	100,151,316
Charges for Services	50,776,155	51,895,478	52,805,417	55,722,198
Fines and Forfeitures	3,352,235	3,841,347	3,099,750	3,324,339
Special Assessments	36,188,333	30,737,118	32,919,271	32,986,754
Interest	9,871,447	5,947,409	5,728,447	2,809,376
Net Change in Fair Market Value				
of Investments	239,941	(235,179)	718,935	(5,775,806)
Miscellaneous	20,449,399	19,546,422	19,771,754	18,427,058
Total Revenues	<u>\$ 551,571,998</u>	<u>\$ 496,732,906</u>	<u>\$ 484,318,309</u>	<u>\$ 477,741,358</u>
Expenditures				
General Government	\$ 110,182,329	\$ 102,149,741	\$ 96,648,169	\$ 101,361,491
Public Safety	218,853,018	208,543,862	206,018,477	209,489,887
Physical Environment	7,405,014	6,743,536	7,261,795	7,599,038
Transportation	99,072,704	80,041,111	81,034,665	76,568,333
Economic Environment	26,435,137	18,464,529	17,868,768	19,012,090
Human Services	49,610,299	58,015,961	54,899,600	45,721,572
Culture and Recreation	15,363,648	19,006,809	20,017,311	16,953,340
Debt Service				
Principal Retirement	16,591,661	16,905,000	19,110,000	15,890,773
Interest	11,392,554	11,141,068	9,639,819	8,949,526
Capital Projects	50,661,275	18,713,702	10,369,492	10,424,900
Total Expenditures	<u>\$ 605,567,639</u>	<u>\$ 539,725,319</u>	<u>\$ 522,868,096</u>	<u>\$ 511,970,950</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>\$ (53,995,641)</u>	<u>\$ (42,992,413)</u>	<u>\$ (38,549,787)</u>	<u>\$ (34,229,592)</u>
Other Financing Sources (Uses)				
Bonds Issued	\$ -	\$ 85,300,000	\$ -	\$ -
Payments to Escrow Agent	-	(81,676,531)	-	-
Proceeds from Long-Term Debt	-	-	-	-
Premium on Bonds	-	4,243,780	-	-
Transfers In	39,531,762	23,103,512	15,698,498	33,240,244
Transfers Out	(32,562,172)	(24,097,162)	(15,755,762)	(17,812,381)
Distribution of Excess Fees to State of Florida	-	-	-	-
Proceeds from the Sale of Capital Assets	-	204,750	141,201	164,515
Proceeds from Issuance of Bonds (Refunding)	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 6,969,590</u>	<u>\$ 7,078,349</u>	<u>\$ 83,937</u>	<u>\$ 15,592,378</u>
Net Change in Fund Balance	<u>\$ (47,026,051)</u>	<u>\$ (35,914,064)</u>	<u>\$ (38,465,850)</u>	<u>\$ (18,637,214)</u>
Debt service as a Percentage of Noncapital				
Expenditures	6.6%	7.0%	6.6%	5.5%

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 275,706,614	\$ 291,087,882	\$ 306,847,583	\$ 322,833,252	\$ 349,858,666	\$ 390,916,577
6,174,865	6,978,955	8,358,141	12,959,957	15,674,897	15,779,022
97,581,268	93,179,130	81,248,105	81,963,799	79,300,969	122,827,934
56,220,978	58,401,444	70,253,115	66,257,353	72,482,432	75,188,117
3,257,819	4,189,585	8,028,945	8,502,029	9,646,150	9,443,719
33,104,295	33,796,129	42,087,216	48,017,524	56,998,654	63,016,004
4,261,157	4,855,159	5,841,347	8,366,192	10,840,720	16,181,405
2,685,845	(858,747)	(1,103,804)	(3,684,893)	(5,539,447)	3,878,545
19,103,451	16,543,834	23,798,542	14,398,334	13,428,182	17,511,034
<u>\$ 498,096,292</u>	<u>\$ 508,173,371</u>	<u>\$ 545,359,190</u>	<u>\$ 559,613,547</u>	<u>\$ 602,691,223</u>	<u>\$ 714,742,357</u>
\$ 107,534,693	\$ 104,451,127	\$ 107,648,727	\$ 116,151,355	\$ 119,154,121	\$ 124,216,179
213,962,474	219,647,997	233,135,166	258,082,607	266,563,228	288,697,783
6,618,272	8,812,990	5,726,659	6,636,846	6,194,328	8,505,454
78,258,427	74,876,102	72,143,469	52,239,447	54,177,825	56,832,511
16,933,435	15,490,020	15,722,753	17,720,365	15,580,153	18,027,947
44,615,033	43,962,121	45,894,042	52,139,093	56,004,142	63,035,349
17,022,284	15,195,820	15,105,961	18,358,446	14,323,400	16,014,337
9,183,411	9,597,734	10,152,382	11,214,379	9,878,081	10,755,256
8,765,533	8,023,335	7,366,054	7,381,218	7,050,973	6,944,149
5,552,909	7,698,275	24,971,025	13,286,713	9,321,424	6,794,693
<u>\$ 508,446,471</u>	<u>\$ 507,755,521</u>	<u>\$ 537,866,238</u>	<u>\$ 553,210,469</u>	<u>\$ 558,247,675</u>	<u>\$ 599,823,658</u>
\$ (10,350,179)	\$ 417,850	\$ 7,492,952	\$ 6,403,078	\$ 44,443,548	\$ 114,918,699
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(17,375,000)	-	-	-
-	-	17,375,000	-	-	-
-	-	-	-	-	-
22,165,824	63,404,033	29,345,881	32,608,319	30,831,263	45,991,151
(20,608,881)	(62,778,440)	(22,716,269)	(25,686,677)	(23,844,969)	(58,860,536)
-	-	-	-	(3,098,522)	-
152,739	231,625	173,648	-	53,560	471,203
525,772	-	-	-	-	-
<u>\$ 2,235,454</u>	<u>\$ 857,218</u>	<u>\$ 6,803,260</u>	<u>\$ 6,921,642</u>	<u>\$ 3,941,332</u>	<u>\$ (12,398,182)</u>
\$ (8,114,725)	\$ 1,275,068	\$ 14,296,212	\$ 13,324,720	\$ 48,384,880	\$ 102,520,517

3.9%

3.8%

3.6%

3.6%

3.2%

2.4%

POLK COUNTY, FLORIDA
JUST VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

Real Property - Just Value (1)					
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Other Property
2010	\$ 26,752,833,828	\$ 4,754,311,891	\$ 1,923,489,255	\$ 2,452,614,521	\$ 3,310,852,765
2011	21,303,582,960	4,048,895,637	1,602,055,199	2,018,471,598	3,117,556,403
2012	19,297,238,891	3,739,548,099	1,528,104,333	1,790,740,413	3,073,752,672
2013	17,793,857,357	3,904,127,611	1,527,153,862	1,701,901,000	3,093,822,099
2014	19,419,985,594	3,966,947,491	1,562,887,796	1,710,090,900	3,141,635,466
2015	21,763,758,795	4,043,574,880	1,618,218,236	1,837,078,764	3,194,730,439
2016	23,766,289,395	4,232,146,151	1,763,558,817	1,957,205,668	3,347,415,960
2017	25,609,401,296	4,544,498,571	2,010,226,111	2,072,680,851	3,539,046,146
2018	28,142,177,270	4,932,218,735	2,660,960,875	2,037,710,078	3,782,515,217
2019	31,491,549,535	5,224,662,742	2,895,915,541	2,174,082,401	3,885,576,723

Source: Polk County Property Appraiser

Note:

- (1) Just Values are determined by the Polk County Property Appraiser on January 1 of each year at 100% of fair market value as is required by *Florida Statutes*, Section 192.042. Taxable values are based on just value after deducting allowable exemptions.

Total Just Value	Personal Property	Total Real and Personal Property	Less: Tax-exempt Property	Total Taxable Value	Total Direct Tax Rate
\$ 39,194,102,260	\$ 5,661,005,660	\$ 44,855,107,920	\$ 14,556,679,860	\$ 30,298,428,060	6.8665
32,090,561,797	5,739,919,867	37,830,481,664	11,854,326,888	25,976,154,776	6.8665
29,429,384,408	5,797,920,118	35,227,304,526	10,850,286,520	24,377,018,006	6.8665
28,020,861,929	5,686,296,368	33,707,158,297	10,530,065,413	23,177,092,884	6.8665
29,801,547,247	5,853,800,018	35,655,347,265	11,619,884,272	24,035,462,993	6.8665
32,457,361,114	5,856,412,000	38,313,773,114	13,016,657,541	25,297,115,573	6.8665
35,066,615,991	6,162,668,197	41,229,284,188	14,461,786,021	26,767,498,167	6.7815
37,775,852,975	6,065,867,091	43,841,720,066	15,413,687,057	28,428,033,009	6.7815
41,555,582,175	6,585,670,352	48,141,252,527	16,830,858,281	31,310,394,246	6.7815
45,671,786,942	7,241,147,914	52,912,934,856	18,737,212,914	34,175,721,942	7.1565

**POLK COUNTY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

	Year Taxes Are Payable									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County Direct Rates										
General Fund	6.8065	6.8065	6.8065	6.8665	6.8665	6.8665	6.7815	6.7815	6.7815	7.1565
Debt Service	0.0600	0.0600	0.0600	-	-	-	-	-	-	-
Total direct rate	6.8665	6.8665	6.8665	6.8665	6.8665	6.8665	6.7815	6.7815	6.7815	7.1565
City Rates										
Auburndale	3.8393	3.8393	3.8393	4.2657	4.2657	4.2657	4.2657	4.2657	4.2657	4.2515
Bartow	3.9962	3.9962	3.9962	3.9962	3.9960	3.9075	3.8387	3.8044	3.6541	3.5378
Davenport	5.9792	6.0000	6.9900	7.7500	7.7500	7.5000	7.5000	7.5000	7.5000	7.5000
Dundee	7.0000	7.0000	7.6495	7.6495	7.9495	7.9495	7.9000	7.9000	7.9000	7.9000
Eagle Lake	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516
Ft Meade	3.3509	3.3509	3.3509	5.6484	5.6484	5.6484	5.6484	6.2458	6.8704	6.8704
Frostproof	7.8209	7.8209	7.8209	7.8209	8.0587	8.0587	8.0587	7.7716	7.4978	7.3045
Haines City	6.9900	6.9900	6.9900	7.9900	7.7900	7.7900	7.7900	7.5895	7.5895	7.5895
Highland Park	8.3161	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759	9.9759
Hillcrest Heights	0.3125	0.3100	0.3100	0.3075	1.5000	1.4131	1.3788	1.2726	1.1932	1.1050
Lake Alfred	6.5800	6.5800	6.9990	7.5890	7.5890	7.5890	7.4890	7.2390	7.2390	7.2390
Lake Hamilton	7.0000	7.0000	7.5930	8.2117	8.4276	8.4276	8.4276	8.4276	8.4276	8.4276
Lake Wales	7.3277	7.3277	7.9998	8.5119	8.5866	8.3638	7.3638	7.3273	7.0438	7.0438
Lakeland	3.6538	4.1644	4.1644	4.6644	4.6644	4.6644	5.5644	5.5644	5.5644	5.4644
Mulberry	8.0500	8.9000	8.9000	8.9000	8.4000	7.6500	7.2900	6.7900	6.5900	6.4400
Polk City	7.8000	8.6547	8.6547	8.6547	8.6547	8.6000	8.2500	8.0000	7.4877	7.2500
Winter Haven	5.7900	5.7900	5.7900	5.7900	5.7900	5.7900	5.7900	5.7900	5.7900	6.7900
County School District										
Local	0.9980	0.9980	2.2480	1.5000	2.2480	2.2480	2.2480	2.2480	2.2480	2.2480
State	5.0880	5.2940	5.4220	5.9920	5.2990	4.9600	4.9010	4.5490	4.2660	4.0030
Capital Improvements	1.5000	1.5000	-	-	-	-	-	-	-	-
Unincorporated County MSTU										
Parks	0.4219	0.4219	0.4219	0.4219	0.4219	0.4219	0.5619	0.5619	0.5619	0.5619
Library	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109
Storm	-	-	-	-	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Rancho Bonito Area MSTU										
	-	-	-	-	-	9.2672	9.1272	9.1272	9.1272	9.1272
Special Districts:										
Alafia River Basin	0.2163	0.2163	-	-	-	-	-	-	-	-
Everglades Construction	0.0894	0.0894	0.0624	0.0613	0.0587	0.0548	0.0506	0.0471	0.0441	0.0417
Hillsborough River Basin	0.2421	0.2300	-	-	-	-	-	-	-	-
Lake Region LMD	0.3833	0.4478	0.4829	0.4996	0.4924	0.4924	0.4715	0.4512	0.4214	0.4214
Lakeland Mass/Transit	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Okeechobee	0.2797	0.2797	0.1954	0.1919	0.1838	0.1717	0.1586	0.1477	0.1384	0.1310
Peace River Basin	0.1827	0.1827	-	-	-	-	-	-	-	-
South FL WMD	0.2549	0.2549	0.1785	0.1757	0.1685	0.1577	0.1459	0.1359	0.1275	0.1209
SW FLA WMD	0.3866	0.3770	0.3928	0.3928	0.3818	0.3658	0.3488	0.3317	0.3131	0.2955

Source: Polk County Tax Collector's Office

**POLK COUNTY, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2019			2010		
	Taxable Value	Rank	Percentage of Total County Taxable Value	Taxable Value	Rank	Percentage of Total County Taxable Value
Duke Energy/Florida Power	\$ 1,197,836,250	1	3.50%	\$ 559,594,647	1	1.85%
Tampa Electric	897,704,236	2	2.63%	450,382,045	3	1.49%
Mosaic /Streamsong/Stillwaters	756,296,151	3	2.21%	486,452,488	2	1.61%
Publix Supermarkets	419,985,897	4	1.23%	285,224,537	4	0.94%
Invitation Homes	213,839,426	5	0.63%			
Wal-Mart	199,783,193	6	0.58%	104,525,607	8	0.34%
Coca Cola	195,013,373	7	0.57%	170,553,429	6	0.56%
Florida Southeast Connection LLC	181,327,715	8	0.53%			
Frontier	158,693,736	9	0.46%			
Amazon	122,298,137	10	0.36%			
Osprey Energy Center				171,907,603	5	0.57%
Bright House Networks				100,135,087	9	0.33%
Gulfstream Natural Gas				162,322,233	7	0.54%
Lowe's				73,110,169	10	0.24%
Total	<u>\$ 4,342,778,114</u>		<u>12.70%</u>	<u>\$ 2,564,207,845</u>		<u>8.47%</u>
Total Taxable Value:	\$ 34,175,721,942			\$ 30,298,428,060		

Source: Polk County Property Appraiser

**POLK COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Current Tax Collections as a percent(%) of Total Levy	Collections in Subsequent Years (2)	Total Tax Collections	Total Tax Collections as a percent(%) of Total Levy
2010	\$ 208,673,287	\$ 201,588,617	96.60%	\$ 1,379,366	\$ 202,967,983	97.27%
2011	179,322,329	172,679,893	96.30%	1,441,464	174,121,357	97.10%
2012	168,385,828	161,578,807	95.96%	941,596	162,520,403	96.52%
2013	159,938,591	153,389,026	95.90%	945,826	154,334,852	96.50%
2014	165,896,955	159,591,391	96.20%	813,947	160,405,338	96.69%
2015	174,474,047	167,845,853	96.20%	1,016,823	168,862,676	96.78%
2016	182,495,617	175,460,063	96.14%	820,373	176,280,436	96.59%
2017	193,788,188	186,687,885	96.34%	814,715	187,502,600	96.76%
2018	213,109,132	205,408,483	96.39%	731,151	206,139,634	96.73%
2019	245,433,478	236,523,625	96.37%	669,318	237,192,943	96.64%

Source: Polk County Tax Collector's office

Notes:

- (1) Property taxes become due and payable on November 1 of each year. A four percent discount is allowed if the taxes are paid in November with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be and 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 assessments must be sold not later than June 1 of each year.
- (2) Current and delinquent collections include penalties.

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**POLK COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Fiscal Year	Governmental Activities				
	Sales Tax Increment Bonds	Constitutional Fuel Tax Bonds (1)	Local Option Fuel Tax / Public Service Tax Bonds	Public Service Tax Bonds/Revenue Sharing Monies Tax Bonds	Deferred Amounts: Premium/Discount
2010	\$ 43,810,000	\$ 34,290,000	\$ 53,045,000	\$ 82,680,000	\$ 1,419,524
2011	38,370,000	32,555,000	53,035,000	80,950,000	4,804,962
2012	30,830,000	30,575,000	51,290,000	79,150,000	4,596,264
2013	29,260,000	28,380,000	49,335,000	77,285,000	6,658,261
2014	27,640,000	25,990,000	47,320,000	75,610,000	9,849,122
2015	25,975,000	23,385,000	45,245,000	73,600,000	9,210,852
2016	24,260,000	3,200,000	43,090,000	71,405,000	7,828,387
2017	22,490,000	225,000	40,850,000	69,125,000	7,203,635
2018	20,645,000	-	38,495,000	66,750,000	6,709,928
2019	18,720,000	-	36,025,000	64,255,000	6,216,221

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Constitutional Fuel Tax Revenue Refunding Bond, Series 2006 matured on December 1, 2017.

(2) In FY 2016, Public Facilities Revenue Note, Series 2015 refunded a portion of the Constitutional Fuel Tax Revenue Bonds, Series 2006. It is collateralized by a pledge of 8.0% of the 10.0% Public Service Tax and 50% of the previous fiscal year's Revenue Sharing Monies received.

Governmental Activities

Net Bonds Payable	Note Payable	(2)	Interlocal Agreements	Commercial Paper	Total Governmental Debt
\$ 215,244,524	\$ -		\$ 11,320,113	\$ 15,639,000	\$ 242,203,637
209,714,962	-		10,005,113	12,414,000	232,134,075
196,441,264	-		8,985,113	7,189,000	212,615,377
190,918,261	-		9,136,538	-	200,054,799
186,409,122	-		7,913,127	-	194,322,249
177,415,852	-		12,170,393	-	189,586,245
149,783,387	18,157,000		23,503,334	-	191,443,721
139,893,635	17,951,000		38,478,800	-	196,323,435
132,599,928	16,709,000		36,642,719	-	185,951,647
125,216,221	15,137,000		34,349,463	-	174,702,684

**POLK COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN YEARS**

Business-Type Activities						
Fiscal Year	Water and Sewer Bonds (1)	Deferred Amounts: Premium/Discount	Net Bonds Payable	Contracts Payable	Interlocal Agreements	
2010	\$ 153,555,000	\$ 1,419,379	\$ 154,974,379	\$ 71,842	\$ -	
2011	151,135,000	1,476,262	152,611,262	71,842	-	
2012	148,600,000	1,409,676	150,009,676	71,842	-	
2013	139,985,000	8,897,515	148,882,515	71,842	-	
2014	188,175,000	8,179,037	196,354,037	71,842	3,305,990	
2015	185,000,000	7,560,715	192,560,715	71,842	3,104,773	
2016	181,485,000	7,045,425	188,530,425	58,880	2,903,556	
2017	177,950,000	6,524,534	184,474,534	58,880	2,702,339	
2018	174,320,000	6,003,643	180,323,643	58,880	2,501,122	
2019	170,530,000	5,482,752	176,012,752	58,880	2,299,906	

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Total consists of more than one issuance.

Business-Type Activities

Other Long-Term Liability	Total Business-Type Debt	Total Primary Government	Percentage of Personal Income	Per Capita
\$ -	\$ 155,046,221	\$ 397,249,858	2.04%	660
2,655,025	155,338,129	387,472,204	1.92%	641
3,641,723	153,723,241	366,338,618	1.69%	604
2,660,209	151,614,566	351,669,365	1.67%	573
1,300,455	201,032,324	395,354,573	1.94%	634
1,300,455	197,037,785	386,624,030	1.81%	611
377,985	191,870,846	383,314,567	1.73%	592
377,985	187,613,738	383,937,173	1.70%	580
377,985	183,261,630	369,213,277	1.60%	549
377,985	178,749,522	353,452,206	1.44%	512

**POLK COUNTY, FLORIDA
 PLEDGED REVENUE COVERAGE
 SALES TAX REVENUE BONDS
 LAST TEN YEARS**

Fiscal Year	Sales Taxes	Debt Service		Total	Coverage
		Principal	Interest		
2010	\$ 23,315,093	\$ 7,125,000	\$ 2,484,144	\$ 9,609,144	2.43
2011	24,160,286	7,280,000	1,907,338	9,187,338	2.63
2012	25,873,338	7,540,000	1,393,313	8,933,313	2.90
2013	27,423,241	1,570,000	1,186,750	2,756,750	9.95
2014	28,968,235	1,620,000	1,138,900	2,758,900	10.50
2015	30,519,501	1,665,000	1,089,625	2,754,625	11.08
2016	33,321,558	1,715,000	1,038,925	2,753,925	12.10
2017	34,091,310	1,770,000	974,950	2,744,950	12.42
2018	36,094,105	1,845,000	896,075	2,741,075	13.17
2019	38,560,203	1,925,000	807,325	2,732,325	14.11

Note:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

**POLK COUNTY, FLORIDA
 PLEDGED REVENUE COVERAGE
 CONSTITUTIONAL FUEL TAX REVENUE REFUNDING BONDS
 LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Constitutional Fuel Taxes</u>	<u>Debt Service</u>		<u>Total</u>	<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>		
2010	\$ 6,183,857	\$ 1,575,000	\$ 1,600,291	\$ 3,175,291	1.95
2011	6,140,204	1,735,000	1,538,429	3,273,429	1.88
2012	6,207,627	1,980,000	1,468,466	3,448,466	1.80
2013	6,093,497	2,195,000	1,384,966	3,579,966	1.70
2014	6,337,152	2,390,000	1,286,741	3,676,741	1.72
2015	6,581,836	2,605,000	1,164,529	3,769,529	1.75
2016	6,835,418	2,810,000	627,196 (1)	3,437,196	1.99
2017	7,072,375	2,975,000	83,375	3,058,375	2.31
2018	7,270,341	225,000	4,500	229,500	31.68
2019	7,605,958	- (2)	-	-	-

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) In FY 2016, the Constitutional Fuel Tax Revenue Refunding Bonds Series 2006 were partially refunded by the Public Facilities Revenue Refunding Note, Series 2015.

(2) Bonds were paid in full during FY 2018.

**POLK COUNTY, FLORIDA
 PLEDGED REVENUE COVERAGE
 LOCAL OPTION FUEL TAX AND PUBLIC SERVICE TAX BONDS
 LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Local Option Fuel Taxes</u>	<u>Public Service Tax (1)</u>	<u>Debt Service</u>		<u>Total</u>	<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>		
2010	\$ 6,943,812	\$ 6,148,279	\$ 2,245,000	\$ 2,697,450	\$ 4,942,450	2.65
2011	6,673,807	5,868,625	2,145,000	2,411,215	4,556,215	2.75
2012	6,586,611	5,664,761	1,745,000	2,239,738	3,984,738	3.07
2013	6,523,909	5,801,829	1,955,000	2,188,600	4,143,600	2.97
2014	6,953,052	5,996,762	2,015,000	2,129,050	4,144,050	3.12
2015	7,236,822	6,188,069	2,075,000	2,059,450	4,134,450	3.25
2016	7,653,503	6,330,937	2,155,000	1,976,975	4,131,975	3.38
2017	7,898,728	6,523,435	2,240,000	1,877,875	4,117,875	3.50
2018	8,141,473	6,582,019	2,355,000	1,763,000	4,118,000	3.58
2019	8,669,540	7,070,593	2,470,000	1,647,800	4,117,800	3.82

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) The Transportation Improvement Revenue Bonds are collateralized by a pledge of revenues from the 5-cents per gallon local option fuel tax and 2.0% of the 10.0% Public Service Tax.

**POLK COUNTY, FLORIDA
 PLEDGED REVENUE COVERAGE
 PUBLIC SERVICE TAX AND REVENUE SHARING MONIES
 LAST TEN YEARS**

Fiscal Year	Public Service Tax (1)	Revenue Sharing Monies (2)	Debt Service Requirements			Coverage
			Principal	Interest	Total	
2010	\$ 24,592,620	\$ 5,026,561	\$ 1,670,000	\$ 4,026,911	\$ 5,696,911	5.20
2011	23,473,885	5,021,627	1,730,000	3,961,235	5,691,235	5.01
2012	22,658,565	5,175,000	1,800,000	3,894,010	5,694,010	4.89
2013	23,206,800	5,473,649	1,865,000	3,826,416	5,691,416	5.04
2014	23,986,521	5,799,624	1,935,000	3,458,053	5,393,053	5.52
2015	24,751,615	6,211,265	2,010,000	3,497,194	5,507,194	5.62
2016	25,323,175	6,777,189	105,000	3,378,945	3,483,945	9.21
2017	26,093,209	6,999,682	2,486,000	3,507,656	5,993,656	5.52
2018	26,327,452	7,356,256	3,617,000	3,387,187	7,004,187	4.81
2019	28,281,821	7,785,780	4,067,000	3,247,802	7,314,802	4.93

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) The Public Facilities Revenue Bonds and Public Facilities Revenue Note are collateralized by a pledge of 8.0% of the 10.0% Public Service Tax.
- (2) The Public Facilities Revenue Bonds and Note are also collateralized by a pledge of 50 % of the previous fiscal year's Revenue Sharing Monies received.

**POLK COUNTY, FLORIDA
 PLEDGED REVENUE COVERAGE
 WATER AND SEWER BONDS
 LAST TEN YEARS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service		Total	Coverage
				Principal	Interest		
2010	\$ 42,229,479	\$ 33,283,110	\$ 8,946,369	\$ 2,315,000	\$ 5,441,679	\$ 7,756,679	1.15
2011	46,136,831	30,008,935	16,127,896	2,420,000	8,214,025	10,634,025	1.52
2012	48,190,199	33,754,650	14,435,549	2,535,000	7,969,564	10,504,564	1.37
2013	49,727,954	32,312,821	17,415,133	2,660,000	7,334,165	9,994,165	1.74
2014	53,604,980	32,339,999	21,264,981	2,790,000	8,798,252	11,588,252	1.84
2015	58,422,466	32,968,618	25,453,848	3,175,000	8,967,711	12,142,711	2.10
2016	60,133,329	30,439,008	29,694,321	3,515,000	8,819,861	12,334,861	2.41
2017	65,320,604	33,247,543	32,073,061	3,535,000	8,792,805	12,327,805	2.60
2018	67,868,397	37,334,208	30,534,189	3,630,000	8,739,147	12,369,147	2.47
2019	72,156,630	36,266,287	35,890,343	3,790,000	8,582,097	12,372,097	2.90

Notes:

- (1) Gross revenues exclude connection fees associated with the implementation of Governmental Accounting Standards Board Statement No. 33 - *Accounting and Financial Reporting for Nonexchange Transactions*. It also does not include miscellaneous revenues and interest income.
- (2) Expenses are exclusive of depreciation.

**POLK COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income	Public School Enrollment (3)	Unemployment Rate
2010	602,095 (2)	\$ 19,469,344	\$ 32,336	93,115	13.3%
2011	604,792	20,228,478	33,447	93,810	12.0%
2012	606,888	21,693,818	35,746	94,920	9.7%
2013	613,950	21,115,582	34,393	95,333	8.0%
2014	623,174	20,347,877	32,652	99,728	7.3%
2015	633,052	21,348,413	33,723	97,953	6.2%
2016	646,989	22,126,377	34,199	99,247	5.9%
2017	661,645	22,636,860	34,213	101,050	4.1%
2018	673,028	23,867,592	35,463	104,136	3.5%
2019	690,606	24,490,961	35,463 (4)	108,330	3.5%

Notes:

(1) Data provided by the Office of Economic and Demographic Research

(2) U.S. Census Bureau, 2010 census

(3) Florida Department of Education

(4) Data provided by U.S. Bureau of Economic Analysis. Per capita personal income was not available for 2019. The 2018 per capita income information was used, along with 2019 population data to determine the personal income data.

**POLK COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Polk County School Board	13,235	1	4.31%	14,000	1	5.08%
Publix Super Markets	12,500	2	4.07%	9,300	2	3.38%
Lakeland Regional Medical Center	5,575	3	1.81%	4,600	5	1.67%
Polk County Government	4,567	4	1.49%	5,100	3	1.85%
Walmart	4,250	5	1.38%	4,700	4	1.71%
Geico	3,700	6	1.20%	2,050	9	0.74%
City of Lakeland	2,800	7	0.91%	2,500	8	0.91%
Winter Haven Hospital	2,200	8	0.72%	2,500	7	0.91%
Watson Clinic	1,857	9	0.60%			
Advent Health	1,550	10	0.50%			
State of Florida				4,300	6	1.56%
Mosaic				1,950	10	0.71%
Total	52,234		16.99%	51,000		18.52%
Average Annual Labor Force :	307,277			275,392		

Sources:
Central Florida Development Council
Florida Department of Economic Opportunity, Labor Market Statistics Center

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**POLK COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION AND PROGRAM
LAST TEN YEARS**

	Fiscal Year			
	2010	2011	2012	2013
General Government				
Business Licenses	36,120	32,685	33,998	33,479
County Attorney				
Request for legal service	2,738	1,395	1,352	1,047
Land Development				
# of residential plans reviewed	679	721	880	1,166
# of non-residential plans reviewed	180	241	307	254
# of inspections performed	4,059	*	*	*
# of subdivision final platted lots	172	220	162	703
# of non-residential plats processed	-	-	73	103
# conditional uses/planned developments	15	15	33	27
Public Safety				
Fire Rescue				
Responses per year	26,935	76,258	74,880	75,034
Average response time (minutes)	7.5	7.4	7.2	7.1
Sheriff				
Average Inmate Population	2,194	2,109	2,407	2,463
% Crime Rate per Capita	3.0%	2.7%	2.5%	2.3%
Calls for Service	319,846	327,007	344,121	310,906
911 Calls	-	271,578	355,374	397,011
Building Permits				
Single-residential	726	662	822	1,105
Commercial	44	181	223	301
Physical Environment				
Utilities - Number of customers				
Water	57,539	57,905	58,321	59,291
Sewer	40,618	41,067	41,519	42,466
Re-use	3,493	3,914	4,113	4,402
Waste and Recycling				
Tons Collected	579,327	586,363	558,493	595,289
Tons Recycled	9,982	14,267	27,336	14,841
Environmental Lands				
Acres acquired	22	34	1.25	-
Transportation				
Transportation				
Lane miles of roads resurfaced	54	31	116	180
Roadway Maintenance				
Mowing (Acres)	25,214	21,550	25,584	31,120
Chemical Mowing (Acres)	7,460	7,056	6,713	7,904
Shoulders Maintained (Feet)	810,478	509,686	668,012	596,589
Drainage Ditches Cleaned (Feet)	316,555	415,881	331,748	381,890

Source: Polk County Board of County Commissioner's applicable divisions and Constitutional Officers

Notes:

- * Information not available
- Operating indicator was not performed during fiscal year.

Fiscal Year						
2014	2015	2016	2017	2018	2019	
34,037	34,737	35,008	33,728	35,290	35,693	
1,137	1,153	1,506	1,355	1,405	1,621	
1,393	1,766	1,405	2,666	*	*	
310	367	326	433	*	*	
*	*	*	*	*	*	
774	1,073	1,771	1,798	*	*	
95	113	124	42	*	*	
40	51	50	49	*	*	
79,385	81,429	87,441	92,536	94,699	97,697	
6.9	7.2	7.4	7.4	7.3	7.6	
2,463	2,423	2,520	2,592	2,612	2,556	
2.1%	1.96%	1.87%	1.64%	1.52%	1.40%	
305,660	315,097	150,629	151,055	153,680	151,847	
422,009	430,472	394,362	332,025	320,684	281,585	
1,317	1,524	1,722	2,162	2,574	2,856	
242	233	315	257	249	202	
60,147	61,086	62,941	65,306	66,920	68,482	
43,318	44,177	46,074	48,329	49,673	51,083	
4,832	5,252	7,594	9,314	10,230	11,138	
602,564	622,322	613,289	606,424	655,779	644,231	
15,271	17,886	17,517	17,170	11,717	11,545	
117	70	1.25	8.66	24.15	70.52	
166	171	188	248	271	104	
37,484	49,320	35,036	34,796	30,120	41,965	
9,236	6,750	4,695	3,908	1,026	2,371	
834,208	925,294	995,313	556,908	386,575	422,035	
966,070	468,376	408,756	269,517	242,472	413,591	

**POLK COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION AND PROGRAM (CONTINUED)
LAST TEN YEARS**

	Fiscal Year			
	2010	2011	2012	2013
Economic Environment				
Business Development				
Businesses Recruited	10	6	11	5
Jobs Created	1,268	498	597	454
Sports Marketing				
Number of events assisted or managed	203	220	225	216
Human Services				
Veterans Services				
Veterans Assisted	4,276	2,623	2,588	2,419
Outreach services	1,253	*	18	45
Elderly Services				
In-home Nutrition Meals (1)	196,661	153,544	143,811	123,082
Congregate meals served (1)	101,933	99,737	100,454	93,853
In-Home Service (clients) (1)	804	497	529	404
Medicaid Waiver Programs (clients) (2)	284	263	248	221
Elderly Day Care Participants	*	*	*	*
Number of hours of direct service	*	*	*	*
Culture and Recreation				
Parks and Recreation				
Special Events patrons	19,468	20,796	58,447	63,043
Summer Camp attendees	590	610	492	510
Campground rentals	8,777	9,117	8,282	9,117
Homeland Heritage Park patrons	4,405	4,343	2,031	5,344
Historical Museum				
Total patrons	30,298	37,587	33,818	33,070
Historical Library				
Total patrons	83,825	114,361	123,114	91,354

Source: Polk County Board of County Commissioner's applicable divisions and Constitutional Officers

Notes:

* Information not available

- Operating indicator was not performed during fiscal year.

(1) Beginning in 2018, the In-home Services and Nutrition programs were transitioned to a non-profit organization. Data reported is no longer available.

(2) Beginning in 2014, this program transitioned to Medicaid Reform. No longer serving Medicaid clients.

Fiscal Year						
2014	2015	2016	2017	2018	2019	
11	8	10	6	8	6	
1,308	1,614	605	942	1,386	1,581	
216	229	225	246	261	276	
2,535	2,618	3,472	3,458	10,729	11,377	
26	19	28	13	12	*	
111,030	118,030	79,093	66,659	-	-	
106,340	88,839	86,053	65,536	-	-	
471	151	131	1,316	-	-	
-	-	-	-	-	-	
*	*	*	*	94	104	
*	*	*	*	60,049	53,208	
64,012	57,903	64,735	60,513	58,727	59,216	
520	477	346	324	336	328	
9,415	9,873	11,300	10,225	10,539	11,214	
5,263	5,916	5,717	6,847	5,235	6,124	
40,107	39,581	37,883	38,331	34,439	36,637	
102,439	79,721	81,415	56,236	40,660	44,716	

**POLK COUNTY, FLORIDA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS**

Function	Full-time Equivalent Employees									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	1,154	1,112	1,047	1,042	1,060	1,085	1,138	1,108	1,139	1,099
Public Safety	2,416	2,493	2,389	2,388	2,419	2,384	2,439	2,457	2,430	2,539
Physical Environment	54	55	55	59	59	59	50	50	43	45
Transportation	280	258	258	255	255	254	265	265	264	263
Economic Environment	34	34	34	33	31	31	23	23	23	23
Human Services	329	277	340	342	331	314	235	237	214	211
Culture and Recreation	90	82	82	82	82	82	81	82	93	94
Utilities	215	205	207	209	214	216	218	223	228	237
Waste and Recycling	56	51	51	51	46	47	44	48	50	56
Total	4,628	4,567	4,463	4,461	4,497	4,472	4,493	4,493	4,484	4,567

Sources:
Polk County Office of Budget and Management Services
Constitutional Officers

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**POLK COUNTY, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION AND PROGRAM
LAST TEN YEARS**

	Fiscal Year			
	2010	2011	2012	2013
General Government				
Square footage of Building Space	3,749,658	3,900,614	3,889,086	4,035,156
Public Safety				
Fire Rescue				
Stations	51	45	45	45
Vehicles	209	272	272	259
Physical Environment				
Utilities				
Miles of Sewer and Water Lines				
Water	856	858	915	903
Sewer	529	531	562	553
Re-use	167	171	187	191
Utility Plants				
Water	38	39	57	55
Sewer	9	9	8	8
Lift Stations	293	293	292	297
Potable Hydrants	3,128	3,145	3,416	3,495
Environmental Lands				
Number of acres owned	18,300	18,334	18,335	18,335
Transportation				
Miles of Roads				
Paved	2,337	2,346	2,429	2,439
Unpaved	342	337	261	260
Economic Environment				
	-	-	-	-
Human Services				
Fixed-Route/WHAT Buses (1)	17	23	23	20
Paratransit Vans (1)	33	31	32	40
Culture and Recreation				
Recreational Parks	49	52	54	56
Boat Ramps/Launch Lanes	37	40	51	52
Historical Library	1	1	1	1
Historical Museum	1	1	1	1

Source: Polk County Board of County Commissioner's applicable divisions

Notes:

- No assets to report.

(1) In FY 2018, all vehicles were turned over to the Lakeland Area Mass Transit District (LAMTD).

Fiscal Year						
2014	2015	2016	2017	2018	2019	
4,086,513	4,086,513	4,109,757	4,502,521	4,510,633	4,582,721	
45	45	50	47	44	46	
241	241	243	237	248	248	
928	931	973	1,000	986	858	
583	560	594	613	610	582	
195	194	207	221	225	216	
54	54	39	37	35	49	
7	7	7	7	7	7	
299	303	310	317	321	332	
3,538	3,622	3,668	3,720	3,893	3,923	
18,453	18,523	18,524	18,533	18,557	18,593	
2,381	2,385	2,385	2,273	2,280	2,341	
296	292	292	414	415	413	
-	-	-	-	-	-	
15	15	10	10	-	-	
39	40	31	31	-	-	
56	56	69	69	69	69	
52	41	46	46	46	46	
1	1	1	1	1	1	
1	1	1	1	1	1	

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OTHER SUPPLEMENTARY INFORMATION

**OTHER SUPPLEMENTAL SCHEDULES
(UNAUDITED)**

Capital Improvement Revenue Bonds Series 2010

Continuing Disclosure

Distribution Percentages
Historical Sales Tax Revenues of the County

**Public Facilities Revenue Bonds, Series 2005 and 2014,
Public Facilities Revenue Refunding Note, Series 2015**

Continuing Disclosure

County Revenue Sharing Apportionment Factor Data
Revenue Sharing Trust Fund for Counties Receipts
Pledged Revenue Share Monies
Pro Forma Debt Coverage

Transportation Improvement Revenue Bonds, Series 2010

Continuing Disclosure

Annual Share of Polk County Fuel Tax Revenue
Motor Fuel Gallons sold in Polk County
Polk County Distribution Percentages (Under Ordinance No. 87.04)
Annual Public Service Tax Revenue

Utility Systems Revenue Bonds, Series 2010, 2012, 2013, 2014 A & C, and 2020

Continuing Disclosure

Historical Revenues and Expenses and Debt Service Coverage
Residential Water, Wastewater and Reclaimed Water Rates
Commercial/Multi-Family Water, Wastewater and Reclaimed Water Rates
Water and Wastewater Connection Charges
Utilities Service Charges
Water System Permitted Capacity and Actual Demand
Wastewater System Permitted Capacity and Actual Flows
Ten Largest Water/Sewer Consumers

**POLK COUNTY, FLORIDA
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2010
CONTINUING DISCLOSURE**

There are seventeen incorporated municipalities in the County, and for the County's fiscal year ended September 30, 2019, the approximate distribution factors for the County and the municipalities were as follows:

<u>Recipient</u>	<u>Approximate Share of Sales Tax Distribution</u>	<u>Recipient</u>	<u>Approximate Share of Sales Tax Distribution</u>
Polk County	69.364073	City of Lake Alfred	0.713326
City of Auburndale	1.933340	City of Lake Hamilton	0.161202
City of Bartow	2.285592	City of Lake Wales	1.856727
City of Davenport	0.597681	City of Lakeland	12.589851
City of Dundee	0.527835	City of Mulberry	0.465360
City of Eagle Lake	0.305124	City of Polk City	0.216668
City of Fort Meade	0.693146	City of Winter Haven	4.972378
City of Frostproof	0.376541	City of Hillcrest Heights	0.030815
City of Haines City	2.881702	Village of Highland Park	0.028639

Source: State of Florida, Department of Revenue

Historical Sale Tax Revenues of The County

<u>County Fiscal Year Ended September 30,</u>	<u>Sales Tax Receipts</u>	<u>Change</u>
2015	\$ 30,519,500.84	5.36%
2016	33,321,558.43	9.18%
2017	34,091,310.25	2.31%
2018	36,094,105.09	5.87%
2019	38,560,203.30	6.83%

Source: Polk County, Florida, Clerk of Circuit Court- County Comptroller Department

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**POLK COUNTY, FLORIDA
PUBLIC FACILITIES REVENUE BONDS, SERIES 2005 AND 2014,
PUBLIC FACILITIES REVENUE REFUNDING NOTE, SERIES 2015
CONTINUING DISCLOSURE**

County Revenue Sharing Apportionment Factor Data

State Fiscal Year Ended June 30,	County Population (1)	Total Eligible Counties Population (1)	County Unincorporated Population (1)	State Unincorporated Population (1)	Annual Polk County Sales Tax Collections	Annual Statewide Sales Tax Collections
2015	610,650	19,135,459	378,256	9,459,718	\$ 487,754,412	\$ 20,702,466,853
2016	619,860	19,382,716	382,785	9,543,841	519,879,033	21,811,566,786
2017	630,019	19,691,538	388,503	9,691,882	548,037,644	22,670,541,032
2018	643,966	20,026,564	396,417	9,840,592	583,356,556	23,708,810,228
2019	658,517	20,363,867	404,995	10,005,605	612,581,427	24,795,239,840

**Revenue Sharing Trust Fund For Counties Receipts
State Fiscal Year Ended June 30**

	2015	2016	2017	2018	2019
Cigarette Tax	\$ 7,216,992	\$ 6,953,599	\$ 7,292,510	\$ 6,995,264	\$ 6,947,582
Sales Tax	421,812,836	445,571,908	465,492,673	487,747,794	516,134,986
Total Receipts	<u>\$ 429,029,828</u>	<u>\$ 452,525,507</u>	<u>\$ 472,785,183</u>	<u>\$ 494,743,058</u>	<u>\$ 523,082,568</u>
Guaranteed Entitlement for Florida Counties	\$ 30,329,957	\$ 30,329,957	\$ 30,329,957	\$ 30,329,957	\$ 30,329,957
Second Guaranteed Entitlement for Florida Counties	\$ 64,756,373	\$ 64,756,373	\$ 64,756,373	\$ 64,756,373	\$ 64,756,373

Source: Department of Revenue of the State of Florida

Note:

- (1) The adjusted population estimates exclude the estimated number of inmates and patients in institutions operated by the federal government, the Florida Department of Corrections, Department of Health, and Department of Children and Family Services. Pursuant to s.186.901, *Florida Statutes*, such inmates and patients are not considered residents for the purpose of determining revenue-sharing allocations.

**POLK COUNTY, FLORIDA
PUBLIC FACILITIES REVENUE BONDS, SERIES 2005 AND 2014,
PUBLIC FACILITIES REVENUE REFUNDING NOTE, SERIES 2015 (CONTINUED)
CONTINUING DISCLOSURE**

Pledged Revenue Share Monies

Fiscal Year Ended September 30,	Revenue Sharing Money (1)	Pledged Revenue Sharing Monies (Equals 50 % of Previous Fiscal Year's Revenue Sharing Monies) (2)
2015	\$ 13,554,377	\$ 6,211,265
2016	13,999,363	6,777,189
2017	14,712,512	6,999,682
2018	15,571,560	7,356,256
2019	16,524,279	7,785,780

Notes:

- (1) Not pledged as a source of security for the Series 2005 and 2014 Bonds and Series 2015 Note.
- (2) Pledged as a source of security for the Series 2005 and 2014 Bonds and Series 2015 Note.

Pro Forma Debt Service Coverage

Fiscal Year Ended September 30,	Pledged Public Service Tax Revenues	Pledged Revenue Sharing Monies	Total Pledged Funds	Maximum Annual Debt Service	Debt Service Coverage
2015	\$ 24,751,615	\$ 6,211,265	\$ 30,962,880	\$ 5,507,194	5.62x
2016	25,323,175	6,777,189	32,100,364	5,507,194	5.83x
2017	26,093,209	6,999,682	33,092,891	5,507,194	6.01x
2018	26,327,452	7,356,256	33,683,708	5,507,194	6.12x
2019	28,281,821	7,785,780	36,067,600	5,507,194	6.55x

Source: Polk County, Florida, Clerk of Circuit Court- County Comptroller Department

**POLK COUNTY, FLORIDA
TRANSPORTATION IMPROVEMENT REVENUE BONDS, SERIES 2010
CONTINUING DISCLOSURE**

Annual Share of Polk County Fuel Tax Revenues

Fiscal Year Ended September 30,	Share for Polk County
2015	\$ 7,236,822
2016	7,653,503
2017	7,898,728
2018	8,141,473
2019	8,669,540

Motor Fuel Gallons Sold in Polk County

State Fiscal Year Ended June 30,	Gallons of Motor Fuel Sold (1)
2015	239,816,327
2016	254,537,450
2017	262,550,929
2018	273,727,764
2019	288,045,951

Source: Polk County, Florida, Clerk of Circuit Court- County Comptroller Department

Note:

- (1) Data on this table does not include gallons of diesel fuel sold. Diesel fuel is not subject to taxation under Section 336.025(1)(b), *Florida Statutes*. Data provided by the Department of Revenue of the State of Florida.

**POLK COUNTY, FLORIDA
TRANSPORTATION IMPROVEMENT REVENUE BONDS, SERIES 2010 (CONTINUED)
CONTINUING DISCLOSURE**

**Polk County Distribution Percentages
Under Ordinance No. 87.04 (1)**

Determined on July 1,	County Percentage
2015	64.940%
2016	64.819%
2017	64.772%
2018	65.128%
2019	64.917%

Public Service Tax Revenue (2)

Fiscal Year Ended September 30,	Metered/ Bottled Gas	Electricity	Water	Fuel Oil	Total
2015	\$ 120,372	\$ 5,208,543	\$ 858,989	\$ 165	\$ 6,188,069
2016	110,937	5,337,933	881,923	143	6,330,937
2017	117,694	5,431,449	974,164	128	6,523,435
2018	126,350	5,479,094	976,419	156	6,582,019
2019	130,068	5,911,354	1,029,033	138	7,070,593

Source: Polk County, Florida, Clerk of Circuit Court- County Comptroller Department

Notes:

- (1) Ordinance No. 87-04 enacted by the Polk County Board of County Commissioners on June 23, 1987 pursuant to which distribution percentages are established on July 1st of each year based on the following formula: 40% of the distribution is based on the percentage of miles of roads maintained by the County or the respective municipalities with the County; 60% of the distribution is based on the pro rata population of the respective municipalities and the unincorporated area of the County.

- (2) The Transportation Improvement Revenue Bonds are collateralized by a pledge of revenues from the 5-cents per gallon local option fuel tax and 2.0% of the 10.0% Public Service Tax.

POLK COUNTY, FLORIDA
UTILITY SYSTEMS REVENUE BONDS, SERIES 2010, 2012, 2013, 2014 A & C, AND 2020
CONTINUING DISCLOSURE

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gross Revenues (1)					
Charges for Services (2)	\$ 58,422,466	\$ 60,133,329	\$ 65,320,604	\$ 67,868,397	\$ 72,156,630
Miscellaneous Revenue (3)(4)	2,331,195	1,572,596	1,487,226	2,346,791	2,472,124
Sub-total Charges for Service & Miscellaneous Income	\$ 60,753,661	\$ 62,603,453	\$ 67,704,395	\$ 71,114,642	\$ 74,628,754
Interest Income (5)	1,291,836	1,673,395	2,564,171	3,135,327	3,514,561
Sub-total Operating and Non-operating Income	\$ 62,045,497	\$ 64,276,848	\$ 70,268,566	\$ 74,249,969	\$ 78,143,315
Less income from Connection Charges (6)	260,261	404,518	634,799	848,193	986,666
Total Gross Revenues	<u>\$ 61,785,236</u>	<u>\$ 63,872,330</u>	<u>\$ 69,633,767</u>	<u>\$ 73,401,776</u>	<u>\$ 77,156,649</u>
Cost of Operation and Maintenance (7)					
Personal Services	\$ 11,562,051	\$ 11,874,222	\$ 11,858,078	\$ 13,849,692	\$ 11,531,800
Operations, Maintenance & Other Expenses (8)	18,312,686	18,050,738	19,643,605	22,043,425	25,087,197
Indirect (9)	1,814,091	1,788,894	1,796,228	1,856,242	2,056,711
Total Cost of Operation and Maintenance	<u>\$ 31,688,828</u>	<u>\$ 31,713,854</u>	<u>\$ 33,297,911</u>	<u>\$ 37,749,359</u>	<u>\$ 38,675,708</u>
Net Revenues Available for Debt Service(A)	\$ 30,096,408	\$ 32,158,476	\$ 36,335,856	\$ 35,652,417	\$ 38,480,941
Plus Available Connection Charges (B)(10)(11)					
Available Connection Charges	\$ 6,618,582	\$ 8,303,636	\$ 10,283,855	\$ 10,318,343	\$ 10,320,804
Interest Income - Connection Charges (6)	260,261	404,518	634,799	848,193	986,666
Total Available Connection Charges (B)	<u>\$ 6,878,843</u>	<u>\$ 8,708,154</u>	<u>\$ 10,918,654</u>	<u>\$ 11,166,536</u>	<u>\$ 11,307,470</u>
Net Revenues Plus Available Connection Charges Available for Debt Service (C)	\$ 36,975,251	\$ 40,866,630	\$ 47,254,510	\$ 46,818,953	\$ 49,788,411
Annual Bond Service Requirement (D)	\$ 12,142,711	\$ 11,437,333	\$ 11,431,240	\$ 11,469,693	\$ 11,468,791
Test A					
Debt Service Coverage Ratio (A/D)	2.48	2.81	3.18	3.11	3.36
Excluding Available Connection Charges (1.10x Required)					
Or					
Test B					
Debt Service Coverage Ratio (A/D)	2.48	2.81	3.18	3.11	3.36
Excluding Available Connection Charges (1.00x Required)					
And					
Debt Service Coverage Ratio (C/D)	3.05	3.57	4.13	4.08	4.34
Including Expansion Projects Connection Charges (1.25x Required)					

Notes:

- (1) Gross Revenues and Cost of Operation and Maintenance for the fiscal years ended September 30, 2015 through and including 2019 are audited.
- (2) Charges for services increased from \$58.4 million in the fiscal year ended September 30, 2015 to \$72.2 million in the fiscal year ended September 30, 2019 or 24% based on a combination of growth in water, sewer, and reclaimed water customers. New rates were approved beginning October 1, 2016, implementing a 2.5% annual rate increase beginning October 1, 2017 through October 1, 2019. Connection Charges of \$6,618,582, \$8,303,636, \$12,574,786, \$12,142,232 and \$15,008,936 for fiscal years-ended September 30, 2015 through 2019, respectively, are excluded from Charges for Services.

POLK COUNTY, FLORIDA
UTILITY SYSTEMS REVENUE BONDS, SERIES 2010, 2012, 2013, 2014 A & C, AND 2020
(CONTINUED)
CONTINUING DISCLOSURE

Notes (continued):

- (3) Pursuant to the Sequestration Transparency Act of 2012, as a consequence of the Joint Select Committee on Deficit Reduction's failure to propose, and Congress' failure to enact, a plan to reduce the federal deficit by \$1.2 trillion (as required by the Budget Control Act of 2011 by January 2, 2013), the President of the United States, in his report to Congress of sequestration for fiscal year 2013, included in such sequestration the payments authorized for direct-pay bonds, such as the Series 2010 Bonds, issued under the Recovery and Reinvestment Act of 2009. The sequestration cut for direct-pay bonds was initially scheduled to last through fiscal year 2021. However, the Bipartisan Budget Act of 2013, extended the sequestration cut through fiscal year 2023. Congress recently approved a bill which would further extend sequestration through fiscal year 2024.
- Payments received for April 1, 2015 and October 1, 2015 were each \$446,356.57 which represented a 7.3 % reduction. Payments received for April 1, 2016 and October 1, 2016 were each \$448,764.10 which represented a 6.8 % reduction. Payments received for April 1, 2017 and October 1, 2017 were each \$448,282.60 which represented a 6.9 % reduction. Payments received for April 1, 2018 and October 1, 2018 were each \$449,727.12 which represented a 6.6 % reduction. Payments received for April 1, 2019 and October 1, 2019 were each \$451,653.14 which represented a 6.2 % reduction.
- No assurance can be given that legislative proposals may be introduced or enacted by Congress that would or might apply to, or have an adverse effect upon, the County's receipt of Subsidy Payments. Payment of debt service is not contingent upon receipt by the County of Subsidy Payments and the County does not expect that any such reduction in Subsidy Payments will affect its ability to pay debt service. Gross Revenues include Subsidy Payments in the Fiscal Year ended September 30, 2015 only. Due to the implementation of amendments to the Resolution effective as of October 1, 2015, Subsidy Payments are excluded from Gross Revenues in fiscal years ended September 30, 2016 through and including 2019 and instead are netted against the amount of interest payable on Subsidy Bonds. It is anticipated the Refunded Bonds will be refunded with proceeds of the Series 2020 Bonds and the Subsidy Payments will cease on the date of the defeasance of the Refunded Bonds.
- (4) Miscellaneous revenues for fiscal year ended September 30, 2018, increased from fiscal year 2017 due to proceeds received from insurance claims.
- (5) Amounts reflect interest and investment earnings on all accounts created by the Resolution, including investment income derived from Connection Charges on deposit, as reported by County staff. These amounts do not include any adjustments for the market value of the investments.
- (6) Gross Revenue exclude income derived from Connection Charges, including investment income; however, such amount is includable in Test B of the rate covenant whereby Available Connection Charges and investment income derived from Available Connection Charges are added to Net Revenues.
- (7) Amounts exclude depreciation and amortization expenses, payments in lieu of taxes (PILOT) of \$1,547,795, \$1,573,381, \$1,599,979, \$1,628,437 and \$1,810,597 for the Fiscal Years ended 2015 through and including 2019, respectively, and capitalized labor. Beginning in the Fiscal Year ended September 30, 2017, the PILOT expenses have been recorded as transfers out and no longer are included in Cost of Operation and Maintenance. In the Fiscal Year ended September 30, 2018, personal services increased due to a 3.5% salary increase and 5 new positions. In Fiscal Year ended September 30, 2019 the decrease to Personal Services is due to OPEB and pension adjustments which have resulted in an overall decrease of \$2 million in Personal Services. Includes payments to Polk Regional Water Cooperative in the amount of \$40,021.79 and \$174,766.89 for the fiscal years ended September 30, 2018 and 2019, respectively, and Water Cooperative of Central Florida in the amounts of \$30,000, \$20,000, \$25,000, \$25,000 and \$22,000 for the fiscal years ended September 30, 2015 through and including 2019, respectively.
- (8) Includes all operating expenses and losses on disposition of equipment. Increase in Fiscal Year ending September 30, 2019, is due to a loss on disposition of equipment in the amount of \$2,409,421.
- (9) Amount reflects an operating transfer from the Water and Sewer Fund to the General Fund to account for allocated operating and administrative expenses associated with utility services.

POLK COUNTY, FLORIDA
UTILITY SYSTEMS REVENUE BONDS, SERIES 2010, 2012, 2013, 2014 A & C, AND 2020
(CONTINUED)
CONTINUING DISCLOSURE

Notes (continued):

- (10) The Water Expansion Project Percentage and Sewer Expansion Project Percentage prior to issuance of the Series 2020 Bonds equal to 31.17% and 52.25%, respectively and following issuance of the Series 2020 Bonds is expected to equal approximately 39.59% and 48.55%, respectively.
- (11) Connection Charges have steadily increased over the last five years due to the increase in new development. Generally, under Florida law, fees such as the Connection Charges may be validly imposed against new construction or development in order to fund capital improvements or capacity which are necessitated by such new construction or development or to satisfy debt service for the bonds or other obligations issued for such purposes. Proceeds of such Connection Charges may generally be used only for the capital improvements or capacity attributable to the new construction or development or to pay debt service on indebtedness incurred to finance or refinance such capital improvements or capacity.

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**POLK COUNTY, FLORIDA
RESIDENTIAL WATER, WASTEWATER AND RECLAIMED WATER RATES
CONTINUING DISCLOSURE**

Residential Water Rates

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0%	2.5 %	2.5 %	2.5 %
Base Charge	\$ 9.69	\$ 9.93	\$ 10.18	\$ 10.43
Usage Block Ranges (in thousands of gallons)				
0 - 3	\$ 1.84	\$ 1.89	\$ 1.94	\$ 1.99
4 - 10	2.45	2.51	2.57	2.63
11 - 20	4.86	4.98	5.10	5.23
21 - 30	7.31	7.49	7.68	7.87
31 - 40	9.73	9.97	10.22	10.48
Over 40	17.05	17.48	17.92	18.37

Residential Wastewater Rates

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0%	0%	0%	0%
Base Charge	\$ 36.14	\$ 36.14	\$ 36.14	\$ 36.14
Usage per thousand gallons up to 7,000 gallons	\$ 6.48	\$ 6.48	\$ 6.48	\$ 6.48

Residential Reclaimed Water Rates

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0%	0%	0%	0%
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 20	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
21 - 30	4.22	4.22	4.22	4.22
31 - 40	5.63	5.63	5.63	5.63
Over 40	8.45	8.45	8.45	8.45

Residential/ Commercial and Multi-Family PWRI/AWS Surcharge

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	N/A	0%	0%	0%
Usage Charge per 1,000 gallons on all usage	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30

**POLK COUNTY, FLORIDA
COMMERCIAL/MULTI-FAMILY WATER, WASTEWATER AND
RECLAIMED WATER RATES
CONTINUING DISCLOSURE**

Commercial/Multi-Family Water Rates

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	2.5 %	2.5 %	2.5 %
5/8" & 3/4" Base Charge	\$ 14.54	\$ 14.90	\$ 15.27	\$ 15.65
5/8" & 3/4" Usage Block Ranges (in thousands of gallons)				
0 - 15	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
16 - 30	4.86	4.98	5.10	5.23
31 - 60	9.73	9.97	10.22	10.48
over 60	17.05	17.48	17.92	18.37
1" Base Charge	\$ 24.22	\$ 24.83	\$ 25.45	\$ 26.09
1" Usage Block Ranges (in thousands of gallons)				
0 - 25	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
26 - 50	4.86	4.98	5.10	5.23
51 - 100	9.73	9.97	10.22	10.48
over 100	17.05	17.48	17.92	18.37
1-1/2" Base Charge	\$ 48.45	\$ 49.66	\$ 50.90	\$ 52.17
1- 1/2" Usage Block Ranges (in thousands of gallons)				
0 - 50	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
51 - 100	4.86	4.98	5.10	5.23
101 - 200	9.73	9.97	10.22	10.48
over 200	17.05	17.48	17.92	18.37
2" Base Charge	\$ 77.51	\$ 79.45	\$ 81.44	\$ 83.48
2" Usage Block Ranges (in thousands of gallons)				
0 - 80	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
81 - 160	4.86	4.98	5.10	5.23
161 - 320	9.73	9.97	10.22	10.48
over 320	17.05	17.48	17.92	18.37
3" Base Charge	\$ 145.32	\$ 148.95	\$ 152.67	\$ 156.49
3" Usage Block Ranges (in thousands of gallons)				
0 - 150	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
151 - 300	4.86	4.98	5.10	5.23
301 - 600	9.73	9.97	10.22	10.48
over 600	17.05	17.48	17.92	18.37
4" Base Charge	\$ 242.22	\$ 248.28	\$ 254.49	\$ 260.85
4" Usage Block Ranges (in thousands of gallons)				
0 - 250	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
251 - 500	4.86	4.98	5.10	5.23
501 - 1,000	9.73	9.97	10.22	10.48
over 1,000	17.05	17.48	17.92	18.37
6" Base Charge	\$ 484.43	\$ 496.54	\$ 508.95	\$ 521.67
6" Usage Block Ranges (in thousands of gallons)				
0 - 500	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
501 - 1,000	4.86	4.98	5.10	5.23
1,001 - 2,000	9.73	9.97	10.22	10.48
over 2,000	17.05	17.48	17.92	18.37

**POLK COUNTY, FLORIDA
COMMERCIAL/MULTI-FAMILY WATER, WASTEWATER AND
RECLAIMED WATER RATES (CONTINUED)
CONTINUING DISCLOSURE**

Commercial/Multi-Family Water Rates (continued)

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	2.5 %	2.5 %	2.5 %
8" Base Charge	\$ 775.10	\$ 794.48	\$ 814.34	\$ 834.70
8" Usage Block Ranges (in thousands of gallons)				
0 - 800	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
801 - 1,600	4.86	4.98	5.10	5.23
1,601 - 3,200	9.73	9.97	10.22	10.48
over 3,200	17.05	17.48	17.92	18.37
10" Base Charge	\$ 1,114.20	\$ 1,142.06	\$ 1,170.61	\$ 1,199.88
10" Usage Block Ranges (in thousands of gallons)				
0 - 1,150	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
1,151 - 2,300	4.86	4.98	5.10	5.23
2,301 - 4,600	9.73	9.97	10.22	10.48
over 4,600	17.05	17.48	17.92	18.37
12" Base Charge	\$ 2,084.41	\$ 2,136.52	\$ 2,189.93	\$ 2,244.68
12" Usage Block Ranges (in thousands of gallons)				
0 - 2,150	\$ 2.45	\$ 2.51	\$ 2.57	\$ 2.63
2,151 - 4,300	4.86	4.98	5.10	5.23
4,301 - 8,600	9.73	9.97	10.22	10.48
over 8,600	17.05	17.48	17.92	18.37

Commercial Wastewater Rates

Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Base Charge 5/8" & 3/4" Meter	\$ 54.20	\$ 54.20	\$ 54.20	\$ 54.20
Base Charge 1" Meter	90.34	90.34	90.34	90.34
Base Charge 1 - 1/2" Meter	180.66	180.66	180.66	180.66
Base Charge 2" Meter	289.08	289.08	289.08	289.08
Base Charge 3" Meter	542.03	542.03	542.03	542.03
Base Charge 4" Meter	903.38	903.38	903.38	903.38
Base Charge 6" Meter	1,806.76	1,806.76	1,806.76	1,806.76
Base Charge 8" Meter	2,890.80	2,890.80	2,890.80	2,890.80
Base Charge 10" Meter	4,155.53	4,155.53	4,155.53	4,155.53
Base Charge 12" Meter	7,768.89	7,768.89	7,768.89	7,768.89
Usage Charge Per 1,000 Gallons	\$ 6.48	\$ 6.48	\$ 6.48	\$ 6.48

**POLK COUNTY, FLORIDA
COMMERCIAL/MULTI-FAMILY WATER, WASTEWATER AND
RECLAIMED WATER RATES (CONTINUED)
CONTINUING DISCLOSURE**

Commercial/Multi-Family Reclaimed Water Rates

5/8 Inch & 3/4 Inch Rates				
Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 30	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
31 - 45	4.22	4.22	4.22	4.22
45 - 60	5.63	5.63	5.63	5.63
Over 60	8.45	8.45	8.45	8.45
1 Inch Rates				
Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 50	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
51 - 75	4.22	4.22	4.22	4.22
76 - 100	5.63	5.63	5.63	5.63
Over 100	8.45	8.45	8.45	8.45
1.5 Inch Rates				
Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 50	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
51 - 75	4.22	4.22	4.22	4.22
76 - 100	5.63	5.63	5.63	5.63
Over 100	8.45	8.45	8.45	8.45
2 Inch Rates				
Effective Date	10/01/2016	10/01/2017	10/01/2018	10/01/2019
Indexing Rate	0 %	0 %	0 %	0 %
Reclaimed Water Base Charge	N/A	N/A	N/A	N/A
Usage Block Ranges (in thousands of gallons)				
0 - 160	\$ 1.41	\$ 1.41	\$ 1.41	\$ 1.41
161 - 240	4.22	4.22	4.22	4.22
241 - 320	5.63	5.63	5.63	5.63
Over 320	8.45	8.45	8.45	8.45
Bulk Priority	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05
Bulk Interruptible	0.45	0.45	0.45	0.45

Source: Polk County, Florida Utilities Department

**POLK COUNTY, FLORIDA
WATER AND WASTEWATER CONNECTION CHARGES
CONTINUING DISCLOSURE**

Residential Connection Fees

Effective Date	10/01/16- 10/01/19
Indexing Rate	0%
Type of Residence	
Single Family Detached Units on Lots of 1.0 Acres or Less	\$ 2,844.00
Single Family Detached Units on Lots of More than 1.0 Usable Acre	\$ 4,268.00
Multi-family Units Including Apartments, Condos, Duplexes, Triplexes, etc.	\$ 1,564.00
Mobile Homes of Lots of Less Than 6000 Square Feet	\$ 1,707.00
Mobile Homes on Lots of 6000 Square Feet or More	\$ 2,844.00
Park Model RVs	\$ 1,564.00
Destination RVs (1)	\$ 1,564.00
All other RVs Including Transient RVs	\$ 1,564.00

Wastewater Connections Fees

Effective Date	10/01/16- 10/01/19
Indexing Rate	0%
Type of Residence	
Single Family Detached Units on Lots of 1.0 Acres or Less	\$ 4,195.00
Single Family Detached Units on Lots of More than 1.0 Usable Acre	\$ 4,195.00
Multi-family Units Including Apartments, Condos, Duplexes, Triplexes, etc.	\$ 2,810.00
Mobile Homes of Lots of Less Than 6000 Square Feet	\$ 2,810.00
Mobile Homes on Lots of 6000 Square Feet or More	\$ 4,195.00
Park Model RVs	\$ 2,307.00
Destination RVs (1)	\$ 2,810.00
All other RVs Including Transient RVs	\$ 4,195.00

Source: Polk County, Florida Utilities Department

Note:

- (1) A Destination RV must be: (a) Sited on a lot owned in fee simple by the user; (b) Sited in a park that is platted subdivision; (c) Sited on a lot 3,000 square feet or larger; and (d) Sited in a park that does not have a dump station or undivided interest lot sales or time share lot sales. This category of user is subject to inspection by Polk County Utilities to ensure that Destination RV's are not Transient RV's. Destination RV lots used by Transient RVs will be subject to a 1.0 ERC sewer connection charge.

**POLK COUNTY, FLORIDA
WATER AND WASTEWATER CONNECTION CHARGES (CONTINUED)
CONTINUING DISCLOSURE**

COMMERCIAL

Water Connection Fees

Commercial Water Connection fees will be assessed on projected daily usage, in accordance with the Polk County Utilities Code, divided by 360 gallons to calculate the Equivalent Residential Connection (ERC). This ERC will be multiplied by connection fee assessed for a single Family Detached Unit on lots one acre or less.

Wastewater Connection Fees

Commercial Wastewater Connection fees will be assessed on projected daily usage, in accordance with the Polk County Utilities Code, divided by 270 gallons to calculate the Equivalent Residential Connection (ERC). This ERC will be multiplied by connection fee assessed for a single Family Detached Unit on lots one acre or less.

Source: Polk County, Florida Utilities Department

**POLK COUNTY, FLORIDA
UTILITIES SERVICE CHARGES
CONTINUING DISCLOSURE**

Fees Description	Current Charge
New Account Charge	
3/4" - 2" meter	\$ 55.00
Larger than 2" meter	70.00
Deposit	
Residential	
Water	\$ 75.00
Sewer	110.00
Combined	185.00
Commercial	
Water	2.5 X Est. Monthly Bill
Sewer	2.5 X Est. Monthly Bill
Combined	2.5 X Est. Monthly Bill
Same Day Service (During Business Hours)	\$ 60.00
Same Day Service (After Business Hours)	80.00
Premise Visit	60.00
Return Check or Draft (1)	
Checks \$50 or less	\$ 25.00
Checks \$51 - \$300	\$ 30.00
Checks \$301 - \$800	\$ 40.00
Checks Greater than \$800	5% of the Face Value of the Check
Disconnect for Nonpayment	
Less than 2" meter	\$ 60.00
2" Meter and above	105.00
3/4" Temporary Absence Disconnect	60.00
3/4" Temporary Absence Reconnect	60.00
Service Restoration/Reconnection Charge	
Less than 2" meter	\$ 60.00
2" Meter and above	105.00
Water Audit or Disputed Meter Reading	\$75 (N \$75(Not Charged if Meter is found to be in
Meter Installation/Reinstallation Charge	
3/4" Meter	\$ 450.00
1" Meter	550.00
1-1/2" Meter	900.00
2" Meter	1,415.00
Larger than 2" meter	Actual cost
Temporary Meter Installation	
2" Meter On Hydrant	\$ 105.00
Installation requiring Line Tap	195.00

Source: Polk County, Florida Utilities Department

Note:

(1) Return check fees are established by the Polk County Clerk of Courts Office and are adjusted from time to time.

**POLK COUNTY, FLORIDA
UTILITIES SERVICE CHARGES (CONTINUED)
CONTINUING DISCLOSURE**

Fees Description	Current Charge
Meter Test Charge (Field Test) (1)	
Less than 2" meter	\$ 90.00
2" Meter and above	Actual cost
Penalty for Meter Tampering/Theft of Service	
1st Infraction	\$ 100.00
2nd Infraction	500.00
3rd Infraction	1,000.00
Penalty for Obscured Meter	60.00
Penalty for Connection to Other Systems	500.00
Penalty for Cross Connection	500.00
Relocate Meter	
Less than 2" meter	\$ 175.00
2" Meter and above	Actual cost
Reclaimed Water Follow-up Inspection	60.00
Late Payment	\$6.00 or 5% of payment due, whichever is greater on balances over \$14.99
Backflow test (Municipal Charge)	
3/4" to 2" Meter	\$ 90.00
Larger than 2" Meter	Actual cost

Source: Polk County, Florida Utilities Department

Notes:

Surcharge for High Strength Industrial Wastes shall be calculated and applied pursuant to Section 30 (E), "Sewer Constituent Limitations", contained in Polk County Utilities Code Ordinance 10-081 as amended.

(1) This fee is waived if meter is not registering within AWWA standards.

**POLK COUNTY, FLORIDA
WATER SYSTEM PERMITTED CAPACITY AND ACTUAL DEMAND
CONTINUING DISCLOSURE**

Name	Permitted Capacity (1) (MGD)	Actual Demand (2) (MGD)
Central Regional Utility Service Area (CRUSA)		
Central Regional Utility Service Area	1.919	1.050
Lake Garfield Water System	0.084	0.026
Regional Totals	2.003	1.076
Northeast Regional Service Area		
Northeast Regional Utility Service Area	10.919	7.590 (3)
Oak Hills Estates System	5.000	-
Regional Totals	13.9185 (4)	7.590
Northwest Regional Service Area		
Northwest Regional Utility Service Area	5.590	2.576
Country Class Water System	0.110	0.024
Regional Totals	5.700	2.600
Southwest Regional Service Area		
Southwest Regional Utility Service Area	6.872	3.223
Bradley Junction Water System	0.128	0.065
Regional Totals	7.000	3.288
East Regional Service Area		
East Regional Service Area	0.884	0.374
Waverly Water System	0.489	0.120
Regional Totals	1.373	0.494
Southeast Regional Service Area		
Southeast Regional Utility Service Area	0.997	0.458
Babson Park Water System	0.370	0.179
Walk-In-Water System (5)	0.094	0.038
Regional Totals	1.461	0.675

Source: Polk County, Florida Utilities Department

Notes:

- (1) The permitted capacity is based on an average daily withdrawal for all potable water supply wells in the Regional Area.
- (2) Actual average daily demand is based upon the running annual average daily flows for the period from November 1, 2018 through and including October 31, 2019.
- (3) Northeast Regional Utility Service Area demand includes Oak Hills Estates demand.
- (4) The Northeast Regional Utility Service Area has "flexible" permit limits, allowing up to 5.000 Million Gallons Per Day (MGD) from the Oak Hills area and 10.9185 MGD from the main area but a total of 13.9185 MGD from the combined total of both permitted withdraw locations.
- (5) The Walk-In-Water Water System is permitted separately from the rest of the Southeast Regional Utility Service Area. Regional totals include all three water systems.

**POLK COUNTY, FLORIDA
WASTEWATER SYSTEM PERMITTED CAPACITY AND ACTUAL FLOWS
CONTINUING DISCLOSURE**

Wastewater Treatment Facility Name	Permitted Capacity (1) (MGD)	Actual Flows (2) (MGD)
Central Regional Utility Service Area		
Central Regional Wastewater Collection System (4)	1.000 (3)	0.827
Heritage Place Wastewater Treatment Facility	0.060 (3)	0.021
Combeewood Wastewater Treatment Facility	0.056	0.037
Regional Totals	1.116	0.885
Northeast Regional Utility Service Area		
Northeast Regional Wastewater Treatment Facility(5)	4.750	3.386
Northwest Regional Utility Service Area		
Northwest Regional Wastewater Treatment Facility	3.000	1.012
Southwest Regional Utility Service Area		
Southwest Regional Wastewater Treatment Facility	4.000 (3)	1.941
East Regional Utility Service Area		
Waverly Wastewater Treatment Facility	0.130 (3)	0.032
Southeast Regional Utility Service Area		
Sun Ray Waterwater Treatment Facility	1.000	0.350

Source: Polk County, Florida Utilities Department

Notes:

(1) The permitted capacity is for each wastewater treatment facility by the Florida Department of Environmental Protection (FDEP) for Annual Average Daily Flows (AADF) (from System data except where modified by footnote).

(2) Actual average daily flow based on annual running average data from the County for the period November 1, 2018 through and including October 31, 2019.

(3) The permitted capacity is for each wastewater treatment facility by the FDEP peak for Three Month Average Daily Flows (3 Month ADF).

(4) The permitted capacity for the Central Regional Wastewater Collection System is based on the Interlocal Agreement between Polk County and the City of Bartow for the treatment of wastewater from this collection system in the amount of 1.000 MGD 3 Month ADF.

(5) The design capacity for the Northeast Regional Wastewater Treatment Facility is 6.00 MGD AADF. The permitted capacity was reduced until flows increase due to the cost of additional monitoring requirements Utilities Management.

**POLK COUNTY, FLORIDA
TEN LARGEST WATER/SEWER CONSUMERS
CONTINUING DISCLOSURE**

Customer	Volume of Water Sold		Annual Revenue	
	Thousand Gallons	Percent of Total System (1)	Revenues	Percent of Total System (2)
Polk Co. Correctional FRPRF	87,164	1.66%	1,568,670	2.27%
Bahama Bay Resort	47,183	0.90%	791,314	1.14%
Carlton Arms of Lakeland	35,557	0.68%	491,810	0.71%
Deer Creek RV G & C Club, Inc	26,361	0.50%	371,728	0.53%
Int. Bass Lake Homeowners	22,327	0.43%	268,139	0.39%
Highland Village MHP	18,498	0.35%	265,369	0.38%
Victoria Park Apartments	14,948	0.29%	197,685	0.29%
TPAF VI Huntington LLC	14,771	0.28%	195,572	0.28%
Florida Governmental Util (SEWER ONLY)	24,034	0.45%	191,723	0.28%
Bluffs of Christina	13,396	0.26%	160,469	0.23%

Source: Polk County, Florida Utilities Department
County staff for the Fiscal Year ended September 30, 2019

Notes:

- (1) Amounts based on actual water sales for Fiscal Year ended September 30, 2019 approximately 5.2 billion gallons of water.
- (2) Amounts based on actual charges for service for Fiscal Year ended September 30, 2019 of approximately \$68.9 million.

COMPLIANCE SECTION



INDEPENDENT ACCOUNTANTS' REPORT

Board of County Commissioners and the Florida Auditor General
Polk County, Florida

We have examined Polk 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

Lakeland, Florida
March 27, 2020

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MANAGEMENT LETTER

Honorable Chairman and Members of
The Board of County Commissioners
Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of Polk County, Florida (County), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 27, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's 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 27, 2020, should be considered in conjunction with this management letter

Prior Audit Findings

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

Prior Year Findings		Current Year Status		Current Year Finding #	2017-2018 Year Finding #
		Cleared	Not Cleared		
Time Entry Approvals	Significant Deficiency in Internal Control		X	2019-001	2018-001

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The County was established by Constitution of the State of Florida; Article VIII, Section 1 (c). Polk County, Florida has three blended component units, Harden/Parkway, Polk Commerce Centre, and Eloise Community Redevelopment Agencies (CRAs), were created pursuant to Chapter 163.360 of Florida Statutes and by County Ordinances 04-11, 92-40, and 98-50, respectively.

Financial Condition and Management

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

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

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

Special District Component Units

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

Additional Matters

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

Board of County Commissioners
Polk County, Florida

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

CliftonLarsonAllen LLP
Lakeland, Florida
March 27, 2020

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**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
Polk 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 Polk 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 27, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001 that we consider to be a significant deficiency.

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.

Polk County, Florida's Response to Findings

The County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Lakeland, Florida
March 27, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
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
Polk County, Florida

Report on Compliance for Each Major Federal and State Program

We have audited Polk 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.

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.

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

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



CliftonLarsonAllen LLP

Lakeland, Florida
March 27, 2020

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

Agency/Program	CFDA/ CSFA Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
Federal Awards					
Corporation for National and Community Service					
Direct Programs:					
Retired and Senior Volunteer Program	94.002	N/A	16SRSFL007	\$ 62,682	\$ -
Retired and Senior Volunteer Program	94.002	N/A	19SRSFL007	21,375	-
Total Corporation for National and Community Service				84,057	-
Department of Agriculture					
Child Nutrition Cluster					
Passed through Florida Department of Agriculture & Consumer Services:					
School Breakfast Program	10.553	59-6000812	#01-9783	1,409	-
Passed through Florida Department of Agriculture & Consumer Services:					
National School Lunch Program	10.555	59-6000812	#01-9783	602	-
Passed through Florida Department of Elder Affairs:					
Adult Care Food Program	10.555	59-6000809	Y6128	21,993	-
Total Program				22,595	-
Total Child Nutrition Cluster				24,004	-
Adult Care Food Program	10.558	59-6000809	Y6128	1,303	-
Total Department of Agriculture				25,307	-
Department of Health and Human Services					
Direct Programs:					
Substance Abuse and Mental Health Services Projects	93.243	N/A	1H79TI026780-01	209,064	-
Passed through the Ounce of Prevention Fund of Florida and Healthy Families:					
Promoting Safe and Stable Families	93.556	59-6000809	HF-15-20-5 (Amendment #6)	49,645	-
Promoting Safe and Stable Families	93.556	59-6000809	HF-15-20-5 (Amendment #8)	15,972	-
Total Program				65,617	-
TANF Cluster:					
Passed through the Ounce of Prevention Fund of Florida and Healthy Families:					
Temporary Assistance for Needy Families	93.558	59-6000809	HF-15-20-5 (Amendment #6)	319,751	-
Temporary Assistance for Needy Families	93.558	59-6000809	HF-15-20-5 (Amendment #8)	102,873	-
Total TANF Cluster				422,624	-

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

POLK COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019

Agency/Program	CFDA/ CSFA Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
Department of Health and Human Services					
Passed through the Department of Revenue:					
Child Support Enforcement	93.563	15-279-2115	COC53	\$ 342,194	\$ -
Passed through Florida Department of Children and Families and Central Florida Behavioural HealthNetwork, Inc.:					
Block Grants for Prevention and Treatment of Substance Abuse	93.959	59-6000809	QB038-18	202,453	-
Total Department of Health and Human Services				<u>1,241,952</u>	<u>-</u>
Department of Homeland Security					
Passed through United Way of Central Florida:					
Emergency Food and Shelter National Board Program	97.024	07-831-5959	LRO #170200-008 (Phase 35)	11,013	-
Emergency Food and Shelter National Board Program	97.024	07-831-5959	LRO #170200-008 (Phase 36)	714	-
Total Program				<u>11,727</u>	<u>-</u>
Passed through Florida Division of Emergency Management:					
Disaster Grants - Public Assistance FEMA-4337-DR-FL	97.036	07-831-5959	Z0230	35,169,308	-
Passed through Florida Division of Emergency Management:					
Emergency Management Performance Grant	97.042	59-6000809	19-FG-AF-07-63-01- 123	92,379	-
Emergency Management Performance Grant	97.042	07-831-5959	G0066	44,149	-
Total Program				<u>136,528</u>	<u>-</u>
Direct Programs:					
Assistance to Firefighters Grant	97.044	N/A	EMW-2017-FO-01436	547,665	-
Passed through Florida Division of Emergency Management:					
Homeland Security Grant Program	97.067	07-831-5959	19-DS-04-07-63-01- 293	4,028	-
Direct Programs:					
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	EMW-2016-FH-00630	1,574,482	-
Total Department of Homeland Security				<u>37,443,738</u>	<u>-</u>
Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster					
Direct Programs:					
Community Development Block Grant	14.218	N/A	B-15-UC-12-0007	84,561	84,561
Community Development Block Grant	14.218	N/A	B-16-UC-12-0007	288,067	288,067
Community Development Block Grant	14.218	N/A	B-17-UC-12-0007	1,222,873	1,197,873
Community Development Block Grant	14.218	N/A	B-18-UC-12-0007	1,586,137	512,852
Neighborhood Stabilization Program (NSP3)	14.218	N/A	B-11-UN-12-0016	23,759	20,805
Total CDBG - Entitlement Grants Cluster				<u>3,205,397</u>	<u>2,104,158</u>

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

POLK COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019

Agency/Program	CFDA/ CSFA Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
Department of Housing and Urban Development					
Direct Programs:					
Emergency Solutions Grant Program	14.231	N/A	E-17-UC-12-0007	\$ 8,397	\$ 8,397
Emergency Solutions Grant Program	14.231	N/A	E-18-UC-12-0007	260,124	240,210
Total Program				268,521	248,607
Direct Programs:					
Home Investment Partnerships Program	14.239	N/A	M-15-UC-12-0218	20,622	-
Home Investment Partnerships Program	14.239	N/A	M-16-UC-12-0218	348,940	51,063
Home Investment Partnerships Program	14.239	N/A	M-17-UC-12-0218	371,258	86,649
Home Investment Partnerships Program	14.239	N/A	M-18-UC-12-0218	35,828	-
Total Program				776,648	137,712
Total Department of Housing and Urban Development				4,250,566	2,490,477
Department of the Interior					
Passed through Florida Fish and Wildlife Conservation Commission:					
State Wildlife Grants	15.634	59-6000809	18001	200,000	-
Department of Justice					
Direct Programs:					
Drug Court Discretionary Grant Program	16.585	N/A	2016-DC-BX-0024	111,073	-
Direct Programs:					
Asset Forfeiture Program, Equitable Sharing	16.922	N/A	FL0530000	251,868	-
Asset Forfeiture Program, Equitable Sharing	16.922	N/A	FLEQ00186	114,914	-
Total Program				366,782	-
Total Department of Justice				477,855	-
Department of Transportation					
Highway Planning and Construction Cluster					
Passed through Florida Department of Transportation:					
Highway Planning and Construction-Metropolitan Planning Organization	20.205	07-831-5959	G0Y68	755,428	-
Highway Planning and Construction-Local Agency Program	20.205	80-939-7102	G0H92	53,317	-
Highway Planning and Construction-Local Agency Program	20.205	80-939-7102	G0V40	179,915	-
Total Program				988,660	-
Passed through Florida Department of Environmental Protection:					
Recreational Trails Program-Bone Valley ATV Trail Crossing	20.219	59-6000809	TI505	91,918	-
Total Highway Planning and Construction Cluster				1,080,578	-
Passed through Florida Department of Transportation:					
FTA Section 5305(d), Metropolitan Planning Program	20.505	07-831-5959	G0844	116,836	-
Total Department of Transportation				1,197,414	-

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

POLK COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019

Agency/Program	CFDA/ CSFA Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
Department of Treasury					
Direct Programs:					
Asset Forfeiture Program, Equitable Sharing	21.016	N/A	FL0530000	\$ 4,799	\$ -
Elections Assistance Commission					
Passed through Florida Department of State:					
Help America Vote Act Requirements Payments	90.401	59-6000809	#2018-2019-001-POL	403,000	-
Help America Vote Act Requirements Payments	90.401	59-6000809	#2018-2019-002-POL	14,134	-
Help America Vote Act Requirements Payments	90.401	59-6000809	#2018-2019-004-POL	26,095	-
Total Elections Assistance Commission				443,229	-
Institute of Museum and Library Services					
Passed through Florida Department of State:					
Grants to States	45.310	59-6000809	18-LSTA-B-11	5,419	-
Grants to States	45.310	59-6000809	18-LSTA-D-32	2,875	-
Total Institute of Museum and Library Services				8,294	-
National Endowment for the Humanities					
Passed through Florida Humanities Council:					
Promotion of the Humanities Federal/State Partnership	45.129	07-831-5959	CC_MOMS_POLK_1 819	5,000	-
Promotion of the Humanities Federal/State Partnership	45.129	07-831-5959	GR_1218_4601_2530	5,000	-
Total National Endowment for the Humanities				10,000	-
Total Expenditures of Federal Awards				\$ 45,387,211	\$ 2,490,477
State Financial Assistance					
Department of Agriculture and Consumer Services					
Mosquito Control	42.003	N/A	025522	\$ 41,645	\$ -
Off-Highway Vehicle Safety and Recreation (OHV)	42.020	N/A	026009	69,259	-
Total Department of Agriculture and Consumer Services				110,904	-
Department of Children and Families					
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	60.115	N/A	LHZ55	466,346	-
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	60.115	N/A	LHZ77	124,640	-
Total Department of Children and Families				590,986	-
Department of Economic Opportunity					
Passed through Enterprise Florida, Inc.:					
Defense Infrastructure Grant-Avon Park Air Force Range	40.003	N/A	DIG 14-06	93,551	-

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

POLK COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019

Agency/Program	CFDA/ CSFA Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
Department of Economic Opportunity					
Direct Programs:					
Local Economic Development Initiatives	40.012	N/A	S0034	\$ 100,000	\$ -
Passed through Enterprise Florida, Inc.:					
Economic Development Partnerships	40.040	N/A	RussMatt Invitational 2019	21,000	-
Economic Development Partnerships	40.040	N/A	Ironman Florida 70.3 2019	16,769	-
Economic Development Partnerships	40.040	N/A	Homeschool World Series 2019	5,000	-
Economic Development Partnerships	40.040	N/A	Ironman FL 2018	37,500	-
Total Program				80,269	-
Passed through Enterprise Florida, Inc.:					
Military Base Protection	40.014	N/A	DIG 15-08	100,000	-
Military Base Protection	40.014	N/A	CON 19-101	452,949	-
Total Program				552,949	-
Total Department of Economic Opportunity				826,769	-
Department of Education					
Coach Aaron Feis Guardian Program	48.140	N/A	96T-90210-9D001	294,704	-
Department of Environmental Protection					
Passed through Southwest Florida Water Management District: DOT Mitigation Projects	37.020	N/A	SWF Parcel No. 10- 202-119X	627	-
Passed through Southwest Florida Water Management District: Water Management District - Lands Acquisition	37.022	N/A	SWF Parcel No. 20- 503-240X	12,877	-
Total Department of Environmental Protection				13,504	-
Department of Health					
Emergency Medical Services County Grant Awards	64.005	N/A	C7053	8,000	-
Department of Management Services					
Passed through Florida E911 Board: E911 State Grant Program	72.002	N/A	S10-17-12-09	1,209,545	-
Passed through Florida E911 Board.:					
Next Generation E911 State Grant Program	72.003	N/A	S11-18-05-19	199,803	-
Total Department of Management Services				1,409,348	-

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

POLK COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019

Agency/Program	CFDA/ CSFA Number	Pass-Through Identifying Number	Grant Identification	Expenditures	Transfers to Subrecipients
Department of State					
State Aid to Libraries	45.030	N/A	18-ST-71	\$ 102,895	\$ -
State Aid to Libraries	45.030	N/A	19-ST-71	132,140	-
Total Program				235,035	-
Acquisition, Restoration of Historic Properties	45.032	N/A	19.h.sm.300.014	4,819	-
Total Department of State				239,854	-
Department of Transportation					
Passed through Lakeland Area Mass Transit District d/b/a Citrus Connection:					
Commission for the Transportation Disadvantaged Administrative Support Grant	55.001	N/A	G0Y37	25,520	-
Direct Programs:					
Commission for the Transportation Disadvantaged Planning Grant	55.002	N/A	G1880	4,999	-
Total Department of Transportation				30,519	-
Executive Office of the Governor					
Emergency Management Programs	31.063	N/A	19-BG-21-07-63-01-124	85,033	-
Emergency Management Programs	31.063	N/A	A0043	20,119	-
Total Program				105,152	-
Hazardous Materials Planning & Prevention Program	31.067	N/A	17-CP-11-07-63-01-181	435	-
Hazardous Materials Planning & Prevention Program	31.067	N/A	18-CP-11-07-63-01-080	11,936	-
Hazardous Materials Planning & Prevention Program	31.067	N/A	19-CP-11-07-63-01-202	22,108	-
Hazardous Materials Planning & Prevention Program	31.067	N/A	T0036	126	-
Total Program				34,605	-
Total Executive Office of the Governor				139,757	-
Florida Housing Finance Corporation					
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	FY 16/17	1,237,063	19,447
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	FY 17/18	933,089	463,937
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	FY 18/19	243,808	240,497
Total Florida Housing Finance Agency				2,413,960	723,881
Total Expenditures of State Financial Assistance				\$ 6,078,305	\$ 723,881
Total Expenditures of Federal Awards and State Financial Assistance				\$ 51,465,516	\$ 3,214,358

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

POLK COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal awards and state financial assistance programs of Polk County, Florida (the County). The County reporting entity is defined in Note 1 to the County's basic financial statements 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)*. The Schedule presents only a selected portion of the operations of the County, and is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The information in the Schedule is presented in accordance with 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 Section 215.97, Florida Statutes. Therefore, some amounts presented in the Schedule may differ from amounts presented, or used in the preparation of the basic financial statements for the fiscal year ended September 30, 2019.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements for the year ended September 30, 2019. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

POLK COUNTY, FLORIDA
NOTES SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

NOTE 3 OUNCE OF PREVENTION MATCH

In addition to the amounts listed on the Schedule, the County received additional funding from the State of Florida as a match for certain Federal programs. The amounts listed below represent the funding provided by the State of Florida as a match to the specified Federal programs.

Agency/Program	CFDA Number	Grant Identification	Expenditures
<u>State Matching Monies</u>			
Passed through the Ounce of Prevention Fund of Florida and Healthy Families:			
Promoting Safe and Stable Families	93.556	HF-15-20-5 (Amendment #6)	\$ 16,580
Promoting Safe and Stable Families	93.556	HF-15-20-5 (Amendment #8)	5,334
Passed through the Ounce of Prevention Fund of Florida and Healthy Families:			
Temporary Assistance for Needy Families	93.558	HF-15-20-5 (Amendment #6)	561,436
Temporary Assistance for Needy Families	93.558	HF-15-20-5 (Amendment #8)	180,629
Total State Matching Monies			<u><u>\$ 763,979</u></u>

NOTE 4 DISASTER GRANTS

After a presidentially declared disaster, FEMA provides Disaster Grants-Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) to reimburse eligible costs associated with debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed. Reimbursements are provided in the form of cost-shared grants. Hurricane Irma (FEMA-4337-DR-FL) made landfall in Polk County on September 10, 2017. In 2019, \$35,169,308 of eligible expenditures were approved that were incurred in the prior years and are included in the SEFA.

Agency/Program	CFDA Number	Grant Identification	Expenditures
<u>Federal Awards</u>			
<u>Department of Homeland Security</u>			
Passed through Florida Division of Emergency Management:			
Disaster Grants - Public Assistance FEMA-4337-DR-FL	97.036	Z0230	\$ 35,169,308

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? _____ yes x no
 - Significant deficiency identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness identified? _____ yes x no
 - Significant deficiency 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

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
97.036	Disaster Grants - Public Assistance FEMA

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,361,616

Auditee qualified as low-risk auditee? x yes _____ no

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

State Financial Assistance

1. Internal control over state projects:

- Material weakness identified? _____ yes x no
- Significant deficiency 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 10.550, Rules of the Auditor General? _____ yes x no

Identification of Major State Projects

<u>CFSA Number</u>	<u>Name of State Project</u>
40.901	State Housing Initiative Partnership
72.002	E911 State Grant Program

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 750,000

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

Part II – Financial Statement Findings

Finding 2019 – 001 – Time Entry Approvals

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting.

Criteria or specific requirement: The County should have internal controls in place to ensure that all employee timecards are reviewed and approved by an individual who has direct knowledge of the actual hours worked by the employee.

Condition: The County has a policy that time is approved in Oracle, except for the Fire Rescue Division, which has its own internal procedures and policies. In the event a time card is not approved prior to payroll processing by the established reviewer or their designee, the timecard will be automatically approved. As of June 2017, County implemented a policy stating any auto-approved timecards must be subsequently approved by the employee's designated approver in Oracle.

When a timecard is not approved before payroll processing, an email is automatically sent to the employee's timecard approver requesting an email response to indicate approval or modification. It was noted during a review of timecards that certain timecards did not comply with the County's policy regarding subsequent approval of timecards.

Context: A sample of thirty-eight randomly selected timecards were tested for operating effectiveness of internal controls. Of the items tested, four were not approved by an individual who has direct knowledge of the actual hours worked by the employee (i.e. the timecards were "auto approved" by Oracle). In one of these instances, a supervisor did have evidence of approval, though the supervisor's approval did not follow the County's timecard approval policy.

In addition, a sample of twenty timecards that were "auto approved" within Oracle were selected for subsequent approval by the employee's designated approver. Of the items tested, sixteen did not comply with the County's policy requiring the reviewer to email a response indicating approval or modification.

Effect: The possibility exists that timecards may have been used to pay employees that were not reviewed and approved by an individual who has direct knowledge of the actual hours worked by the employee.

Cause: There are numerous timecards that are not reviewed before payroll processing by an individual who has direct knowledge of the actual hours worked by the employee. Furthermore, when a timecard is not approved before payroll processing, County staff are not sufficiently monitoring "auto approved" timecards for subsequent approval.

Repeat Finding: Yes, see 2018-001.

Recommendation: We recommend County management design monitoring and control activities to ensure all timecards are reviewed and approved by an individual who has direct knowledge of the actual hours worked by the employee. In addition, we recommend the County consider the use of an automated technological solution to improve controls.

Views of responsible officials: There is no disagreement.

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

Part III – Findings and Questioned Costs – Major Federal Programs and State Projects

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.550, Rules of the Auditor General.

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William D. Beasley
County Manager

Deputy County Managers:

Lea Ann Thomas

Joe N. Halman, Jr.

Ryan J. Taylor



Board of County Commissioners

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CORRECTIVE ACTION PLAN

Polk County, Florida respectfully submits the following corrective action plan for the year ended September 30, 2019.

Audit period: October 1, 2018 – 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

SIGNIFICANT DEFICIENCY

2019-001 Time Entry Approvals

Recommendation: We recommend County management design monitoring and control activities to ensure all timecards are reviewed and approved by an individual who has direct knowledge of the actual hours worked by the employee. In addition, we recommend the County consider the use of an automated technological solution to improve controls.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: County Management provided additional education to staff and added some minimum monitoring. Management also believes there are still technical issues with the email being sent for subsequent approval of timecards and is working closely with IT to correct. The County is implementing an electronic timecard system in the various areas of the county to improve the timecard approval process. The timecard system is close to passing the proof of concept stage and will then be in the early stages of designing the full implementation. County Management will also increase monitoring of timecard approvals.

Name(s) of the contact person(s) responsible for corrective action: County Management.

Planned completion date for corrective action plan: Beginning with the Waste & Recycling Division (June 2020), remaining county divisions will be implemented over the following 15 months.

A handwritten signature in blue ink, appearing to read "Bill Beasley", is written over a horizontal line. To the right of the signature, the date "3/31/2020" is written in blue ink.

Bill Beasley

County Manager

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**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2019



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**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

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**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
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YEAR ENDED SEPTEMBER 30, 2019**

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INDEPENDENT AUDITORS' REPORT

Honorable Stacy M. Butterfield
Clerk of the Circuit Court
Polk 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 Polk County, Florida, Clerk of the Circuit Court (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 financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of the Clerk as of September 30, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund and the Court 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 Polk County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Polk 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

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 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 was derived from and relates 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.

Honorable Stacy M. Butterfield
Clerk of the Circuit Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report February 24, 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 result of that testing, and not to provide an opinion on the effectiveness of Clerks' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
February 24, 2020

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**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	General	Court	Records Modernization	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,445,788	\$ 4,613,047	\$ 4,398,268	\$ 11,457,103
Due from Polk County, Florida				
Board of County Commissioners	17,534	-	-	17,534
Due from Other Governments	58,719	28,663	-	87,382
Accounts Receivables	4,010	-	-	4,010
	<u>2,526,051</u>	<u>4,641,710</u>	<u>4,398,268</u>	<u>11,566,029</u>
Total Assets	<u>\$ 2,526,051</u>	<u>\$ 4,641,710</u>	<u>\$ 4,398,268</u>	<u>\$ 11,566,029</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 29,971	\$ 15,073	\$ 10,240	\$ 55,284
Accrued Liabilities	155,945	405,065	36,365	597,375
Due to Polk County, Florida				
Board of County Commissioners	2,339,889	20,281	7,247	2,367,417
Due to Other Governments	246	1,529,677	-	1,529,923
Deposits	-	2,671,614	-	2,671,614
Total Liabilities	<u>2,526,051</u>	<u>4,641,710</u>	<u>53,852</u>	<u>7,221,613</u>
FUND BALANCES				
Restricted Court-Related Technology	-	-	2,013,747	2,013,747
Restricted Records Modernization	-	-	2,330,669	2,330,669
Total Fund Balances	<u>-</u>	<u>-</u>	<u>4,344,416</u>	<u>4,344,416</u>
	<u>\$ 2,526,051</u>	<u>\$ 4,641,710</u>	<u>\$ 4,398,268</u>	<u>\$ 11,566,029</u>
Total Liabilities and Fund Balances	<u>\$ 2,526,051</u>	<u>\$ 4,641,710</u>	<u>\$ 4,398,268</u>	<u>\$ 11,566,029</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	General	Court	Records Modernization	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 357,078	\$ 357,636	\$ -	\$ 714,714
Charges for Services	1,351,919	7,683,798	21,120	9,056,837
Fines and Forfeitures	-	6,581,853	-	6,581,853
Recording Fees	2,661,603	-	1,544,727	4,206,330
Interest	124,632	363,336	93,748	581,716
Miscellaneous	13,874	42,067	-	55,941
Total Revenues	<u>4,509,106</u>	<u>15,028,690</u>	<u>1,659,595</u>	<u>21,197,391</u>
EXPENDITURES				
General Government:				
Personnel Services	5,033,348	10,531,715	791,570	16,356,633
Operating	1,707,918	1,036,953	515,390	3,260,261
Capital Outlay	328,789	2,095	50,131	381,015
Total Expenditures	<u>7,070,055</u>	<u>11,570,763</u>	<u>1,357,091</u>	<u>19,997,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,560,949)	3,457,927	302,504	1,199,482
OTHER FINANCING SOURCES (USES)				
Transfer In:				
Polk County, Florida Board of County Commissioners Appropriations	4,855,466	-	-	4,855,466
Transfers Out:				
Distribution of Excess Fees to the State of Florida	-	(3,457,927)	-	(3,457,927)
Distribution of Excess Fees to Polk County, Florida Board of County Commissioners	(2,294,517)	-	-	(2,294,517)
Total Other Financing Sources (Uses)	<u>2,560,949</u>	<u>(3,457,927)</u>	<u>-</u>	<u>(896,978)</u>
NET CHANGE IN FUND BALANCES	-	-	302,504	302,504
Fund Balances - Beginning of Year	-	-	4,041,912	4,041,912
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,344,416</u>	<u>\$ 4,344,416</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 275,000	\$ 275,000	\$ 357,078	\$ 82,078
Charges for Services	1,028,162	1,028,162	1,351,919	323,757
Recording Fees	2,200,000	2,350,000	2,661,603	311,603
Interest	80,000	80,000	124,632	44,632
Miscellaneous	60,000	60,000	13,874	(46,126)
Total Revenues	<u>3,643,162</u>	<u>3,793,162</u>	<u>4,509,106</u>	<u>715,944</u>
EXPENDITURES				
General Government:				
Personnel Services	5,445,614	5,441,433	5,033,348	408,085
Operating	1,630,483	1,784,664	1,707,918	76,746
Capital Outlay	531,000	531,000	328,789	202,211
Total Expenditures	<u>7,607,097</u>	<u>7,757,097</u>	<u>7,070,055</u>	<u>687,042</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,963,935)	(3,963,935)	(2,560,949)	1,402,986
OTHER FINANCING SOURCES (USES)				
Transfer In:				
Polk County, Florida				
Board of County Commissioners Appropriations	4,855,466	4,855,466	4,855,466	-
Transfers Out:				
Distribution of Excess Fees to Polk County, Florida				
Board of County Commissioners	(891,531)	(891,531)	(2,294,517)	(1,402,986)
Total Other Financing Sources (Uses)	<u>3,963,935</u>	<u>3,963,935</u>	<u>2,560,949</u>	<u>(1,402,986)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – COURT FUND
YEAR ENDED SEPTEMBER 30, 2019**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 360,394	\$ 360,394	\$ 357,636	\$ (2,758)
Charges for Services	6,704,973	6,889,973	7,683,798	793,825
Fines and Forfeitures	6,230,281	6,230,281	6,581,853	351,572
Interest	265,167	265,167	363,336	98,169
Miscellaneous	225,829	40,829	42,067	1,238
Total Revenues	13,786,644	13,786,644	15,028,690	1,242,046
EXPENDITURES				
General Government:				
Personnel Services	11,059,945	10,854,945	10,531,715	323,230
Operating	873,841	1,073,841	1,036,953	36,888
Capital Outlay	-	5,000	2,095	2,905
Total Expenditures	11,933,786	11,933,786	11,570,763	363,023
EXCESS OF REVENUES OVER EXPENDITURES	1,852,858	1,852,858	3,457,927	879,023
OTHER FINANCING (USES)				
Transfers Out:				
Distribution of Excess Fees to the State of Florida	(1,852,858)	(1,852,858)	(3,457,927)	(1,605,069)
Total Other (Uses)	(1,852,858)	(1,852,858)	(3,457,927)	(1,605,069)
NET CHANGE IN FUND BALANCES	-	-	-	(726,046)
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUNDS
SEPTEMBER 30, 2019**

ASSETS

Cash and Cash Equivalents	<u>\$ 15,502,512</u>
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LIABILITIES

Due to State of Florida	\$ 1,315,928
Due to Polk County, Florida Board of County Commissioners	556,675
Due to Municipalities	144,682
Due to Others	4,667,338
Deposits, Registry of the Court	7,231,124
Deposits, Witness Fees	29,026
Deposits, Other	<u>1,557,739</u>

Total Liabilities	<u>\$ 15,502,512</u>
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See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Polk County is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The Clerk of the Circuit Court (the Clerk) is a County Agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. The Clerk is considered to be a part of the primary government of Polk County, Florida. The financial statements contained herein represent the financial transactions of the Clerk only.

The Clerk's financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which requires the Clerk to only present fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures, including management's discussion and analysis, these financial statements do not constitute a complete presentation of financial position of the Clerk as of September 30, 2019 and the changes in its financial position for the year ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

The legislative and governing body of the County is the five-member Board of County Commissioners. Each County Commissioner is elected on a county-wide basis for a four year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

The Clerk is an elected public official serving both the Circuit and County Court in an administrative capacity. The Clerk's functions are to keep the courts' records and seal, serve as county recorder, issue and process, enter judgments and orders, give certified copies from the records, record and maintain custody of records, summon and process juries, serve as accountant, auditor and clerk to the Board of County Commissioners and perform other designated duties.

The general operations of the Clerk are funded through the fees charged to third parties and budget appropriations from the Polk County, Florida, Board of County Commissioners. The court operations of the Clerk are funded through fees and fines charged to third parties and funding from the Florida Clerk of Court Operations Corporation. The record modernization operations of the Clerk are funded through recording fees.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation

These fund financial statements are prepared in conformity with the reporting guidelines established by the GASB and accounting practices prescribed by the Auditor General of the State of Florida. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America.

The Clerk reports the following major funds:

General Fund – The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Clerk, which are not accounted for in another fund. All operating revenue not specifically restricted or designated as to use, is recorded in the general fund.

Court Fund – The Court Fund is used to account for all court-related financial resources. Based on the legal opinion provided by Clerks of Court Operations Corporation (CCOC) general counsel of the provisions of Section 28.35 and Section 28.37(3), *Florida Statutes*, which were adopted as policy by the CCOC Finance and Budget Committee, a portion of excess court-related funds have been included in a fund liability, Due to Other Governments.

Records Modernization Fund – To account for the additional service charges on recorded instruments for modernizing the official record keeping systems in the Clerk's office per Section 28.24(12)(d), *Florida Statutes*. This fund also accounts for ten percent of all fine revenue collected to be used exclusively for additional clerk court-related operational needs and program enhancements per Section 28.37(5), *Florida Statutes*.

Additionally, the Clerk reports the following fund type:

Agency Funds - The agency funds account for all assets held by the Clerk in capacity as custodian or agent for individuals, governmental entities and non-public organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations and have measurement focus. Agency funds are accounted for using a full accrual basis of accounting.

**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
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. Their revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within sixty 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, if measurable, except accrued compensated absences which are recorded only when payment has matured and will be payable shortly after year-end.

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. Statement of Revenues, Expenditures, and Changes in Fund Balances of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

In governmental funds, intergovernmental revenues are considered susceptible to accrual when they are both measurable and available.

Charges for services, recording fees, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are usually not measurable until actually received.

Use of Estimates

The preparation of the financial statements requires management of the Clerk to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from estimates.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The following are the procedures followed by the Clerk in establishing the budget:

The General Fund and Court Fund legally adopt budgets which are prepared on the modified accrual basis of accounting. Formal budgetary integration is employed as a management control device during the year for the General Fund and Court Fund. There is no legal requirement to adopt a budget for the Records Modernization Fund.

General Fund

The budget for the General Fund is prepared, adopted and administered in accordance with Sections 129.03 and 218.35, *Florida Statutes*. Section 28.36 also requires separation of the part pertaining to the court system from that pertaining to the Clerk and the Auditor of the Board of County Commissioners.

On or before May 1, of each year the Clerk submits to the Board of County Commissioners a tentative budget for expenditures to be paid by the Board of County Commissioners on behalf of the Clerk of the Circuit Court for the ensuing fiscal year.

Prior to September 1 of each year, the Clerk submits a budget to the Board of County Commissioners for filing which includes proposed expenditures for the operations of the Clerk's Office and the means of financing operations.

Section 129.07, *Florida Statutes*, provides that only excesses of total fund budgets are unlawful. Unused appropriations expire at the end of each state fiscal year.

Court Fund

The budget for the Court Fund shall further conform to the following requirements:

1. On or before June 1 of each year beginning in 2014, the proposed budget shall be prepared, summarized, and submitted to the Florida Clerks of Court Operations Corporation (CCOC) in the manner and form prescribed by the CCOC. The proposed budget must provide detailed information on the anticipated revenues available and expenditures necessary for the performance of the court-related functions of the Clerk's office for the county fiscal year beginning October 1.
2. The proposed budget must be balanced such that the total of the estimated revenues available equals or exceeds the total of the anticipated expenditures. Such revenues include revenue projected to be received from fees, service charges, costs, and fines for court-related functions during the fiscal period covered by the budget. The anticipated expenditures must be itemized as required by the CCOC.
3. If the Clerk estimates that available funds plus projected revenues from fines, fees, service charges, and costs for court-related services are insufficient to meet the anticipated expenditures for the standard list of court-related functions performed by the Clerk's office, the Clerk must report the revenue deficit to the CCOC.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

The CCOC shall verify that the proposed budget is limited to the standard list of court-related functions. If the CCOC verifies that a revenue deficit is projected, the CCOC shall certify a revenue deficit and notify the Department of Revenue that the Clerk is authorized to retain revenues, in an amount necessary to fully fund the projected revenue deficit, which he or she would otherwise be required to remit to the Department of Revenue for deposit into the department's Clerks of the Court Trust Fund pursuant. If a revenue deficit is projected for that clerk after retaining all of the projected collections from the court-related fines, fees, service charges, and costs, the corporation shall certify the amount of the revenue deficit to the Executive Office of the Governor and request release authority for funds from the department's Clerks of the Court Trust Fund.

Accrued Compensated Absences

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

<u>Length of Service</u>	<u>Annual Leave Earned</u>
0-5 Years	22 Days
6-10 Years	25 Days
11-15 Years	28 Days
16-20 Years	31 Days
21 Years Plus	35 Days

The maximum permissible accumulation of annual leave is 35 days as of January 1 of each year. At termination, employees are paid for any accumulated annual leave up to 35 days.

Sick leave accumulates for employees hired prior to December 28, 2004 at the rate of two days per calendar year and is cumulative. At termination, employees are paid for any accumulated sick leave, based upon the following schedule provided they have 160 hours, up to a maximum of 800 hours for those employees hired prior to December 1, 1990, and a maximum of 400 hours for those employees hired after December 1, 1990.

At termination, employees hired prior to October 1, 1996 are paid for any accumulated sick leave based on the following schedule:

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
0-2 Years	0%
3-5 Years	25%
6-10 Years	30%
11-15 Years	35%
16-20 Years	40%
21 Years Plus	50%

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences (Continued)

The Clerk uses the last-in, first-out (LIFO) method of recognizing the use of compensated absences. Under this method, compensated absences are recorded as an expenditure when the liability is liquidated with expendable available financial resources. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued by the Clerk. These liabilities are recorded in the Comprehensive Annual Financial Report of Polk County, Florida for the entire county and are not reflected in these statements.

Other Postemployment Benefit Obligations

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Clerk participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

Excess Fees

Chapter 218, *Florida Statutes*, requires that any excess of revenues over expenditures in the General Fund which are not court related (excess fees) held by the Clerk at the end of each fiscal year shall be remitted to the Board of County Commissioners. For the year ended September 30, 2019, the Clerk remitted \$2,294,517 to the Board of County Commissioners, Polk County, Florida.

Capital Assets

Capital assets purchased by the Clerk are recorded as capital outlay expenditures. Ownership of all capital assets is vested in the Polk County, Florida Board of County Commissioners as provided by Chapter 274, *Florida Statutes*. The Clerk's policy is to capitalize expenditures for assets with a life of more than one year and cost of greater than \$1,000. Donated assets are recorded at their acquisition value at the date of donation.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

All funds participate in the pooled cash program for the purpose of maximizing interest income. The earnings of the pool are allocated on a monthly basis to individual funds based upon their average monthly balance in the pool.

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of the Clerk. As the Clerk is an elected official responsible for the activities of the Clerk's office, she is the highest level of decision making authority and any official order from the Clerk would be required to authorize commitment of fund balance.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used or specific purposes.

Unassigned — all other spendable amounts.

The Clerk has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in the General Fund, the Clerk will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which a fund expenditure is incurred, the Clerk will first use assigned amounts, then committed amounts, then restricted amounts, and finally unassigned amounts.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Chapter 218, Florida Statutes

Chapter 218, *Florida Statutes*, requires that the Clerk make an annual report to the Board of County Commissioners, within 31 days of the close of his fiscal year, reflecting the excess of revenues over expenditures or the unexpended budget balance as of the close of the fiscal year. In order to comply with the state statute, it is the policy of the Clerk that the accounting records be held open several days after the close of the fiscal year in order that all revenue and expenditures applicable to the fiscal year can be recorded in the records. The financial statements prepared on an accounting principles generally accepted in the United States of America basis reflect any revenue or expenditures made after the close of the fiscal year as receivables or payables, as applicable.

Legislature Revisions

Effective July 1, 2004, Senate Bill 2962 implemented modifications to Article V, Revision 7 of the Constitution of the State of Florida (Article V). Article V modifications altered the funding for the county and circuit courts in the State of Florida. From July 1, 2004 and forward, Article V transferred the cost of county and circuit court operations from a Board of County Commissioners funded operation to a State funded operation. Effective July 1, 2013 with Senate Bill 1500, the Clerks are allotted a statewide budget that is allocated across the 67 Clerks by the Clerk of Courts Operations Corporation. Clerk's whose budgeted revenue is less than this budget allocation receive the expected shortfall in a 1/12th appropriation monthly. If a Clerk collects revenue in excess of 1/12th of their allocation in any month they must remit the excess by the 20th of the following month. Unspent revenue must be remitted at the end of the fiscal year.

NOTE 2 CASH AND CASH EQUIVALENTS

Deposits

At September 30, 2019, the Clerk's book balance of pooled cash was \$26,959,615. The bank balances in qualified depositories totaled \$30,775,024. The Clerk's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances in such accounts are collateralized with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Custodial Credit Risk and Interest Rate Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year-end, the Clerk's deposits were entirely covered by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, *Florida Statutes*. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

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

NOTE 3 LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities which are reported in the basic financial statements of Polk County, Florida.

	October 1, 2018	Additions	Deletions	September 30, 2019
Accrued Compensated Absences	\$ 1,105,236	\$ 1,173,571	\$ (1,211,290)	\$ 1,067,517

Of these liabilities, \$878,177 is expected to be paid during the fiscal year ending September 30, 2020. These long-term liabilities are not reported in the financial statements of the Clerk since they have not matured.

NOTE 4 CAPITAL ASSETS

Capital assets used by the Polk County, Florida Clerk of Circuit Court in operations is reported in the basic financial statements of the County. The Clerk maintains custodial responsibility for capital assets used by the office.

The following is a summary of changes in capital assets:

	October 1, 2018	Additions	Disposals	Transfers	September 30, 2019
Capital Assets Being Depreciated:					
Buildings and Improvements	\$ 10,130	\$ -	\$ -	\$ -	\$ 10,130
Equipment	311,647	10,665	-	-	322,312
Furniture	539,191	-	-	-	539,191
IT Equipment	785,974	242,303	(22,120)	(29,910)	976,247
Software	7,013,398	169,303	-	-	7,182,701
Total Capital Assets Being Depreciated	8,660,340	422,271	(22,120)	(29,910)	9,030,581
Less Accumulated Depreciation:					
Buildings and Improvements	9,792	338	-	-	10,130
Equipment	183,980	21,817	-	-	205,797
Furniture	513,673	4,126	-	-	517,799
IT Equipment	556,597	127,819	(21,968)	(13,577)	648,871
Software	6,448,626	430,891	-	-	6,879,517
Total Accumulated Depreciation	7,712,668	584,991	(21,968)	(13,577)	8,262,114
Total Capital Assets, Net	\$ 947,672	\$ (162,720)	\$ (152)	\$ (16,333)	\$ 768,467

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

NOTE 5 PENSION PLAN

Background

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

Essentially all regular employees of the 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' website (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.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years

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

NOTE 5 PENSION PLAN (CONTINUED)

Plan Description (Continued)

of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

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

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.

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

NOTE 5 PENSION PLAN (CONTINUED)

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

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

FRS Investment Plan

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

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

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

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

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

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$1,106,731, \$1,032,751, and \$1,022,911, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in Polk County's comprehensive annual financial report.

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

NOTE 6 OPERATING LEASES

As of September 30, 2019, the Clerk has several cancelable and non-cancelable operating leases. The operating leases generally provide for automatic termination in any year in which the Clerk fails to appropriate funds for lease payments. Lease and rental expenditures under cancelable and non-cancelable lease arrangements as well as various month to month rental agreements for the year ended September 30, 2019, were \$35,547. The following is a schedule of future minimum lease payments required under non-cancelable leases:

<u>September 30,</u>	
2020	\$ 104,634
2021	103,207
2022	101,780
2023	53,896
2024	-
Thereafter	-
Total	<u>\$ 363,516</u>

NOTE 7 RELATED-PARTY TRANSACTIONS

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

Budget Appropriation – The General Fund of the Clerk received revenues in the amount of \$4,855,466 for the year ended September 30, 2019, from the Polk County, Florida Board of County Commissioners. The Clerk also has receivables from the Polk County, Florida Board of County Commissioners in the amount of \$17,534 as of September 30, 2019.

As of September 30, 2019, the Clerk has additional payables to the Polk County, Florida Board of County Commissioners and the Polk County, Florida Sheriff in the amount of \$3,054,117, as follows:

General Fund - Excess Fees Due to BOCC	\$ 2,294,517
General Fund - Other Amounts Due to BOCC	45,372
Court Fund - Due to BOCC	20,281
Records Modernization Fund - Due to BOCC	7,247
Agency Funds - Due to BOCC	556,675
Agency Funds - Due to Other (Sheriff)	130,025
Total	<u>\$ 3,054,117</u>

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

NOTE 8 COMMITMENTS AND CONTINGENCIES

Litigation

Various suits and claims arising in the ordinary course of operations, some of which may involve substantial amounts, are pending against the Clerk. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Clerk, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Clerk or the results of its operations.

Grant Programs

The Clerk participates in a number of federal and state grant programs are subject to financial and compliance audits by the grantors or their representatives. The grantor audits of all programs for or including the year ended September 30, 2019 have not been completed.

Accordingly, the Clerk's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies, cannot be determined at this time although the Clerk expects such amounts, if any, to be immaterial.

NOTE 9 RISK MANAGEMENT

The Clerk participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. There were no losses reported for the years ended September 30, 2019, 2018, nor 2017.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third party carriers in any of the last three years.

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

NOTE 9 RISK MANAGEMENT (CONTINUED)

The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County

<u>Claim Type</u>	<u>County Coverage (deductible/self-insured amount)</u>	<u>Excess Carrier's Coverage</u>
Property	Deductible \$1,000,000 except for as Named Windstorm 3% of TV with \$5,000,000 Maximum \$1,000,000 Builders Risk	\$135,000,000 Named Windstorm \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (zones A & V)
General & Employment Practices Liability	\$1,000,000 Self-insurance Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$7,000,000 Per Occurrence \$14,000,000 Aggregate
Auto Liability	\$1,000,000 Self-insured Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$7,000,000 Per Occurrence
Employee Health	\$900,000 Self-insured Retention	Unlimited Stop Loss
Workers Compensation	\$1,250,000 Self-insured Retention	Workers Compensation – Statutory

SUPPLEMENTARY INFORMATION - COMBINING SCHEDULES

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**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING SCHEDULE OF FIDUCIARY
NET POSITION – AGENCY FUNDS
SEPTEMBER 30, 2019**

	County Court	Registry of Court	Jury and Witness	Domestic Relations	Tax Deed	Intangible Tax and Documentary	County Court/ Civil Court	Cash Bonds	Other Agency Funds	Total Agency Funds
ASSETS										
Cash and Cash Equivalents	\$ 2,297,877	\$ 7,231,124	\$ 29,026	\$ 322,988	\$ 2,966,068	\$ 324,821	\$ 72,612	\$ 1,557,739	\$ 700,257	\$ 15,502,512
LIABILITIES										
Due to State of Florida	\$ 714,653	\$ -	\$ -	\$ -	\$ -	\$ 324,821	\$ -	\$ -	\$ 276,454	\$ 1,315,928
Due to Polk County, Florida										
Board of County Commissioners	406,816	-	-	-	-	-	-	-	149,859	556,675
Due to Municipalities	144,682	-	-	-	-	-	-	-	-	144,682
Due to Others	1,031,726	-	-	322,988	2,966,068	-	72,612	-	273,944	4,667,338
Deposits, Registry of the Court	-	7,231,124	-	-	-	-	-	-	-	7,231,124
Deposits, Witness Fees	-	-	29,026	-	-	-	-	-	-	29,026
Deposits, Other	-	-	-	-	-	-	-	1,557,739	-	1,557,739
Total Liabilities	\$ 2,297,877	\$ 7,231,124	\$ 29,026	\$ 322,988	\$ 2,966,068	\$ 324,821	\$ 72,612	\$ 1,557,739	\$ 700,257	\$ 15,502,512

**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	October 1, 2018	Additions	Deductions	September 30, 2019
<u>COUNTY COURT FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 2,326,752	\$ 18,193,648	\$ 18,222,523	\$ 2,297,877
LIABILITIES				
Due to State of Florida	\$ 770,751	\$ 9,595,758	\$ 9,651,856	\$ 714,653
Due to Polk County, Florida				
Board of County Commissioners	450,911	6,053,413	6,097,508	406,816
Due to Municipalities	140,606	1,754,819	1,750,743	144,682
Due to Others	964,484	789,658	722,416	1,031,726
	<u>\$ 2,326,752</u>	<u>\$ 18,193,648</u>	<u>\$ 18,222,523</u>	<u>\$ 2,297,877</u>
<u>REGISTRY OF COURT FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 6,838,016	\$ 28,711,886	\$ 28,318,778	\$ 7,231,124
LIABILITIES				
Deposits, Registry of the Court	\$ 6,838,016	\$ 28,711,886	\$ 28,318,778	\$ 7,231,124
<u>JURY AND WITNESS FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 39,464	\$ 30,000	\$ 40,438	\$ 29,026
LIABILITIES				
Deposits, Witness Fees	\$ 39,464	\$ 30,000	\$ 40,438	\$ 29,026
<u>DOMESTIC RELATIONS FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 309,911	\$ 3,406,601	\$ 3,393,524	\$ 322,988
LIABILITIES				
Due to Others	\$ 309,911	\$ 3,406,601	\$ 3,393,524	\$ 322,988

**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

	October 1, 2018	Additions	Deductions	September 30, 2019
<u>TAX DEED FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 2,950,354	\$ 4,656,257	\$ 4,640,543	\$ 2,966,068
LIABILITIES				
Due to Others	\$ 2,950,354	\$ 4,656,257	\$ 4,640,543	\$ 2,966,068
<u>INTANGIBLE TAX AND DOCUMENTARY STAMP FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 139,028	\$ 143,673,528	\$ 143,487,735	\$ 324,821
LIABILITIES				
Due to State of Florida	\$ 139,028	\$ 143,673,528	\$ 143,487,735	\$ 324,821
<u>COUNTY COURT / CIVIL COURT FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 72,612	\$ 40	\$ 40	\$ 72,612
LIABILITIES				
Due to Others	\$ 72,612	\$ 40	\$ 40	\$ 72,612
<u>CASH BONDS FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 1,228,296	\$ 1,708,870	\$ 1,379,427	\$ 1,557,739
LIABILITIES				
Deposits, Other	\$ 1,228,296	\$ 1,708,870	\$ 1,379,427	\$ 1,557,739

**POLK COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

	October 1, 2018	Additions	Deductions	September 30, 2019
<u>OTHER AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 653,846	\$ 5,366,979	\$ 5,320,568	\$ 700,257
LIABILITIES				
Due to State of Florida	\$ 270,196	\$ 3,242,307	\$ 3,236,049	\$ 276,454
Due to Polk County, Florida				
Board of County Commissioners	133,677	1,800,409	1,784,227	149,859
Due to Others	249,973	324,263	300,292	273,944
	<u>\$ 653,846</u>	<u>\$ 5,366,979</u>	<u>\$ 5,320,568</u>	<u>\$ 700,257</u>
<u>TOTALS - AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 14,558,279	\$ 205,747,809	\$ 204,803,576	\$ 15,502,512
LIABILITIES				
Due to State of Florida	\$ 1,179,975	\$ 156,511,593	\$ 156,375,640	\$ 1,315,928
Due to Polk County, Florida				
Board of County Commissioners	584,588	7,853,822	7,881,735	556,675
Due to Municipalities	140,606	1,754,819	1,750,743	144,682
Due to Others	4,547,334	9,176,819	9,056,815	4,667,338
Deposits, Registry of the Court	6,838,016	28,711,886	28,318,778	7,231,124
Deposits, Witness Fees	39,464	30,000	40,438	29,026
Deposits, Other	1,228,296	1,708,870	1,379,427	1,557,739
	<u>\$ 14,558,279</u>	<u>\$ 205,747,809</u>	<u>\$ 204,803,576</u>	<u>\$ 15,502,512</u>



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Stacy M. Butterfield
Clerk of the Circuit Courts
Polk 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 aggregate remaining information of the Polk County, Florida Clerk of the Circuit Court (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 financial statements, and have issued our report thereon dated February 24, 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.

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Lakeland, Florida
February 24, 2020



MANAGEMENT LETTER

Honorable Stacy M. Butterfield
Polk County Clerk of the Circuit Court
Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Polk County, Florida, Clerk of the Circuit Court (the Clerk) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 24, 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 Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 24, 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. In connection with our audit, we did not have any such findings.

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

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

Lakeland, Florida
February 24, 2020



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Stacy M. Butterfield and the Florida Auditor General
Clerk of Circuit Courts
Polk County, Florida

We have examined Polk County, Florida Clerk of the Circuit Court's (the Clerk's) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds; Section 61.181, *Florida Statutes*, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, *Florida Statutes*, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2019. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our 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 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 clerk of 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 ended September 30, 2019.

Honorable Stacy M. Butterfield and the Florida Audit General
Clerk of the Circuit Court

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
February 24, 2020

**POLK COUNTY, FLORIDA
PROPERTY APPRAISER**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2019



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**POLK COUNTY, FLORIDA
PROPERTY APPRAISER
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INDEPENDENT AUDITORS' REPORT

Honorable Marsha M. Faux
Property Appraiser
Polk County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Polk County, Florida Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser as of September 30, 2019, and the changes in financial position and budgetary comparison of its 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 (the Rules). 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, only for that portion of the major funds of Polk County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Polk County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 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 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 Property Appraiser's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
December 6, 2019

**POLK COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS

Cash	\$	826,586
Accounts Receivable		93
Prepaid Items		14,792
		14,792
Total Assets	\$	841,471

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$	49,427
Due to Polk County, Florida Board of County Commissioners		491,711
Due to Other Special Taxing Districts		14,879
Accrued Liabilities		285,454
		285,454
Total Liabilities		841,471

FUND BALANCE

Nonspendable		14,792
Unassigned		(14,792)
		-
Total Fund Balance		-
Total Liabilities and Fund Balance	\$	841,471

See accompanying Notes to Financial Statements.

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

	Budget		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Board of County Commissioners	\$ 9,025,990	\$ 9,028,032	\$ 9,028,032	\$ -
Special Taxing Districts	273,133	273,196	273,196	-
Interest	-	-	56,265	56,265
Miscellaneous	-	-	276,248	276,248
Total Revenues	<u>9,299,123</u>	<u>9,301,228</u>	<u>9,633,741</u>	<u>332,513</u>
EXPENDITURES				
General Government:				
Personal Services	8,145,061	8,147,166	8,052,219	94,947
General Operating	1,134,062	1,084,906	1,025,776	59,130
Capital Outlay	-	49,156	49,156	-
Non-Operating	20,000	20,000	-	20,000
Total Expenditures	<u>9,299,123</u>	<u>9,301,228</u>	<u>9,127,151</u>	<u>174,077</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	506,590	506,590
OTHER FINANCING (USES)				
Distribution of Excess Fees to Polk County, Florida Board of County Commissioners	-	-	(491,711)	(491,711)
Distribution of Excess Fees to Special Taxing Districts	-	-	(14,879)	(14,879)
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>(506,590)</u>	<u>(506,590)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Polk County, Florida Property Appraiser (Property Appraiser) conform to accounting principles, as applicable to governmental units generally accepted in the United States of America. The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and footnotes in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

Reporting Entity

Polk County, Florida is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The legislative and governing body of the County is the five-member Board of County Commissioners. Each County Commissioner is elected on a countywide basis for a four-year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

There are six offices elected countywide which are as follows: Board of County Commissioners composed of five (5) members, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The Property Appraiser is an elected official of the County pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Property Appraiser does not meet the definition of a legally separate organization and is not considered to be a component unit. The Property Appraiser is considered to be a part of the primary government of Polk County, Florida (the County).

The financial activities of the Property Appraiser, as a constitutional officer are included in the Polk County, Florida Comprehensive Annual Financial Report.

Measurement Focus, Basis of Accounting, and 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 Polk County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Fund

The accounting records are organized for reporting purposes on the basis of a governmental fund. The Property Appraiser's only governmental fund is the general fund. The general fund is used to account for the general operations of the Property Appraiser.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accounts of the governmental funds use the current financial resources measurement focus and are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or when they are considered both measurable and available and, as such, are susceptible to accrual. For this purpose, the Property Appraiser considers revenues to be available if they are collected within 60 days after year end.

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

As the Property Appraiser is an elected official responsible for the activities of the Property Appraiser's office, she is the highest level of decision making authority and any official order from the Property Appraiser would be required to authorize commitment of fund balance. Also, the finance director has been given the authority to assign fund balance for a specific purpose.

The Property Appraiser has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states that when an expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Property Appraiser will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

Chapter 195, *Florida Statutes*, governs the preparation, adoption and administration of the Property Appraiser's annual budget. The General Fund budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. Section 129.07, *Florida Statutes*, provides that only excesses of total fund budgets are unlawful.

The following are 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 operation of the office to the State of Florida, Department of Revenue, Ad Valorem Tax Division (the 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 Property Appraiser's operating budget can only be amended after written approval has been received from the Department.
3. The Department approves all transfers between appropriation categories requested by the Property Appraiser, and this becomes the level of budgetary control for the Property Appraiser's office.
4. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.

Accounts Receivable

All receivables are expected to be collected. As such, no allowance has been recorded

Use of Estimates

The preparation of the fund financial statements is in conformity with GAAP, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statement. Actual results could differ from estimates.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Return of “Excess Fees”

Florida Statutes further provide that the excess of revenues over expenditures held by the Property Appraiser be distributed to each governmental agency or the Board in the same proportion as the fees paid by each governmental agency bear to total fee revenues. The amount of this distribution is recorded as a liability and as an other financing use-transfer out in the accompanying financial statements.

Capital Assets

Capital assets purchased by the Property Appraiser are recorded as capital outlay expenditures. Capital assets are not included in the financial statements of the Property Appraiser because ownership is vested in the Polk County, Florida Board of County Commissioners as provided by Chapter 274, *Florida Statutes*.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date received. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Polk County, Florida.

Accumulated Unpaid Vacation and Sick Pay

Effective January 1, 2014, the Property Appraiser adopted a Paid Time Off (PTO) for its vacation and sick leave. The purpose of this change is providing deputies with flexible paid time off from work that can be used for any purpose (illness or vacation). All unused annual leave will carry over, and will convert into PTO credits. All unused sick time on, January 1, 2014 converted into “banked sick leave”. The banked sick leave may be used if desired until it is exhausted. Deputies may not take leave without pay in lieu of PTO or banked sick leave. Deputies may not use or be paid for time accrued during the first six (6) months of employment.

Each full time deputy will accrue PTO bi-weekly, except for the last check in a three paycheck month, in hourly increments based on the deputies length of service as follows:

<u>Years of Service</u>	<u>Leave Accrued per Month</u>	<u>Days Per Year</u>
0-4 Years	6.87 Hours	22
5-9 Years	7.81 Hours	25
10-14 Years	8.75 Hours	28
15-19 Years	9.68 Hours	31
20 or more Years	10.93 Hours	35

The maximum accumulation for PTO will be 450 hours in any given payroll year.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Unpaid Vacation and Sick Pay (Continued)

Deputies may sell back PTO once a year provided funds are available, if all criteria are met:

1. A minimum of 37.5 hours of scheduled PTO has been taken prior to annual sell back date. This time frame is based on the fiscal year of October through September.
2. No more than 75 hours of un-scheduled PTO has been taken prior to annual sell back date. This time frame is based on the fiscal year of October through September.
3. There must be a PTO balance of a minimum of 150 hours after the sell back.

If Polk County Property Appraiser Deputies hired prior to October 1, 1996, and classified as full-time shall receive compensation for banked sick leave upon resignation and/or retirement. Any deputy terminated will not be paid sick leave. Those appointed after October 1, 1996 will not receive compensation for banked sick leave upon resignation or retirement.

A deputy shall not be eligible for compensation according to the schedule unless they have accrued a minimum of twenty (20) days or one hundred fifty (150) hours.

Maximum of eight hundred (800) hours payable to deputies hired prior to January 1, 1987. Maximum of four hundred (400) hours payable to deputies hired after January 1, 1987. No sick leave hours payable to deputies hired after October 1, 1996.

Compensation shall be based on the deputy's computed hourly rate at the time of resignation or retirement based on hours on the books the day of resignation. Length of service and percentage payable shall be calculated on continuous service with the Property Appraiser's Office only.

<u>Years of Service</u>	<u>Percentage of Leave Accrued</u>
2-5 years	25%
6-10 years	30%
11-15 years	35%
16-20 years	40%
20 or more years	50%

The Property Appraiser does not, nor is legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the general fund of the Property Appraiser, but rather reported in the basic financial statements of Polk County, Florida.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Significant Accounting Policies

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

Other Postemployment Benefit Obligations

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Sheriff participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. Other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE 2 CUSTODIAL CREDIT RISK

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

At September 30, 2019, the Property Appraiser's book balance of cash was \$826,586 and the bank balance was \$889,088. The Federal Deposit Insurance Corporation (FDIC) insures the Property Appraiser's bank balances for \$250,000 for each banking relationship through December 31, 2019. The remaining balances are collateralized pursuant to Chapter 280, *Florida Statutes*. Pursuant to Chapter 280, *Florida Statutes*, the Property deposits are required to be entirely covered by federal depository insurance or by collateral pledged with the State Treasurer. Under this Chapter, in the event of default by a participating financial institution, (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

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

NOTE 3 OPERATING LEASES

At September 30, 2019, the Property Appraiser has entered into long-term operating leases. Each operating lease has a funding clause that allows the Property Appraiser to terminate the lease if funding is not available to make lease payments. The following schedule of future minimum lease payments is required under these leases.

<u>September 30,</u>	
2020	\$ 51,980
2021	21,448
2022	5,235
Total	<u>\$ 78,663</u>

The operating lease expenses for the year ended September 30, 2019 were \$110,696.

NOTE 4 CAPITAL ASSETS

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

	October 1, 2018	Additions	Deletions	September 30, 2019
Capital assets:				
Building Improvements	\$ 270,549	\$ -	\$ (202,176)	\$ 68,373
Equipment	1,978,041	49,156	(61,432)	1,965,765
Intangibles	1,530,000	-	-	1,530,000
Total capital assets	3,778,590	49,156	(263,608)	3,564,138
Less accumulated depreciation:				
Building Improvements	266,109	3,917	(202,176)	67,850
Equipment	1,453,479	161,533	(61,432)	1,553,580
Intangibles	1,530,000	-	-	1,530,000
Total accumulated depreciation	3,249,588	165,450	(263,608)	3,151,430
Total capital assets, net	\$ 529,002	\$ (116,294)	\$ -	\$ 412,708

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

NOTE 5 LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities which are reported in the basic financial statements of Polk County, Florida.

	October 1, 2018	Additions	Deletions	September 30, 2019	Due Within One Year
Accrued Compensated Absences	\$ 227,360	616,191	(639,129)	\$ 204,422	\$ 204,422

The long-term liabilities are not reported in the financial statements of the Property Appraiser since they are not payable from available spendable resources and they have not matured. They are reported in the financial statements of the County.

NOTE 6 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).

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

NOTE 6 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.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

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

NOTE 6 PENSION PLANS (CONTINUED)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

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

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 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.

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

NOTE 6 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. 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 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

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

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

NOTE 6 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$684,855, \$616,900, and \$549,720, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive financial report or County-wide financial statements.

NOTE 7 RELATED PARTY TRANSACTIONS

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

Budget Appropriation – The Polk County, Florida Board of County Commissioners paid fees to the Property Appraiser for the year ended September 30, 2019 in the amount of \$9,028,032. Revenues from the Polk County, Florida Board of County Commissioners accounted for 94% of total General Fund revenues. The amount representing excess fees to the Polk County, Florida Board of County Commissioners at September 30, 2019 was \$491,711.

Health Insurance – The Board of County Commissioners provides health insurance benefits to the Property Appraiser for employees, their dependents, and retirees. The charges for the services for the year ended September 30, 2019 amounted to \$1,396,577.

Other – The Board of County Commissioners and the Clerk of Circuit Court provides other supplies and services to the Property Appraiser. The charges for these supplies and services for the year ended September 30, 2019 amounted to \$57,318 and \$1,202, respectively.

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

NOTE 8 RISK MANAGEMENT

The Property Appraiser participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. There were no losses reported for the years ended September 30, 2019, 2018, nor 2017.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third party carriers in any of the last three years.

The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County.

<u>Claim Type</u>	<u>County Coverage (Deductible/Self-insured Amount)</u>	<u>Excess Carrier's Coverage</u>
Property	Deductible \$1,000,000 except for as below : Named Windstorm 3% of TV with \$5,000,000 Maximum \$1,000,000 Builders Risk	\$135,000,000 Named Windstorm \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (zones A & V)
General and Practices Liability	\$1,000,000 Self-insurance Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$ 7,000,000 Per Occurrence \$14,000,000 Aggregate
Auto Liability	\$1,000,000 Self-insured Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$7,000,000 Per Occurrence
Employee Health	\$900,000 Self-insurance Retention	Unlimited Stop Loss
Workers Compensation	\$1,500,000 Self-insured Retention \$1,000,000 Employers Liability	Workers Compensation Statutory Employers Liability - No Excess Coverage

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

NOTE 9 LITIGATION

Various suits and claims arising in the ordinary course of the Property Appraiser's operations, some of which involve substantial amounts, are pending against the Property Appraiser. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Property Appraiser, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Property Appraiser or the results of its operations.



**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 Marsha M. Faux
Property Appraiser
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of Polk County, Florida Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Property Appraiser's financial statements, and have issued our report thereon dated December 6, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Marsha M. Faux
Property Appraiser

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



CliftonLarsonAllen LLP

Lakeland, Florida
December 6, 2019



MANAGEMENT LETTER

Honorable Marsha M. Faux
Polk County Property Appraiser
Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Polk County, Florida Property Appraiser (Property Appraiser), Florida, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated December 6, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated December 6, 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. In connection with our audit, we did not have any such findings.

Official Title and Legal Authority

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

Honorable Marsha M. Faux
Property Appraiser

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 finding.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and 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

Lakeland, Florida
December 6, 2019



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Marsha M. Faux and the Florida Auditor General
Polk County Property Appraiser
Polk County, Florida

We have examined Polk County, Florida Property Appraiser's (Property Appraiser) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Property Appraiser complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
December 6, 2019

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**POLK COUNTY, FLORIDA
SHERIFF**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2019



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**POLK COUNTY SHERIFF
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INDEPENDENT AUDITORS' REPORT

Honorable Grady C. Judd
Sheriff
Polk 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 Polk County, Florida Sheriff (Sheriff), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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 budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major fund and the aggregate remaining fund information, of Polk County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Polk County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

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 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 the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff’s financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Honorable Grady C. Judd
Polk County Sheriff

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2020 on our consideration of the 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 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 Sheriff's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
January 16, 2020

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**POLK COUNTY SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	General Fund	Nonmajor Governmental Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ 16,170,109	\$ 2,556,068	\$ 18,726,177
Due from Polk County, Florida			
Board of County Commissioners	1,088	141,365	142,453
Due from Clerk of Courts	129,458	565	130,023
Due from Other Governments	382,228	149,497	531,725
Due from Other Funds	280,326	-	280,326
Receivables, Net	205,233	3,534	208,767
Prepaid Items and Other Assets	<u>750,959</u>	<u>70,724</u>	<u>821,683</u>
 Total Assets	 <u>\$ 17,919,401</u>	 <u>\$ 2,921,753</u>	 <u>\$ 20,841,154</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 2,007,803	\$ 206,260	\$ 2,214,063
Accrued Liabilities	5,656,295	17,005	5,673,300
Due to Polk County, Florida			
Board of County Commissioners	10,153,799	2,389	10,156,188
Due to Other Funds	-	280,326	280,326
Due to Other Governments	99,113	9,906	109,019
Unearned Revenue	<u>2,391</u>	<u>-</u>	<u>2,391</u>
Total Liabilities	<u>17,919,401</u>	<u>515,886</u>	<u>18,435,287</u>
 FUND BALANCES			
Nonspendable	750,959	70,724	821,683
Restricted	-	2,358,336	2,358,336
Assigned	-	6,328	6,328
Unassigned	<u>(750,959)</u>	<u>(29,521)</u>	<u>(780,480)</u>
Total Fund Balances	<u>-</u>	<u>2,405,867</u>	<u>2,405,867</u>
 Total Liabilities and Fund Balances	 <u>\$ 17,919,401</u>	 <u>\$ 2,921,753</u>	 <u>\$ 20,841,154</u>

See accompanying Notes to Financial Statements.

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

	General Fund	Nonmajor Governmental Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Polk County, Florida Board of County Commissioners	\$ 165,995,587	\$ -	\$ 165,995,587
Charges for Services	12,658,062	857,196	13,515,258
Intergovernmental	695,092	299,744	994,836
Miscellaneous	3,680,172	708,236	4,388,408
Fines and Forfeitures	786,212	71,163	857,375
Interest	655,236	43,266	698,502
Sale of Capital Assets	249,917	-	249,917
Total Revenues	<u>184,720,278</u>	<u>1,979,605</u>	<u>186,699,883</u>
EXPENDITURES			
Public Safety:			
Personnel Services	138,496,479	729,651	139,226,130
Operating	31,826,583	981,985	32,808,568
Capital Outlay	6,298,892	326,188	6,625,080
Total Expenditures	<u>176,621,954</u>	<u>2,037,824</u>	<u>178,659,778</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,098,324</u>	<u>(58,219)</u>	<u>8,040,105</u>
OTHER FINANCING USES			
Distribution of Excess Fees to Polk County, Florida Board of County Commissioners	<u>(8,098,324)</u>	<u>-</u>	<u>(8,098,324)</u>
Total Other Financing Uses	<u>(8,098,324)</u>	<u>-</u>	<u>(8,098,324)</u>
NET CHANGE IN FUND BALANCES	-	(58,219)	(58,219)
Fund Balances - Beginning of Year	<u>-</u>	<u>2,464,086</u>	<u>2,464,086</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 2,405,867</u>	<u>\$ 2,405,867</u>

See accompanying Notes to Financial Statements.

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

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Polk County, Florida Board of County Commissioners	\$ 165,995,587	\$ 165,995,587	\$ 165,995,587	\$ -
Charges for Services	-	12,626,432	12,658,062	31,630
Intergovernmental	-	-	695,092	695,092
Miscellaneous	-	3,645,267	3,680,172	34,905
Fines and Forfeitures	-	782,201	786,212	4,011
Interest	-	-	655,236	655,236
Sale of Capital Assets	-	249,917	249,917	-
Total Revenues	<u>165,995,587</u>	<u>183,299,404</u>	<u>184,720,278</u>	<u>1,420,874</u>
EXPENDITURES				
Public Safety:				
Personnel Services	132,861,021	141,590,753	138,496,479	3,094,274
Operating	30,334,566	34,415,584	31,826,583	2,589,001
Capital Outlay	2,800,000	7,293,067	6,298,892	994,175
Total Expenditures	<u>165,995,587</u>	<u>183,299,404</u>	<u>176,621,954</u>	<u>6,677,450</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	8,098,324	8,098,324
OTHER FINANCING USES				
Distribution of Excess Fees				
Polk County, Florida Board of County Commissioners	-	-	(8,098,324)	(8,098,324)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(8,098,324)</u>	<u>(8,098,324)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**POLK COUNTY SHERIFF
STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUNDS
SEPTEMBER 30, 2019**

	Agency Funds
ASSETS	
Cash and Investments	\$ 1,455,153
Due from Polk County, Florida Board of County Commissioners	169
Due from Polk County, Florida Clerk of Courts	2
Due from Individuals and Businesses	23,857
Due from Other Governments	17,879
Total Assets	\$ 1,497,060
 LIABILITIES	
Due to Polk County, Florida Board of County Commissioners	\$ 205,222
Due to Other Governments	54,295
Due to Individuals and Businesses	521
Deposits	1,237,022
Total Liabilities	\$ 1,497,060

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Sheriff is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The Sheriff is a County Agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Sheriff does not meet the definition of a legally separate organization and is not considered to be a component unit. The Sheriff is considered to be a part of the primary government of Polk County, Florida. The financial statements contained herein represent the financial transactions of the Sheriff only.

The accompanying financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to only present fund financial statements. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

The legislative and governing body of the County is the five-member Board of County Commissioners. Each County Commissioner is elected on a county-wide basis for a four-year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

The Sheriff is the chief law enforcement officer of Polk County. He is a conservator of the peace; expressly empowered to suppress disturbances and to command the assistance of others in the furtherance of his duties. Additionally, he executes all process, both civil and criminal, within the County and is responsible for the management of the County detention facilities.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred, and revenues are recorded when received in cash or when they are considered both measurable and available and as such, are susceptible to accrual. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days after year-end with the exception of grants, which have a period of availability of one year. Grants are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

The fiduciary funds are maintained on the accrual basis of accounting.

Description of Funds

The accounting records are organized for reporting purposes on the basis of governmental funds and a fiduciary fund.

Governmental Funds

Major Fund

General Fund – The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Sheriff which are not accounted for in another fund.

Non-major Funds

Special Revenue Funds – The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. These funds include expenditures for special revenue grants.

Inmate Welfare Fund – This fund accounts for the monies collected from commissary and canteen sales commissions, and is governed by the provisions of F.S. 951.23.

Law Enforcement Education Fund – These funds account for revenues from \$2.50 and \$2.00 court costs assessments pursuant to F.S. 938.15 as outlined in F.S. 318.18, and the \$5.00 animal control fee assessment pursuant to Polk County Ordinance 10-001, section 6. These revenues are used for the purpose of education and training of Law Enforcement, Detention and Support personnel.

Law Enforcement Trust Fund – These funds account for revenues from local forfeiture proceedings pursuant to F.S. 932.7055, and federal civil assets forfeitures and sharing programs of Department of Justice and Department of Treasury per the US Department of Justice Guide to Equitable Sharing.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Funds

Agency Funds – The Agency Funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. The Agency Funds are custodial in nature and do not involve measurement of changes in financial position (assets equal liabilities).

Budgets and Budgetary Accounting

The following are the procedures followed by the Sheriff in establishing the budget:

- a) On or before May 1 of each year, the Sheriff submits an annual budget for the operations of his office to the Board of County Commissioners. After the budget has been reviewed and approved by the Board of County Commissioners, it becomes the operating budget for the ensuing fiscal year.
- b) The General Fund budget is prepared on the modified accrual basis of accounting.
- c) The budget for the Sheriff is prepared, adopted and administered in accordance with Sections 30.49 and 129.03, *Florida Statutes*.
- d) Any subsequent amendments to the budget must be approved by the Board. The annual budget serves as the legal authorization for expenditures.
- e) Section 129.07, *Florida Statutes*, provides that only excesses of total fund budgets are unlawful.
- f) Unused appropriations lapse at the end of each fiscal year.
- g) Formal budgetary integration is employed as a management control device for the General Fund. Budgetary Control is maintained by fund at the departmental expenditure level. Budgetary changes are made at the discretion of the Sheriff. Management uses a monthly budget variance report that analyzes year-to-date expenditures by category and fund and projects the year-end budget surplus or deficit.
- h) Budgets for the Special Revenue Funds and Other Governmental Funds are not required legally and are, therefore, not prepared.
- i) The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased by the Sheriff are recorded as capital outlay expenditures. Ownership of all capital assets is vested in the Polk County, Florida Board of County Commissioners as provided by Chapter 274, *Florida Statutes*. The Sheriff maintains custodial responsibility for the capital assets used by his office. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date received. The Sheriff's policy is to capitalize expenditures for equipment with a life of more than one year and cost of greater than \$1,000. The Sheriff's expenditures for building renovations shall only be considered capital if the renovation project exceeds \$5,000. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Polk County, Florida.

Excess Fees

Chapter 30, *Florida Statutes*, requires that any excess of revenues over expenditures in the General Fund (excess fees) held by the Sheriff at the end of each fiscal year shall be refunded to Polk County, Florida 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 a transfer of excess fees on the statement of revenues, expenditures and changes in fund balances, and the related liability is recorded as due to Polk County, Florida Board of County Commissioners.

Cash and Investments

All funds participate in the pooled cash and investments program for the purpose of maximizing investment yields. The earnings of the pool are allocated on a monthly basis to individual funds based upon their average monthly balance in the pool.

Due to/from Other Funds

Amounts receivable from or payable to other funds are reflected in the accounts of the fund until liquidated by payment or authorized interfund transactions.

Receivables, Net

Receivables include amounts due from services provided under various agreements. All receivables are current. Based on estimated collectability, the allowance for uncollectible amounts related to stipends paid to persons in the training academy is \$375,725, which is equal to the receivable of \$375,725. All other receivables are considered to be collectible and, therefore, no other allowance for doubtful accounts is considered necessary by management.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid items are generally accounted for using the consumption method. These are not available expendable resources.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Sheriff. As the Sheriff is an elected official responsible for the activities of the Sheriff's office, he is the highest level of decision making authority and any official order from the Sheriff would be required to authorize commitment of fund balance.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's general orders, only the executive director has been given the authority to assign fund balance for a specific purpose.

Unassigned – all other spendable amounts.

The Sheriff has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when a general fund expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Sheriff will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which fund expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Sheriff will first use unassigned amounts, then assigned amounts, then committed amounts, and finally restricted amounts.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

Vacation and Sick Leave Plan

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

<u>Rank</u>	<u>Length of Service</u>	<u>Annual Leave Earned</u>
Major and Above	0 and Above	240 hours
Below Major	1-4 Years	96 hours
	5-9 Years	120 hours
	10-14 Years	160 hours
	15-19 Years	180 hours
	20-24 Years	200 hours
	25 and Above Years	240 hours

For employees hired prior to January 1, 1997, the maximum permissible accumulation of vacation leave is thirty-six times the monthly accrual rate. If hired after January 1, 1997, employees may accumulate vacation leave not to exceed 240 hours. At termination, employees in good standing are paid for any accumulated vacation leave.

Sick leave accumulates for full time employees at the rate of one day per calendar month and is cumulative. Employees hired after January 1, 1997 shall not be paid for accrued sick leave. However, if a full-time employee hired prior to January 1, 1997 leaves the Sheriff in good standing or retires, the employee shall be paid for accrued sick leave based on the following schedule:

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
15-19 Years	40- 48%
20-24 Years	50 -54%
25-29 Years	55 -59%
30 and Above Years	60%

Only the amount of unpaid vacation and sick leave that normally would have been expendable from available resources is accrued as current year expenditures. Total payable vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. Employees are charged for the last day of vacation or sick leave when the leave is used. Thus, unless it is anticipated that vacation or sick will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

The Sheriff does not, nor is the sheriff legally required to, accumulate expendable financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds of the Sheriff, but rather reported in the basic financial statements for the Polk County, Florida.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Paid Time Off (PTO) Leave Plan

Full-time employees earn annual leave at varying rates, depending upon length of service. All members in the PTO plan accrue leave according to the following schedule:

<u>Rank</u>	<u>Length of Service</u>	<u>PTO Leave Earned After January 1, 1997</u>
Major and Above	0 and Above	288 hours
Below Major	0-4 Years	144 hours
	5-9 Years	168 hours
	10-14 Years	192 hours
	15-19 Years	216 hours
	20 and Above Years	248.4 hours

There is no maximum amount of paid time off leave hours a member may accumulate. Upon termination, the maximum that shall be paid out is based on the following schedule:

<u>Length of Service</u>	<u>Members Hired January 1, 1997 to December 31, 2013</u>	<u>Members Hired January 1, 2014 and After</u>
0-3 Years	Up to 240 hours	None
4-5 Years	Up to 240 hours	Up to 100 hours
6 Years	Up to 240 hours	Up to 200 hours
7-9 Years	Up to 250 hours	Up to 250 hours
10-14 Years	Up to 300 hours	Up to 300 hours
15-19 Years	Up to 350 hours	Up to 350 hours
20-24 Years	Up to 400 hours	Up to 400 hours
25 and Above Years	Up to 480 hours	Up to 480 hours

Only the amount of unpaid PTO that would have been expendable from available resources is accrued as current expenditures. Total payable PTO leave hours are multiplied by the current pay rate to determine the accrued liability. Employees are charged for the last day of PTO leave when the leave is used. Thus, unless it is anticipated that PTO will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefit Obligations

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Sheriff participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. Other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

Use of Estimates

The preparation of the financial statements requires management of the Sheriff to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Other Significant Accounting Policies

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

NOTE 2 CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year-end, the Sheriff's deposits were entirely covered by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, *Florida Statutes*. Under the Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits

At September 30, 2019, the Sheriff's book balance of cash was \$20,181,330, which includes \$2,965 of cash on hand, and the bank balance was \$20,647,109. The Sheriff's interest bearing bank balance is collateralized pursuant to Chapter 280, *Florida Statutes*. The remaining balances in such accounts are collateralized with the State Treasurer pursuant to Chapter 280, *Florida Statutes*.

Investments

The Sheriff is authorized to invest surplus funds in accordance with Chapter 218, *Florida Statutes*. This investment policy formally established guidelines and authorized the Sheriff to invest in the following:

- a) the Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, in s. 163.01;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) interest bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02, and
- d) direct obligations of the U.S. Treasury.

There were no violations of legal or contractual provisions for deposits and investments during the year.

The Sheriff invests funds throughout the year with the Local Government Surplus Funds Trust Fund, "Florida PRIME" pool, an investment pool administered by the Florida 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*. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the Sheriff's position in the pool is the same as the value of the pool shares. At September 30, 2019, the balance in Florida PRIME totaled \$11,205,159.

The Sheriff's investment in the State Pool exposes it to custodial credit risk. Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, the Sheriff will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Florida PRIME has adopted operating procedures consistent with the requirements for a SEC 2a7-like fund (as defined in GASB 31); therefore, the account balance should be considered the fair value of the investment. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAm. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2019 was 37 days. The weighted average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days.

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the LGIP to interest rate changes.

In accordance with GASB 79, as a participant in a qualifying external investment pool, the Sheriff should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates in the notes to the financial statements.

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 monies 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.

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

NOTE 3 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the Sheriff for the year ended September 30, 2019 which are reported in the basic financial statements of Polk County, Florida:

	October 1, 2018	Additions	Deletions	September 30, 2019
Compensated Absences	\$ 11,214,881	\$ 8,433,993	\$ (8,920,425)	\$ 10,728,449

Of these liabilities, approximately \$886,692 is expected to be paid during the fiscal year ending September 30, 2020.

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 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).

**POLK COUNTY SHERIFF
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 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

**POLK COUNTY SHERIFF
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 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.

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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.

**POLK COUNTY SHERIFF
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 Sheriff's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$18,844,105, \$17,491,392, and \$16,066,966, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in Polk County's comprehensive annual financial report.

NOTE 5 OPERATING LEASES

As of September 30, 2019, the Sheriff has several cancelable and non-cancelable operating leases. The operating leases generally provide for automatic termination in any year in which the Sheriff fails to appropriate funds for lease payments. Lease and rental expenditures under cancelable and non-cancelable lease arrangements as well as various month to month rental agreements for the year ended September 30, 2019, were \$510,023. The following is a schedule of future minimum lease payments required under non-cancelable leases:

Year	Amount
2020	\$ 147,454
2021	39,477
2022	17,784
2023	10,833
2024	9,443
Thereafter	65,314
Total	\$ 290,305

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

NOTE 6 FUND BALANCE CLASSIFICATIONS

As of September 30, 2019, fund balances are composed of the following:

	General	Nonmajor Governmental Funds	Total
Nonspendable:			
Prepaid Items	\$ 750,959	\$ 70,724	\$ 821,683
Restricted:			
Inmate Welfare	-	1,521,078	1,521,078
Law Enforcement Education	-	585,789	585,789
Law Enforcement Trust Fund	-	68,221	68,221
Restricted for Purpose of Grants	-	183,248	183,248
Total Restricted	-	2,358,336	2,358,336
Assigned Funds			
Subsequent Year Expenditures	-	6,328	6,328
Unassigned Funds	(750,959)	(29,521)	(780,480)
Total Fund Balances	<u>\$ -</u>	<u>\$ 2,405,867</u>	<u>\$ 2,405,867</u>

NOTE 7 CAPITAL ASSETS

Tangible personal property used by the Sheriff in operations is reported in the basic financial statements of Polk County, Florida.

State law requires the Sheriff to account for all tangible property used by the Sheriff. A summary of changes in capital assets for the year ended September 30, 2019:

	October 1, 2018	Additions	Disposals	Transfers	September 30, 2019
Capital Assets Not Depreciated:					
Construction-in-Progress	\$ 533,851	\$ 194,057	\$ -	\$ (507,121)	\$ 220,787
Total Assets Not Depreciated	<u>533,851</u>	<u>194,057</u>	<u>-</u>	<u>(507,121)</u>	<u>220,787</u>
Capital Assets Depreciated:					
Autos and Aircraft	37,574,735	4,514,819	(2,660,766)	2,189	39,430,977
Radios and Equipment	1,786,486	-	(6,889)		1,779,597
Jail Fixtures and Equipment	2,201,797	164,151	(160,226)		2,205,722
Office Furniture and Equipment	18,853,891	936,336	(1,431,406)	32,786	18,391,607
Other Criminal and Investigative	13,156,674	1,241,686	(468,447)	472,146	14,402,059
Total Assets Depreciated	<u>73,573,583</u>	<u>6,856,992</u>	<u>(4,727,734)</u>	<u>507,121</u>	<u>76,209,962</u>
Less Accumulated Depreciation:					
Autos and Aircraft	24,154,205	3,744,271	(2,587,528)	2,189	25,313,137
Radios and Equipment	1,171,459	178,187	(4,643)		1,345,003
Jail Fixtures and Equipment	1,799,418	108,863	(158,287)		1,749,994
Office Furniture and Equipment	15,142,028	1,316,441	(1,382,598)		15,075,871
Other Criminal and Investigative	6,865,761	873,420	(467,759)	(2,189)	7,269,233
Total Accumulated Depreciation:	<u>49,132,871</u>	<u>6,221,182</u>	<u>(4,600,815)</u>	<u>-</u>	<u>50,753,238</u>
Total Assets Depreciated, Net	<u>24,440,712</u>	<u>635,810</u>	<u>(126,919)</u>	<u>507,121</u>	<u>25,456,724</u>
Total Capital Assets, Net	<u>\$ 24,974,563</u>	<u>\$ 829,867</u>	<u>\$ (126,919)</u>	<u>\$ -</u>	<u>\$ 25,677,511</u>

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

NOTE 8 DUE TO/FROM POLK COUNTY, FLORIDA

The amounts due from (to) the Board of County Commissioners and the Clerk as of September 30, 2019 are as follows:

Due from Board of County Commissioners

Nonmajor Governmental Funds	\$ 141,365
General Fund	1,088
Agency Funds	169
Total	\$ 142,622

Due to Board of County Commissioners

General Fund	\$ (10,153,799)
Agency Funds	(205,222)
Nonmajor Governmental Funds	(2,389)
Total	\$ (10,361,410)

Due from Clerk

General Fund	\$ 129,458
Nonmajor Governmental Funds	565
Agency Funds	2
Total	\$ 130,025

NOTE 9 COMMITMENTS AND CONTINGENCIES

Litigation

Various suits and claims arising in the ordinary course of operations, some of which involve substantial amounts, are pending against the Sheriff. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Sheriff, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Sheriff or the results of its operations.

Contingencies

No accrual has been made in the financial statements for contingencies related to claims not yet asserted, because the amount cannot be reasonably estimated. In management's opinion, any such claims, if asserted, would not have a material adverse effect on the operations or financial position of the Sheriff.

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

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Federal and State Grant Programs

The Sheriff participates in a number of Federal and State programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the Sheriff's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies, cannot be determined at this time although the Sheriff expects such amounts, if any, to be immaterial.

NOTE 10 RELATED-PARTY TRANSACTIONS

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

Budget Appropriations – The General Fund of the Sheriff received appropriations in the amount of \$165,995,587.

The Nonmajor Governmental Funds of the Sheriff received revenues in the amount of \$490,868.

Other Revenue – The General Fund of the Sheriff received revenues in the amounts of \$200,000 and \$125,065 for charges for services of E911 and miscellaneous fees, respectively, for the year ended September 30, 2019, from the Board of County Commissioners.

Other Revenue – The Nonmajor Funds of the Sheriff received revenues in the amounts of \$262,685 from fines and forfeitures.

Fuel Expense – The General Fund of the Sheriff purchased fuel in the amount of \$763,054.

NOTE 11 INTERLOCAL AGREEMENTS

The Sheriff has entered into interlocal agreements with local governmental entities. The interlocal agreements were formed to provide law enforcement services, law enforcement related telecommunications services and related information technology services within the related municipalities within Polk County, Florida. The Sheriff shall assign personnel to provide these services consistent with each interlocal agreement. The activity for these interlocal agreements is accounted for in the General Fund in Charges and Fees for Services.

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

NOTE 12 RISK MANAGEMENT

The Sheriff participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County.

<u>Claim Type</u>	<u>County Coverage (Deductible/Self-insured Amount)</u>	<u>Excess Carrier's Coverage</u>
Property	Deductible \$1,000,000 except for as below : Named Windstorm 3% of TV with \$5,000,000 Maximum \$1,000,000 Builders Risk	\$135,000,000 Named Windstorm \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (zones A & V)
General and Employment Practices Liability	\$1,000,000 Self-insurance Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$ 7,000,000 Per Occurrence \$14,000,000 Aggregate
Auto Liability	\$1,000,000 Self-insured Retention Sovereign immunity limits: \$200,000 Any One Person \$300,000 Any One Claim	\$7,000,000 Per Occurrence
Employee Health	\$900,000 Self-insurance Retention	Unlimited Stop Loss
Workers Compensation	\$1,500,000 Self-insured Retention \$1,000,000 Employers Liability	Workers Compensation Statutory Employers Liability - No Excess Coverage

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COMBINING SCHEDULES

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**POLK COUNTY SHERIFF
COMBINING SCHEDULE OF FIDUCIARY NET POSITION – AGENCY FUNDS
SEPTEMBER 30, 2019**

	Fees and Suspense Fund	Fines and DRDs Fund	Inmate Fund	Total
ASSETS				
Cash and Investments	\$ 1,358,572	\$ 4,070	\$ 92,511	\$ 1,455,153
Due from Polk County, Florida				
Board of County Commissioners	169	-	-	169
Clerk of Courts	2	-	-	2
Due from Individuals and Businesses	9,746		14,111	23,857
Due from Other Governments	17,879	-	-	17,879
 Total Assets	 \$ 1,386,368	 \$ 4,070	 \$ 106,622	 \$ 1,497,060
 LIABILITIES				
Due to Polk County, Florida				
Board of County Commissioners	\$ 205,222	\$ -	\$ -	\$ 205,222
Due to Other Governments	48,754	4,070	1,471	54,295
Due to Individuals and Businesses	-	-	521	521
Deposits	1,132,392	-	104,630	1,237,022
 Total Liabilities	 \$ 1,386,368	 \$ 4,070	 \$ 106,622	 \$ 1,497,060

**POLK COUNTY SHERIFF
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2019**

	October 1, 2018	Additions	Deductions	September 30, 2019
FEES AND SUSPENSE FUND				
ASSETS				
Cash and Investments	\$ 1,267,050	\$ 1,158,766	\$ (1,067,244)	\$ 1,358,572
Due from Polk County, Florida				
Board of County Commissioners	-	169	-	169
Due from Polk County, Florida				
Clerk of Courts	17	2	(17)	2
Due from Individuals and Businesses	1,018	9,746	(1,018)	9,746
Due from Other Governments	14,428	17,879	(14,428)	17,879
	<u>\$ 1,282,513</u>	<u>\$ 1,186,562</u>	<u>\$ (1,082,707)</u>	<u>\$ 1,386,368</u>
LIABILITIES				
Due to Polk County, Florida				
Board of County Commissioners	\$ 219,902	\$ 678,318	\$ (692,998)	\$ 205,222
Clerk of Courts	-	41,028	(41,028)	-
Due to Other Governments	3,206	136,694	(91,146)	48,754
Deposits	1,059,405	315,060	(242,073)	1,132,392
	<u>\$ 1,282,513</u>	<u>\$ 1,171,100</u>	<u>\$ (1,067,245)</u>	<u>\$ 1,386,368</u>
FINES AND DRDS				
ASSETS				
Cash and Investments	<u>\$ 2,070</u>	<u>\$ 31,477</u>	<u>\$ (29,477)</u>	<u>\$ 4,070</u>
LIABILITIES				
Deposits	\$ -	\$ 1,955	\$ (1,955)	\$ -
Due to Polk County, Florida				
Clerk of Courts	-	750	(750)	-
Due to Other Governments	2,070	28,772	(26,772)	4,070
	<u>\$ 2,070</u>	<u>\$ 31,477</u>	<u>\$ (29,477)</u>	<u>\$ 4,070</u>
INMATE FUND				
ASSETS				
Cash and Investments	\$ 279,729	\$ 3,787,549	\$ (3,974,767)	\$ 92,511
Due from Individuals and Businesses	34,295	3,189,201	(3,209,385)	14,111
	<u>\$ 314,024</u>	<u>\$ 6,976,750</u>	<u>\$ (7,184,152)</u>	<u>\$ 106,622</u>
LIABILITIES				
Due to Other Governments	\$ 229,353	\$ 3,086,682	\$ (3,314,564)	\$ 1,471
Due to Individuals and Businesses	2,712	511,463	(513,654)	521
Deposits	81,959	3,767,365	(3,744,694)	104,630
	<u>\$ 314,024</u>	<u>\$ 7,365,510</u>	<u>\$ (7,572,912)</u>	<u>\$ 106,622</u>

POLK COUNTY SHERIFF
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – AGENCY FUNDS
(CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	October 1, 2018	Additions	Deductions	September 30, 2019
TOTALS - AGENCY FUNDS				
ASSETS				
Cash and Investments	\$ 1,548,849	\$ 4,977,792	\$ (5,071,488)	\$ 1,455,153
Due from Polk County, Florida				
Board of County Commissioners	-	169	-	169
Clerk of Courts	17	2	(17)	2
Due from Individuals and Businesses	35,313	3,198,947	(3,210,403)	23,857
Due from Other Governments	14,428	17,879	(14,428)	17,879
	<u>\$ 1,598,607</u>	<u>\$ 8,194,789</u>	<u>\$ (8,296,336)</u>	<u>\$ 1,497,060</u>
LIABILITIES				
Due to Polk County, Florida				
Board of County Commissioners	\$ 219,902	\$ 678,318	\$ (692,998)	\$ 205,222
Due to Polk County, Florida				
Clerk of Courts	-	41,778	(41,778)	-
Due to Other Governments	234,629	3,252,148	(3,432,482)	54,295
Due to Individuals and Businesses	2,712	511,463	(513,654)	521
Deposits	1,141,364	4,084,380	(3,988,722)	1,237,022
	<u>\$ 1,598,607</u>	<u>\$ 8,568,087</u>	<u>\$ (8,669,634)</u>	<u>\$ 1,497,060</u>

**POLK COUNTY SHERIFF
COMBINING BALANCE SHEET – NONMAJOR FUNDS
SEPTEMBER 30, 2019**

	Special Revenue Funds	Inmate Welfare	Law Enforcement Education	Law Enforcement Trust	Total Nonmajor Governmental Funds
ASSETS					
Cash and Investments	\$ 268,303	\$ 1,650,509	\$ 569,146	\$ 68,110	\$ 2,556,068
Due from Polk County, Florida					
Board of County Commissioners	119,461	-	21,904	-	141,365
Due from Clerk of Courts	-	-	565	-	565
Due from Other Governments	144,958	-	4,539	-	149,497
Receivables, Net	263	2,430	730	111	3,534
Prepaid Items and Other Assets	7,655	-	62,735	334	70,724
	<u>7,655</u>	<u>-</u>	<u>62,735</u>	<u>334</u>	<u>70,724</u>
Total Assets	<u>\$ 540,640</u>	<u>\$ 1,652,939</u>	<u>\$ 659,619</u>	<u>\$ 68,555</u>	<u>\$ 2,921,753</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 77,510	\$ 127,500	\$ 1,250	\$ -	\$ 206,260
Accrued Liabilities	12,644	4,361	-	-	17,005
Due to Polk County, Florida					
Board of County Commissioners	2,389	-	-	-	2,389
Due to Other Funds	250,805	-	29,521	-	280,326
Due to Other Governments	61	-	9,845	-	9,906
Total Liabilities	<u>343,409</u>	<u>131,861</u>	<u>40,616</u>	<u>-</u>	<u>515,886</u>
FUND BALANCES					
Nonspendable	7,655	-	62,735	334	70,724
Restricted	183,248	1,521,078	585,789	68,221	2,358,336
Assigned	6,328	-	-	-	6,328
Unassigned	-	-	(29,521)	-	(29,521)
Total Fund Balances	<u>197,231</u>	<u>1,521,078</u>	<u>619,003</u>	<u>68,555</u>	<u>2,405,867</u>
Total Liabilities and Fund Balances	<u>\$ 540,640</u>	<u>\$ 1,652,939</u>	<u>\$ 659,619</u>	<u>\$ 68,555</u>	<u>\$ 2,921,753</u>

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

	Special Revenue Funds	Inmate Welfare	Law Enforcement Education	Law Enforcement Trust	Total
REVENUES					
Charges for Services	\$ 610,329	\$ -	\$ 246,867	\$ -	\$ 857,196
Intergovernmental	297,592	-	2,152	-	299,744
Miscellaneous	48,770	659,466	-	-	708,236
Fines and Forfeitures	16,847	10	-	54,306	71,163
Interest	2,567	24,575	12,265	3,859	43,266
Total Revenues	<u>976,105</u>	<u>684,051</u>	<u>261,284</u>	<u>58,165</u>	<u>1,979,605</u>
EXPENDITURES					
Public Safety:					
Personnel Services	533,076	196,575	-	-	729,651
Operating	229,891	44,217	384,144	323,733	981,985
Capital Outlay	<u>322,472</u>	<u>3,716</u>	<u>-</u>	<u>-</u>	<u>326,188</u>
Total Expenditures	<u>1,085,439</u>	<u>244,508</u>	<u>384,144</u>	<u>323,733</u>	<u>2,037,824</u>
NET CHANGE IN FUND BALANCES	(109,334)	439,543	(122,860)	(265,568)	(58,219)
Fund Balances - Beginning of Year	<u>306,565</u>	<u>1,081,535</u>	<u>741,863</u>	<u>334,123</u>	<u>2,464,086</u>
FUND BALANCES - END OF YEAR	<u>\$ 197,231</u>	<u>\$ 1,521,078</u>	<u>\$ 619,003</u>	<u>\$ 68,555</u>	<u>\$ 2,405,867</u>

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SUPPLEMENTAL REPORTS

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**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 Grady C. Judd
Sheriff
Polk 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 aggregate remaining information of the Polk County, Florida Sheriff (Sheriff), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated January 16, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Lakeland, Florida
January 16, 2020



MANAGEMENT LETTER

Honorable Grady C. Judd
Sheriff
Polk County, Florida

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Polk County, Florida Sheriff (Sheriff), as of and for the year ended September 30, 2019 and have issued our report thereon dated January 16, 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 Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 16, 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. In connection with our audit, we did not have any such findings.

Official Title and Legal Authority

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

Honorable Grady C. Judd
Polk County Sheriff

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

Lakeland, Florida
January 16, 2020



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Grady C. Judd
Sheriff
Polk County, Florida

We have examined the Polk County, Florida Sheriff (the Sheriff),’s 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

Lakeland, Florida
January 16, 2020

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**POLK COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2019



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**POLK COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
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INDEPENDENT AUDITORS' REPORT

Honorable Lori Edwards
Supervisor of Elections
Polk County, Florida

Report on the Financial Statement

We have audited the accompanying financial statements of each major fund of the Polk County, Florida, Supervisor of Elections (Supervisor), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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.

Honorable Lori Edwards
Polk County Supervisor of Elections

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Supervisor as of September 30, 2019, and the respective changes in financial position and the budgetary comparisons of its general fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Florida 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 only for that portion of the major funds of Polk County, Florida that is attributable to the Supervisor. They do not purport to, and do not, present fairly the financial position of Polk 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

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2020 on our consideration of the Supervisor’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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’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 Supervisor’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
March 13, 2020

**POLK COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	General	Special Revenue Grants	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,160	\$ 670,239	\$ 676,399
Due from Other Governments	20	-	20
Prepaid Items	187,449	-	187,449
	<u>187,449</u>	<u>-</u>	<u>187,449</u>
Total Assets	<u>\$ 193,629</u>	<u>\$ 670,239</u>	<u>\$ 863,868</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Vouchers Payable	\$ 155,827	\$ -	\$ 155,827
Accrued Liabilities	37,802	-	37,802
	<u>37,802</u>	<u>-</u>	<u>37,802</u>
Total Liabilities	193,629	-	193,629
FUND BALANCES			
Nonspendable	187,449	-	187,449
Restricted	-	670,239	670,239
Unassigned	(187,449)	-	(187,449)
	<u>-</u>	<u>670,239</u>	<u>670,239</u>
Total Fund Balances	<u>-</u>	<u>670,239</u>	<u>670,239</u>
Total Liabilities and Fund Balances	<u>\$ 193,629</u>	<u>\$ 670,239</u>	<u>\$ 863,868</u>

See accompanying Notes to Financial Statements.

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

	General	Special Revenue Grants	Total
REVENUES			
Intergovernmental	-	2,701	2,701
Charges for Services	21,991	-	21,991
Miscellaneous	222,064	-	222,064
Interest	-	16,679	16,679
Total Revenues	<u>244,055</u>	<u>19,380</u>	<u>263,435</u>
EXPENDITURES			
General Government:			
Personnel Services	2,176,172	-	2,176,172
Operating	1,394,840	24,844	1,419,684
Capital Outlay	41,883	409,166	451,049
Total Expenditures	<u>3,612,895</u>	<u>434,010</u>	<u>4,046,905</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(3,368,840)</u>	<u>(414,630)</u>	<u>(3,783,470)</u>
Other Financing Sources:			
Interfund Transfers	9,220	(9,220)	-
Transfer In from Polk County, Florida Board of County Commissioners	3,359,620	-	3,359,620
Total Other Financing Sources	<u>3,368,840</u>	<u>(9,220)</u>	<u>3,359,620</u>
NET CHANGE IN FUND BALANCES	-	(423,850)	(423,850)
Fund Balances - Beginning of Year	-	1,094,089	1,094,089
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 670,239</u>	<u>\$ 670,239</u>

See accompanying Notes to Financial Statements.

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

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	-	-	21,991	21,991
Miscellaneous	-	-	222,064	222,064
Total Revenues	-	-	244,055	244,055
EXPENDITURES				
General Government:				
Personnel Services	2,476,893	2,476,893	2,176,172	300,721
Operating	1,581,764	1,579,764	1,394,840	184,924
Capital Outlay	41,000	43,000	41,883	1,117
Total Expenditures	4,099,657	4,099,657	3,612,895	486,762
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,099,657)	(4,099,657)	(3,368,840)	730,817
Other Financing Sources:				
Interfund Transfers	-	-	9,220	9,220
Transfer In from Polk County, Florida Board of County Commissioners	4,099,657	4,099,657	3,359,620	(740,037)
Total Other Financing Sources	4,099,657	4,099,657	3,368,840	(730,817)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Polk County, Florida is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The legislative and governing body of the County is the five-member Board of County Commissioners. Each County Commissioner is elected on a countywide basis for a four-year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

There are six offices elected countywide which are as follows: Board of County Commissioners composed of five (5) members, Supervisor of Elections, Clerk of the Circuit Court, Property Appraiser, Sheriff, and Tax Collector.

Reporting Entity

The Supervisor of Elections (Supervisor) is a County Agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Supervisor does not meet the definition of a legally separate organization and is not considered to be a component unit. The Supervisor is considered to be a part of the primary government of Polk County, Florida (the County).

These financial statements presented include the general fund and the special revenue grants fund of the Supervisor's office. The accompanying financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Florida Auditor General – Local Governmental Entity Audits*, which allows the Supervisor to only present fund financial statements. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Supervisor. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America.

The Supervisor is the official custodian of the registration books and has the exclusive control of matters pertaining to registration of electors and the administration of elections. These financial statements present all fund types of the Supervisor, and are not meant to represent Polk County, Florida as a whole.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The accounting policies of the Supervisor conform to accounting principles, as applicable to governmental units generally accepted in the United States of America. 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 accompanying financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred, and revenues are recorded when received in cash or when they are considered measurable and available and as such, are susceptible to accrual. For this purpose, the Supervisor considers revenues to be available if they are collected within 60 days after year-end with the exception of grants, which have a period of availability of one year. Grants are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

Description of Funds

The accounting records are organized for reporting purposes on the basis of governmental funds.

General Fund – the general fund is the primary operating fund of the Supervisor. It is used to account for all revenues and expenditures not required to be accounted for in another fund.

Special Revenue Grants Fund – the grants fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Assets

Capital assets purchased by the Supervisor are recorded as capital outlay expenditures and are capitalized in the basic financial statements of Polk County, Florida rather than in the governmental funds of the Supervisor. Ownership of all capital assets is vested in the Polk County Board of County Commissioners as provided by Chapter 274, *Florida Statutes*. The Supervisor's policy is to capitalize expenditures for assets with a life of more than one year and cost of greater than \$1,000.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of the Supervisor. As the Supervisor is an elected official responsible for the activities of the Supervisor’s office, she is the highest level of decision making authority and an official order from the Supervisor would be required to authorize commitment of fund balance.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used or specific purposes.

Unassigned — all other spendable amounts.

The Supervisor has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when general fund expenditure is incurred, the Supervisor will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which fund expenditures are incurred, the Supervisor will first use unassigned amounts, then assigned amounts, then committed amounts, and finally restricted amounts.

Accrued Compensated Absences

The amounts of unpaid vacation and sick leave accumulated by employees are accrued as current year expenditures for amounts that would normally be liquidated with expendable available financial resources. Total available vacation and sick leave hours are multiplied by the current pay rate to determine the accrued liability. The Supervisor uses the last-in, first-out (LIFO) method of recognizing the use of vacation and sick hours. Employees are charged for the last day of vacation or sick leave earned when the leave is used. Thus, unless it is anticipated that vacation or sick leave will be used in excess of a normal year’s accumulation, no additional expenditures are accrued.

The Supervisor does not, nor is legally required to accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the general fund of the Supervisor, but rather is reported in the basic financial statements of Polk County, Florida.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefit Obligations

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Supervisor participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. Other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid items are generally accounted for using the consumption method. These are not available expendable resources.

Budgets and Budgetary Accounting

The following are the procedures followed in establishing the budget for the Supervisor's office:

1. On or before June 1 of each year, the Supervisor submits to the Board of County Commissioners a tentative budget for expenditures to be paid by the Board of County Commissioners on behalf of the Supervisor for the ensuing fiscal year.
2. Prior to September 1 of each year, the Supervisor submits a budget to the Board of County Commissioners for filing which includes proposed expenditures for the operations of the Supervisor and the means of financing operations. All appropriations are provided by the Board of County Commissioners.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund.
4. Section 129.07, *Florida Statutes*, provides that only excesses of total fund budgets are unlawful.
5. Unused appropriations expire at the end of each fiscal year.
6. A budget for the Special Revenue Grants Fund is not legally required to be prepared by the Supervisor and is therefore not presented in the financial statements.
7. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental allocations and legally authorized changes applicable to the fiscal year, whenever legally authorized.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements requires management of the Supervisor to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

The Supervisor participates in the pooled cash and investments program of the Polk County, Florida, Board of County Commissioners for the purpose of maximizing investment yields. The earnings of the pool are allocated on a monthly basis to the individual funds of the Board of County Commissioners and the Supervisor based upon their average monthly balance in the pool.

Pooled cash and investments of the Board of County Commissioners determined to be available in excess of immediate needs is placed in investments in accordance with the Polk County Board of County Commissioners Investment Policy as amended October 4, 2016, under the guidelines of *Florida Statute* 218.415. Investments, which are primarily comprised of treasury notes and other U.S. obligations, certificates of deposit, and amounts invested in the State Board of Administration, are recorded at fair value.

NOTE 3 CAPITAL ASSETS

Capital assets used by the Supervisor in operations is reported in the financial statements of Polk County, Florida. The Supervisor maintains custodial responsibility for the capital assets used by the office. The following is a summary of changes in capital assets, which are reported in the basic financial statements of Polk County, Florida:

	October 1, 2018	Additions	Disposals	September 30, 2019
Capital Assets being Depreciated:				
Equipment	\$ 314,851	\$ 444,884	\$ (19,110)	\$ 740,625
Furniture	76,372	-	-	76,372
IT Equipment	294,053	6,165	(17,729)	282,489
Total Assets being Depreciated:	<u>685,276</u>	<u>451,049</u>	<u>(36,839)</u>	<u>1,099,486</u>
Less: Accumulated Depreciation				
Equipment	185,022	69,635	(19,110)	235,547
Furniture	102,296	888	-	103,184
IT Equipment	159,476	51,117	(17,729)	192,864
Total Accumulated Depreciation	<u>446,794</u>	<u>121,640</u>	<u>(36,839)</u>	<u>531,595</u>
Total Assets being Depreciated, Net	<u>\$ 238,482</u>	<u>\$ 329,409</u>	<u>\$ -</u>	<u>\$ 567,891</u>

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

Florida Retirement System Pension Plan

Plan Description

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

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

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

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

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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.

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

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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.

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

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Supervisor's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$234,364, \$214,866 and \$178,983, 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.

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

NOTE 5 LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities which are reported in the basic financial statements of Polk County, Florida.

	October 1, 2018	Additions	Deletions	September 30, 2019
Compensated Absences	\$ 81,815	\$ 130,763	\$ (135,736)	\$ 76,842

Of these liabilities, approximately \$76,842 is expected to be paid during fiscal year ending September 30, 2019, which will be included in the operating costs of the general fund when expended. These long-term liabilities are not reported within the financial statements of the Supervisor since they have not matured.

NOTE 6 FUND BALANCE CLASSIFICATIONS

As of September 30, 2019, fund balances are composed of the following:

	General	Special Revenue Grants	Total
Nonspendable:			
Prepaid Items	\$ 187,449	\$ -	\$ 187,449
Restricted:			
Restricted for Helping America Vote Act	-	670,239	670,239
Unassigned Funds	(187,449)	-	(187,449)
Total Fund Balances	\$ -	\$ 670,239	\$ 670,239

NOTE 7 RELATED PARTY

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

Budget Appropriations – The Board of County Commissioners provided appropriations to the Supervisor in the amount of \$3,359,620 for personnel services, operating expenses, and capital outlay.

Fleet Expense – The General Fund of the Supervisor utilized the fleet services including fuel and repairs in the amount of \$3,856 for the year ended September 30, 2019, from the Board of County Commissioners.

Information Technology Service Expense – The General Fund of the Supervisor utilized the IT services in the amount of \$29,100 for the year ended September 30, 2019, from the Board of County Commissioners.

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

NOTE 8 COMMITMENTS AND CONTINGENCIES

Litigation

Various suits and claims arising in the ordinary course of operations, some of which may involve substantial amounts, are pending against the Supervisor. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Supervisor, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Supervisor or the results of its operations.

Contingencies

No accrual has been made in the financial statements for contingencies related to claims not yet asserted, because the amount cannot be reasonably estimated. In management's opinion, any such claims, if asserted, would not have a material adverse effect on the operations or financial position of the Supervisor.

State Grant Programs

The Supervisor participates in a number of State programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the Supervisor's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies, cannot be determined at this time, although the Supervisor expects such amounts, if any, to be immaterial.

NOTE 9 RISK MANAGEMENT

The Supervisor of Elections participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. There were no losses reported for the years ended September 30, 2019, 2018, nor 2017.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third party carriers in any of the last three years.

The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County.

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

NOTE 9 RISK MANAGEMENT (CONTINUED)

The insurance coverages are summarized below.

<u>Claim Type</u>	<u>County Coverage (Deductible/Self-Insured Amount)</u>	<u>Excess Carrier's Coverage</u>
Property	Deductible \$250,000 except for as below : Named Windstorm 3% of TV with \$5,000,000 Maximum \$1,000,000 Builders Risk	\$135,000,000 Named Windstorm \$ 25,000,000 Earthquake Aggregate \$ 20,000,000 Flood Aggregate \$ 10,000,000 Flood Aggregate (Zones A & V)
General & Employment Practices Liability	\$1,000,000 Self-Insurance Retention Sovereign Immunity Limits: \$200,000 Any One Person \$300,000 Any One Claim	\$7,000,000 Per Occurrence \$14,000,000 Aggregate
Auto Liability	\$1,000,000 Self-Insured Retention Sovereign Immunity Limits: \$200,000 any one person \$300,000 any one claim	\$7,000,000 per Occurrence
Employee Health	\$900,000 Self-Insurance Retention	Unlimited Stop Loss

SUPPLEMENTAL REPORTS

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**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 Lori Edwards
Supervisor of Elections
Polk 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 of the Polk County, Florida, Supervisor of Elections (Supervisor), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor's basic financial statements, and have issued our report thereon dated March 13, 2020.

Internal Control over Financial Reporting

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

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.

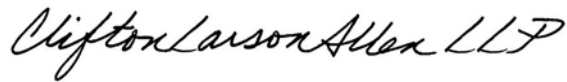
Honorable Lori Edwards
Supervisor of Elections

Compliance and Other Matters

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

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

Lakeland, Florida
March 13, 2020



MANAGEMENT LETTER

Honorable Lori Edwards
Supervisor of Elections
Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of Polk County, Florida, Supervisor of Elections (Supervisor), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 13, 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 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 findings and recommendations reported in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Florida 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. There were no component units to be reported in the financial statements.

Honorable Lori Edwards
Supervisor of Elections

Financial Management

Section 10.554(1)(i)2., Rules of the Florida 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 Florida Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 and applicable management, and is not intended to be and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Lakeland, Florida
March 13, 2020



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Lori Edwards
Supervisor of Elections
Bartow, Florida

We have examined the Polk County, Florida Supervisor of Elections' (Supervisor), compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019. Management of the Supervisor is responsible for the Supervisor's compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor's compliance with the specific 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 complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor 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's compliance with specified requirements.

In our opinion, the Supervisor 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 and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
March 13, 2020

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OFFICE OF JOE G. TEDDER, CFC
Tax Collector for Polk County, Florida

ANNUAL REPORT

Year Ended September 30, 2019



OUR MISSION

“We are working to earn the public's trust and confidence by providing the best in customer service, assured quality, and the efficient use of public funds.”

OUR VISION

“To treat our customers with such professionalism and concern that we change their perception of government.”



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TAX COLLECTOR'S COMMITMENT TO SERVICE

In January 1997, Joe G. Tedder was sworn in as Tax Collector for Polk County (TCPC). Shortly after, in March 1997, he and his team implemented a comment card system with the goal of understanding the customer, their needs, and the opportunities to best serve the public. The big picture vision was to change the public's perception of government.

With that in mind, the comment card system deployed to the public in 1997 (see 1997 image below) covered topics such as: (1) Courtesy (2) Type of Transaction (3) Level of Knowledge (4) Wait Time (5) Available Parking, etc. Customer service specialists (CSS) were responsible for handing each customer a comment card to complete and a color-coded system was used to track which comments came from which office. From the beginning, the Tax Collector believed it was important to not only hear back from the customer, but to present the customer with an opportunity to participate in the improvement process. Overall, the TCPC found customers appreciated having the opportunity to provide feedback on the service(s) they received. On average, the TCPC received 310 comment cards a month with a 97.8% satisfaction rate. On the back-end, however, tracking the data was a labor-intensive, manual entry system and reporting was limited only to management.

The next evolution of the comment card system deployed in 2010 (see 2010 image below). The goal was to reduce the labor-intensive, manual data entry portion of the process as well as update the questions being asked. To do that, TCPC developed a template where a majority of the data could be captured through a desktop scanner. This eliminated some of the manual entry, and with advancements in technology, the reporting process improved as well. Using this system, managers and customer service specialists could access comment card reports and understand areas for improvement. With this updated comment card system, the TCPC received a 567.4% increase in responses in comparison to the 1997 data, averaging 2,069 comment cards a month and maintained a satisfaction rate at 97.3%.

Our Certified Public Manager (CPM) program, which develops leaders at the TCPC, was behind the latest evolution of the comment card system. It originated with a process improvement assignment driven to solve the question: How do we make sure 100% of the TCPC's customers receive a comment card to complete? Previous versions of the comment card system depended on the customer service specialist handing out a comment card in a busy work environment. The solution to the question came from the CPM team in the form of integrating the comment card system into the service queue ticketing system. The CPM team developed the preliminary system design which was approved and fully developed by the I.T. team. So as every customer checks in at the reception desk, they are handed a queue ticket, which is also their comment card (see 2019 image below). This has allowed the TCPC to streamline the process and automatically capture more accurate data such as (1) Transaction Date/Time (2) Office/Location (3) Type of Transaction(s) (4) CSS and more. The scan code ties all of the data together and the current software, operating on a workflow process, can tell based on comment card ratings if the card is a (a) positive, (b) negative, (c) suggestion, or (d) other response type so the appropriate employee can follow up with the customer or manager and address the comment. Since initiating the new comment card system, the TCPC has received an average of 6,442 comment cards a month, which is a 211.4% increase in responses compared to the 2010 data. The most notable statistic has been the virtually unchanged satisfaction rate, even with the influx of 6,000+ comment cards a month from when the program first began, which is now at 97.6%.

March 1997

Please Give Us Your Comments
Your Input Is Important To Us!

PLEASE PRINT

Transaction Date: _____ Time: _____

Person serving you: _____

Please rate the person who served you as follows:

Their Level of Courteousness: Excellent Satisfactory Poor

Their Knowledge of Subject: Excellent Satisfactory Poor

TYPE OF TRANSACTION: Vehicle Registration Title Resident Parking
 Mobile Home Local Property Tax Business Tax
 Hunt/Fish Other

Were you able to complete the desired transaction? Yes No
 If No, please explain: _____

How long did you wait before a person was free to assist you?
 5 minutes or less About 10 minutes
 About 15 minutes About 20 minutes
 About 30 minutes More

Please rate the location of your service transaction:

Condition of the Facility: Excellent Satisfactory Poor

Available Parking: Excellent Satisfactory Poor

Additional comments: _____

PLEASE PRINT Your Name: _____
 Tel: _____ Address: _____
 City: _____ State: _____ ZIP: _____

June 2010

PLEASE PRINT Enter Date of Visit: _____ Time: _____

Please indicate the primary transaction type (select one only):

DMV (Tag/Decal/Title) Hunting/Fishing Other

Property Tax Other

Business Tax (Occupational)

Please rate the following (select one for each item)

	Excellent	Very Good	Good	Fair	Poor
Knowledge of your Service Representative:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Courtesy of your Service Representative:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facility:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of parking:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall level of service during your visit:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Yes No

Was your transaction completed? Yes No

Was the office conveniently located? Yes No

I would like someone to contact me: Yes No

Comments or suggestions for improvement: _____

Thank you for letting us know how we are doing. We appreciate the opportunity to serve you!

July 2019

Joe Wants to Know!
Please take a moment to let us know how we are doing by filling out this comment card following your transaction. You can place it in the lobby drop box, leave it at the reception desk, or mail it in - no postage necessary! Thank you.
Joe Tedder, Your Tax Collector

Your Number is: _____

Please rate the following (Bubble one for each item)

	Excellent	Very Good	Good	Fair	Poor
1. How well did your wait time meet your expectations?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. How knowledgeable was your representative?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Overall quality of service during your visit?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Use the box below to provide an additional comment or suggestion.

Why visit it here?
Express PICKUP
www.PolkState.com

If you would like someone to contact you, please provide your name, phone number and/or email address.
 Name: _____ Phone #: _____
 Email: _____

Thank you for letting us know how we are doing! We appreciate the opportunity to serve you!

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Joe G. Tedder, cfc, Tax Collector
Imperial Polk County & The State of Florida

February 21, 2020

To the Citizens and Taxpayers of Polk County:

Florida's Constitution authorizes the position of Tax Collector as an independent unit of its political subdivisions, which are otherwise known as counties.

The Tax Collector's responsibilities involve the collection of revenue and public funding for a variety of state, regional, and local governmental agencies and taxing authorities; the enforcement against delinquency in payment of such revenues and funds; the distribution of such revenues and funds in a timely manner to various state and local agencies and taxing authorities involved; the investment of public funds pending distribution; the vigilant adherence to procedures designed to promote fairness to the taxpayer and governmental efficiency and accountability in the collection, enforcement, distribution, and investment of funds; and, serve as the most likely contact on a daily basis with and between citizens and taxpayers and the various state, regional, and local governmental agencies and taxing authorities.

As a position established by Florida's Constitution to complete a system of checks and balances, the Tax Collector for Polk County (TCPC) serves the people of Polk County. Therefore, the Tax Collector does not serve as an employee of the state, a state agency, a regional governmental agency, or local government.

The Tax Collector serves the people of Polk County and is elected by its voters to serve a four-year term.

The TCPC is responsible for providing a wide range of services to the citizens and taxpayers of Polk County on behalf of other governmental units. These services consist primarily of the collection and administration of Ad Valorem taxes, Non-ad Valorem assessments, driver license fees and identification card issuance, motor vehicle taxes and registration/title/plate/decal issuance, county local business taxes and receipt issuance, tourist development taxes, hunting and fishing fees and license issuance, concealed weapon licenses and mail-in payment processing for various governmental agencies. These services are performed on behalf of numerous local governments and agencies of the State of Florida.

Services are provided at the TCPC Service Centers, which are located in Bartow, Lakeland, Davenport (North Ridge), and Lake Wales. Motor vehicle registration and title transactions are also authorized to be conducted in Winter Haven by the American Legion Post No. 8.

Our Mission

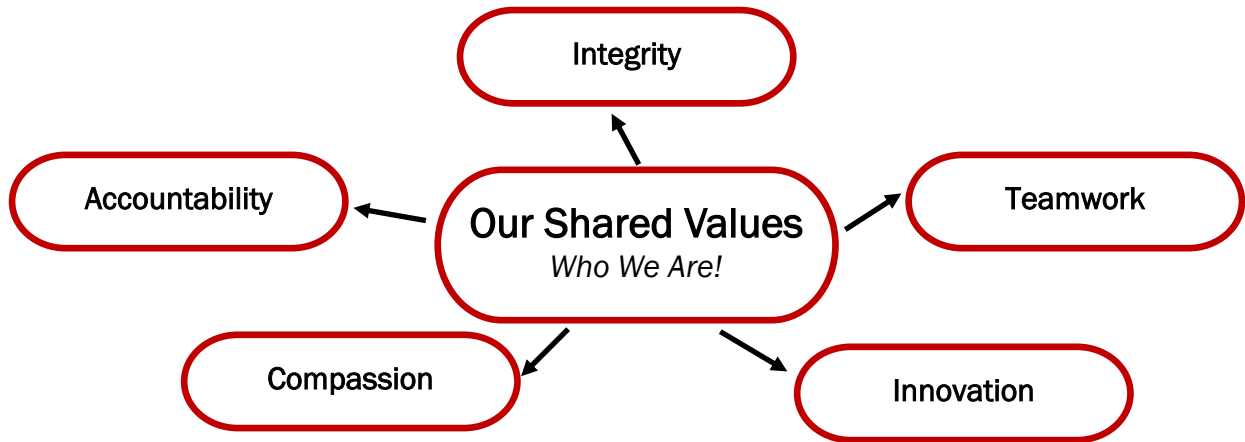
What We Do!

We are working to earn the public's trust and confidence by providing the best in customer service, assured quality and the efficient use of public funds.

Our Vision

What We Want To Be!

To treat our customers with such professionalism and concern that we change their perception of government.



Our Focus Points

How We Do It!

Customer Service

We strive to exceed customers' expectations.

Efficiency

We provide timely services while conserving resources.

Accountability

We hold ourselves to transparency in all we do as stewards of the public's trust.

Employee Well-Being

We drive professional excellence by empowering our staff and meeting their needs.

Leadership

We use the highest ethical standards in both actions and appearance enabling us to perform with the utmost honor and integrity.

Ad Valorem Taxes and Non-Ad Valorem Assessments

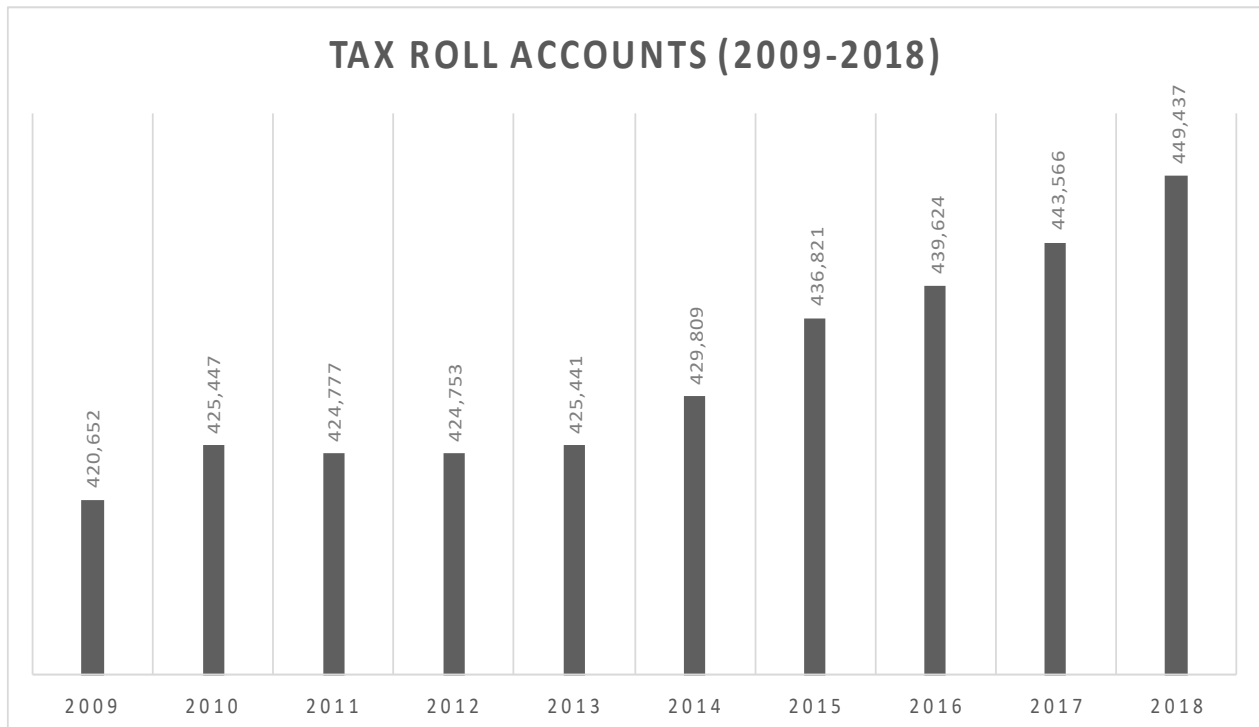
The TCPC is responsible for collecting and remitting the taxes and assessments provided on the annual tax roll provided by the Property Appraiser’s Office and independent taxing authorities.

The TCPC is not responsible for determining assessed values, exemptions, taxable values or the tax rates. The tax roll includes real estate taxes, tangible taxes and Non-ad Valorem assessments. Non-ad Valorem assessments consist primarily of assessments for fire services, solid waste, and lighting districts.

The collections of these taxes and assessments are administered in accordance with Florida Statutes and the rules and regulations of the Florida Department of Revenue. These services are provided on behalf of taxpayers, the Polk County Board of County Commissioners, the Polk County School Board, as well as, municipalities and special taxing and assessment districts located within Polk County.

The 2018 tax roll was provided to the TCPC in October of 2018 and the tax bills were mailed in time to start collections on November 1, 2018. Unpaid taxes became delinquent on April 1, 2019. Tax certificates were offered for sale in June 2019 on delinquent real estate taxes and warrants were ratified by the court in July 2019 for delinquent tangible taxes. The TCPC is required by the state to report to the Board of County Commissioners the status of the current tax roll within sixty days of the tax certificate sale.

Tax roll accounts for the last ten years:





A summary of the Status of the Current Tax Roll Report, which was provided in July 2019.

SUMMARY OF 2018 TAX ROLL REPORT	AMOUNT	PERCENT
Taxes collected including discounts taken	\$ 690,884,281	99.76%
Tax certificates not purchased at sale	652,984	0.09%
Delinquent tangible taxes	847,292	0.12%
Taxes in bankruptcy or litigation	117,418	0.02%
Miscellaneous	71,404	0.01%
Total 2018 Tax Roll	\$ 692,573,379	100.00%

The last ten tax rolls have consisted of the following amounts and accounts:

TAX ROLLS	AMOUNT	ACCOUNTS
2018	\$ 692,573,379	449,437
2017	\$ 634,627,621	443,566
2016	\$ 585,870,443	439,624
2015	\$ 562,706,280	436,821
2014	\$ 527,360,758	429,809
2013	\$ 509,700,423	425,441
2012	\$ 491,329,439	424,753
2011	\$ 512,982,607	424,777
2010	\$ 543,728,462	425,447
2009	\$ 616,522,889	420,652

Tax Certificate Redemptions

On or before June 1 of each year, the TCPC offers for sale tax certificates on properties with unpaid real estate taxes. A tax certificate represents a lien on the property. The purpose of the sale is to collect unpaid real estate taxes on behalf of the numerous taxing authorities.

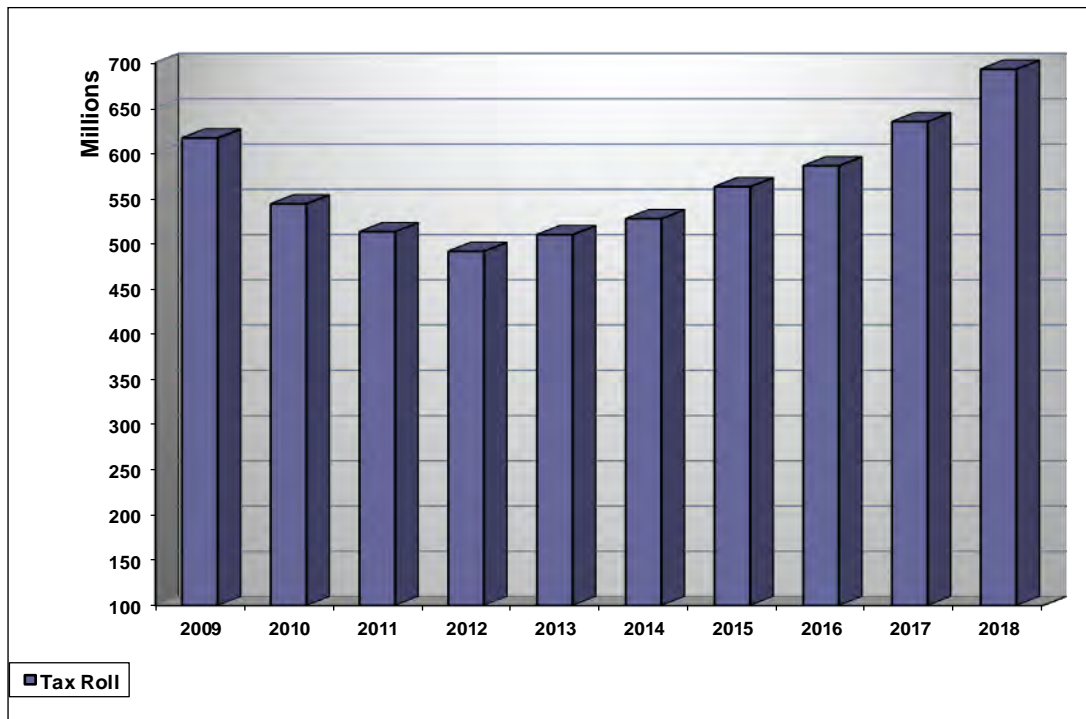
There were 22,520 certificates offered for sale representing taxes of \$16,885,838. As a result of the sale and subsequent sales 13,995 certificates were sold accounting for \$16,215,235 in taxes. Unsold certificates are referred to as “County held” certificates and earn interest at 18% per year.

After the sale of tax certificates this office is responsible for handling the subsequent collections from the property owner and remitting the funds to the certificate holder. During the fiscal year 2018/19, 16,988 certificates were redeemed by property owners and \$21,356,265 was remitted to certificate holders.

When County held certificates are redeemed by the property owner the funds are remitted to the various taxing authorities. During the fiscal year 2018/19, 7,185 County held certificates were redeemed and \$958,466 was remitted to the taxing authorities.

A Graphic Representation of Property Tax Roll All Tax Authorities in Polk County (2009—2018)

Property Tax Roll For All Tax Authorities In Polk County, Florida



Motor Vehicle Transactions - The TCPC processes motor vehicle and vessel transactions, involving titles and registration, as well as various other transactions on behalf of the Florida Department of Highway Safety and Motor Vehicles. The TCPC also collect sales taxes on sales of motor vehicles and vessels not involving licensed dealers on behalf of the Florida Department of Revenue.

During the 2018/19 fiscal year 165,766 title transactions and 690,265 registration transactions were processed. Registration, sales taxes and title and other fees totaling more than \$59 million were collected in our Service Centers.

Driver Licenses – During the 2018/19 fiscal year, the TCPC issued 126,537 driver licenses and permits, as well as 16,979 identification cards, while collecting \$7,835,985. The TCPC provides full driver license services in Lakeland, Lake Wales and North Ridge (Davenport) service centers and in the Bartow service center by appointment only.

Local Business Taxes - The TCPC collects the local business tax imposed by the Board of County Commissioners. This tax is required of various individuals and enterprises doing business in Polk County. During 2018/19 taxes were collected on 35,693 receipts for a total of \$1,742,421 including a 15% commission retained by this office. Collections are remitted monthly to the BOCC and municipalities in the county, which share these taxes.

Tourist Development Taxes - The TCPC collects the tourist development tax imposed by the Board of County Commissioners. This is a 5% tax on transient or short-term rentals of accommodations. During 2018/19 this office administered 5,561 accounts from which \$14,532,628 was remitted, including a 3% commission retained by this office.

Hunting and Fishing Licenses - The TCPC issues hunting and fishing licenses on behalf of the Florida Fish and Wildlife Conservation Commission (FWC). These licenses are issued at our Bartow, Lakeland, Lake Wales and North Ridge Service Centers. During 2018/19, 1,741 licenses were issued totaling \$68,380, including the fees retained by this office.

Concealed Weapon Licenses – The TCPC issues concealed weapon licenses on behalf of the Florida Department of Agriculture and Human Services. During the 2018/19 fiscal year 6,186 licenses were issued totaling \$636,466, including the fees retained by this office.

Payment Processing Services – The TCPC services include payment processing for local government entities. The Cities of Bartow and Lakeland as well as the Polk County Board of County Commissioners have contracted with the TCPC for processing of their mail-in utility payments. During 2018/19, approximately 580,885 payments totaling \$202,810,680 million were processed in our Technical Processing Department for these entities generating \$139,761 in revenues for the TCPC.

Call Center Operations – The TCPC also provides information services via telephone calls and emails. Phone calls answered during 2018/19 totaled \$297,925.



Total Cash Receipts

Total cash receipts collected by Tax Collector on behalf of other governmental agencies and tax certificate holders, during year ended September 30, 2019, were:

TOTAL RECEIPTS PROCESSED BY SOURCE	AMOUNT
Ad Valorem Taxes and Non-Ad Valorem Assessments	\$ 671,798,429
Vehicle and Vessel Taxes	59,451,592
Tax Certificate Redemptions	21,356,265
Tourist Development Taxes	14,532,628
Driver Licenses	7,835,985
Local Business Taxes	1,742,421
Concealed Weapon Licenses	636,466
Hunting and Fishing License Taxes	68,380
Interest	1,008,634
*Payment Processing Payments	202,810,680
TOTAL	\$ 981,241,480

**Payment processing payments are transactions completed by the TCPC, but directly deposited into the business process unit's account.*

Total cash receipts distributed by Tax Collector to other governmental agencies and tax certificate holders, during year ended September 30, 2019, were:

CASH RECEIPTS FOR TAXING AUTHORITIES	AMOUNT
Polk County Board of County Commissioners (BoCC)	\$ 337,751,712
Polk County Public Schools (PCPS)	231,033,121
Municipalities in Polk County	86,733,452
State of Florida	59,540,868
Special Taxing Districts	31,488,257
Tax Certificate Holders	21,740,612
TOTAL	\$ 768,288,022



Operating Revenues and Expenditures - The TCPC operates as a “fee office.” This means the TCPC earns fees and commissions for the services rendered. The fees and commissions are established primarily by the Florida Legislature and are contained in the Florida Statutes.

The annual budget of the TCPC is approved by the Department of Revenue. Any subsequent increases in the budget must also be approved by the Department of Revenue.

The excess of revenues over expenditures are remitted to each governmental unit that paid fees to our office in the same proportion as the fees paid bear to the total revenues of the office.

REVENUES AND EXPENDITURES

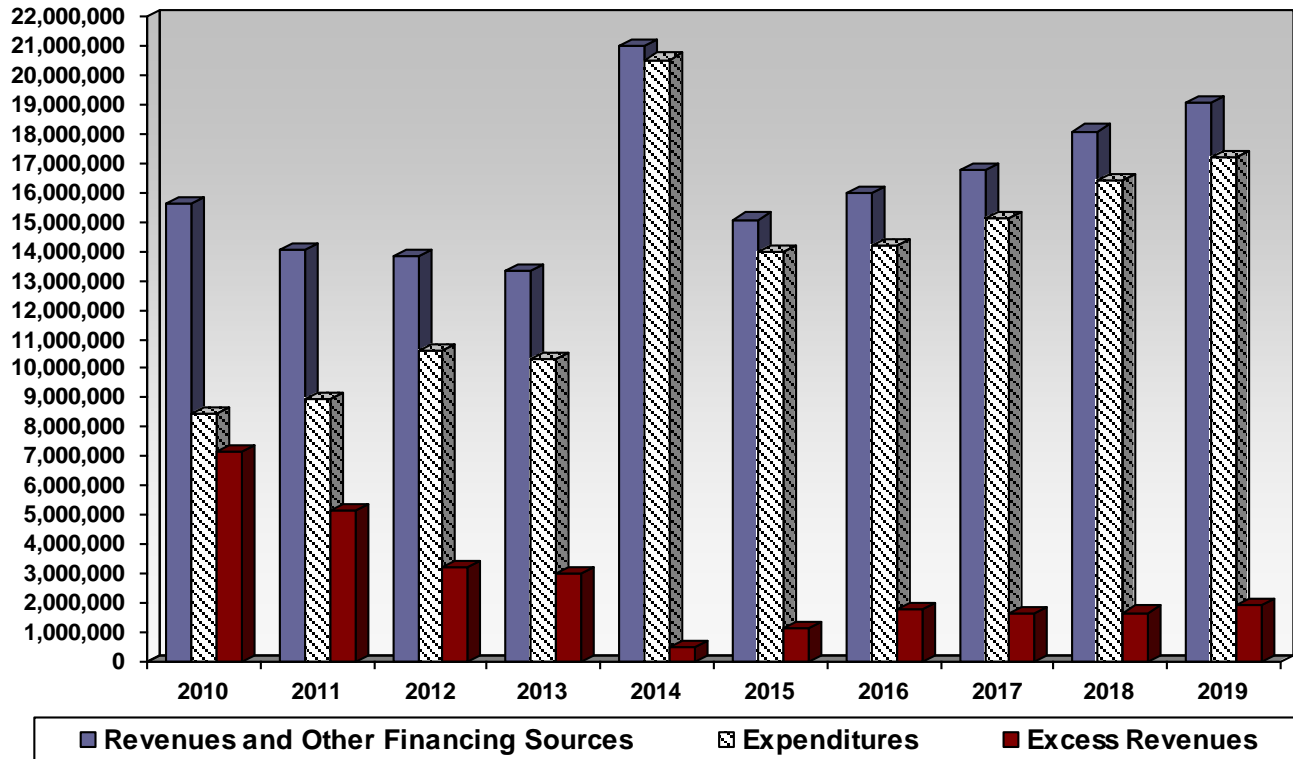
The TCPC began performing a limited number of driver license transactions in Lake Wales and Bartow in 2010. Construction of the Lakeland and North Ridge Service Centers was completed in 2014 and 2015, respectively. Since 2015, each of our four service centers has offered a full menu of driver license services.

Revenues (including other financing sources) and expenditures (including other financing uses) for the past ten years were:

FISCAL YEAR	REVENUES	EXPENDITURES	EXCESS REVENUES
2018/2019	\$19,078,565	\$17,184,787	\$1,893,778
2017/2018	\$18,100,923	\$16,429,417	\$1,671,506
2016/2017	\$16,785,536	\$15,138,161	\$1,647,375
2015/2016	\$15,973,701	\$14,207,904	\$1,765,797
2014/2015	\$15,088,931	\$13,959,072	\$1,129,859
2013/2014	\$21,019,117	\$20,543,313	\$ 475,804
2012/2013	\$13,309,212	\$10,338,272	\$2,970,940
2011/2012	\$13,814,779	\$10,605,868	\$3,208,911
2010/2011	\$14,072,461	\$ 8,929,500	\$5,142,961
2009/2010	\$15,615,892	\$ 8,453,665	\$7,162,227

A graphic representation of revenues (including other financing sources) and expenditures (2010-2019).

* Tax Collector’s Office Revenues And Expenditures



**The TCPC began performing a limited number of driver license transactions in Lake Wales and Bartow in 2010. Construction of the Lakeland and North Ridge Service Centers was completed in 2014 and 2015, respectively. Since 2015, each of our four service centers has offered a full menu of driver license services.*

Accountability - The Tax Collector and his office are first and foremost accountable to the citizens and taxpayers of Polk County. To ensure the Tax Collector remains primarily accountable to the people, the TCPC has undertaken a mission, whereby it is “working to earn the public’s trust and confidence by providing the best in customer service, assured quality, and the efficient use of public funds.”

To succeed in its mission, the TCPC has adopted an “Outline For Success” (OFS), that seeks to measure operational performance, including meaningful public evaluations, so that administrative measures can be taken to improve and maintain efficiencies and/or address opportunities for improvement.

TCPC Outline for Success Performance Scorecard

FOCUS POINT	TAX COLLECTOR		EXPECTATION	FY 2019	FY 2018	FY 2017
	EXPECTATION MEASUREMENT					
Customer Service	Overall Customer Experience <i>(Comment Card Satisfaction: % 4s & 5s)</i>		97%	98.1%	97.4%	97.5%
	Overall Customer Experience <i>(Comment Card Engagement: % 4s & 5s)</i>		90%	91.5%	88.6%	89.3%
	Driver License Appointments met Customer Needs		90%	92.4%	92.1%	n/a
	Customer service wait time met expectation*		85%	86.0%	74.0%	77.4%
	Customer service telephone calls answered within 2 minutes		70%	53.0%	59.2%	68.2%
Employee Well-Being	Employee Satisfaction with Professional Development		82%	88.8%	89.0%	86.6%
	Employee Satisfaction		90%	93.9%	90.0%	88.0%
	Employee Turnover Rate		≤15%	16.8%	16.4%	11.4%
Efficiency	Personnel Budget per Capita		≤\$26	\$22.55	\$20.63	\$18.88
Accountability	Remit tax dollars to appropriate taxing authority by deadlines		100%	100%	100%	100%
	Service Center Transaction Accuracy		99%	99.6%	99.7%	99.6%
	Payment Processing Business Unit Transaction Accuracy		99.97%	99.999%	99.999%	99.999%
Leadership	Customer Trust <i>(annual customer survey)</i>		80%	85.1%	82.0%	84.6%
	Employee Trust <i>(annual employee survey)</i>		90%	95.7%	92.8%	93.2%

*Wait time expectation is less than 10 minutes for appointments, 20 minutes for other transactions, and 60 minutes for Guest Service Tickets and Drive License Walk-Ins

*The scorecard data points are a reflection of improved methodologies utilized to make each metric more meaningful and accurate. Historical data points were updated on this score card wherever a methodology improvement occurred, in order to have comparable historical data.



Florida Tax Collector's Association Recognition

Each year, the Florida Tax Collector's Association recognizes tax collector finance departments that display excellence in financial operations. To be recognized, the finance department must show a commitment to innovation and automation, be customer focused, receive a clean audit report, and submit a budget approved by the Florida Department of Revenue.

In 2013, the Tax Collector for Polk County (TCPC) received its first award from the association, the Excellence Award. From 2014 to 2019, the TCPC finance department has continued to be recognized by receiving the Legacy Award for displaying a continued commitment to excellence. In addition to receiving the Legacy Award, the TCPC finance department was also awarded the Merit Award for presenting an audit report clear of findings.

Closing Statement for Tax Collector for Polk County

I trust that these actions, including the performance of the Tax Collector's Office, as well as the accompanying document meet with your approval. However, if you have any questions or concerns regarding this correspondence or the accompanying information, please do not hesitate to contact us. Your inquiries and comments are welcomed.

Sincerely,

Joe G. Tedder, cfc
Tax Collector

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INDEPENDENT AUDITORS' REPORT

Honorable Joe G. Tedder, CFC
Tax Collector for Polk County, Florida
Polk County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and agency fund of the Tax Collector for Polk 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 of the Tax Collector's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and agency fund of the Tax Collector, as of September 30, 2019, and the changes in financial position and the budgetary comparisons of its general fund and agency 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 A to the financial statements referred to above were prepared 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, only for that portion of major funds of Polk County, Florida that is attributable to the Tax Collector. The financial statements present only the general fund and the agency fund information and do not purport to, and do not, present fairly the financial position of the Tax Collector as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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 of the Tax Collector's basic financial statements. The Statement of Changes in Assets and Liabilities – Agency Fund, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Statement of Changes in Assets and Liabilities – Agency Fund, is the responsibility of management and was derived from and relates 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 Statement of Changes in Assets and Liabilities – Agency Fund, is fairly stated in all material respects in relation to the financial statements as a whole.



Honorable Joe G. Tedder, CFC
Tax Collector for Polk County, Florida
Polk County, Florida

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 21, 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, 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.

Other Reporting Required by Chapter 10.550, Rules of the Auditor General

We have also issued our report dated February 21, 2020 on our examination of compliance with requirements of Chapter 10.550, Rules of the Auditor General. The purpose of that report is to describe the scope of our examination of compliance over compliance with Chapter 10.550, Rules of the Auditor General and issue an opinion on compliance with Chapter 10.550, Rules of the Auditor General.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
February 21, 2020



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**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
BALANCE SHEET
GENERAL FUND
September 30, 2019**

ASSETS

Cash and cash equivalents	\$	2,706,015
Due from Board of County Commissioners		5,239
Prepaid assets		226,228
		226,228
Total assets	\$	2,937,482
		2,937,482

LIABILITIES AND FUND BALANCE

Liabilities:

Vouchers payable and accrued liabilities	\$	824,999
Due to Board of County Commissioners		2,024,995
Due to other governmental agencies		87,488
		87,488
Total liabilities		2,937,482

Fund balance

		-
		-
Total liabilities and fund balance	\$	2,937,482
		2,937,482

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - GENERAL FUND
September 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Commissions and Fees:				
Board of County Commissioners	\$ 11,027,000	\$ 11,027,000	\$ 11,003,302	\$ (23,698)
Special taxing districts	713,935	713,935	774,258	60,323
Vehicle/Vessels	3,142,240	3,142,240	3,096,947	(45,293)
Driver licenses	2,075,000	2,075,000	1,756,249	(318,751)
Business taxes	256,000	256,000	245,929	(10,071)
Tax certificate sales	830,000	830,000	891,139	61,139
Tax redemptions	265,000	265,000	251,362	(13,638)
Payment processing	120,000	120,000	139,700	19,700
Concealed weapon licenses	150,000	150,000	118,332	(31,668)
Hunting and fishing licenses	16,000	16,000	14,748	(1,252)
Tourist development	456,000	456,000	435,544	(20,456)
Interest	120,000	120,000	173,109	53,109
Collection costs and miscellaneous	192,000	192,000	177,946	(14,054)
Total revenues	<u>19,363,175</u>	<u>19,363,175</u>	<u>19,078,565</u>	<u>(284,610)</u>
EXPENDITURES				
General Government:				
Salaries and benefits	14,926,066	14,926,066	14,423,027	503,040
General expenditures	3,178,637	3,178,637	2,655,930	522,707
Capital outlay	161,018	161,018	105,830	55,188
Total expenditures	<u>18,265,721</u>	<u>18,265,721</u>	<u>17,184,787</u>	<u>1,080,934</u>
Excess of revenues over expenditures	<u>1,097,454</u>	<u>1,097,454</u>	<u>1,893,778</u>	<u>796,324</u>
OTHER FINANCING USES				
Transfer of excess fees	1,097,454	1,097,454	1,893,778	(796,324)
Total other financing uses	<u>1,097,454</u>	<u>1,097,454</u>	<u>1,893,778</u>	<u>(796,324)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
September 30, 2019**

ASSETS

Cash and cash equivalents	\$ 9,191,939
Total assets	<u>\$ 9,191,939</u>

LIABILITIES

Due to Board of County Commissioners	\$ 4,385,336
Due to other governmental agencies	3,657,765
Tax Certificates Payable	1,006,415
Refunds and other payables	<u>142,423</u>
Total liabilities	<u>\$ 9,191,939</u>

See accompanying notes to financial statements

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**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Polk County is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida. Polk County government consists of the following six offices elected countywide: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Tax Collector, Polk County, Florida (Tax Collector) is a local government entity pursuant to Article 8, Section 1(d), of the constitution of the State of Florida.

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

The Tax Collector is an elected public official responsible for the collection and distribution of the following taxes and fees: ad valorem taxes on real and tangible property and non-ad valorem assessments on property within Polk County, tourist development taxes, hunting and fishing licenses, motor vehicle and mobile home titles and registrations, driver license fees, business tax receipts, vessel titles and registrations and sales tax on motor vehicle and vessel sales with non-dealers. These services are provided on behalf of the Polk County Board of County Commissioners (Board), Polk County School Board, the State of Florida, as well as, municipalities and special taxing districts located within Polk County.

The accounting policies of the Tax Collector conform to GAAP as applicable to governmental entities. 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.

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 in separate 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 various funds of the Tax Collector are grouped into two generic fund types and two broad fund categories as follows:

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the Tax Collector and accounts for all financial resources not required to be accounted for in another fund.

Fiduciary Fund Type

Agency Fund - The agency fund accounts for all assets held by the Tax Collector in his capacity as custodian or agent for individuals and other governmental units. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

A - 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. Their revenues are recognized when they become measurable and available. For this purpose, the Tax Collector considers revenues to be available if they are collected within 31 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, if measurable, except for the long term portion of unpaid sick and vacation pay.

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balance.

In governmental funds, material revenues in the following categories are considered susceptible to accrual when they are both measurable and available:

Property taxes	Intergovernmental revenues	Interest earned
----------------	----------------------------	-----------------

Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are usually not measurable until actually received.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using the modified accrual basis of accounting.

Capital Assets

Capital assets are assets with a useful life of more than one year and a cost of \$1,000 or greater. Capital assets purchased by the Tax Collector are recorded as expenditures. Capital assets, except for real property, are not included in the financial statements because ownership is vested in the Board of County Commissioners as provided by Chapter 274, Florida Statutes, Section 197.332, Florida

Statutes, provides for county tax collectors to own real property. Tax Collector owned real property is reported in Footnote C. Buildings are being depreciated over a 40-year useful life using the straight line method. Donated capital assets are recorded at cost or fair value at the date of donation.

Excess Fees

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures (excess fees) held by a tax collector at the end of each fiscal year shall be distributed to each governmental unit utilizing the Tax Collector's services in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector's office. Therefore, the excess of revenues over expenditures at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues and expenditures and change in fund balance and the related liability is recorded on the balance sheet as due to the Board or other governmental agencies, as applicable, leaving a net fund balance of zero dollars.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

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 their office to the Florida Department of Revenue, Property Tax Oversight Division, (Department). A copy of the budget is also furnished to the Board. 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.
3. The Department approves all transfers between appropriation categories requested by the Tax Collector, and this becomes the level of budgetary control for the office.
4. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
5. The General Fund budget is adopted on a modified accrual basis of accounting.

Ad Valorem Taxes

The property tax calendar for 2019 is as follows:

Lien date	January 1, 2019
Levy date	January 1, 2019
Due dates	November 1, 2019 - March 31, 2020
Delinquent date	April 1, 2020
Tax certificate sale	No later than June 1, 2020

No accrual for the property tax levy becoming due in November of 2019 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

Investments

The Tax Collector has elected to adopt an Internal Investment Policy in accordance with Chapter 218, Florida Statutes. This policy authorizes the Tax Collector to invest surplus public funds in:

- (1) The Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Chapter 163, Florida Statutes.
- (2) Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (3) Accounts in state qualified public depositories as defined in Chapter 280, Florida Statutes.
- (4) Certificates of Deposit in state qualified public depositories, as defined in Chapter 280, Florida Statutes.
- (5) Direct obligations of the U.S. Treasury.
- (6) Federal agency and instrumentalities.
- (7) Repurchase Agreements collateralized by securities otherwise authorized above.

Accumulated Unpaid Leave

Effective January 1, 1992, employees began earning annual leave at varying rates depending upon length of service as follows:

<u>Length of Service</u>	<u>Annual Leave Earned</u>
01-05 years	20 days
06-10 years	25 days
11-15 years	28 days
16-20 years	30 days
21-25 years	32 days
26 and over	35 days

Employees are paid at year end for accumulated paid leave in excess of 240 hours.

The Tax Collector uses the last-in, first-out (LIFO) method of recognizing the use of compensated absences. Under this method, compensated absences are recorded as an expenditure when the liability is normally liquidated with expendable available financial resources. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

Accumulated Unpaid Leave

Since the Tax Collector remits the excess of revenues over expenditures to the Board and other governmental agencies on an annual basis, the entire unpaid liability for sick and annual leave is the responsibility of the Board and other governmental agencies and is therefore recorded in the General Long Term Debt Account Group of the Board and the respective governmental agencies.

Other significant accounting policies are set forth in the financial statements and the notes thereto.

Use of Estimates

The preparation of the fund financial statements is in conformity with accounting practices prescribed by the GASB and the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Postemployment Benefit Obligations

Based on GASB Statement 45 – *Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions*, which was implemented by Polk County for the year ended September 30, 2008, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. The Tax Collector’s employees are included as part of the Postemployment Health Benefits Plan (OPEB Plan) administered by the Board. The OPEB Plan currently covers certain eligible retirees of the Board and the Constitutional Officers of Polk County. The OPEB Plan currently pays certain portions of healthcare insurance premiums of retirees based on years of service and other factors. The liabilities and expenses associated with the OPEB Plan are not included in the financial statements of the Tax Collector. Such liabilities and expenses are included in the Comprehensive Annual Financial Report of Polk County.

B - CASH AND CASH EQUIVALENTS

The carrying amount of the Tax Collector’s deposits were \$11,897,954 and the bank balances were \$10,922,840 at September 30, 2019. Cash and cash equivalents, which include assets easily and quickly convertible to cash.

Cash and cash equivalents at September 30, 2019, were as follows

Amount insured by federal depository insurance or guaranteed by the banks as qualified public depositories in Florida pursuant to Section 280.07, Florida Statutes	\$ 5,617,181
Amount on deposit with State of Florida, State Board of Administration in the Tax Collector's name	5,305,659
	\$ 10,922,840

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 State of Florida requires that deposits by governmental units in a financial institution be collateralized. The State of Florida maintains collateral requirements and authorizes certain financial institutions to act as depositories for governmental unit funds. The Tax Collector maintains all of his accounts in financial institutions approved by the State of Florida.

C - CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 2,279,723	\$ -	\$ -	\$ 2,279,723
Capital Assets Being Depreciated:				
Building and Improvements	6,862,657	-	-	6,862,657
Less Accumulated Depreciation	(738,204)	(171,568)	-	(909,772)
Capital Assets Being Depreciated, Net	6,124,453	(171,568)	-	5,952,885
Capital Assets, Net	\$ 8,404,176	\$ (171,568)	\$ -	\$ 8,232,608

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

D - COMPENSATED ABSENCES

At September 30, 2019 the commitment for accrued leave was valued at \$517,817. This liability is recorded in the combined Polk County Comprehensive Annual Financial Report.

E - OPERATING LEASES

The following is a schedule by years of future minimum payments required under operating leases used in governmental operations that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2019:

Year Ending September 30, 2020	\$ 188,317
2021	190,755
2022	103,745
2023	1,392
Thereafter	-
	<hr/>
	\$ 484,209

Total rent expense on all operating leases, both cancelable and non-cancelable, for the year ended September 30, 2019 was \$163,110.

F - RISK MANAGEMENT

The Tax Collector purchases commercial insurance coverage and surety bonds related to various risks of loss related to theft of and errors and omissions related to cash. For all other risk such as property, automobile, and worker's compensation the Tax Collector is under Polk County's plan. In an effort to combat the rising cost of insurance premiums and the unavailability of coverage, Polk County has initiated self-insured worker's compensation, general liability, employment practices and automobile liability programs. There have been no decreases in coverage nor have there been any settlements in excess of coverage in any of the prior three years.

G - RETIREMENT PLANS

All employees are participants in the Florida Retirement System (FRS), a multiple employer, cost-sharing public retirement system. FRS, which is controlled by the State Legislature and administered by the State of Florida, Division of Retirement, is available to governmental units within the State of Florida. Participants can choose from two options: FRS Pension Plan or FRS Investment Plan.

For employees hired on or before June 30, 2011, FRS Pension Plan provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service or at completion of 30 years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years of service credit where average compensation is computed as the average of an individual's five highest years of earnings.

For employees hired on or after July 1, 2011, FRS Pension Plan provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to employees who retire at or after age 65 with eight or more years of service or at completion of 33 years of service. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years of

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

G - RETIREMENT PLANS (continued)

service credit where average compensation is computed as the average of an individual's eight highest years of earnings. FRS Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees after termination from all FRS-covered employment for 3 calendar months. Retirement benefits are based on the employee's account balance.

Effective July 1, 2011, all employees are now required to contribute 3% of their salary to the plan they have elected. As a result, retirement expenses were reduced compared to prior years. The Tax Collector has no responsibility to FRS other than to make the periodic payments required by the state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to Florida Division of Retirement, 2639 Monroe Street, Building C, Tallahassee, Florida 32399-1560. Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates, effective July 1, 2019, which include the health insurance subsidy contributions of 1.66%, and the 0.06% administration/education fee, are applied to employee salaries as follows: regular employees – 8.47%; senior management – 25.41%; elected officials – 48.82%; and DROP from FRS – 14.60%. The Tax Collector recognizes pension expenditures when the payments are made to FRS. Payments made during the years ended September 30, 2019, 2018 and 2017 were \$1,064,911, \$934,024, and \$833,137 respectively. Payments made after June 30, 2019, the measurement date used to determine the net pension liability associated with FRS Pension Plan, amounted to \$289,328. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No.27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

H - OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

Polk County provides certain health care benefits for retired employees. In accordance with Section 112.0801, Florida Statutes, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Tax Collector participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. The liability and expense for the postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, are reported in the Comprehensive Annual Financial Statements of the County.

I - RELATED PARTY

Transactions with the Board of County Commissioners include commissions earned from the collection of property taxes and other financing uses from the transfer of excess fees. For the year ended September 30, 2019, commissions earned were \$11,003,299 and the transfer of excess fees was \$1,806,290.

At September 30, 2019, amounts payable to the Board were \$2,024,995 from the General Fund and \$4,385,336 from the Agency Fund.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

J - CONTINGENCY

Effective November 5, 2013 the Tax Collector has a contingent liability to the Lakeland Community Redevelopment Agency (LCRA) in the amount of \$600,000. The LCRA provided \$600,000 to the Tax Collector to assist with the relocation of the Lakeland Service Center. The agreement provides for the Tax Collector to repay the \$600,000 to the LCRA if the

J – CONTINGENCY (continued)

Tax Collector ceases to use the building within the next twenty five years. If the Tax Collector ceases to use the building between years twenty six and fifty the Tax Collector must repay \$300,000 of this amount. There is no amount due if the Tax Collector is using the building at the end of fifty years.

K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 21, 2020, the date which the financial statements were available for issue, and has determined there are no additional adjustments and/or disclosures required.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
September 30, 2019**

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2019</u>
ASSETS				
Cash and cash equivalents	\$ 9,012,230	\$ 771,197,027	\$ 771,017,318	\$ 9,191,939
Total assets	<u>\$ 9,012,230</u>	<u>\$ 771,197,027</u>	<u>\$ 771,017,318</u>	<u>\$ 9,191,939</u>
LIABILITIES				
Due to BoCC	\$ 4,097,113	\$ 337,751,712	\$ 337,463,489	\$ 4,385,336
Due to other governmental agencies	3,413,484	408,795,698	408,551,417	3,657,765
Tax Certificates Payable	1,345,325	21,740,612	22,079,522	1,006,415
Refunds and other payables	<u>156,308</u>	<u>2,909,005</u>	<u>2,922,890</u>	<u>142,423</u>
Total liabilities	<u>\$ 9,012,230</u>	<u>\$ 771,197,027</u>	<u>\$ 771,017,318</u>	<u>\$ 9,191,939</u>

See accompanying notes to financial statements

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**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 Joe G. Tedder, CFC
Tax Collector for Polk County, Florida
Polk 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 of the Tax Collector for Polk County, Florida (the "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 February 21, 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.



Honorable Joe G. Tedder, CFC
Tax Collector for Polk County, Florida
Polk 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
February 21, 2020



INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES

Honorable Joe G. Tedder, CFC
Tax Collector for Polk County, Florida
Polk County, Florida

We have examined the Tax Collector for Polk County, Florida's (the "Tax Collector") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards required 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 involved performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Tax Collector complied, in all material respects with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019.

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

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
February 21, 2020



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MANAGEMENT LETTER

Honorable Joe G. Tedder, CFC
Tax Collector for Polk County, Florida
Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tax Collector for Polk County, Florida (the "Tax Collector") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 21, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 21 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. In connection with our audit, we did not have any such findings.

Office 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 footnote A in the notes to the financial statements.



Honorable Joe G. Tedder, CFC
Tax Collector of Polk County, Florida
Polk 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 to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of 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, Polk County, Florida, CliftonLarsonAllen LLP, the Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
February 21, 2020





Stacy M. Butterfield, CPA

Clerk of Courts & Comptroller
Polk County, Florida

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CLERK AND COMPTROLLER TO THE BOARD


Auditor General's Office
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

I, Stacy M. Butterfield, Chief Financial Officer of Polk County, a political subdivision of the State of Florida, hereby certify that:

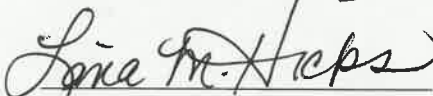
Polk County has complied with the requirements of Florida Statute 163.31801, the "Florida Impact Fee Act" for the fiscal year ending September 30, 2019.

In witness whereof, I have set my hand and seal this 3rd day of March, 2020.

Sincerely,


Stacy M. Butterfield, CPA
Clerk of the Circuit Court and
County Comptroller

Personally appeared before me this
3rd day of March, 2020.


NOTARY



The mission of the Clerk of Courts & Comptroller is to function as a team dedicated to our customers by preparing and maintaining accurate records, furnishing assistance in an understanding and compassionate manner, and providing services with competence, professionalism, and courtesy in compliance with laws, rules and regulations.