



ANNUAL
FINANCIAL REPORT



Clerk of Courts & Comptroller

Kimberley Barrineau

Hendry County, Florida



FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020
HENDRY COUNTY, FLORIDA

**HENDRY COUNTY,
FLORIDA**

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

PREPARED BY:

**KIMBERLEY BARRINEAU
CLERK OF THE CIRCUIT COURT &
COUNTY COMPTROLLER**

**STEVE CLARK
FINANCE DIRECTOR**

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HENDRY COUNTY, FLORIDA

**COMBINED
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

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

SECTION I

Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Hendry County, Florida (the "County"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and aggregate remaining fund information of the County as of September 30, 2020, and respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and County Transportation Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Information, Continued

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

**MANAGEMENT
DISCUSSION & ANALYSIS**

Hendry County, Florida

Management's Discussion and Analysis

This discussion and analysis of Hendry County's (the "County") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2020. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights

- At the close of fiscal year 2020 the County's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources, resulting in a net position of \$60,226,755 a decrease of (\$3,586,454) over last year. Governmental and business-type assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$46,077,231 and \$14,149,524, respectively, which was a decrease of (\$2,988,693) for governmental assets and deferred outflows and a decrease of (\$597,761) for business-type assets and deferred outflows.
- Total revenues for governmental activities were \$62,169,865, which was a decrease of (\$316,891) over prior year.
- Total expenses for governmental activities were \$65,158,558, which was an increase of \$3,712,583 over prior year.
- Noncurrent liabilities are reported at \$46,237,883 on September 30, 2020 for governmental activities and \$7,790,265 for business-type activities.
- Capital Assets net of depreciation are reported at \$83,644,286 on September 30, 2020 for all fund types.

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

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

Fiduciary Fund Financial Statement

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

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the County is in a better or worse condition from the prior year.

The following is a condensed summary of net position for the primary government for fiscal years 2019 and 2020 with increases and decreases.

Hendry County, Florida
Summary of Net Position with Prior Year Comparison
September 30, 2020

	Governmental Activities 2019	Governmental Activities 2020	Governmental Activities Inc / (Dec)	Business-type Activities 2019	Business-type Activities 2020	Business-type Activities Inc / (Dec)	All Activities Total 2020	All Activities Total Inc / (Dec)
Current & Other assets	\$ 23,642,486	\$ 23,669,735	\$ 27,249	\$ 5,326,643	\$ 5,796,626	\$ 469,983	\$ 29,466,361	\$ 497,232
Capital assets	65,589,872	66,653,670	1,063,798	17,940,360	16,990,616	(949,744)	83,644,286	114,054
Deferred outflows	11,575,775	13,800,962	2,225,187	181,628	242,288	60,660	14,043,250	2,285,847
Total assets and deferred outflows	100,808,133	104,124,367	3,316,234	23,448,631	23,029,530	(419,101)	127,153,897	2,897,133
Current & Other liabilities	9,494,019	9,269,597	(224,422)	664,643	1,042,102	377,459	10,311,699	153,037
Non-current liabilities	38,596,384	46,237,883	7,641,499	7,978,249	7,790,265	(187,984)	54,028,148	7,453,515
Deferred inflows	3,651,806	2,539,656	(1,112,150)	58,454	47,639	(10,815)	2,587,295	(1,122,965)
Total liabilities and deferred inflows	51,742,209	58,047,136	6,304,927	8,701,346	8,880,006	178,660	66,927,142	6,483,587
Net position:								
Invested in capital assets, net of related debt	63,383,939	62,507,191	(876,748)	10,199,335	9,599,700	(599,635)	72,106,891	(1,476,383)
Restricted	761,309	794,988	33,679	3,520,673	4,026,450	505,777	4,821,438	539,456
Unrestricted	(15,079,324)	(17,224,948)	(2,145,624)	1,027,277	523,374	(503,903)	(16,701,574)	(2,649,527)
Total Net Position	\$ 49,065,924	\$ 46,077,231	\$ (2,988,693)	\$ 14,747,285	\$ 14,149,524	\$ (597,761)	\$ 60,226,755	\$ (3,586,454)

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

The restricted net position balance of \$4,821,438 in 2020 represents contractual obligations and capital project requirements in 2020.

The unrestricted net position balance of (\$16,701,574) represents assets that are available for spending at the County's discretion, however, it is important to note that this balance is county wide and there are restrictions within each source of funds as to what these funds can be used for.

The largest decrease in asset type for fiscal year ending in 2020 was unrestricted assets for governmental activities.

Governmental Activities Analysis

Governmental Revenue Accounts decreased 0.51% from 2019 to 2020. The majority of this variance is due to minimal increases in ad-valorem taxes, decreased grant income due to major road and airport grants coming to completion and other income increases due to Cares Act funding in Fiscal Year 2020. Expenses increased 6.05 percent in 2020. These increases are related to increases in Salaries and Benefits associated with cost of living, insurance and retirement. COVID19 related costs also increased non-recurring costs by approximately \$1,200,000. The Hendry County Board of County Commissioners, Hendry County Staff as well as all Hendry County Constitutional Officials have worked diligently to become more efficient and cost effective over the past few years and will continue this process into the future.

Business Activities Analysis

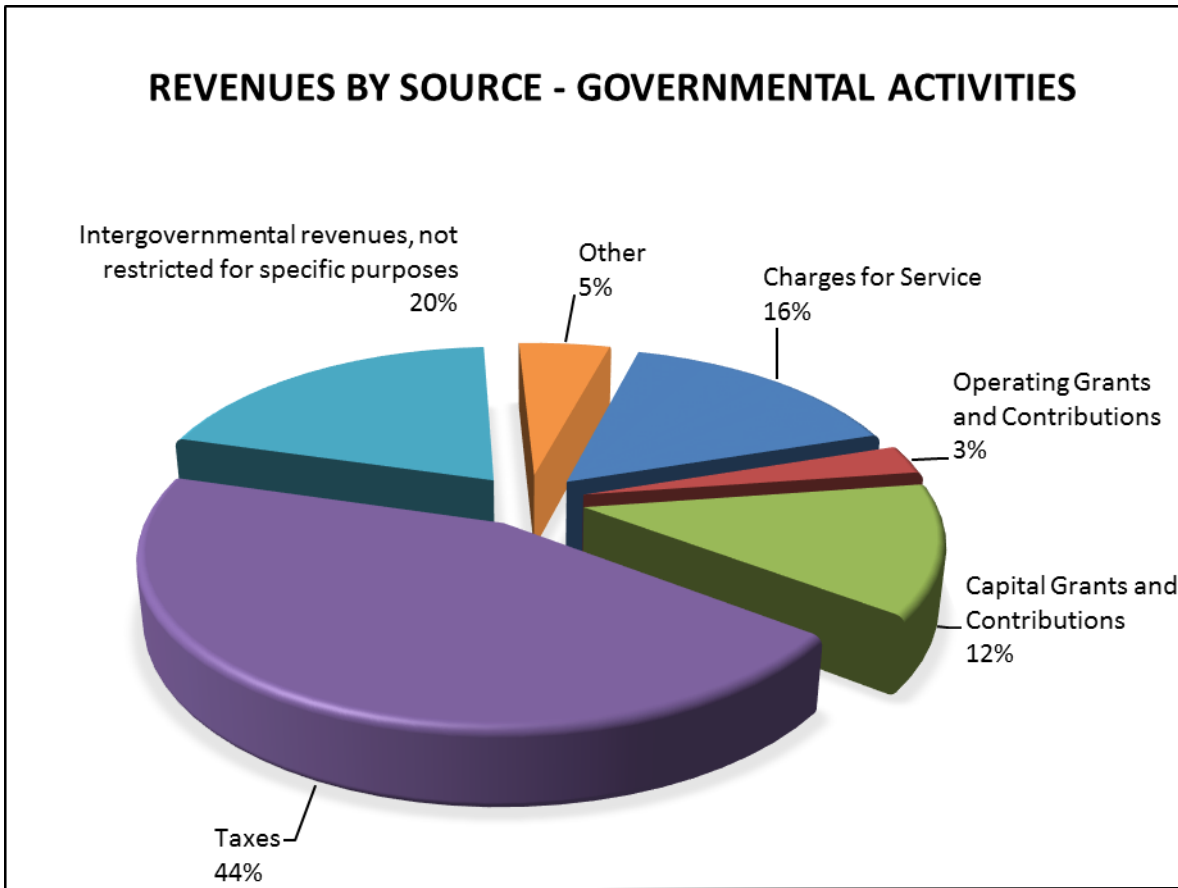
The Port LaBelle Utility System had increases in revenue and expenses due to the economic growth in the Port LaBelle area. New homes were built and existing inventory purchases causing revenues to increase.

The following schedule represents Summary of Revenues and Expenditures and Changes in Net Position for the year September 30, 2020.

Hendry County, Florida					
Summary of Revenues, Expenses and Changes in Net Position					
As of September 30, 2020					
	Governmental Activities 2019	Governmental Activities 2020	Business-type Activities 2019	Business-type Activities 2020	Total 2020
Revenues:					
Program Revenues:					
Charges for Service	\$ 9,583,902	\$ 9,782,324	\$ 1,805,284	\$ 2,018,236	\$ 11,800,560
Operating Grants and Contributions	1,783,538	1,745,326	-	-	1,745,326
Capital Grants and Contributions	11,074,389	7,804,560	-	-	7,804,560
General Revenues:					
Taxes	27,322,686	27,511,971	-	-	27,511,971
Impact Fees	-	-	-	-	-
Intergovernmental revenues, not restricted for specific purposes	10,644,245	12,248,274	-	-	12,248,274
Other	2,077,996	3,077,410	89,014	383,892	3,461,302
Total Revenues	62,486,756	62,169,865	1,894,298	2,402,128	64,571,993
Expenses:					
Program Activities:					
General Government	14,820,125	18,584,788	-	-	18,584,788
Court Related	1,683,479	2,475,520	-	-	2,475,520
Public Safety	28,292,003	25,975,121	-	-	25,975,121
Physical Environment	3,891,581	3,944,073	-	-	3,944,073
Transportation	9,040,330	9,627,329	-	-	9,627,329
Economic environment	1,120,501	1,150,032	-	-	1,150,032
Culture and recreation	1,177,716	996,211	-	-	996,211
Human Services	1,338,636	2,240,572	-	-	2,240,572
Interest on long-term debt	81,604	164,912	-	-	164,912
Business-type activities:					
Water and wastewater	-	-	2,895,839	2,999,889	2,999,889
	61,445,975	65,158,558	2,895,839	2,999,889	68,158,447
Increase in net position	1,040,781	(2,988,693)	(1,001,541)	(597,761)	(3,586,454)
Beginning Net position, October 1	48,025,143	49,065,924	15,748,826	14,747,285	63,813,209
Ending Net position, September 30	\$ 49,065,924	\$ 46,077,231	\$ 14,747,285	\$ 14,149,524	\$ 60,226,755

Governmental Activities

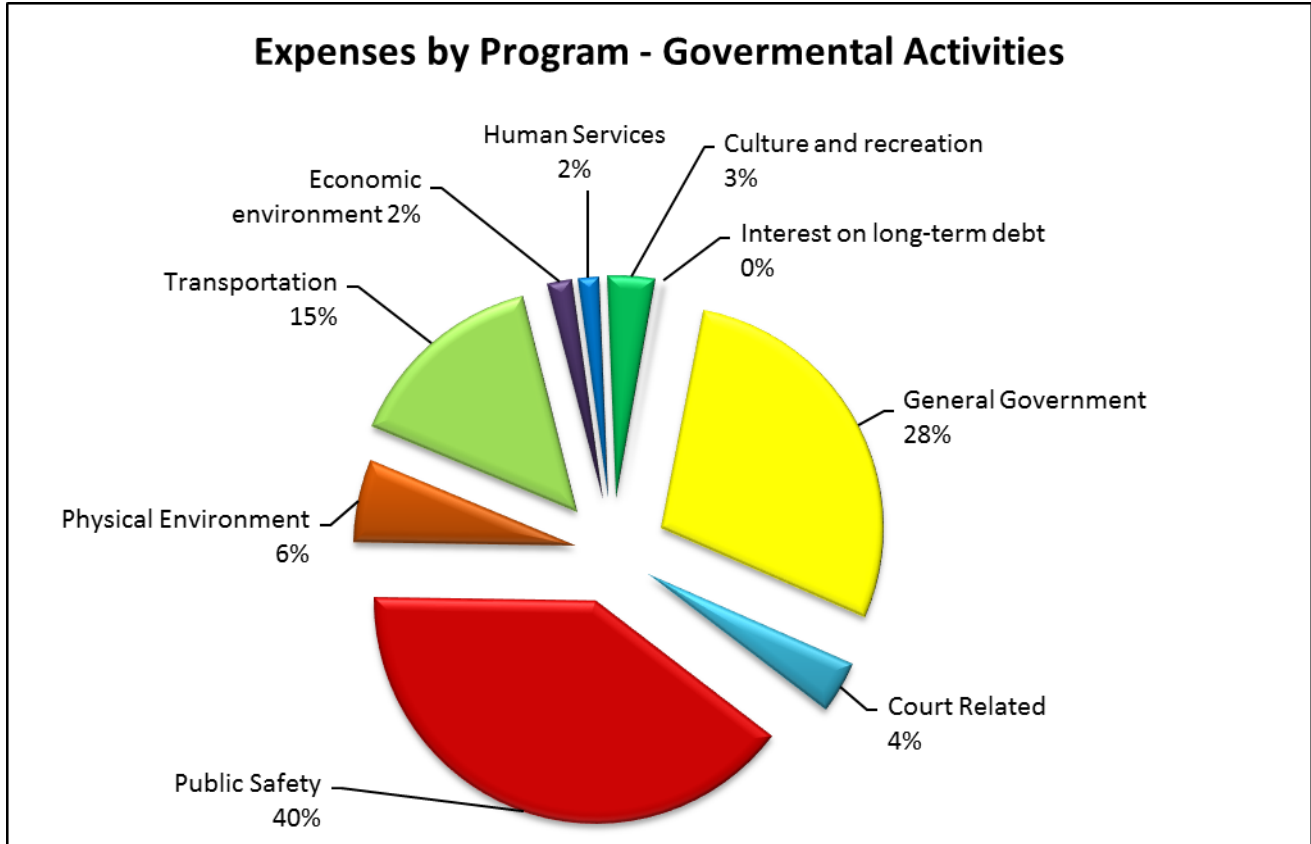
The following is a chart of revenues by source for governmental activities by percent of total revenues for fiscal year 2020.



<u>Revenue Source</u>	<u>Revenues</u>	<u>Percent of Total Revenue</u>
Charges for Service	\$ 9,782,324	16%
Operating Grants and Contributions	1,745,326	3%
Capital Grants and Contributions	7,804,560	13%
Taxes	27,511,971	44%
Intergovernmental revenues, not restricted for specific purposes	12,248,274	20%
Other	3,077,410	5%
	<u>\$ 62,169,865</u>	<u>100%</u>

Governmental Activities - Continued

The following is a chart of expenses by program for governmental activities for fiscal year 2020.

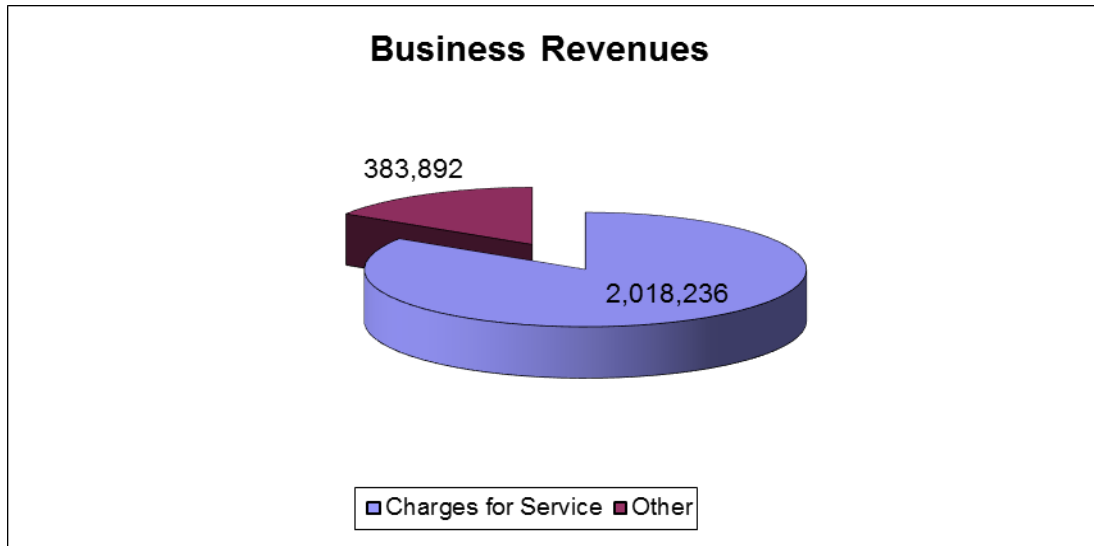


<u>Program</u>	<u>Expenses</u>	<u>Percent of Total Expense</u>
General Government	\$ 18,584,788	29%
Court Related	2,475,520	4%
Public Safety	25,975,121	40%
Physical Environment	3,944,073	6%
Transportation	9,627,329	15%
Economic environment	1,150,032	2%
Human Services	996,211	2%
Culture and recreation	2,240,572	3%
Interest on long-term debt	164,912	0%
Totals	<u>\$ 65,158,558</u>	<u>100.00%</u>

Business-Type Activities

The following is a chart of Revenues by Source for our Business Activities for fiscal year 2020. Our Business Activities consist of Port LaBelle Utilities. Total Revenues created from Charges for Services consisted of \$2,018,236. This represents charges for water/sewer usage. Other revenues totaling \$383,892 resulted from interest revenue and miscellaneous charges.

All business type expenditures for fiscal year 2020 consisted of water and wastewater expenses to operate Port LaBelle Utility Systems and administrative fees.



Financial Analysis of the Government's Funds

Governmental Funds

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

Proprietary Funds

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

Financial Analysis of the Government's Funds - Continued

Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, improvements other than buildings, machinery and equipment, and infrastructure. Total Capital assets total \$83,644,286. This is an increase of \$114,054 over prior year.

Debt Administration

At September 30, 2020, the County had a total of governmental and business-type long-term liabilities of \$57,667,122. Governmental liabilities of \$49,476,229 mostly consisted of pension related liabilities of \$38,069,596, other post-employment benefits of \$4,796,139, and notes and capital leases payable of \$4,146,479. Additionally, business-type liabilities of \$8,190,893 mostly consisted of revenue bonds of \$5,932,700 and notes payable of \$1,458,216.

Request for information

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

**BASIC
FINANCIAL STATEMENTS**

HENDRY COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,177,920	\$ 469,688	\$ 8,647,608
Investments, at fair value	10,161,126	-	10,161,126
Prepaid expenses	64,962	-	64,962
Receivables (net)	747,690	1,983,188	2,730,878
Interfund balances	684,308	(684,308)	-
Due from other governments	3,833,729	1,608	3,835,337
Restricted assets:			
Cash and cash equivalents	-	1,100,981	1,100,981
Investments, at fair value	-	2,925,469	2,925,469
Capital assets:			
Non-depreciable	27,987,959	537,006	28,524,965
Depreciable, net	38,665,711	16,453,610	55,119,321
TOTAL ASSETS	90,323,405	22,787,242	113,110,647
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	1,153,825	25,343	1,179,168
Related to pensions	12,647,137	216,945	12,864,082
TOTAL DEFERRED OUTFLOWS	13,800,962	242,288	14,043,250
LIABILITIES			
Accounts payable	1,907,101	376,115	2,283,216
Accrued liabilities	956,413	41,185	997,598
Unearned revenue	809,633	-	809,633
Due to other governments	287,185	-	287,185
Other liabilities	1,442,518	-	1,442,518
Liabilities payable from restricted assets:			
Current portion of long term debt	3,238,346	400,628	3,638,974
Customer deposits	628,401	224,174	852,575
Noncurrent liabilities:			
Due in more than one year	46,237,883	7,790,265	54,028,148
TOTAL LIABILITIES	55,507,480	8,832,367	64,339,847
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	846,866	18,601	865,467
Related to pensions	1,692,790	29,038	1,721,828
TOTAL DEFERRED INFLOWS	2,539,656	47,639	2,587,295
NET POSITION			
Invested in capital assets, net of related debt	62,507,191	9,599,700	72,106,891
Restricted for:			
Contractual obligations	-	4,026,450	4,026,450
General government	794,988	-	794,988
Unrestricted	(17,224,948)	523,374	(16,701,574)
TOTAL NET POSITION	\$ 46,077,231	\$ 14,149,524	\$ 60,226,755

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

HENDRY COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
September 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental Activities :				
General government	\$ 18,584,788	\$ 4,946,691	\$ -	\$ 334,630
Court related	2,475,520	1,200,372	-	-
Public safety	25,975,121	1,664,048	47,368	1,663,178
Physical environment	3,944,073	420,367	-	90,909
Transportation	9,627,329	1,499,030	1,185,458	5,608,503
Economic environment	1,150,032	48,882	512,500	-
Culture and recreation	996,211	2,934	-	58,729
Human services	2,240,572	-	-	48,611
Interest on long-term debt	164,912	-	-	-
Total governmental activities	65,158,558	9,782,324	1,745,326	7,804,560
Business-type Activities :				
Water and Wastewater	2,999,889	2,018,236	-	-
Total primary government	\$ 68,158,447	\$ 11,800,560	\$ 1,745,326	\$ 7,804,560

General revenues :

 Taxes

 Property taxes

 Gasoline taxes

 Communications taxes

 Other taxes

 Licenses and permits

 Fines and forfeitures

 Intergovernmental revenues

 Miscellaneous

Total general revenues

Change in net position

Net position, beginning

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$(13,303,467)	\$ -	\$(13,303,467)
(1,275,148)	-	(1,275,148)
(22,600,527)	-	(22,600,527)
(3,432,797)	-	(3,432,797)
(1,334,338)	-	(1,334,338)
(588,650)	-	(588,650)
(934,548)	-	(934,548)
(2,191,961)	-	(2,191,961)
(164,912)	-	(164,912)
<u>(45,826,348)</u>	<u>-</u>	<u>(45,826,348)</u>
-	(981,653)	(981,653)
<u>(45,826,348)</u>	<u>(981,653)</u>	<u>(46,808,001)</u>
17,514,312	-	17,514,312
1,251,415	-	1,251,415
88,915	-	88,915
8,657,329	-	8,657,329
936,053	-	936,053
274,032	-	274,032
12,248,274	-	12,248,274
1,867,325	383,892	2,251,217
<u>42,837,655</u>	<u>383,892</u>	<u>43,221,547</u>
(2,988,693)	(597,761)	(3,586,454)
<u>49,065,924</u>	<u>14,747,285</u>	<u>63,813,209</u>
<u>\$ 46,077,231</u>	<u>\$ 14,149,524</u>	<u>\$ 60,226,755</u>

HENDRY COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	General	County Transportation Trust	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,762,566	\$ 178,864	\$ 5,236,490	\$ 8,177,920
Investments	828,182	538,834	8,794,110	10,161,126
Prepaid expenses	1,775	-	63,187	64,962
Receivables (net)	494,639	183,319	69,732	747,690
Due from other funds	6,602,504	2,500,000	721,000	9,823,504
Due from other governments	2,006,589	1,193,663	633,477	3,833,729
Total assets	<u>\$ 12,696,255</u>	<u>\$ 4,594,680</u>	<u>\$ 15,517,996</u>	<u>\$ 32,808,931</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 693,484	\$ 421,605	\$ 792,012	\$ 1,907,101
Accrued liabilities	872,775	24,808	58,830	956,413
Due to other funds	6,539,464	232,684	2,367,048	9,139,196
Due to other governments	284,166	5	3,014	287,185
Unearned revenue	87,875	-	721,758	809,633
Deposits	80,808	451,317	96,276	628,401
Other liabilities	1,291,953	-	150,565	1,442,518
Total liabilities	<u>9,850,525</u>	<u>1,130,419</u>	<u>4,189,503</u>	<u>15,170,447</u>
Fund balances				
Nonspendable	1,775	-	-	1,775
Committed	3,300,000	-	-	3,300,000
Restricted	-	-	794,988	794,988
Assigned	(38,680)	3,464,261	10,533,505	13,959,086
Unassigned	(417,365)	-	-	(417,365)
Total fund balances	<u>2,845,730</u>	<u>3,464,261</u>	<u>11,328,493</u>	<u>17,638,484</u>
Total liabilities and fund balances	<u>\$ 12,696,255</u>	<u>\$ 4,594,680</u>	<u>\$ 15,517,996</u>	<u>\$ 32,808,931</u>

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

HENDRY COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2020

Fund Balances - total governmental funds		\$ 17,638,484
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Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:

Non-depreciable governmental capital assets	\$ 27,987,959		
Depreciable governmental capital assets, net	<u>38,665,711</u>		66,653,670

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

Notes payable	(3,092,070)		
Capital leases	(1,054,409)		
Other Post Employment Benefits	(4,796,139)		
Net Pension liability	(38,069,596)		
Deferred outflows related to pensions	12,647,137		
Deferred inflows related to pensions	(1,692,790)		
Deferred outflows related to OPEB	1,153,825		
Deferred inflows related to OPEB	(846,866)		
Compensated absences	<u>(2,464,015)</u>		<u>(38,214,923)</u>

Net position of governmental activities		<u><u>\$ 46,077,231</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	General	County Transportation Trust	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 17,672,435	\$ 1,251,415	\$ 8,588,121	\$ 27,511,971
Licenses and permits	107,042	-	829,011	936,053
Intergovernmental	9,159,779	7,144,131	5,494,250	21,798,160
Charges for services	7,021,862	531,471	2,228,991	9,782,324
Fines and forfeitures	-	-	274,032	274,032
Miscellaneous	413,483	454,254	999,588	1,867,325
Total revenues	<u>34,374,601</u>	<u>9,381,271</u>	<u>18,413,993</u>	<u>62,169,865</u>
EXPENDITURES				
Current				
General government	14,539,855	-	800,988	15,340,843
Court related	1,993,663	-	410,257	2,403,920
Public safety	19,357,670	-	3,043,382	22,401,052
Physical environment	511,251	-	3,270,373	3,781,624
Transportation	-	8,133,400	1,180,761	9,314,161
Economic environment	346,284	-	734,291	1,080,575
Culture and recreation	131,060	-	806,376	937,436
Human services	1,319,518	-	-	1,319,518
Capital outlay				
General government	113,834	-	1,974,942	2,088,776
Public safety	564,856	-	7,469	572,325
Physical environment	-	-	94,081	94,081
Transportation	-	1,695,245	-	1,695,245
Debt service				
Principal retirement	574,116	116,962	17,928	709,006
Interest and fiscal charges	161,810	2,208	894	164,912
Total expenditures	<u>39,613,917</u>	<u>9,947,815</u>	<u>12,341,742</u>	<u>61,903,474</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(5,239,316)</u>	<u>(566,544)</u>	<u>6,072,251</u>	<u>266,391</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	2,649,552	-	-	2,649,552
Proceeds from sale of capital assets	7,761	-	-	7,761
Transfers in	20,441,747	-	279,588	20,721,335
Transfers out	(16,678,243)	(43,770)	(3,999,322)	(20,721,335)
Total other financing sources (uses)	<u>6,420,817</u>	<u>(43,770)</u>	<u>(3,719,734)</u>	<u>2,657,313</u>
Net change in fund balances	1,181,501	(610,314)	2,352,517	2,923,704
Fund balances, October 1, 2019	1,664,229	4,074,575	8,975,976	14,714,780
Fund balances, September 30, 2020	<u>\$ 2,845,730</u>	<u>\$ 3,464,261</u>	<u>\$ 11,328,493</u>	<u>\$ 17,638,484</u>

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

HENDRY COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Fiscal Year ended September 30, 2020

Net change in fund balances - total governmental funds: \$ 2,923,704

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which depreciation, amortization and capital asset adjustments were above capital outlays in the current period. 1,063,799

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

Principal payments	\$ 709,006	
Proceeds from issuance of debt	<u>(2,649,552)</u>	(1,940,546)

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

Other post employment benefits expenditures	(282,082)	
Increase in compensated absences	(83,257)	
Pension expenditures	<u>(4,670,311)</u>	<u>(5,035,650)</u>

Change in net position of governmental activities \$ (2,988,693)

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

HENDRY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 17,794,109	\$ 17,922,435	\$ 17,672,435	\$ (250,000)
Licenses and permits	71,000	107,042	107,042	-
Intergovernmental	6,557,751	7,025,501	9,159,779	2,134,278
Charges for services	6,475,016	6,897,597	7,021,862	124,265
Miscellaneous	432,075	1,908,034	413,483	(1,494,551)
Total revenues	<u>31,329,951</u>	<u>33,860,609</u>	<u>34,374,601</u>	<u>513,992</u>
EXPENDITURES				
Current				
General government	11,091,437	11,090,592	14,539,855	(3,449,263)
Court related	1,990,998	2,020,184	1,993,663	26,521
Public safety	16,765,790	18,723,613	19,357,670	(634,057)
Physical environment	498,919	512,514	511,251	1,263
Economic environment	475,377	346,441	346,284	157
Culture and recreation	123,984	133,663	131,060	2,603
Human services	1,314,111	1,319,517	1,319,518	(1)
Capital Outlay				
General government	43,000	60,379	113,834	(53,455)
Public safety	305,374	615,517	564,856	50,661
Debt service				
Principal retirement	420,500	743,087	574,116	168,971
Interest and fiscal charges	150,200	41,272	161,810	(120,538)
Contingency	50,000	-	-	-
Total expenditures	<u>33,229,690</u>	<u>35,606,779</u>	<u>39,613,917</u>	<u>(4,007,138)</u>
Deficiencies of revenues under expenditures	<u>(1,899,739)</u>	<u>(1,746,170)</u>	<u>(5,239,316)</u>	<u>(3,493,146)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	2,649,552	2,649,552
Proceeds from sale of capital assets	-	7,492	7,761	269
Transfers in	18,728,293	19,591,392	20,441,747	850,355
Transfers out	(16,536,187)	(16,234,654)	(16,678,243)	(443,589)
Total other financing sources (uses)	<u>2,192,106</u>	<u>3,364,230</u>	<u>6,420,817</u>	<u>3,056,587</u>
Net change in fund balances	292,367	1,618,060	1,181,501	(436,559)
Fund balances - October 1, 2019	(292,367)	(1,119,703)	1,664,229	2,783,932
Fund balances - September 30, 2020	<u>\$ -</u>	<u>\$ 498,357</u>	<u>\$ 2,845,730</u>	<u>\$ 2,347,373</u>

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

HENDRY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY TRANSPORTATION TRUST
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,313,085	\$ 1,313,085	\$ 1,251,415	\$ (61,670)
Intergovernmental	10,365,030	11,269,030	7,144,131	(4,124,899)
Charges for services	430,520	533,851	531,471	(2,380)
Miscellaneous	150,840	171,634	454,254	282,620
Total revenues	12,259,475	13,287,600	9,381,271	(3,906,329)
EXPENDITURES				
Current				
Transportation	9,390,706	8,670,143	8,133,400	536,743
Capital outlay				
Transportation	4,884,120	5,500,332	1,695,245	3,805,087
Debt service				
Principal & interest retirement	-	-	119,170	(119,170)
Total expenditures	14,274,826	14,170,475	9,947,815	4,222,660
Excess (deficiencies) of revenues over (under) expenditures	(2,015,351)	(882,875)	(566,544)	316,331
OTHER FINANCING SOURCES				
Transfers in	2,065,341	2,065,341	-	(2,065,341)
Transfers out	(49,990)	(1,182,466)	(43,770)	1,138,696
Total other financing sources	2,015,351	882,875	(43,770)	(926,645)
Net change in fund balance	-	-	(610,314)	(610,314)
Fund balance-October 1, 2019	-	-	4,074,575	4,074,575
Fund balance- September 30, 2020	\$ -	\$ -	\$ 3,464,261	\$ 3,464,261

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

HENDRY COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2020

		Business-type Activities <u>Enterprise Fund</u>
		<u>Port LaBelle Utility System</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Assets		
Current Assets		
Cash and cash equivalents	\$	469,688
Receivables (net)		1,983,188
Due from other funds		155,000
Due from other governments		1,608
Restricted Assets:		
Cash and cash equivalents	\$	1,100,981
Investments, at fair value		2,925,469
Total Restricted Assets		<u>4,026,450</u>
Total current assets		<u>6,635,934</u>
Noncurrent Assets		
Capital Assets		
Non-depreciable		537,006
Depreciable		29,235,454
Less: accumulated depreciation		<u>(12,781,844)</u>
Total Capital Assets, net		<u>16,990,616</u>
Total noncurrent assets		<u>16,990,616</u>
Total assets		<u>23,626,550</u>
Deferred outflows of resources		
Related to OPEB	25,343	
Related to pensions	216,945	
Total Deferred outflows of resources		<u>242,288</u>

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

Business-type Activities
Enterprise Fund

Port LaBelle
Utility System

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Liabilities

Current liabilities	
Accounts payable	376,115
Accrued liabilities	41,185
Due to other funds	839,308
Total current liabilities	<hr/> 1,256,608 <hr/>
Current liabilities payable from restricted assets	
Notes payable	203,852
Bonds payable	196,776
Customer deposits	224,174
Total current liabilities payable from restricted assets	<hr/> 624,802 <hr/>
Noncurrent liabilities	
Accrued compensated absences	41,599
Notes payable	1,254,364
Bonds payable	5,735,924
Total OPEB liability	105,344
Net pension liability	653,034
Total noncurrent liabilities	<hr/> 7,790,265 <hr/>
Total liabilities	<hr/> 9,671,675 <hr/>
Deferred inflows of resources	
Related to OPEB	18,601
Related to pensions	29,038
Total Deferred inflows of resources	<hr/> 47,639 <hr/>
Net position	
Invested in capital assets, net of related debt	9,599,700
Restricted for contractual obligations	4,026,450
Unrestricted	523,374
Total net position	<hr/> \$ 14,149,524 <hr/>

HENDRY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2020

	Business-type Activities Enterprise Fund
	Port LaBelle Utility System
OPERATING REVENUES	
Charges for services	\$ 2,018,236
Miscellaneous	370,613
Total operating revenues	<u>2,388,849</u>
OPERATING EXPENSES	
Personal services	710,146
Contractual services	217,979
Repairs and maintenance	276,166
Depreciation and amortization	984,491
Office	10,474
Supplies	65,145
Utilities	105,620
Other expense	233,208
Total operating expenses	<u>2,603,229</u>
Operating income (loss)	<u>(214,380)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest revenue	13,279
Interest and fiscal charges	(396,660)
Total non-operating (expenses)	<u>(383,381)</u>
Change in net position	(597,761)
Total net position, October 1, 2019	<u>14,747,285</u>
Total net position, September 30, 2020	<u>\$ 14,149,524</u>

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

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HENDRY COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Business-type Activities Enterprise Funds
	Port LaBelle Utility System
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 2,366,554
Cash payments to suppliers for goods and services	(573,763)
Net cash received from other funds	(240,884)
Cash payments to employees for services	(575,659)
Net cash provided by operating activities	976,248
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Deposits collected from customers less deposits refunded to customers	19,417
Net cash provided by noncapital financing activities	19,417
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on notes payable and revenue bonds	(381,016)
Interest paid on notes payable and revenue bonds	(396,660)
Net cash used in capital financing activities	(777,676)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Changes in investing activities	74,695
Net cash provided by investing activities	74,695
Net increase in cash and cash equivalents	292,684
Cash and cash equivalents on October 1, 2019	1,277,985
Cash and cash equivalents on September 30, 2020	\$ 1,570,669

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

Business-type Activities
Enterprise Funds

Port LaBelle
Utility System

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

Operating income (loss)	\$ (214,380)
-------------------------	--------------

Adjustments to reconcile operating income (loss) to net cash
provided by operating activities:

Depreciation and amortization	984,491
OPEB & Pension expense	(134,301)

Changes in assets and liabilities:

(Increase) decrease in:	
Accounts receivable	101,308
Due from other funds	153
Due from other governments	10,698

Increase (decrease) in:

Accounts payable	334,829
Accrued liabilities	3,601
Due to other funds	(241,037)

Deferred outflows - pension related (increase) decrease	(42,818)
Deferred inflows - pension related increase (decrease)	(26,801)
Net pension liability increase (decrease)	141,122
Deferred outflows - OPEB related (increase) decrease	(17,842)
Deferred inflows - OPEB related increase (decrease)	15,986
Total OPEB liability increase (decrease)	61,239

Total adjustments	1,190,628
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Net cash provided by operating activities	\$ 976,248
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HENDRY COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of September 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 3,511,811
Receivables (net)	835
	<hr/>
Total assets	<u>\$ 3,512,646</u>
LIABILITIES	
Accounts payable	\$ 75,534
Due to other constitutional officers	23,372
Due to other governments	2,272,618
Due to individuals	1,035,611
Other liabilities	105,511
	<hr/>
Total liabilities	<u>\$ 3,512,646</u>

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Hendry County (the "County") was created in 1923 by the Laws of Florida 1923, Chapter 23-9369 as amended, Section 7.26, Florida Statutes and is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board") which is a body of elected Constitutional Officers of Hendry County. In addition to the members of the Board of County Commissioners, there are five elected Constitutional Officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections, which were established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Constitutional Officers maintain separate accounting records and budgets.

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

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

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

East Hendry County Drainage District

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

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

B. Government-Wide and Fund Financial Statements

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements, Continued

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

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

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

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

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

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

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

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

The Board reports the following major governmental funds:

General Fund

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

County Transportation Trust Fund

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Non-major Governmental Funds

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

The Board reports the following major proprietary fund:

The Port LaBelle Utility System

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

Additionally, the Board reports Agency Funds. Agency funds are custodial funds and do not involve measurement of results of operations. These funds are clearing accounts for assets held by the County as an agent for other funds. These funds hold assets prior to disbursement or in a custodial capacity.

E. Budgets and Budgetary Accounting

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

- (1) On or before July 15, a tentative budget for the fiscal year commencing the following October 1 is presented to the Board.
- (2) The tentative budget is reviewed by the Board and any necessary changes are made.
- (3) Public hearings are conducted to inform the taxpayers of the tentative budget and proposed tax levies and to obtain taxpayer comments.
- (4) On or before September 30, the budget is legally adopted through passage of a resolution.
- (5) Section 129.07 of the Florida Statutes prohibits incurring expenditures in excess of total fund appropriations.
- (6) Formal budgetary integration is employed as a management control device during the year in all Governmental Fund Types. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenue.
- (7) Budgets for General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- (8) Formal budgetary integration is employed as a management control device during the year in all Governmental Fund Types. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenue.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting (continued)

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

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

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

Cash and Investments

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

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

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

Inventories

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

Capital Assets

Capital assets include property, plant and equipment. Infrastructure assets are defined as public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the government unit.

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The ranges of the useful lives are as follows:

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

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position / Fund Balance Classification

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

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The County considers inventories and prepaid items as part of this category, as well as long-term receivables from which proceeds are not restricted, committed or assigned.

Spendable Fund Balances:

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

Committed Fund Balance: Amounts that are committed for specific purposes by formal action of the governments' highest level of decision making authority. These amounts are not subject to legal enforceability as in restricted, however those amounts cannot be used for any other purpose unless the government removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

Assigned Fund Balance: Amounts that are intended by the government to be used for specific purposes but are neither restricted nor limited. Intent should be expressed by (a) the governing body itself, or (b) a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance: The residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, limited or assigned to specific purposes within the general fund.

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

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

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

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Use of Estimates

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

NOTE 2 - PROPERTY TAXES

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

No accrual for the property tax levy becoming due in November 2020 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period. Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided by Florida Statutes and are performed by the Hendry County Tax Collector.

The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. There was no significant delinquent property taxes receivable at September 30, 2020.

Important dates in the property tax cycle are as follows:

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

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

As of September 30, 2020, the County has the following non-major governmental funds with deficit fund balances. The County anticipates these deficits to be resolved in the next fiscal year(s) as noted below:

Deficit Fund Balances

The East Hendry County Fire District has a deficit fund balance of \$203,097. It is anticipated that the deficit will continue to decrease as expenditures will continue being less than revenues.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

Deficit Fund Balances, Continued

The Court Technology Fund has a deficit fund balance of \$3,700. It is anticipated that the deficit will be resolved in the next fiscal year as expenditures will be less than revenues.

The Captial Projects Fund has a deficit fund balance of \$63,712. It is anticipated that the deficit will be resolved in the next fiscal year as expenditures will be less than revenues.

The Fines and Forfeitures Fund has a deficit fund balance of \$509,582. It is anticipated that the deficit will be resolved in the next fiscal year as expenditures will be less than revenues.

The Seven K Estates MSBU Fund has a deficit fund balance of \$368. It is anticipated that the deficit will be resolved in the next fiscal year as expenditures will be less than revenues.

Deficit Net Position

The County's unrestricted net position balance was again a deficit and totaled \$(16,701,574), due substantially from recording the current year actuarially determined net OPEB liability of approximately \$4.8 million and the pension liabilities of approximately \$38 million.

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit. County depositories are banks designated as qualified depositories by the State Treasurer. The County's bank balance of deposits insured by Federal Depository Insurance or pursuant to Chapter 280 of the Florida Statutes was \$14,328,376 as of September 30, 2020.

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

The Board adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," as amended by GASB Number 79, "Certain External Investment Pools and Pool Participants." Florida Statutes and Board policy authorize investments in PRIME, an external 2a7-like investment pool. The Fund is publicly traded and may lose principal. PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. PRIME has a Standard & Poor's rating of AAAM at September 30, 2020 and meets all of the necessary criteria to elect to measure all of the investments in PRIME at amortized cost. In terms of interest rate risk, PRIME had a weighted average days to maturity (WAM) of 33 days and a weighted average life (WAL) of 72 days at September 30, 2020. PRIME was not exposed to any foreign currency risk nor did it participate in a securities lending program during the period from October 1, 2019 through September 30, 2020.

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

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS, CONTINUED

At September 30, 2020, the County reported PRIME investments of \$29,218 at fair value.

At September 30, 2020, the County reported investments in the Florida Local Government Investment Trust (FLGIT) of \$9,848,117.

The County maintained investments in Treasury Securities at the Bank of New York Mellon in in the amount of \$2,894,563, at fair value, as of September 30, 2020.

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

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The Board limits its exposure to interest risk by holding all securities until maturity. The Treasury Securities had a weighted average days to maturity (WAM) of 37 days and a weighted average life (WAL) of 77 days at September 30, 2020.

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

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

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

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

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

Fair Value Measurements

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS, CONTINUED

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

NOTE 5 - ACCOUNTS RECEIVABLE

At September 30, 2020, receivables were as follows:

<u>Enterprise:</u>	<u>Labelle Utility</u>
Accounts receivable	\$ 1,983,188
Less: allowance for bad debt	-
Total receivables	\$ 1,983,188

NOTE 6 - SPECIAL ASSESSMENT

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 7 - RESTRICTED ASSETS AND LIABILITIES

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

Restricted assets reported on the proprietary fund statement of net position at September 30, 2020, were as follows:

Port LaBelle Utility

Restricted cash and cash Equivalents	\$ 1,100,981
Restricted investments, at fair value	<u>1,900,395</u>
Total restricted assets	<u><u>\$ 3,001,376</u></u>

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

Liabilities payable from restricted assets were at September 30, 2020 comprised of the following:

Port LaBelle Utility

Current portion of long-term debt	\$ 400,628
Customer deposits	<u>224,174</u>
Total	<u><u>\$ 624,802</u></u>

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 8 - CAPITAL ASSETS

During the year ended September 30, 2020, the following changes in capital assets occurred:

	Beginning Balance 10/01/2019	Increases	Decreases	Adjustments	Ending Balance 09/30/2020
<i>Governmental Activities</i>					
Capital Assets not being depreciated:					
Land	\$ 6,742,832	\$ 220,673	\$ -	\$ -	\$ 6,963,505
Construction in progress	18,496,844	2,555,257	-	(27,647)	21,024,454
Total capital assets not being depreciated	<u>25,239,676</u>	<u>2,775,930</u>	<u>-</u>	<u>(27,647)</u>	<u>27,987,959</u>
Capital assets being depreciated:					
Buildings and improvements	130,649,067	17,414	-	-	130,666,481
Furniture and equipment	31,192,072	1,657,083	(955,293)	27,647	31,921,509
Total capital assets being depreciated	<u>161,841,139</u>	<u>1,674,497</u>	<u>(955,293)</u>	<u>27,647</u>	<u>162,587,990</u>
Less accumulated depreciation for:					
Buildings and improvements	(93,329,298)	(2,304,999)	-	-	(95,634,297)
Furniture and equipment	(28,161,645)	(1,093,717)	937,828	29,552	(28,287,982)
Total accumulated depreciation	<u>(121,490,943)</u>	<u>(3,398,716)</u>	<u>937,828</u>	<u>29,552</u>	<u>(123,922,279)</u>
Total capital assets being depreciated, net	<u>40,350,196</u>	<u>(1,724,219)</u>	<u>(17,465)</u>	<u>57,199</u>	<u>38,665,711</u>
Total governmental activities capital assets, net	<u><u>\$ 65,589,872</u></u>	<u><u>\$ 1,051,711</u></u>	<u><u>\$ (17,465)</u></u>	<u><u>\$ 29,552</u></u>	<u><u>\$ 66,653,670</u></u>
<i>Business-Type Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 537,006	\$ -	\$ -	\$ -	\$ 537,006
Total capital assets not being depreciated	<u>537,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537,006</u>
Capital assets being depreciated:					
Buildings and improvements	29,005,660	-	-	-	29,005,660
Furniture and equipment	247,029	34,748	(51,983)	-	229,794
Total capital assets being depreciated	<u>29,252,689</u>	<u>34,748</u>	<u>(51,983)</u>	<u>-</u>	<u>29,235,454</u>
Less accumulated depreciation for:					
Buildings and improvements	(11,617,350)	(961,682)	-	-	(12,579,032)
Furniture and equipment	(231,985)	(22,810)	51,983	-	(202,812)
Total accumulated depreciation	<u>(11,849,335)</u>	<u>(984,492)</u>	<u>51,983</u>	<u>-</u>	<u>(12,781,844)</u>
Total capital assets being depreciated, net	<u>17,403,354</u>	<u>(949,744)</u>	<u>-</u>	<u>-</u>	<u>16,453,610</u>
Total business-type activities capital assets, net	<u><u>\$ 17,940,360</u></u>	<u><u>\$ (949,744)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,990,616</u></u>

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Depreciation costs were charged to functions/ programs as follows:

Governmental activities:

General government	\$ 681,934
Court related	23,848
Public safety	1,168,031
Physical environment	162,449
Transportation	313,168
Economic environment	69,457
Culture and recreation	58,775
Human services	<u>921,054</u>
Total depreciation cost for governmental activities	<u>\$ 3,398,716</u>

Business-type activities:

Water and wastewater depreciation cost	<u>\$ 984,492</u>
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NOTE 9 - LONG-TERM OBLIGATIONS

Business Type - Revenue Bonds and Notes Payable

Revenue Bonds

The Board issued revenue bonds for business-type activities. The descriptions and balances of the outstanding revenue bonds as of September 30, 2020, were as follows:

\$4,700,000 Hendry County, Water and Sewer System Revenue Bonds, Series 1996, bearing interest of 5% payable on September 1, 1996 and annually thereafter on September 1, with principal maturing from September 1, 1997 to September 1, 2035.	\$ 2,866,700
\$3,689,000 Hendry County, Water and Sewer System Revenue Bonds, Series 2007, bearing interest of 4.125% payable on September 1, 2007 and annually thereafter on September 1, with principal maturing from September 1, 2010 to September 1, 2046.	<u>3,066,000</u>
Total business-type - revenue bonds	<u>5,932,700</u>

Notes Payable

\$1,430,705 bank loan, bearing interest at a rate of 7%, 15 annual payments of \$157,084. Final payment due September 2026.	748,747
\$1,355,656 bank loan, bearing interest at a rate of 7%, 15 annual payments of \$148,844. Final payment due September 2026.	<u>709,470</u>
Total business-type - notes payable	<u>1,458,217</u>
Total Business-Type - Revenue Bonds and Notes Payable	<u>\$ 7,390,917</u>

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

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

Notes Payable

\$85,000 bank loan for the implementation of new lights for the West Recreation District, bearing interest at a rate of 2.75%, with equal annual payments of \$15,561. Final payment due December 2020.	\$ 16,639
\$391,943 bank loan for the purchase of ambulatory machinery and equipment, bearing interest of 2.69%, with equal annual payments of \$89,400. Final payment is due April 2021.	78,487
\$87,482 bank loan for the purchase of a new EMS truck, bearing interest at a rate of 2.45%, with equal annual payments of \$18,803. Final payment is due May 2021.	18,343
\$146,313 bank loan for the purchase of a new ambulance, bearing interest at a rate of 3.15%, with equal annual payments of \$39,503. Final payment is due July 2021.	38,145
\$113,398 bank loan for the purchase of five new vehicles, bearing interest at a rate of 2.50%, with equal annual payments of \$24,409. Final payment is due July 2022.	47,061
\$297,000 bank loan for the purchase of two new ambulances, bearing interest at a rate of 2.65%, with equal annual payments of \$79,233. Final payment is due June 2023.	225,637
\$155,000 bank loan for the purchase of five new vehicles, bearing interest at a rate of 2.65%, with equal annual payments of \$41,351. Final payment is due June 2023.	117,758
\$6,000,000 bank loan to fund capital projects, bearing interest at a rate of 3.65%. The loan is in the drawdown stage of the contract (May 1, 2019 to November 1, 2020). The county has drawn \$2,550,000 as of September 30, 2020. The loan is intended to be paid using future local government half-cent sales tax revenues. Upon completion of the drawdown period, the loan payment will be decided. The loan contract requires semi-annual payments. Final payment is due November 2028.	2,550,000
Total governmental - notes payable	<u>3,092,070</u>

Capital Leases

Capital lease entered into for the lease of a loader for \$79,606 bearing interest at a rate of 4.00%, requiring annual payments of \$27,647. Final payment due June 6, 2021.	26,520
Capital lease entered into for the lease of a truck for \$262,890 bearing interest at a rate of 2.60%, requiring annual payments of \$91,523. Final payment due December 18, 2021.	171,367
On August 4, 2017 the Sheriff entered into a leasing agreement for six Chevrolet SUV for \$367,475 bearing interest at a rate of 3.52%, requiring quarterly payments of \$24,721. Final payment due August 4, 2021.	96,749

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

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

Capital Leases (continued)

On September 30, 2019 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$53,026, requiring monthly payments of \$1,079 including principal and interest. Final payment due in September 30, 2024.	43,966
On August 27, 2019 the Sheriff entered into a leasing agreement for two 2019 Chevrolet Tahoe for \$105,197, requiring monthly payments of \$2,160 including principal and interest. Final payment due in August 2024.	85,843
On August 27, 2019 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$48,538, requiring monthly payments of \$999 including principal and interest. Final payment due in August 2024.	39,608
On September 25, 2019 the Sheriff entered into a leasing agreement for two 2019 Chevrolet Tahoe for \$101,326, requiring monthly payments of \$2,065 including principal and interest. Final payment due in September 2024.	84,012
On November 5, 2018 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$43,568, requiring monthly payments of \$859 including principal and interest. Final payment due in November 2023.	29,412
In November 5, 2018 the Sheriff entered into a leasing agreement for three 2019 Chevrolet Tahoe for \$147,524, requiring monthly payments of \$2,905 including principal and interest. Final payment due in November 2023.	99,550
In October 9, 2018 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$49,175, requiring monthly payments of \$968 including principal and interest. Final payment due in October 2023.	32,400
On October 1, 2018 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$41,700, requiring monthly payments of \$812 including principal and interest. Final payment due in November 2023.	26,691
On March 27, 2020 the Sheriff entered into a leasing agreement for a 2020 Chevrolet Tahoe for \$44,627, requiring monthly payments of \$980 including principal and interest. Final payment due in March 2025.	40,841
On February 27, 2020 the Sheriff entered into a leasing agreement for a 2020 Chevrolet Tahoe for \$51,944, requiring monthly payments of \$1,032 including principal and interest. Final payment due in February 2025.	46,900

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

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

Capital Leases (continued)

On January 31, 2020 the Sheriff entered into a leasing agreement for two 2020 Chevrolet Tahoe for \$103,889, requiring monthly payments of \$2,128 including principal and interest. Final payment due in January 2025.	92,288
On January 21, 2020 the Sheriff entered into a leasing agreement for a 2020 Chevrolet Tahoe for \$51,944, requiring monthly payments of \$1,027 including principal and interest. Final payment due in January 2025.	45,974
On January 31, 2020 the Sheriff entered into a leasing agreement for two 2020 Chevrolet Tahoe for \$103,889, requiring monthly payments of \$2,060 including principal and interest. Final payment due in January 2025.	92,288
Total governmental - capital leases	1,054,409

Total Governmental Funds - Debt Service Requirements **\$ 4,146,479**

The annual debt service requirements at September 30, 2020, were as follows:

Fiscal Year(s)	Government Funds Long-Term Debt		Business-type Long-Term Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 3,238,346	\$ 60,876	\$ 400,628	\$ 375,460	\$ 3,638,974	\$ 436,336
2022	420,736	44,915	424,291	351,861	845,027	396,776
2023	312,394	39,013	449,363	326,815	761,757	365,828
2024	149,330	28,002	475,922	300,232	625,252	328,234
2025	25,673	6,226	504,149	272,018	529,822	278,244
2026-2030	-	-	1,671,794	995,538	1,671,794	995,538
2031-2035	-	-	1,729,029	621,496	1,729,029	621,496
2036-2047	-	-	1,735,740	450,679	1,735,740	450,679
Total	\$ 4,146,479	\$ 179,032	\$ 7,390,916	\$ 3,694,099	\$ 11,537,395	\$ 3,873,131

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

Bond Resolutions (continued)

Changes in bonded and other indebtedness of the Board for the year ended September 30, 2020, was as follows:

	Beginning Balance 10/1/2019	Additions	Reductions	Ending Balance 9/30/2020	Due Within One Year
<u>Governmental Activities</u>					
Notes Payable	\$ 1,393,036	\$ 1,978,409	\$ (279,375)	\$ 3,092,070	\$ 2,836,359
Capital Leases	812,897	671,143	(429,631)	1,054,409	401,987
Other Post Employment					
Benefits	4,733,338	62,801	-	4,796,139	-
FRS Pension Liability	24,249,921	7,518,692	-	31,768,613	-
HIS Liability	5,592,747	708,236	-	6,300,983	-
Compensated Absences	2,380,758	86,978	(3,721)	2,464,015	-
Total governmental activities long-term liabilities	<u>\$ 39,162,697</u>	<u>\$ 11,026,259</u>	<u>\$ (712,727)</u>	<u>\$ 49,476,229</u>	<u>\$ 3,238,346</u>
<u>Business-Type Activities</u>					
<u>Port LaBelle Utility Systems</u>					
Notes Payable	\$ 1,648,732	\$ -	\$ (190,516)	\$ 1,458,216	\$ 203,852
Revenue Bonds	6,123,200	-	(190,500)	5,932,700	196,776
Other Post Employment					
Benefits	44,105	61,239	-	105,344	-
FRS Pension liability	403,575	141,374	-	544,949	-
HIS Liability	108,337	-	(252)	108,085	-
Compensated Absences	37,722	3,877	-	41,599	-
Total business-type activities long-term liabilities	<u>\$ 8,365,671</u>	<u>\$ 206,490</u>	<u>\$ (381,268)</u>	<u>\$ 8,190,893</u>	<u>\$ 400,628</u>

NOTE 10 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 10 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

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

NOTE 11 - COMMITMENTS & CONTINGENCIES

Commitments

In January 2020, the Sheriff entered into an operating lease agreement for twenty-two vehicles in the amount of \$537,687 for a twelve month term. The final payment is due in January 2021. At the end of the term, or sooner if the lessor requests the vehicles back, the Sheriff returns the vehicles and receives a credit for future operating leases based on the gain of the sales price over the RBV. The balance at September 30, 2020 was

<u>\$ 488,989</u>

Contingencies

Grants and Assistance

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

Litigation

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

NOTE 12 - RETIREMENT PLAN

Florida Retirement System:

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

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

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

www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

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

Regular Class- Members of the FRS who do not qualify for membership in other classes.

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

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

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

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

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

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

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

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

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

Contributions (continued) – The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and July 1, 2020 through September 30, 2020, respectively, were as follows: regular 8.47% and 10.00%; county elected officers 48.82% and 49.18%; senior management 25.41% and 27.29%; special risk 25.48% and 24.45%; special risk administration 38.59% and 35.84%; rehired regular class 5.22% and 5.10%; and DROP participants 14.66% and 16.98%. These employer contribution rates include 1.66% HIS Plan subsidy and 0.06% administrative fee.

The County’s contributions to the Pension Plan totaled \$2,193,050 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the County reported a liability of \$32,313,563 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, 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 proportionate share of the net pension liability was based on the County’s 2019-20 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2020, the County's proportionate share was 0.07456%, which was an increase of 0.00297% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$4,462,393, excluding HIS. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,236,706	\$ -
Change of assumptions	5,849,783	-
Net difference between projected and actual earnings on Pension Plan investments	1,923,951	-
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	1,573,310	(1,042,127)
County Pension Plan contributions subsequent to the measurement date	630,220	-
Total	\$ 11,213,970	\$ (1,042,127)

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$630,220 resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2021	2,082,787
2022	3,014,635
2023	2,495,251
2024	1,520,904
2025	428,046
Thereafter	-

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

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation

In 2019, the Mortality assumption was changed from the Generational RP-2000 with Projected Scale BB to the PUB-2010 base table varies by member category and sex, projected generationally with Scale MD-2018.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.7%

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

Discount Rate – The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	<u>1%, Decrease (5.80%)</u>	<u>Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
County's proportionate share of the net pension liability/(asset)	<u>\$ 51,599,329</u>	<u>\$ 32,313,563</u>	<u>\$ 16,206,007</u>

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

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

Payables to the Pension Plan – At September 30, 2020, the County reported \$147,934 payable for outstanding contributions to the Pension Plan.

HIS Plan

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

Benefits Provided – For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution was 1.66%. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation.

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

The County’s contributions to the HIS Plan totaled \$307,711 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the County reported a liability of \$6,409,069 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, 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 proportionate share of the net pension liability was based on the County’s 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the County’s proportionate share was 0.05249%, which was an increase of 0.00154% from its proportionate share measured as of June 30, 2019.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

HIS Plan (continued)

For the fiscal year ended September 30, 2020, the County recognized HIS expense of \$280,330. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 262,170	\$ (4,944)
Change of assumptions	689,157	(372,662)
Net difference between projected and actual earnings on HIS Plan investments	5,117	-
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	618,861	(302,095)
County HIS Plan contributions subsequent to the measurement date	74,807	-
Total	<u>\$ 1,650,112</u>	<u>\$ (679,701)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$74,807 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2021	\$ 237,450
2022	192,972
2023	98,480
2024	118,113
2025	131,223
Thereafter	117,366

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

HIS Plan (continued)

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

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.21%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the County’s proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	1%, Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
County's proportionate share of the net pension liability	\$ 7,408,597	\$ 6,409,069	\$ 5,590,957

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

Payables to the HIS Plan – At September 30, 2020, the County reported a payable of \$12,912 for outstanding contributions to the HIS Plan.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

The County's Investment Plan contributions totaled \$684,862 for the fiscal year ended September 30, 2020.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 13 - RISK MANAGEMENT

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

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

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

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

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS

Implementation of New GASB Statement

The County implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments.

County OPEB Plan Description

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

Participant Count

As of September 30, 2020, membership consisted of:

Active Employees	425
Retired Participants (plus covered spouses)	55
Total Participants:	<hr/> 480 <hr/>

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Participant Averages

Active Participants	
Average age	44.4
Average service	7.4
Retirees average age	69.5

Net OPEB Liability Assumptions

The County's net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2020.

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest Rate:	
Discount Rate	2.21%
Municipal Bond Rate	2.21%
Inflation	2.50% per year

Mortality rates were based on the PUB-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2020 for the Regular Class and Elected Officials and PUB-2010 Public Retirement Safety mortality table projected generationally with Scale MP-2020 for the Special Risk Class.

The most recent retirement and withdrawal experience study covered the period from July 1, 2013 to June 30, 2018.

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

Actuarial Standards of Practice

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

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Standards of Practice, (Continued)

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

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2019	\$ 4,777,443	\$ -	\$ 4,777,443
Changes for the year:			
Service cost	359,989	-	359,989
Interest on the total OPEB liability	133,841	-	133,841
Difference between expected and actual experience	(729,231)	-	(729,231)
Employer contributions	-	211,642	(211,642)
Changes in assumptions	571,083	-	571,083
Benefit payments	(211,642)	(211,642)	-
Net Changes	124,040	-	124,040
Balances at September 30, 2020	\$ 4,901,483	\$ -	\$ 4,901,483

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability

Impact of change in Discount Rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 2.21%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability	\$ 5,768,585	\$ 4,901,483	\$ 4,209,661

Impact of change in Healthcare Trend Rates

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 4,426,408	\$ 4,901,483	\$ 5,483,018

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

Since certain OPEB expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts increase the OPEB expense, they are labeled as deferred outflows and amounts that decrease the OPEB expense are labeled as deferred inflows. These outflows and inflows are amortized on a level dollar basis with no interest added for the deferred inflows. These outflows and inflows are amortized on a level dollar basis with no interest added for the deferred amounts. Deferred experience gain/losses and changes in assumptions are amortized over the average remaining service lives of all employees that are provided with benefits through the OPEB plan at the beginning of the measurement period. Investment gains/lowest are amortized over a five year period. The following shows the summary of the deferred outflows and inflows as of September 30, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (638,077)
Change in assumptions	1,179,168	(227,390)
	\$ 1,179,168	\$ (865,467)

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

<u>Year ended September 30:</u>	<u>Amounts</u>
2021	\$ 59,277
2022	59,277
2023	59,277
2024	59,279
2025	116,125
Thereafter	(39,534)

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REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE - BALANCE SHEET
GENERAL FUND
As of September 30, 2020

	<u>Board of County Commissioners</u>	<u>Clerk of Circuit Court</u>	<u>Property Appraiser</u>	<u>Sheriff</u>
ASSETS				
Cash and cash equivalents	\$ 826,545	\$ 417,477	\$299,066	\$ 757,724
Investments	828,182	-	-	-
Prepaid expenses	-	1,775	-	-
Receivables (net)	413,694	49,945	-	30,000
Due from other funds	6,602,504	-	-	-
Due from other governments	1,258,511	134,460	-	560,649
Total assets	<u>\$ 9,929,436</u>	<u>\$ 603,657</u>	<u>\$299,066</u>	<u>\$ 1,348,373</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 421,867	\$ 39,032	\$ -	\$ 215,236
Accrued liabilities	114,871	42,106	20,038	679,046
Due to other funds	6,539,464	-	-	-
Due to other governments	7,383	269,309	-	-
Unearned revenue	5,913	-	-	81,962
Deposits	80,808	-	-	-
Other liabilities	1,018	253,210	279,028	284,511
Total liabilities	<u>7,171,324</u>	<u>603,657</u>	<u>299,066</u>	<u>1,260,755</u>
Fund balances				
Committed	3,300,000	-	-	-
Assigned	(38,680)	-	-	-
Unassigned	(503,208)	-	-	87,618
Total fund balances	<u>2,758,112</u>	<u>-</u>	<u>-</u>	<u>87,618</u>
Total liabilities and fund balances	<u>\$ 9,929,436</u>	<u>\$ 603,657</u>	<u>\$299,066</u>	<u>\$ 1,348,373</u>

<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Total</u>
\$ 24,685	\$ 437,069	\$ 2,762,566
-	-	828,182
-	-	1,775
1,000	-	494,639
-	-	6,602,504
-	52,969	2,006,589
<u>\$ 25,685</u>	<u>\$ 490,038</u>	<u>\$ 12,696,255</u>

\$ -	\$ 17,349	\$ 693,484
-	16,714	872,775
-	-	6,539,464
-	7,474	284,166
-	-	87,875
-	-	80,808
25,685	448,501	1,291,953
<u>25,685</u>	<u>490,038</u>	<u>9,850,525</u>

-	-	3,300,000
-	-	(38,680)
-	-	(415,590)
<u>-</u>	<u>-</u>	<u>2,845,730</u>
<u>\$ 25,685</u>	<u>\$ 490,038</u>	<u>\$ 12,696,255</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
As of September 30, 2020

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
REVENUES				
Taxes	\$ 17,672,435	\$ -	\$ -	\$ -
Licenses and permits	107,042	-	-	-
Intergovernmental	7,725,067	81,673	-	1,342,404
Charges for services	1,806,214	1,137,186	1,459,752	623,600
Miscellaneous	210,508	22,506	2,388	166,385
Total revenues	<u>27,521,266</u>	<u>1,241,365</u>	<u>1,462,140</u>	<u>2,132,389</u>
EXPENDITURES				
Current				
General government	10,050,320	1,208,943	1,183,112	-
Court related	369,721	1,096,806	-	527,136
Public safety	5,386,140	-	-	13,971,530
Physical environment	511,251	-	-	-
Economic environment	346,284	-	-	-
Culture and recreation	131,060	-	-	-
Human services	1,319,518	-	-	-
Capital outlay				
General government	113,834	-	-	-
Public safety	23,123	-	-	541,733
Debt service				
Principal retirement	261,422	-	-	312,694
Interest and fiscal charges	41,272	-	-	120,538
Total expenditures	<u>18,553,945</u>	<u>2,305,749</u>	<u>1,183,112</u>	<u>15,473,631</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>8,967,321</u>	<u>(1,064,384)</u>	<u>279,028</u>	<u>(13,341,242)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds for financing capital assets	2,293,258	-	-	356,294
Proceeds from sale of capital assets	-	-	-	7,761
Transfers in	5,013,278	1,317,494	-	13,556,750
Transfers out	(15,671,919)	(253,110)	(279,028)	-
Total other financing sources (uses)	<u>(8,365,383)</u>	<u>1,064,384</u>	<u>(279,028)</u>	<u>13,920,805</u>
Net change in fund balances	601,938	-	-	579,563
Fund balances - October 1, 2019	2,156,174	-	-	(491,945)
Fund balances - September 30, 2020	<u>\$ 2,758,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,618</u>

<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Total</u>
\$ -	\$ -	\$ 17,672,435
-	-	107,042
10,635	-	9,159,779
-	1,995,110	7,021,862
2,567	9,129	413,483
<u>13,202</u>	<u>2,004,239</u>	<u>34,374,601</u>
541,742	1,555,738	14,539,855
-	-	1,993,663
-	-	19,357,670
-	-	511,251
-	-	346,284
-	-	131,060
-	-	1,319,518
-	-	113,834
-	-	564,856
-	-	574,116
-	-	161,810
<u>541,742</u>	<u>1,555,738</u>	<u>39,613,917</u>
<u>(528,540)</u>	<u>448,501</u>	<u>(5,239,316)</u>
-	-	2,649,552
-	-	7,761
554,225	-	20,441,747
(25,685)	(448,501)	(16,678,243)
<u>528,540</u>	<u>(448,501)</u>	<u>6,420,817</u>
-	-	1,181,501
-	-	1,664,229
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,845,730</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
As of September 30, 2020

	Board of County Commissioners		Clerk of Circuit Court	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Taxes	\$ 17,922,435	\$ 17,672,435	\$ -	\$ -
Licenses and permits	107,042	107,042	-	-
Intergovernmental	6,818,698	7,725,067	-	81,673
Charges for services	2,189,251	1,806,214	1,105,742	1,137,186
Fines and forfeitures	-	-	-	-
Miscellaneous	502,270	210,508	-	22,506
Total revenues	<u>27,539,696</u>	<u>27,521,266</u>	<u>1,105,742</u>	<u>1,241,365</u>
EXPENDITURES				
Current				
General government	6,079,388	10,050,320	1,317,494	1,208,943
Court related	369,721	369,721	1,105,742	1,096,806
Public safety	4,663,290	5,386,140	-	-
Physical environment	512,514	511,251	-	-
Economic environment	346,441	346,284	-	-
Culture and recreation	133,663	131,060	-	-
Human services	1,319,517	1,319,518	-	-
Capital outlay				
General government	60,379	113,834	-	-
Public safety	23,125	23,123	-	-
Debt Service				
Principal retirement	308,087	261,422	-	-
Interest and fiscal charges	41,272	41,272	-	-
Contingency	-	-	-	-
Total expenditures	<u>13,857,397</u>	<u>18,553,945</u>	<u>2,423,236</u>	<u>2,305,749</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>13,682,299</u>	<u>8,967,321</u>	<u>(1,317,494)</u>	<u>(1,064,384)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	2,293,258	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	3,299,824	5,013,278	1,317,494	1,317,494
Transfers out	(16,234,654)	(15,671,919)	-	(253,110)
Total other financing sources (uses)	<u>(12,934,830)</u>	<u>(8,365,383)</u>	<u>1,317,494</u>	<u>1,064,384</u>
Net change in fund balances	747,469	601,938	-	-
Fund balances - October 1, 2019	(747,469)	2,156,174	-	-
Fund balances - September 30, 2020	<u>\$ -</u>	<u>\$ 2,758,112</u>	<u>\$ -</u>	<u>\$ -</u>

Property Appraiser		Sheriff		Supervisor of Elections	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	206,803	1,342,404	-	10,635
1,459,752	1,459,752	463,119	623,600	-	-
-	-	-	-	-	-
-	2,388	1,405,764	166,385	-	2,567
<u>1,459,752</u>	<u>1,462,140</u>	<u>2,075,686</u>	<u>2,132,389</u>	<u>-</u>	<u>13,202</u>
1,459,752	1,183,112	-	-	554,225	541,742
-	-	544,721	527,136	-	-
-	-	14,060,323	13,971,530	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	592,392	541,733	-	-
-	-	435,000	312,694	-	-
-	-	-	120,538	-	-
-	-	-	-	-	-
<u>1,459,752</u>	<u>1,183,112</u>	<u>15,632,436</u>	<u>15,473,631</u>	<u>554,225</u>	<u>541,742</u>
-	279,028	(13,556,750)	(13,341,242)	(554,225)	(528,540)
-	-	-	356,294	-	-
-	-	7,492	7,761	-	-
-	-	14,419,849	13,556,750	554,225	554,225
-	(279,028)	-	-	-	(25,685)
-	<u>(279,028)</u>	<u>14,427,341</u>	<u>13,920,805</u>	<u>554,225</u>	<u>528,540</u>
-	-	870,591	579,563	-	-
-	-	(372,234)	(491,945)	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,357</u>	<u>\$ 87,618</u>	<u>\$ -</u>	<u>\$ -</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND, NON-GAAP BASIS
(CONTINUED)
As of September 30, 2020

	Tax Collector		Total		Variance - Positive (Negative)
	Final Budget	Actual	Final Budget	Actual	
REVENUES					
Taxes	\$ -	\$ -	\$ 17,922,435	\$ 17,672,435	\$ (250,000)
Licenses and permits	-	-	107,042	107,042	-
Intergovernmental	-	-	7,025,501	9,159,779	2,134,278
Charges for services	1,679,733	1,995,110	6,897,597	7,021,862	124,265
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	9,129	1,908,034	413,483	(1,494,551)
Total revenues	1,679,733	2,004,239	33,860,609	34,374,601	513,992
EXPENDITURES					
Current					
General government	1,679,733	1,555,738	11,090,592	14,539,855	(3,449,263)
Court related	-	-	2,020,184	1,993,663	26,521
Public safety	-	-	18,723,613	19,357,670	(634,057)
Physical environment	-	-	512,514	511,251	1,263
Economic environment	-	-	346,441	346,284	157
Culture and recreation	-	-	133,663	131,060	2,603
Human services	-	-	1,319,517	1,319,518	(1)
Capital outlay					
General government	-	-	60,379	113,834	(53,455)
Public safety	-	-	615,517	564,856	50,661
Debt Service					
Principal retirement	-	-	743,087	574,116	168,971
Interest and fiscal charges	-	-	41,272	161,810	(120,538)
Contingency	-	-	-	-	-
Total expenditures	1,679,733	1,555,738	35,606,779	39,613,917	(4,007,138)
Excess (deficiencies) of revenues over (under) expenditures	-	448,501	(1,746,170)	(5,239,316)	(3,493,146)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of debt	-	-	-	2,649,552	2,649,552
Proceeds from sale of capital assets	-	-	7,492	7,761	269
Transfers in	-	-	19,591,392	20,441,747	850,355
Transfers out	-	(448,501)	(16,234,654)	(16,678,243)	(443,589)
Total other financing sources (uses)	-	(448,501)	3,364,230	6,420,817	3,056,587
Net change in fund balances	-	-	1,618,060	1,181,501	(436,559)
Fund balances - October 1, 2019	-	-	(1,119,703)	1,664,229	2,783,932
Fund balances - September 30, 2020	\$ -	\$ -	\$ 498,357	\$ 2,845,730	\$ 2,347,373

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HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds					
	Law Enforcement Trust	Section 8 Housing	Court Technology Fund	Local Affordable Housing	Emergency 911	Port Labelle Street Lighting District
ASSETS						
Cash and cash equivalents	\$ 42,343	\$ 75,302	\$ 1,358	\$ 801,481	\$ 18,964	\$ 82,180
Investments, at fair value	-	-	4,091	51,923	57,131	-
Prepaid expenses	-	-	-	-	-	-
Receivables (net)	-	-	-	8,067	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	6,776	-	57,493	-
Total assets	<u>\$ 42,343</u>	<u>\$ 75,302</u>	<u>\$ 12,225</u>	<u>\$ 861,471</u>	<u>\$ 133,588</u>	<u>\$ 82,180</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 4,878	\$ 477	\$ 5,925	\$ 1,012	\$ 18,029	\$ 4,718
Accrued liabilities	-	513	-	903	2,372	-
Due to other funds	-	-	10,000	-	21,177	1,704
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	721,127	-	-
Deposits	-	-	-	5,400	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>4,878</u>	<u>990</u>	<u>15,925</u>	<u>728,442</u>	<u>41,578</u>	<u>6,422</u>
Fund balances						
Restricted	-	-	-	-	-	-
Assigned	37,465	74,312	(3,700)	133,029	92,010	75,758
Total fund balances (deficits)	<u>37,465</u>	<u>74,312</u>	<u>(3,700)</u>	<u>133,029</u>	<u>92,010</u>	<u>75,758</u>
Total liabilities and fund balances	<u>\$ 42,343</u>	<u>\$ 75,302</u>	<u>\$ 12,225</u>	<u>\$ 861,471</u>	<u>\$ 133,588</u>	<u>\$ 82,180</u>

Special Revenue Funds

East Hendry County Drainage District	East Hendry County Fire District	West Hendry County Fire District	Mid-County MSBU	East Hendry County Recreational MSBU	West Hendry County Recreational MSBU	Airport Sears MSBU	Felda MSBU
\$ 63,164	\$ 1,993	\$ 304,625	\$ 259,229	\$ 198,936	\$ 77,498	\$ 280,267	\$ 94,166
190,282	6,007	917,699	780,937	142,815	233,467	844,318	283,677
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
70,000	-	-	-	-	-	-	-
-	-	-	-	-	21,998	-	-
<u>\$ 323,446</u>	<u>\$ 8,000</u>	<u>\$ 1,222,324</u>	<u>\$1,040,166</u>	<u>\$ 341,751</u>	<u>\$ 332,963</u>	<u>\$ 1,124,585</u>	<u>\$ 377,843</u>
\$ 4,020	\$ 2,408	\$ 109,953	\$ 3,490	\$ 1,699	\$ 14,646	\$ 59	\$ -
-	8,842	2,472	-	1,788	8,932	-	-
1,645	199,847	15,157	7,089	10,223	13,430	5,695	2,928
-	-	-	-	-	-	-	-
-	-	411	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	150,565	-	-	-
<u>5,665</u>	<u>211,097</u>	<u>127,993</u>	<u>10,579</u>	<u>164,275</u>	<u>37,008</u>	<u>5,754</u>	<u>2,928</u>
-	-	-	-	-	-	-	-
<u>317,781</u>	<u>(203,097)</u>	<u>1,094,331</u>	<u>1,029,587</u>	<u>177,476</u>	<u>295,955</u>	<u>1,118,831</u>	<u>374,915</u>
<u>317,781</u>	<u>(203,097)</u>	<u>1,094,331</u>	<u>1,029,587</u>	<u>177,476</u>	<u>295,955</u>	<u>1,118,831</u>	<u>374,915</u>
<u>\$ 323,446</u>	<u>\$ 8,000</u>	<u>\$ 1,222,324</u>	<u>\$1,040,166</u>	<u>\$ 341,751</u>	<u>\$ 332,963</u>	<u>\$ 1,124,585</u>	<u>\$ 377,843</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds					
	North Labelle MSBU	Four Corners MSBU	Wheeler Road MSBU	Hooker's Point Lighting	Mosquito Control	Phillips Road MSBU
ASSETS						
Cash and cash equivalents	\$ 76,585	\$ 95,280	\$ 62,235	\$ 10,151	\$ 145,997	\$ 1,001
Investments, at fair value	230,715	287,031	187,485	30,580	439,824	3,016
Prepaid expenses	-	-	-	-	-	-
Receivables (net)	-	-	-	-	-	-
Due from other funds	-	-	-	1,000	-	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 307,300</u>	<u>\$ 382,311</u>	<u>\$ 249,720</u>	<u>\$ 41,731</u>	<u>\$ 585,821</u>	<u>\$ 4,017</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 456	\$ -	\$ -	\$ 922	\$ 123,740	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	3,616	3,264	4,424	19	16,187	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Deposits	-	-	-	-	3,507	-
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>4,072</u>	<u>3,264</u>	<u>4,424</u>	<u>941</u>	<u>143,434</u>	<u>-</u>
Fund balances						
Restricted	-	-	-	-	-	-
Assigned	303,228	379,047	245,296	40,790	442,387	4,017
Total fund balances (deficits)	<u>303,228</u>	<u>379,047</u>	<u>245,296</u>	<u>40,790</u>	<u>442,387</u>	<u>4,017</u>
Total liabilities and fund balances	<u>\$ 307,300</u>	<u>\$ 382,311</u>	<u>\$ 249,720</u>	<u>\$ 41,731</u>	<u>\$ 585,821</u>	<u>\$ 4,017</u>

Special Revenue Funds

Sky Valley MSBU	Fines and forfeitures	LaBelle Airport Fund	Property Appraiser	Clerk of Circuit Court's Modernization Trust Fund	Sheriff's Gun Range Fund	Sheriff's Training Fund	Sheriff's Equitable Sharing Program Fund
\$ 8,652	\$ 148,914	\$ 72,477	\$ 185,324	\$ 152,764	\$ 48,718	\$ 12,064	\$ 2,727
26,958	392,860	218,340	-	-	-	-	-
-	-	-	-	23,920	-	-	-
-	-	24,190	-	-	-	-	-
-	-	-	-	-	-	-	-
-	27,941	30,000	-	-	-	-	-
<u>\$ 35,610</u>	<u>\$ 569,715</u>	<u>\$ 345,007</u>	<u>\$ 185,324</u>	<u>\$ 176,684</u>	<u>\$ 48,718</u>	<u>\$ 12,064</u>	<u>\$ 2,727</u>
\$ 452	\$ 38,385	\$ 3,100	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,598	139	-	-	-	-	-
12	1,030,800	17,464	-	-	-	-	-
-	3,014	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,500	37,042	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>464</u>	<u>1,079,297</u>	<u>57,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	176,684	-	-	-
35,146	(509,582)	287,262	185,324	-	48,718	12,064	2,727
<u>35,146</u>	<u>(509,582)</u>	<u>287,262</u>	<u>185,324</u>	<u>176,684</u>	<u>48,718</u>	<u>12,064</u>	<u>2,727</u>
<u>\$ 35,610</u>	<u>\$ 569,715</u>	<u>\$ 345,007</u>	<u>\$ 185,324</u>	<u>\$ 176,684</u>	<u>\$ 48,718</u>	<u>\$ 12,064</u>	<u>\$ 2,727</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds				
	Sheriff's Commissary	Supervisor of Elections Federal Election Activities Fund	Supervisor of Elections Cyber Security Fund	Airglades Airport Fund	Seven K Estates MSBU
ASSETS					
Cash and cash equivalents	\$ 648,608	\$ 220	\$ -	\$ 155,701	\$ 157
Investments, at fair value	-	-	-	469,057	475
Prepaid expenses	-	-	-	39,267	-
Receivables (net)	28,583	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	63,854	-
Total assets	\$ 677,191	\$ 220	\$ -	\$ 727,879	\$ 632
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 58,887	\$ -	\$ -	\$ 38,844	\$ -
Accrued liabilities	-	-	-	139	-
Due to other funds	-	-	-	123,257	1,000
Due to other governments	-	-	-	-	-
Unearned revenue	-	220	-	-	-
Deposits	-	-	-	43,461	-
Other liabilities	-	-	-	-	-
Total liabilities	58,887	220	-	205,701	1,000
Fund balances					
Restricted	618,304	-	-	-	-
Assigned	-	-	-	522,178	(368)
Total fund balances (deficits)	618,304	-	-	522,178	(368)
Total liabilities and fund balances	\$ 677,191	\$ 220	\$ -	\$ 727,879	\$ 632

Special Revenue Funds				Capital Project Funds		Total Non-Major Governmental Funds
Murray Road MSBU	Building Department	Hendry Cares Act	Solid Waste Disposal	Capital Projects	Building Projects	
\$ 8,047	\$ 137,686	\$ 412,837	\$ 374,792	\$ 125,730	\$ 48,317	\$ 5,236,490
24,243	414,788	1,243,692	933,934	378,765	-	8,794,110
-	-	-	-	-	-	63,187
-	-	-	177	-	8,715	69,732
-	50,000	-	600,000	-	-	721,000
-	-	-	50,189	375,226	-	633,477
<u>\$ 32,290</u>	<u>\$ 602,474</u>	<u>\$ 1,656,529</u>	<u>\$ 1,959,092</u>	<u>\$ 879,721</u>	<u>\$ 57,032</u>	<u>\$ 15,517,996</u>
\$ -	\$ 2,076	\$ 47	\$ 189,235	\$ 147,634	\$ 16,920	\$ 792,012
-	15,414	9,463	2,255	-	-	58,830
-	34,887	-	47,424	795,799	-	2,367,048
-	-	-	-	-	-	3,014
-	-	-	-	-	-	721,758
-	-	-	-	-	5,366	96,276
-	-	-	-	-	-	150,565
-	52,377	9,510	238,914	943,433	22,286	4,189,503
-	-	-	-	-	-	794,988
32,290	550,097	1,647,019	1,720,178	(63,712)	34,746	10,533,505
32,290	550,097	1,647,019	1,720,178	(63,712)	34,746	11,328,493
<u>\$ 32,290</u>	<u>\$ 602,474</u>	<u>\$ 1,656,529</u>	<u>\$ 1,959,092</u>	<u>\$ 879,721</u>	<u>\$ 57,032</u>	<u>\$ 15,517,996</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds					
	Law Enforcement Trust	Section 8 Housing	Court Technology Fund	Local Affordable Housing	Emergency 911	Port Labelle Street Lighting District
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,792
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	339,524	-	326,382	322,925	-
Charges for services	-	48,881	63,186	-	189,462	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	485	47,681	3,042	93
Total revenues	<u>-</u>	<u>388,405</u>	<u>63,671</u>	<u>374,063</u>	<u>515,429</u>	<u>66,885</u>
EXPENDITURES						
Current						
General government	-	-	70,249	-	-	-
Court related	-	-	-	-	-	-
Public safety	15,032	-	-	-	632,009	-
Physical environment	-	-	-	-	-	59,788
Transportation	-	-	-	-	-	-
Economic environment	-	360,228	-	374,063	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	10,516	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>15,032</u>	<u>360,228</u>	<u>80,765</u>	<u>374,063</u>	<u>632,009</u>	<u>59,788</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(15,032)</u>	<u>28,177</u>	<u>(17,094)</u>	<u>-</u>	<u>(116,580)</u>	<u>7,097</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(15,032)	28,177	(17,094)	-	(116,580)	7,097
Fund balances - September 30, 2019	52,497	46,135	13,394	133,029	208,590	68,661
Fund balances - September 30, 2020	<u>\$ 37,465</u>	<u>\$ 74,312</u>	<u>\$ (3,700)</u>	<u>\$ 133,029</u>	<u>\$ 92,010</u>	<u>\$ 75,758</u>

Special Revenue Funds

East Hendry County Drainage District	East Hendry County Fire District	West Hendry County Fire District	Mid-County MSBU	East Hendry County Recreational MSBU	West Hendry County Recreational MSBU	Airport Sears MSBU	Felda MSBU
\$ 54,481	\$ 659,227	\$ 646,191	\$ 282,167	\$ 371,791	\$ 512,556	\$ 100,959	\$ 23,037
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	154	-	-	-
-	-	-	-	-	-	-	-
9,925	(1,531)	34,676	31,297	6,705	19,472	32,885	11,086
<u>64,406</u>	<u>657,696</u>	<u>680,867</u>	<u>313,464</u>	<u>378,650</u>	<u>532,028</u>	<u>133,844</u>	<u>34,123</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	379,674	431,477	-	-	-	-	-
28,605	-	-	-	-	-	32,625	11,706
-	-	-	185,983	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	205,556	600,820	-	-
-	-	-	-	9,786	-	-	-
-	-	7,469	-	-	-	-	-
-	-	-	-	-	-	13,366	-
-	-	17,928	-	-	-	-	-
-	-	894	-	-	-	-	-
<u>28,605</u>	<u>379,674</u>	<u>457,768</u>	<u>185,983</u>	<u>215,342</u>	<u>600,820</u>	<u>45,991</u>	<u>11,706</u>
<u>35,801</u>	<u>278,022</u>	<u>223,099</u>	<u>127,481</u>	<u>163,308</u>	<u>(68,792)</u>	<u>87,853</u>	<u>22,417</u>
-	53,338	6,033	263	-	-	-	8
-	-	-	-	-	-	-	-
-	<u>53,338</u>	<u>6,033</u>	<u>263</u>	-	-	-	<u>8</u>
35,801	331,360	229,132	127,744	163,308	(68,792)	87,853	22,425
281,980	(534,457)	865,199	901,843	14,168	364,747	1,030,978	352,490
<u>\$ 317,781</u>	<u>\$ (203,097)</u>	<u>\$ 1,094,331</u>	<u>\$ 1,029,587</u>	<u>\$ 177,476</u>	<u>\$ 295,955</u>	<u>\$1,118,831</u>	<u>\$374,915</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds					
	North Labelle MSBU	Four Corners MSBU	Wheeler Road MSBU	Hooker's Point Lighting	Mosquito Control	Phillips Road MSBU
REVENUES						
Taxes	\$ 49,919	\$ 17,133	\$ 87,842	\$ 19,537	\$ 501,357	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	34,497	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	9,236	11,307	8,006	1,207	44,045	117
Total revenues	<u>59,155</u>	<u>28,440</u>	<u>95,848</u>	<u>20,744</u>	<u>579,899</u>	<u>117</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Court related	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	38,926	14,096	63,381	11,469	511,223	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	1,493	1,704	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	80,715	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>40,419</u>	<u>15,800</u>	<u>144,096</u>	<u>11,469</u>	<u>511,223</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>18,736</u>	<u>12,640</u>	<u>(48,248)</u>	<u>9,275</u>	<u>68,676</u>	<u>117</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	552	471	782	-	6,641	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>552</u>	<u>471</u>	<u>782</u>	<u>-</u>	<u>6,641</u>	<u>-</u>
Net change in fund balances	19,288	13,111	(47,466)	9,275	75,317	117
Fund balances - September 30, 2019	283,940	365,936	292,762	31,515	367,070	3,900
Fund balances - September 30, 2020	<u>\$ 303,228</u>	<u>\$ 379,047</u>	<u>\$ 245,296</u>	<u>\$ 40,790</u>	<u>\$ 442,387</u>	<u>\$ 4,017</u>

Special Revenue Funds

Sky Valley MSBU	Fines and Forfeitures	LaBelle Airport Fund	Property Appraiser	Clerk of Circuit Court's Modernization Trust Fund	Sheriff's Gun Range Fund	Sheriff's Training Fund	Sheriff's Equitable Sharing Program Fund
\$ 13,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	26,614	1,599,345	-	81,104	-	-	-
-	374,612	423,934	124,475	-	10,298	-	-
-	274,032	-	-	-	-	-	-
1,069	146,826	-	1,079	-	24	4,253	2
<u>14,635</u>	<u>822,084</u>	<u>2,023,279</u>	<u>125,554</u>	<u>81,104</u>	<u>10,322</u>	<u>4,253</u>	<u>2</u>
-	-	-	112,500	128,649	-	-	-
-	410,257	-	-	-	-	-	-
-	269,629	-	-	-	6,327	-	-
8,943	-	-	-	-	-	-	-
-	-	586,258	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,074,466	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>8,943</u>	<u>679,886</u>	<u>1,660,724</u>	<u>112,500</u>	<u>128,649</u>	<u>6,327</u>	<u>-</u>	<u>-</u>
<u>5,692</u>	<u>142,198</u>	<u>362,555</u>	<u>13,054</u>	<u>(47,545)</u>	<u>3,995</u>	<u>4,253</u>	<u>2</u>
-	185,000	-	-	-	-	-	-
-	(794,688)	(30,464)	-	-	-	-	-
-	(609,688)	(30,464)	-	-	-	-	-
5,692	(467,490)	332,091	13,054	(47,545)	3,995	4,253	2
29,454	(42,092)	(44,829)	172,270	224,229	44,723	7,811	2,725
<u>\$ 35,146</u>	<u>\$ (509,582)</u>	<u>\$ 287,262</u>	<u>\$ 185,324</u>	<u>\$ 176,684</u>	<u>\$ 48,718</u>	<u>\$ 12,064</u>	<u>\$ 2,727</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds				
	Sheriff's Commissary	Supervisor of Elections Federal Election Activities Fund	Supervisor of Elections Cyber Security Fund	Airglades Airport Fund	Seven K Estates MSBU
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	9,272	26,921	322,049	-
Charges for services	226,903	-	-	536,181	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	668	-	-	350,643	-
Total revenues	<u>227,571</u>	<u>9,272</u>	<u>26,921</u>	<u>1,208,873</u>	<u>-</u>
EXPENDITURES					
Current					
General government	-	9,272	26,921	-	-
Court related	-	-	-	-	-
Public safety	146,347	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	408,520	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay					
General government	-	-	-	648,335	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>146,347</u>	<u>9,272</u>	<u>26,921</u>	<u>1,056,855</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>81,224</u>	<u>-</u>	<u>-</u>	<u>152,018</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(53,069)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,069)</u>	<u>-</u>
Net change in fund balances	81,224	-	-	98,949	-
Fund balances - September 30, 2019	537,080	-	-	423,229	(368)
Fund balances - September 30, 2020	<u>\$ 618,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,178</u>	<u>\$ (368)</u>

Special Revenue Funds			Capital Project Funds			Total Non-Major Governmental Funds
Murray Road MSBU	Building Department	Hendry Cares Act	Solid Waste Disposal	Capital Projects	Building Projects	
\$ 7,890	\$ -	\$ -	\$ 1,983,607	\$ 3,190,069	\$ -	\$ 8,588,121
-	829,011	-	-	-	-	829,011
-	-	2,073,897	90,909	215,811	25,000	5,494,250
-	-	-	230,905	-	-	2,228,991
-	-	-	-	-	-	274,032
-	-	-	73,696	83,285	68,309	999,588
<u>7,890</u>	<u>829,011</u>	<u>2,073,897</u>	<u>2,379,117</u>	<u>3,489,165</u>	<u>93,309</u>	<u>18,413,993</u>
-	-	-	-	381,963	71,434	800,988
-	-	-	-	-	-	410,257
-	736,009	426,878	-	-	-	3,043,382
8,023	-	-	2,481,588	-	-	3,270,373
-	-	-	-	-	-	1,180,761
-	-	-	-	-	-	734,291
-	-	-	-	-	-	806,376
-	-	-	-	228,642	-	1,974,942
-	-	-	-	-	-	7,469
-	-	-	-	-	-	94,081
-	-	-	-	-	-	17,928
-	-	-	-	-	-	894
<u>8,023</u>	<u>736,009</u>	<u>426,878</u>	<u>2,481,588</u>	<u>610,605</u>	<u>71,434</u>	<u>12,341,742</u>
<u>(133)</u>	<u>93,002</u>	<u>1,647,019</u>	<u>(102,471)</u>	<u>2,878,560</u>	<u>21,875</u>	<u>6,072,251</u>
-	-	-	-	-	26,500	279,588
-	-	-	-	(3,121,101)	-	(3,999,322)
-	-	-	-	(3,121,101)	26,500	(3,719,734)
(133)	93,002	1,647,019	(102,471)	(242,541)	48,375	2,352,517
32,423	457,095	-	1,822,649	178,829	(13,629)	8,975,976
<u>\$ 32,290</u>	<u>\$ 550,097</u>	<u>\$ 1,647,019</u>	<u>\$ 1,720,178</u>	<u>\$ (63,712)</u>	<u>\$ 34,746</u>	<u>\$ 11,328,493</u>

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HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE - BALANCE SHEET
FIDUCIARY FUNDS
As of September 30, 2020

	Clerk of Circuit Court	Sheriff	Tax Collector	Total
ASSETS				
Cash and cash equivalents	\$ 2,331,304	\$ 225,943	\$ 954,564	\$ 3,511,811
Due from other governments	835	-	-	835
Total assets	\$ 2,332,139	\$ 225,943	\$ 954,564	\$ 3,512,646
LIABILITIES				
Accounts payable	\$ 75,534	\$ -	\$ -	\$ 75,534
Due to other constitutional officers	-	-	23,372	23,372
Due to other governments	2,196,455	3,491	72,672	2,272,618
Due to individuals	13,666	163,425	858,520	1,035,611
Other liabilities	46,484	59,027	-	105,511
Total liabilities	\$ 2,332,139	\$ 225,943	\$ 954,564	\$ 3,512,646

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Clerk of Circuit Court</i>				
ASSETS				
Cash and cash equivalents	\$ 2,003,537	\$ 11,471,836	\$ 11,144,069	\$ 2,331,304
Due from other governments	-	835	-	835
Receivables (net)	105	-	105	-
Total assets	<u>\$ 2,003,642</u>	<u>\$ 11,472,671</u>	<u>\$ 11,144,174</u>	<u>\$ 2,332,139</u>
LIABILITIES				
Accounts payable	\$ 77,660	\$ 5,147,992	\$ 5,150,118	\$ 75,534
Due to other governments	1,874,271	5,010,967	4,688,783	2,196,455
Due to individuals	12,979	15,031	14,344	13,666
Other liabilities	38,732	840,646	832,894	46,484
Total liabilities	<u>\$ 2,003,642</u>	<u>\$ 11,014,636</u>	<u>\$ 10,686,139</u>	<u>\$ 2,332,139</u>
<i>Sheriff</i>				
ASSETS				
Cash and cash equivalents	\$ 172,571	\$ 734,879	\$ 681,507	\$ 225,943
Total assets	<u>\$ 172,571</u>	<u>\$ 734,879</u>	<u>\$ 681,507</u>	<u>\$ 225,943</u>
LIABILITIES				
Due to other governments	\$ 2,411	\$ 2,935	\$ 1,855	\$ 3,491
Due to individuals	151,079	347,270	334,924	163,425
Other liabilities	19,081	384,674	344,728	59,027
Total liabilities	<u>\$ 172,571</u>	<u>\$ 734,879</u>	<u>\$ 681,507</u>	<u>\$ 225,943</u>
<i>Tax Collector</i>				
ASSETS				
Cash and cash equivalents	\$ 738,090	\$ 71,422,242	\$ 71,205,768	\$ 954,564
Receivables (net)	8,349	-	8,349	-
Total assets	<u>\$ 746,439</u>	<u>\$ 71,422,242</u>	<u>\$ 71,214,117</u>	<u>\$ 954,564</u>
LIABILITIES				
Due to other constitutional officers	\$ 18,255	\$ 17,266,429	\$ 17,261,312	\$ 23,372
Due to other governments	16,566	40,226,351	40,170,245	72,672
Due to individuals	711,618	5,669,376	5,522,474	858,520
Total liabilities	<u>\$ 746,439</u>	<u>\$ 63,162,156</u>	<u>\$ 62,954,031</u>	<u>\$ 954,564</u>

	Beginning Balance	Additions	Deletions	Ending Balance
TOTAL				
ASSETS				
Cash and cash equivalents	\$ 2,914,198	\$ 83,628,957	\$ 83,031,344	\$ 3,511,811
Due from other governments	-	835	-	835
Receivables (net)	8,454	-	8,454	-
Total assets	<u>\$ 2,922,652</u>	<u>\$ 83,629,792</u>	<u>\$ 83,039,798</u>	<u>\$ 3,512,646</u>
LIABILITIES				
Accounts payable	\$ 77,660	\$ 5,147,992	\$ 5,150,118	\$ 75,534
Due to other constitutional officers	18,255	17,266,429	17,261,312	23,372
Due to other governments	1,893,248	45,240,253	44,860,883	2,272,618
Due to individuals	875,676	6,031,677	5,871,742	6,035,611
Other liabilities	57,813	1,225,320	1,177,622	105,511
Total liabilities	<u>\$ 2,922,652</u>	<u>\$ 74,911,671</u>	<u>\$ 74,321,677</u>	<u>\$ 3,512,646</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended September 30, 2020

Schedule of the County's Proportionate Share of Net Pension Plan Liability
Florida Retirement System Pension Plan
For the Last Seven Fiscal Years Ended June 30

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
County's proportion of the net pension liability	0.07456%	0.07159%	0.07300%	0.07537%	0.07325%	0.06703%	0.06420%
County's proportionate share of the net pension liability	\$ 32,313,563	\$ 24,653,496	\$ 22,074,803	\$ 22,294,200	\$ 18,496,380	\$ 8,657,429	\$ 3,917,027
County's covered-employee payroll	\$ 14,089,706	\$ 13,231,730	\$ 13,217,447	\$ 13,087,294	\$ 12,162,212	\$ 11,951,308	\$ 11,095,372
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	229.34%	186.32%	167.01%	170.35%	152.08%	72.44%	35.30%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Schedule of the County's Contributions to the Florida Retirement System Pension Plan
Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,193,050	\$ 1,951,402	\$ 1,809,113	\$ 1,787,412	\$ 1,598,337	\$ 1,877,742	\$ 1,701,137
Contributions in relation to the contractually required contribution	(2,193,050)	(1,951,402)	(1,809,113)	(1,787,412)	(1,598,337)	1,877,742	1,701,137
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 14,316,481	\$ 13,464,976	\$ 12,964,821	\$ 13,264,354	\$ 12,110,054	\$ 11,951,308	\$ 11,095,372
Contributions as a percentage of covered-employee payroll	15.32%	14.49%	13.95%	13.48%	13.20%	15.71%	15.33%

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended September 30, 2020

Schedule of the County's Proportionate Share of Net Pension Plan Liability
Health Insurance Subsidy Plan
For the Last Seven Fiscal Years Ended June 30

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
County's proportion of the HIS Plan liability	0.05249%	0.05095%	0.05070%	0.04993%	0.04734%	0.00473%	0.04660%
County's proportionate share of the HIS Plan liability	\$ 6,409,069	\$ 5,701,084	\$ 5,366,772	\$ 5,338,798	\$ 5,587,709	\$ 4,828,351	\$ 4,356,955
County's covered-employee payroll	\$ 18,206,917	\$ 16,946,918	\$ 17,326,036	\$ 15,959,182	\$ 14,890,780	\$ 14,489,748	\$ 13,530,942
County's proportionate share of the HIS Plan liability as a percentage of its covered-employee payroll	35.20%	33.64%	30.98%	33.45%	37.52%	33.32%	32.20%
Plan fiduciary net position as a percentage of the total HIS Plan liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Schedule of the County's Contributions to the Health Insurance Subsidy Plan
Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 307,711	\$ 291,388	\$ 271,273	\$ 269,317	\$ 247,253	\$ 197,705	\$ 171,106
Contributions in relation to the contractually required contribution	<u>(307,711)</u>	<u>(291,388)</u>	<u>(271,273)</u>	<u>(269,317)</u>	<u>(247,253)</u>	<u>(197,705)</u>	<u>(171,106)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 18,536,853	\$ 17,553,102	\$ 16,351,775	\$ 16,223,884	\$ 14,894,726	\$ 14,489,748	\$ 13,530,942
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%	1.26%

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net OPEB Liability			
	For the fiscal years ended September 30:		
Schedule of Changes in Net OPEB Liability	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 359,989	\$ 247,984	\$ 324,922
Interest	133,841	159,790	142,870
Change in benefit terms	-	-	-
Difference between expected and actual experience	(729,231)	-	-
Change in assumptions	571,083	951,258	(397,934)
Benefit payments	(211,642)	(204,486)	(115,734)
Net change in Total OPEB Liability	124,040	1,154,546	(45,876)
Total OPEB Liability - beginning	4,777,443	3,622,897	3,668,773
Total OPEB Liability - ending	4,901,483	4,777,443	3,622,897
Plan Fiduciary Net Position			
Contributions - Employer	211,642	204,486	115,734
Contributions - Members	-	-	-
Net investment income	-	-	-
Benefit payments	(211,642)	(204,486)	(115,734)
Administrative expenses	-	-	-
Other	-	-	-
Net change in Plan Fiduciary Net Position	-	-	-
Plan Fiduciary Net Position - beginning	-	-	-
Plan Fiduciary Net Position - ending	-	-	-
Net OPEB Liability	\$ 4,901,483	\$ 4,777,443	\$ 3,622,897
Plan fiduciary net position as a percentage of the total OPEB Liability	-	-	-
Covered employee Payroll	\$ 18,141,628	\$ 17,296,799	-
Plan net OPEB liability as a percentage of the covered employee payroll	27.02%	27.62%	N/A

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

**HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of OPEB Contributions

	For the fiscal years ended September 30:		
	2020	2019	2018
Actuarially Determined Contribution*	\$ 553,107	\$ 486,820	\$ 410,944
Contribution in Relation to the Actuarially Determined Contribution	211,642	204,486	115,734
Contribution Deficiency (Excess)	\$ 341,465	\$ 282,334	\$ 295,210
Covered Employee Payroll	18,141,628	17,296,799	N/A
Contributions as a Percentage of Covered Employee Payroll	1.17%	1.18%	N/A

**SUPPLEMENTARY
REPORTS**

**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Hendry County, Florida, (the "County") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 23, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001-HC 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

They County's Response to Finding

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.

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance Required by the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*

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

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

We have audited Hendry County, Florida's (the "County") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*; and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state financial assistance projects for the year ended September 30, 2020. The County's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion of Each Major Federal Program and State Financial Assistance Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

SINGLE AUDIT

HENDRY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2020

FEDERAL AGENCY Pass-through entity Federal Program - Project Name	Federal CFDA Number	Contract / Grant Number	Federal Expenditures	Transfers to Subrecipients
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed through the Federal Emergency Management Agency</i>				
Emergency Management Preparedness & Assistance (EMPG)	97.042	G0035	\$ 35,656	\$ -
Emergency Management Preparedness & Assistance (EMPG)	97.042	G0111	13,723	-
			<u>49,379</u>	<u>-</u>
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Z1758	549,416	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>598,795</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through State of Florida, Department of Revenue</i>				
Title IV Child Support Enforcement	93.563	COC26	81,673	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>81,673</u>	<u>-</u>
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>				
<i>Help America Vote Act Requirements Payments:</i>				
Voting System Equipment	90.401	MOA#2015-2016-0003-HEN	20,343	-
HAVA-Federal Election Activities	90.401	MOA#2018-2019-0003-HEN	8,179	-
Election Cybersecurity	90.401	MOA#2019-2020-0001-HEN	20,065	-
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			<u>48,587</u>	<u>-</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
<i>Passed through Florida Housing Finance Corporation</i>				
COVID-19 - Coronavirus Relief Fund (CRF)	21.019	059-2020	12,257	-
<i>Passed through State of Florida, Division of Emergency Management</i>				
FEMA-Cares Act-BOCC	21.019	Y2295	7,244,091	-
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>7,256,348</u>	<u>-</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through State of Florida, Department of Transportation</i>				
Highway Planning and Construction Cluster -				
OLD CR78 Sidewalk Project	20.205	FM#435016-1-38/58/68-01	45,301	-
Curve Safety Improvements on CR835	20.205	FM#438372-1-38/58/68-01	328,643	-
Tangent Safety Improvements on CR833, CR835, and CR846	20.205	FM#438377-1-38/58/68-01	385,523	-
Total - Highway Planning and Construction Cluster			<u>759,467</u>	<u>-</u>
<i>Passed through the Federal Aviation Administration</i>				
Airport Improvement Program -				
LaBelle Airport-Master Plan Update	20.106	FAA# 03-12-0125-009-2016	3,816	-
Rehabilitate General Aviation Apron	20.106	FAA# 3-12-0125-010-2018	169,676	-
LaBelle Airport Cares Act	20.106	FAA# 3-12-0125-013-2020	30,000	-
Airglades Airport Cares Act	20.106	FAA# 3-12-0012-007-2020	30,000	-
LaBelle Municipal Airport Taxiway and Taxilane Rehabilitation	20.106	FM# 446241-1-94-01	111,237	-
			<u>344,729</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>1,104,196</u>	<u>-</u>
<u>U.S. DEPARTMENT OF JUSTICE - BUREAU OF JUSTICE ASSISTANCE</u>				
<i>Passed through State of Florida Department of Law Enforcement</i>				
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0666	4,719	-
Edward Byrne Memorial Justice Assistance Grant	16.738	17-DGBX-0875	8,257	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-JAGC-HEND-1-N2-185	34,103	-
			<u>47,079</u>	<u>-</u>
<i>Passed through State of Florida Attorney General</i>				
ARRA Recovery Act - Public Safety Partnership and Community Policing -				
COPS Hiring Recovery Program (CHRP)	16.710	2017UMWX0149	319,103	-
COPS Hiring Recovery Program (CHRP)	16.710	2015UMWX0024	58,407	-
			<u>377,510</u>	<u>-</u>
Victims of Crime Act (VOCA) Grant	16.575	0-0168	33,834	-
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>458,423</u>	<u>-</u>

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

HENDRY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - (CONTINUED)
For the Fiscal Year Ended September 30, 2020

FEDERAL AGENCY <i>Pass-through entity</i> Federal Program - Project Name	Federal CFDA Number	Contract / Grant Number	Federal Expenditures	Transfers to Subrecipients
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed through State of Florida Department of Community Affairs</i>				
Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitation - Section 8 Voucher Program - Section 8 Project-Based Cluster	14.856	A3405	339,524	-
Community Development Block Grant (CDBG)	14.228	17DB-OL-09-36-01-H11	259,298	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			598,822	-
<u>U.S. DEPARTMENT OF COMMERCE</u>				
<i>Passed through State of Florida, Economic Development Administration</i>				
Economic Adjustment Assistance - Economic Development Cluster	11.307	04-69-07328	80,000	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			80,000	-
 TOTAL FEDERAL AWARDS			 \$ 10,226,844	 \$ -

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

HENDRY COUNTY, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2020

STATE AGENCY State Project - Project Name	State CSFA Number	Grant / Contract Number	State Expenditures	Transfers to Subrecipients
STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES				
Prepaid Next Generation 911 (NG911) State Grant Program -				
E911 Spring 2018	72.003	S11-18-05-13	\$ 31,470	\$ -
E911 Winter 2019 - System Replacement	72.003	S12-19-02-11	53,226	-
E911 Winter 2019 - GIS Data Support	72.003	S12-19-02-13	89,408	-
			<u>174,104</u>	<u>-</u>
Wireless 911 State Grant Program -				
Fall 2019-GIS Data Support	72.002	S14-19-12-05	92,090	-
Wireless 911 Emergency Telephone System -				
E-911 Fall Rural County Grant	72.001	18-11-08	33,367	-
E-911 Fall 2019 Rural County Grant - MAP Maintenance	72.001	19-10-11	77,305	-
E-911 Fall 2019 Rural County Grant - Logging Recorder Upgrade	72.001	19-10-12	35,466	-
E-911 Spring 2020 Rural County Grant - AC System Replacement	72.001	20-04-14	3,391	-
			<u>149,529</u>	<u>-</u>
			415,723	-
STATE OF FLORIDA DEPARTMENT OF HEALTH				
Emergency Medical Services (EMS) Matching Awards -				
Emergency Medical Grant	64.005	C7026	1,521	-
Emergency Medical Grant	64.005	C8026	8,610	-
			<u>10,131</u>	<u>-</u>
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION				
Small County Road Assistance Program (SCRAP) -				
CR835 From 6.75 Miles of US27 to 6.75 Miles of US27	55.016	FM#438580-1-54-02	293,981	-
W.C. Owen Ave Project	55.016	FM#436651-1-5402	99,653	-
CR78 From Kirby Thompson Road to Ft. Denaud Bridge Way	55.016	FM#435050--54-01	102,461	-
Ft Denaud from SR80 to Ft Denaud Bridge Way	55.016	FM#442468-1-54-01	91,062	-
Lewis Boulevard	55.016	FM#438571-1-54-01	326,621	-
Ft Denaud Rd from Ft Denaud Bridge to Huggets Rd	55.016	FM#436652.-1-5402	38,784	-
			<u>952,562</u>	<u>-</u>
Small County Outreach Program (SCOP) -				
W.C. Owen Ave Project	55.009	FM#436651-1-5401	1,076,596	-
Sonora Ave/CR 832From WC Owen to Davidson Rd	55.009	FM#431888-1-54-01	47,254	-
CR833/CR846 Intersection Improvement	55.009	FM#433692-1-54-01	166,574	-
Ft Denaud Rd from Ft Denaud Bridge to Huggets Rd	55.009	FM#436652.1-5401	216,480	-
CR835 From 6.75 Miles of US27 to 5.75 Miles of US27	55.009	FM#438580-1-54-01	559,385	-
			<u>2,066,289</u>	<u>-</u>
County Incentive Grant Program -				
Helms Road Extention Construction From SR29 to SR80	55.008	FM#419948-3-5801	759,468	-
Helms Road Extention From SR29 to SR80	55.008	FM#419948-4-34-01	182,907	-
			<u>942,375</u>	<u>-</u>
Aviation Development Grants -				
Traffic Signal Maintenance and Compensation Agreement	55.004	FM#412670-01-8801	9,663	-
Aviation Development	55.004	FM#441509-1-94-01	292,049	-
Rodeo Drive at LaBelle Airport	55.004	FM431876-1-9401	1,035,777	-
LaBelle Airport Master Plan	55.004	FM439855-1-9401	425	-
General Aviation Terminal Building-LaBelle Airport	55.004	FM#429210-1-9401	42,752	-
Rehabilitate General Aviation Apron	55.004	FM#443418-1-9401	18,853	-
LaBelle Municipal Taxiway and Taxilane Rehabilitation	55.004	FM#446241-1-94-01	12,359	-
			<u>1,411,878</u>	<u>-</u>
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant				
Shirley Conroy Rural Area Capital Assistance	55.001	G1L44	138,338	-
			<u>5,511,442</u>	<u>-</u>
STATE OF FLORIDA DEPARTMENT OF EDUCATION EDUCATION AND COMMISSIONER OF EDUCATION				
Coach Aaron Feis Guardian Program -	48.140	NA	136,349	-
			<u>136,349</u>	<u>-</u>
STATE OF FLORIDA HOUSING FINANCE CORPORATION				
State Housing Initiatives Partnership Program (SHIP)	40.901	NONE	374,064	-
			<u>374,064</u>	<u>-</u>

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

HENDRY COUNTY, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE - (CONTINUED)
For the Fiscal Year Ended September 30, 2020

STATE AGENCY State Project - Project Name	State CSFA Number	Grant / Contract Number	State Expenditures	Transfers to Subrecipients
STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Small Community Wastewater Facility Grant - Sand and Grit Removal	37.075	SG030	6,835	-
Statewide Surface Water Restoration and Wastewater Projects - DEP-Force Main from Airglades Airport to Clewiston	37.039	S0857	30,191	-
Small County Consolidated Grants	37.012	SC015	90,909	-
TOTAL STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			127,935	-
STATE OF FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR				
Emergency Management Programs - Emergency Management Preparedness & Assistance Base Grant	31.063	A0057	105,806	-
Emergency Management Preparedness & Assistance Base Grant	31.063	A0102	28,016	-
TOTAL STATE OF FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR			133,822	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 6,709,466	\$ -

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

HENDRY COUNTY, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2020

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 of Hendry County, Florida (the “County”) for the year ended September 30, 2020. 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*”). Because the Schedule presents only a selected portion of the operations of the County, the schedule is not intended to and does not present the financial position, changes in net position, or cash flows of the County. The County’s reporting entity is defined in Note 1 to the County’s basic financial statements for the fiscal year ended September 30, 2020. All federal award and state financial assistance programs received directly from federal and state agencies, as well as federal award and state financial assistance programs passed through other government agencies, are included in the schedule.

The Schedule is presented in accordance with Uniform Guidance.

NOTE 2 – BASIS OF ACCOUNTING

The 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 fiscal year ended September 30, 2020.

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

NOTE 3 – CONTINGENCIES

Grant monies received by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of September 30, 2020, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

NOTE 4 – MAJOR FEDERAL PROGRAM DETERMINATION

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

NOTE 5 – MAJOR STATE PROJECT DETERMINATION

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

HENDRY COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COST - FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS YEAR ENDED SEPTEMBER 30, 2020

Part I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards and State Projects

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

Major Federal Programs:

CFDA No.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT– Community Development Block Grants	14.228
U.S. DEPARTMENT OF THE TREASURY– COVID-19 – Coronavirus Relief Fund (CRF)	21.019

Major State Projects:

CSFA No.

STATE OF FLORIDA HOUSING FINANCE CORPORATION– State Housing Initiatives Partnership Program (SHIP)	40.901
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION– Small County Outreach Program (SCOP)	55.009
Small County Road Assistance Program (SCRAP)	55.016

HENDRY COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COST - FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2020

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

Dollar threshold used to determine Type A programs:

Federal programs	\$ 750,000
State projects	\$ 750,000

Auditee qualified as low-risk auditee? X Yes No

Part II – Financial Statement Findings

Significant Deficiency

Finding: 2020-001-HC – Schedule of Expenditures of Federal Awards and State Financial Assistance.

Criteria: Policies and procedures should reasonably assure that Federal award and State financial assistance expenditures be accurately reflected on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Condition: We noted that there was one Federal award and two State projects amounts that had to be adjusted on the final Schedules of Expenditures of Federal Awards and State Financial Assistance received from the County.

Cause: The County manages grants at the department level. There is no written or formal policy being followed to ensure that expenditures are being accurately and completely included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Effect: Expenditures related to Federal awards and State projects could be incorrectly included or excluded from the schedule and this could affect the dollar threshold that would trigger the necessity to perform a Federal and or State single audit and the determination of type A and type B programs.

Recommendation: We recommend the County establish and implement internal controls to ensure financial information received from departments that is used to prepare the Schedules of Expenditures of Federal Awards and State Financial Assistance is complete and accurate.

We also recommend that County employees responsible for Federal and State grants have adequate training of the Schedules of Expenditures of Federal Awards and State Financial Assistance reporting requirements.

Management’s Response: Management’s response is provided within the corrective action plan on pages I-99 and I-100.

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

YEAR ENDED SEPTEMBER 30, 2020

Part II – Financial Statement Findings – Continued

Management Letter Comment

Finding: 2020-002-HC – Budgetary Control

Criteria: Pursuant to Chapter 129.07, Florida Statutes, it is unlawful for expenditures to exceed more than the amount budgeted.

Condition: The Hendry County Board of County Commissioners over expended their budgeted expenditures within their general fund for the fiscal year ended September 30, 2020. This finding is specific to the Board of County Commissioners. Additionally, refer to 2020-002-HCSO at IV-30 for the management letter comment for the Hendry County Sheriff’s Office regarding budgetary control.

Cause: Management did not obtain amendments to the budget.

Effect: Expenditures exceeded the legally adopted budget.

Recommendation: We recommend the Board of County Commissioners monitor the actual results of operations compared to the budgeted appropriations and make necessary budget amendments as necessary to comply with the budget provisions of Florida Statutes 129.07.

Management’s Response: Management’s response is provided within the corrective action plan on pages I-99 and I-100.

Part III –Federal Award Findings and Questioned Costs

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

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

Part IV – State Project Findings and Questioned Costs

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

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

HENDRY COUNTY, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2020

Prior Year Audit Findings:

There were no prior year audit findings.

Corrective Action Plan:

The County is in the process of formalizing a procedure that would ensure that the County is able to properly report and monitor the preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance and provide for proper oversight over grants required to be reported. See the County's formal response at I-100.



HENDRY COUNTY
Board of County Commissioners
P.O. Box 2340
LaBelle, Florida 33975-2340
863-675-5220

Jennifer Davis
County Administrator

Mark F. Lapp
County Attorney

Kimberley Barrineau
Clerk of the Courts

Corrective Action Plan

June 23, 2021

In response to the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, the Hendry County Board of County Commissioners issues the following response:

Management Response to Finding 2020-001-HC - Schedules of Expenditures of Federal Awards and State Financial Assistance (Significant Deficiency)

The Board of County Commissioners has been informed that errors occurred in the preparation of certain reports provided by a County department to the auditor detailing expenditures included in the Schedules of Expenditures of Federal Awards and State Financial Assistance. The departmental personnel involved were not fully trained in reporting expenditures on the schedules and the auditor relied on the inaccurate and incomplete information provided by the department.


The Board of County Commissioners will undertake the following corrective actions to address this deficiency:

1. Ensure that relevant personnel in departments receiving Federal and/or State grant funding provide training to their personnel in the procedures for reporting expenditures on the Schedules of Expenditures of Federal Awards and State Financial Assistance.
2. Require departments receiving Federal and/or State grant funding to make documentation and information available to the County's Grant Director in order to ensure grants are reported complete and accurate.

In response to the Management Letter, the Hendry County Board of County Commissioners issues the following response:

Management Response to Finding 2020-002-HC - Budgetary Control (Management Letter Comment)

The County concurs with the recommendation made by the auditor. We will seek to more closely monitor actual results of operations compared to budgeted appropriations and make necessary budget amendments so that the actual expenditures do not exceed the budgeted appropriations.


SIGNED

FINANCE DIRECTOR CLERK OF COURT
TITLE

6/23/2021
DATE

Emma Byrd
District 1

Darrell Harris
District 2

Mitchell Wills
District 3

Ramon Iglesias
District 4

Karson Turner
District 5

This institution is an equal opportunity provider and employer.

Independent Auditor's Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida (the "County"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 23, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance Required by *Uniform Guidance*, and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.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 had one recommendation to improve financial management as detailed in the accompanying schedule of current year findings and responses at finding 2020-002-HC.

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

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

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

We have examined Hendry County, Florida's (the "County's") compliance with the local government investment policy requirements of 218.415, *Florida Statutes*, and E911 requirements of Sections 365.172 and 365.173, *Florida Statutes*, for the year ended September 30, 2020. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

SECTION II

CLERK OF THE CIRCUIT COURT

Kimberley Barrineau

Report of Independent Auditor

To the Honorable Kimberley Barrineau,
Clerk of Courts & Comptroller
Hendry County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2020 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hendry County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

Ashley, Brown & Smith CPA's

Punta Gorda, Florida
June 23, 2021

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Balance Sheet - Governmental Funds
 September 30, 2020

	<u>General Fund</u>	<u>Modernization Trust Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 417,477	\$ 152,764	\$ 570,241
Accounts Receivable, net	49,945	-	49,945
Due from Other Governments	134,460	-	134,460
Prepaid Expenses	<u>1,775</u>	<u>23,920</u>	<u>25,695</u>
Total Assets	<u>\$ 603,657</u>	<u>\$ 176,684</u>	<u>\$ 780,341</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 39,032	\$ -	\$ 39,032
Accrued liabilities	42,106	-	42,106
Due to BOCC	253,210	-	253,210
Due to Other Governments	<u>269,309</u>	<u>-</u>	<u>269,309</u>
Total Liabilities	<u>603,657</u>	<u>-</u>	<u>603,657</u>
 Fund Balance			
Restricted	<u>-</u>	<u>176,684</u>	<u>176,684</u>
Total Liabilities and Fund Balance	<u>\$ 603,657</u>	<u>\$ 176,684</u>	<u>\$ 780,341</u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Governmental Funds
 For the Fiscal Year Ended September 30, 2020

	<u>General Fund</u>	<u>Modernization Trust Fund</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ 81,673	\$ 81,104	\$ 162,777
Charges for Services	1,137,186	-	1,137,186
Miscellaneous	<u>22,506</u>	<u>-</u>	<u>22,506</u>
Total Revenues	<u>1,241,365</u>	<u>81,104</u>	<u>1,322,469</u>
Expenditures			
General Government	1,208,943	128,649	1,337,592
Court Related	<u>1,096,806</u>	<u>-</u>	<u>1,096,806</u>
Total Expenditures	<u>2,305,749</u>	<u>128,649</u>	<u>2,434,398</u>
Excess of revenues over (under) expenditures	<u>(1,064,384)</u>	<u>(47,545)</u>	<u>(1,111,929)</u>
Other financing sources (uses)			
Operating transfers in	1,317,494	-	1,317,494
Operating transfers out	<u>(253,110)</u>	<u>-</u>	<u>(253,110)</u>
Total other financing sources (uses)	<u>1,064,384</u>	<u>-</u>	<u>1,064,384</u>
Excess of revenues and other sources sources over (under) expenditures and other sources	-	(47,545)	(47,545)
Fund Balance - October 1, 2019	<u>-</u>	<u>224,229</u>	<u>224,229</u>
Fund Balance - September 30, 2020	<u>\$ -</u>	<u>\$ 176,684</u>	<u>\$ 176,684</u>

See accompanying notes.

CLERK OF THE CIRCUIT COURT
Statement of Fiduciary Assets and Liabilities- Agency Funds
September 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 2,331,304
Due from Other Governments	<u>835</u>
Total Assets	<u><u>\$ 2,332,139</u></u>
LIABILITIES	
Accounts Payable	\$ 75,534
Due to Other Governments	2,196,455
Due to Individuals	13,666
Other Liabilities	<u>46,484</u>
Total Liabilities	<u><u>\$ 2,332,139</u></u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

(a) Fund Accounting

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

Governmental Funds

General Fund

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

Special Revenue Funds

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

Fiduciary Funds

Agency Funds

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

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2020

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

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

Governmental Funds

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

Fiduciary Funds

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

Basis of Accounting

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

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

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

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

Budgetary Process

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

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

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2020

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

Encumbrances

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

(c) Assets, Liabilities and Equity

Capital Assets

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

Compensated Absences

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

As of September 30, 2020, the Clerk had \$133,558 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Hendry County, Florida.

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

Estimates

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

Fund Balances

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

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2020, the Clerk had \$176,684 in restricted fund balance in the Modernization Trust Fund.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2020

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

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

Committed fund balances are fund balances constrained for specific purposes imposed by the Clerk's formal action of highest level of decision making authority. As of September 30, 2020, the Clerk had no committed fund balances.

Assigned fund balances are fund balances are constrained by the Clerk's intent to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2020, the Clerk had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2020, the Clerk had no unassigned fund balances because all excess revenues within the general fund are required to be remitted to the Board.

NOTE 2 - CASH AND CASH INVESTMENTS

During the fiscal year, the Clerk maintained deposits in interest-bearing savings and checking accounts. At September 30, 2020, the bank balance of all accounts was \$2,937,700 and the book balance of deposits was \$2,901,000.

The Clerk had \$535 of cash on hand at September 30, 2020.

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

The Clerk held no investments during the fiscal year.

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HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2020

NOTE 3 - RETIREMENT PLAN

Plan Description

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

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

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and July 1, 2020 through September 30, 2020, respectively, were as follows: regular 8.47% and 10.00%; county elected officers 48.82% and 49.18%; senior management 25.41% and 27.29%; special risk 25.48% and 24.45%; special risk administration 38.59% and 35.84%; and DROP participants 14.60% and 16.98%. During the fiscal year ended September 30, 2020, the Clerk of the Circuit Court contributed to the plan an amount equal to 11.73% of covered payroll.

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

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2020

NOTE 3 - RETIREMENT PLAN - (Continued)

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

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

The Clerk of the Circuit Court recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$127,851, \$22,908, and \$21,155 respectively, for the fiscal year ended September 30, 2020. The Clerk of the Circuit Court's payments after June 30, 2020, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$40,191, and \$6,084, respectively. The Clerk of the Circuit Court is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014.

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

NOTE 4 - GENERAL LONG-TERM DEBT

The following changes in general long-term debt occurred during the year ended September 30, 2020:

Long-term debt payable at October 1, 2019	\$ 109,295
Increase (decrease) in accrued compensated absences	<u>24,263</u>
Long-term debt payable at September 30, 2020	<u><u>\$ 133,558</u></u>

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

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2020

NOTE 5 - INSURANCE

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

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

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

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2020, the Clerk was charged \$407,613.

NOTE 6 - CONTINGENCIES

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

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

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

REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
GENERAL FUND

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 81,673	\$ 81,673
Charges for Services	1,251,556	1,105,742	1,137,186	31,444
Miscellaneous	-	-	22,506	22,506
Total Revenues	1,251,556	1,105,742	1,241,365	135,623
Expenditures				
General Government				
Personal Services	1,044,485	1,044,485	975,246	69,239
Operating Expenses	273,009	273,009	233,697	39,312
Court Related				
Personal Services	1,152,071	1,006,257	950,123	56,134
Operating Expenses	99,485	99,485	146,683	(47,198)
Total Expenditures	2,569,050	2,423,236	2,305,749	117,487
Excess of expenditures over revenues	(1,317,494)	(1,317,494)	(1,064,384)	253,110
Other financing sources (uses)				
Operating transfers in	1,317,494	1,317,494	1,317,494	-
Operating transfers out	-	-	(253,110)	(253,110)
Total other financing sources (uses)	1,317,494	1,317,494	1,064,384	(253,110)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund Balance - October 1, 2019	-	-	-	-
Fund Balance - September 30, 2020	\$ -	\$ -	\$ -	\$ -

**OTHER FINANCIAL
INFORMATION**

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Combining Statement of Fiduciary Assets and Liabilities- Agency Funds
 September 30, 2020

	<u>Operating Trust</u>	<u>Registry</u>	<u>Fines and Forfeitures</u>	<u>Christmas Club</u>	<u>Total</u>
ASSETS					
Cash	\$ 1,436,099	\$ 320,357	\$ 561,182	\$ 13,666	\$ 2,331,304
Due from Other Governments	<u>835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>835</u>
Total Assets	<u><u>\$ 1,436,934</u></u>	<u><u>\$ 320,357</u></u>	<u><u>\$ 561,182</u></u>	<u><u>\$ 13,666</u></u>	<u><u>\$ 2,332,139</u></u>
LIABILITIES					
Accounts Payable	\$ 46,978	\$ -	\$ 28,556	\$ -	\$ 75,534
Due to Other Governments	1,389,956	320,357	486,142	-	2,196,455
Due to Individuals	-	-	-	13,666	13,666
Other Liabilities	<u>-</u>	<u>-</u>	<u>46,484</u>	<u>-</u>	<u>46,484</u>
Total Liabilities	<u><u>\$ 1,436,934</u></u>	<u><u>\$ 320,357</u></u>	<u><u>\$ 561,182</u></u>	<u><u>\$ 13,666</u></u>	<u><u>\$ 2,332,139</u></u>

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds
 For the fiscal year ended September 30, 2020

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
OPERATING TRUST				
ASSETS				
Cash	\$ 1,093,537	\$ 8,766,811	\$ 8,424,249	\$ 1,436,099
Accounts Receivable	105	-	105	-
Due from Other Governments	-	835	-	835
Total Assets	\$ 1,093,642	\$ 8,767,646	\$ 8,424,354	\$ 1,436,934
LIABILITIES				
Accounts Payable	\$ 48,550	\$ 3,227,916	\$ 3,229,488	\$ 46,978
Due to Other Governments	1,045,092	4,124,181	3,779,317	1,389,956
Total Liabilities	\$ 1,093,642	\$ 7,352,097	\$ 7,008,805	\$ 1,436,934
 REGISTRY OF COURT				
ASSETS				
Cash	\$ 191,941	\$ 549,309	\$ 420,893	\$ 320,357
Total Assets	\$ 191,941	\$ 549,309	\$ 420,893	\$ 320,357
LIABILITIES				
Accounts Payable	\$ 1,428	\$ 166,067	\$ 167,495	\$ -
Due to Other Governments	190,513	298,372	168,528	320,357
Total Liabilities	\$ 191,941	\$ 464,439	\$ 336,023	\$ 320,357

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds
 (Continued)
 For the fiscal year ended September 30, 2020

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
CHRISTMAS CLUB				
ASSETS				
Cash	\$ 12,979	\$ 15,031	\$ 14,344	\$ 13,666
Total Assets	<u>\$ 12,979</u>	<u>\$ 15,031</u>	<u>\$ 14,344</u>	<u>\$ 13,666</u>
LIABILITIES				
Due to Individuals	\$ 12,979	\$ 15,031	\$ 14,344	\$ 13,666
Total Assets	<u>\$ 12,979</u>	<u>\$ 15,031</u>	<u>\$ 14,344</u>	<u>\$ 13,666</u>
FINES AND FORFEITURES				
ASSETS				
Cash	\$ 705,080	\$ 2,140,685	\$ 2,284,583	\$ 561,182
Total Assets	<u>\$ 705,080</u>	<u>\$ 2,140,685</u>	<u>\$ 2,284,583</u>	<u>\$ 561,182</u>
LIABILITIES				
Accounts Payable	\$ 27,682	\$ 1,754,009	\$ 1,753,135	\$ 28,556
Due to Other Governments	638,666	588,414	740,938	486,142
Other Liabilities	38,732	840,646	832,894	46,484
Total Liabilities	<u>\$ 705,080</u>	<u>\$ 3,183,069</u>	<u>\$ 3,326,967</u>	<u>\$ 561,182</u>

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
 Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds
 (Continued)
 For the fiscal year ended September 30, 2020

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 2,003,537	\$ 11,471,836	\$ 11,144,069	\$ 2,331,304
Accounts Receivable	105	-	105	-
Due from Other Governments	-	835	-	835
Total Assets	<u>\$ 2,003,642</u>	<u>\$ 11,472,671</u>	<u>\$ 11,144,174</u>	<u>\$ 2,332,139</u>
LIABILITIES				
Accounts Payable	\$ 77,660	\$ 5,147,992	\$ 5,150,118	\$ 75,534
Due to Other Governments	1,874,271	5,010,967	4,688,783	2,196,455
Due to Individuals	12,979	15,031	14,344	13,666
Other Liabilities	38,732	840,646	832,894	46,484
Total Liabilities	<u>\$ 2,003,642</u>	<u>\$ 11,014,636</u>	<u>\$ 10,686,139</u>	<u>\$ 2,332,139</u>

**SUPPLEMENTARY
REPORTS**

**Report of Independent Auditor on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Honorable Kimberley Barrineau,
Clerk of Courts & Comptroller
Hendry County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Clerk of the Circuit Court, (the "Clerk") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2021, for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

Independent Auditor's Management Letter

To the Honorable Kimberley Barrineau,
Clerk of Courts & Comptroller
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 23, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Report of Independent Accountant on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

**Report of Independent Accountant on Compliance With
Local Government Investment Policies, Article V Requirements and Depository
Requirements of Sections 218.415, 28.35, 28.36 and 61.181, *Florida Statutes***

To the Honorable Kimberley Barrineau,
Clerk of Courts & Comptroller
Hendry County, Florida

We have examined the Hendry County, Florida Clerk of the Circuit and County Courts' (the "Clerk's") compliance with the local government investment policy requirements of 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and requirements of Section 61.181, Florida Statutes, during the year ended September 30, 2020. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination 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 judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

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

In our opinion, the Clerk complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, Article V requirements of Section 28.35 and 28.36, Florida Statutes, and requirements of Section 61.181, Florida Statutes, during the year ended September 30, 2020.

The purpose of this report is to comply with audit requirements of Section 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, requirements of Section 61.181, Florida Statutes, and Rules of the Auditor General.

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

SECTION III

PROPERTY APPRAISER

Dena R. Pittman, CFA

Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Property Appraiser as of September 30, 2020 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each fund of Hendry County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2021, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters under the heading REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Property Appraiser's internal control over financial reporting and compliance.

Punta Gorda, Florida
June 23, 2021

Ashley, Brown & Smith CPA's

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Balance Sheet - Governmental Funds
September 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	<u>\$ 299,066</u>	<u>\$ 185,324</u>	<u>\$ 484,390</u>
Total Assets	<u><u>\$ 299,066</u></u>	<u><u>\$ 185,324</u></u>	<u><u>\$ 484,390</u></u>
 LIABILITIES AND FUND EQUITY			
Liabilities			
Due to Board of County Commissioners	\$ 279,028	\$ -	\$ 279,028
Accrued Wages	<u>20,038</u>	<u>-</u>	<u>20,038</u>
Total Liabilities	<u>299,066</u>	<u>-</u>	<u>299,066</u>
Fund Equity			
Fund Balance Assigned	<u>-</u>	<u>185,324</u>	<u>185,324</u>
Total Liabilities and Fund Equity	<u><u>\$ 299,066</u></u>	<u><u>\$ 185,324</u></u>	<u><u>\$ 484,390</u></u>

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the Fiscal Year Ended September 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Charges for Services	\$ 1,459,752	\$ 124,475	\$ 1,584,227
Miscellaneous	2,388	1,079	3,467
Total Revenues	<u>1,462,140</u>	<u>125,554</u>	<u>1,587,694</u>
Expenditures			
General Government			
Personal Services	1,040,960	74,700	1,115,660
Operating Expenditures	142,152	37,800	179,952
Total Expenditures	<u>1,183,112</u>	<u>112,500</u>	<u>1,295,612</u>
Excess of Revenues over Expenditures	<u>279,028</u>	<u>13,054</u>	<u>292,082</u>
Other financing (uses) sources			
Operating transfers out	<u>(279,028)</u>	<u>-</u>	<u>(279,028)</u>
Total other financing (uses) sources	<u>(279,028)</u>	<u>-</u>	<u>(279,028)</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	13,054	13,054
Fund balances - October 1, 2019	<u>-</u>	<u>172,270</u>	<u>172,270</u>
Fund balances - September 30, 2020	<u>\$ -</u>	<u>\$ 185,324</u>	<u>\$ 185,324</u>

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

(a) Fund Accounting

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

General Fund

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

Special Revenue Fund

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

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

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

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2020

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

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

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

Budgetary Requirements

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

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

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

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

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

Encumbrances

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

(c) Assets, Liabilities, and Equity

Compensated Absences

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

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2020

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

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

The liability shown in the County's financial statement has been accrued in accordance with this criteria. At September 30, 2020, the Property Appraiser had \$71,007 in long-term compensated absences payable.

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

Estimates

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

Fund Balances

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

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

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

NOTE 2 - CASH AND INVESTMENTS

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

At September 30, 2020, the book balance of deposits was \$484,390 for the Property Appraiser and the bank balance was \$523,619.

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

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2020

NOTE 3 - AMOUNTS DUE TO FUNDING ENTITIES AND EXCESS FUNDS

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

NOTE 4 - GENERAL LONG-TERM DEBT

Changes in General Long-Term Debt

Changes in the general long-term debt of the Property Appraiser for the year ended September 30, 2020, are summarized below:

	<u>Compensated Absences</u>
General long-term debt at 10/1/2019	\$ 62,679
Increase in accrued compensated absences	<u>8,328</u>
General long-term debt at 9/30/2020	<u><u>\$ 71,007</u></u>

NOTE 5 - GENERAL FIXED ASSETS

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

NOTE 6 - RETIREMENT PLAN

Plan Description

The Property Appraiser's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

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

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2020

NOTE 6 - RETIREMENT PLAN - (Continued)

Plan Description - (Continued)

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and July 1, 2020 through September 30, 2020, respectively, were as follows: regular 8.47% and 10.00%; county elected officers 48.82% and 49.18%; senior management 25.41% and 27.29%; rehired regular service 5.22% and 5.10%; and DROP participants 14.60% and 16.98%. During the fiscal year ended September 30, 2020, the Property Appraiser contributed to the plan an amount equal to 10.30% of covered payroll.

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

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

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2020

NOTE 6 - RETIREMENT PLAN - (Continued)

Funding Policy - (Continued)

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

The Property Appraiser recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$41,418, \$11,646 and \$66,588, respectively, for the fiscal year ended September 30, 2020. The Property Appraiser's payments after June 30, 2020, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$26,355, and \$3,103, respectively. The Property Appraiser is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68, effective October 1, 2014.

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

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

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

NOTE 8 - CONTINGENCIES

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

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2020

NOTE 9 - RISK MANAGEMENT

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

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

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

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2020, the Property Appraiser was charged \$179,913.

NOTE 10 - LEASE COMMITMENT

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

Purchase Order 1 - Licensed Software, Implementation and Training

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

	Less: payments made		(35,320)
		\$	70,642

Purchase Order 2 - Maintenance

Maintenance Payment 1		FY 2021	\$	37,191
Maintenance Payment 2		FY 2022		37,191
Maintenance Payment 3		FY 2023		37,191
		Total Purchase Order 2		111,573

Total Commitment to Pictometry International Corporation		\$	217,535
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REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
 PROPERTY APPRAISER
 GENERAL FUND
 Schedule of Revenues, Expenditures and Changes in Fund Balances-
 Budget and Actual
 For the Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	\$ 1,458,916	\$ 1,459,752	\$ 1,459,752	\$ -
Miscellaneous	-	-	2,388	2,388
Total Revenues	<u>1,458,916</u>	<u>1,459,752</u>	<u>1,462,140</u>	<u>2,388</u>
Expenditures				
General Government				
Personal Services	1,178,468	1,179,304	1,040,960	138,344
Operating Expenditures	215,318	215,318	142,152	73,166
Non-Operating	65,130	65,130	-	65,130
Total Expenditures	<u>1,458,916</u>	<u>1,459,752</u>	<u>1,183,112</u>	<u>276,640</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>279,028</u>	<u>279,028</u>
Other financing sources (uses)				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(279,028)</u>	<u>(279,028)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(279,028)</u>	<u>(279,028)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - October 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - September 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SUPPLEMENTARY
REPORTS**

**Report of Independent Auditor on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Hendry County, Florida, Property Appraiser, (the "Property Appraiser") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith CPA's

Punta Gorda, Florida
June 23, 2021

Independent Auditor's Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Property Appraiser, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 23, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's 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 June 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley, Brown & Smith CPA's

Punta Gorda, Florida
June 23, 2021

Report of Independent Accountant on Compliance With Local Government Investment Policies

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

We have examined the Hendry County, Florida, Property Appraiser's (the "Property Appraiser") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance.

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

In our opinion, the Property Appraiser complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020.

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

SECTION IV

SHERIFF

Steve Whidden

Report of Independent Auditor

To the Honorable Steve Whidden,
Sheriff
Hendry County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Sheriff, (the "Sheriff") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2020 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each fund of Hendry County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Financial Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida

June 23, 2021

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
SHERIFF
Balance Sheet - Governmental Funds
September 30, 2020

	<u>General</u>	<u>Commissary</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 757,724	\$ 648,608	\$ 63,509	\$ 1,469,841
Accounts Receivable	30,000	28,583	-	58,583
Due from other Funds		-	-	-
Due from other Governments	560,649	-	-	560,649
Total Assets	<u>\$ 1,348,373</u>	<u>\$ 677,191</u>	<u>\$ 63,509</u>	<u>\$ 2,089,073</u>
 LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	\$ 215,236	\$ 58,887	\$ -	\$ 274,123
Accrued Liabilities	679,046	-	-	679,046
Unearned Revenue	81,962	-	-	81,962
Due to Board of County Commissioners	284,511	-	-	284,511
Total Liabilities	<u>1,260,755</u>	<u>58,887</u>	<u>-</u>	<u>1,319,642</u>
 Fund Equity				
Fund Balance				
Restricted	-	618,304	-	618,304
Assigned	-	-	63,509	63,509
Unassigned	87,618	-	-	87,618
Total Fund Equity	<u>87,618</u>	<u>618,304</u>	<u>63,509</u>	<u>769,431</u>
Total Liabilities and Fund Equity	<u>\$ 1,348,373</u>	<u>\$ 677,191</u>	<u>\$ 63,509</u>	<u>\$ 2,089,073</u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
SHERIFF
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the Fiscal Year Ended September 30, 2020

	General Fund	Commissary	Non-Major Governmental	Total Governmental Funds
Revenues				
Intergovernmental	\$ 1,342,404	\$ -	\$ -	\$ 1,342,404
Charges for Services	623,600	226,903	10,298	860,801
Fines and Forfeitures	-	-	4,248	4,248
Commission	-	-	-	-
Miscellaneous	166,385	668	31	167,084
Total Revenues	2,132,389	227,571	14,577	2,374,537
Expenditures				
Law Enforcement				
Personnel Services	8,549,038	-	-	8,549,038
Operating Expenditures	1,913,003	-	6,327	1,919,330
Capital Outlay	541,733	-	-	541,733
Debt Service				
Principal	387,782	-	-	387,782
Interest	45,450	-	-	45,450
Corrections				
Personnel Services	2,939,292	105,800	-	3,045,092
Operating Expenditures	570,197	40,547	-	610,744
Judicial				
Personnel Services	524,034	-	-	524,034
Operating Expenditures	3,102	-	-	3,102
Total Expenditures	15,473,631	146,347	6,327	15,102,271
Excess of Revenues Over (Under) Expenditures	(13,341,242)	81,224	8,250	(12,727,734)
Other Financing Sources and (Uses)				
Proceeds for financing capital leases	356,294	-	-	356,294
Proceeds from sale of capital assets	7,761	-	-	7,761
Operating Transfers in	13,556,750	-	-	13,556,750
Total other Financing Sources (Uses)	13,920,805	-	-	13,920,805
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	579,563	81,224	8,250	1,193,071
Fund Balance - October 1, 2019	(491,945)	537,080	55,259	100,394
Fund Balance - September 30, 2020	\$ 87,618	\$ 618,304	\$ 63,509	\$ 1,293,465

See accompanying notes.

HENDRY COUNTY, FLORIDA
SHERIFF
Statement of Fiduciary Assets and Liabilities- Agency Funds
September 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 225,943
Total assets	<u>\$ 225,943</u>
LIABILITIES	
Due to Other Governments	\$ 3,491
Due to Individuals	163,425
Other Liabilities	<u>59,027</u>
Total Liabilities	<u>\$ 225,943</u>

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Sheriff is an elected constitutional officer of Hendry County, a political subdivision of the State of Florida. The position of Sheriff was established by Article VIII, Section 1(d) of the Constitution of the State of Florida.

The duties and responsibilities of the Sheriff are concerned with law enforcement, judicial process and corrections. The operations are financed by appropriations made by the Board of County Commissioners pursuant to the approved budget.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Sheriff and its component units. Component units are entities for which the government is considered to be financially accountable. Financial accountability is determined on the basis of the Sheriff's ability to significantly influence operations, select the governing authority and participate in fiscal management.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in these financial statements.

(a) Fund Accounting

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

Governmental Funds

General Fund

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

Special Revenue Funds

Special Revenue Funds are operating funds used to account for revenues (other than expendable trusts or capital projects), the use of which is restricted or designated. The Commissary Fund is used to account for the receipts and disbursements relating to the inmates of the Hendry County Jail. This fund is restricted to purchases of items for the benefit of the inmates.

Fiduciary Funds

Agency Funds

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

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

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

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

Governmental Funds

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

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental and agency funds are accounted for using the modified accrual basis of accounting. All revenues are recognized when they become measurable and available as net current position.

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

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

Budgetary Process

Chapter 30, of the Florida Statutes, governs the preparation, adoption and administration process of the District's annual budget. A budget is only required to be prepared for the General Fund. The budget and amendments, if any, for the General Fund are required to be submitted to and approved by the Board of County Commissioners. The budget is prepared on the modified accrual basis. The level of control for appropriations is exercised at the functional level.

As the Sheriff's Office does not have a legally adopted budget for the Commissary Special Revenue fund, a budgetary comparison for this fund is not presented.

Encumbrances

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

(c) Assets, Liabilities, and Equity

Capital Assets

Acquisitions of tangible personal property are recorded as expenditures at the time of purchase. These assets are reported to the Board of County Commissioners and are recorded in the County's basic financial statements.

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

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

Compensated Absences

It is the Sheriff's policy to permit employees to accumulate a limited amount of earned, but unused, sick and annual leave, which will be paid upon separation of service. Vacation is accrued as a liability when benefits are earned by the employee. The Sheriff uses the vesting method to accrue sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

As of September 30, 2020, the Sheriff had long-term compensated absences payable of \$1,512,980. This amount is reported in the government-wide financial statements of Hendry County, Florida.

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

Fund Balances

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

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2020, the Sheriff had \$618,304 in restricted fund balance in the Commissary Special Revenue. This amount is restricted to purchases of items for the benefit of the inmates at Hendry County Jail.

Committed fund balances are fund balances constrained for specific purposes imposed by the Sheriff's formal action of highest level of decision making authority. As of September 30, 2020, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2020, the Sheriff had \$87,618 in unassigned fund balance.

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

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

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

Estimates

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

NOTE 2 - CASH AND INVESTMENTS

Cash

At September 30, 2020, the carrying amount of the Sheriff's deposits was \$1,679,761 and the bank balance was \$1,868,826. The Sheriff held petty cash on hand as of September 30, 2020 in the amount of \$16,770. These deposits were entirely covered during the year and at year-end by federal depository insurance or by collateral pursuant to the Public Depository Act of the State of Florida (Florida Statute Chapter 280). All Sheriff depositories are banks designated as qualified depositories by the State Treasurer.

Investments

Florida Statutes authorize the Sheriff to invest in the Local Government Surplus Funds Trust Fund administered by the State Treasurer; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under Federal or Florida laws; securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Act of 1940 provided the portfolio is limited to United States Government obligations. The Sheriff did not have any investments during the year or at year end.

NOTE 3 - GENERAL FIXED ASSETS

Changes in general fixed assets are as follows:

	Beginning Balance 10/1/2019	Increases	Decreases	Ending Balance 9/30/2020
Equipment	\$ 4,304,986	\$ 541,732	\$ (170,727)	\$ 4,675,991
Less: Accumulated Depreciation	(3,331,211)	(345,860)	168,196	(3,508,875)
Total Equipment being depreciated, net	<u>\$ 973,775</u>	<u>\$ 195,872</u>	<u>\$ (2,531)</u>	<u>\$ 1,167,116</u>

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

NOTE 4 - COMMITMENTS AND CONTINGENCIES - (Continued)

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

Operating Leases

In January 2020, the Sheriff entered into a leasing agreement for twenty-two vehicles in the amount of \$537,687 for a twelve month term. The final payment is due in January 2021. At the end of the term, or sooner if the lessor requests the vehicles back, the Sheriff returns the vehicles and receives a credit for future operating leases based on the gain of the sales price over the RBV. The balance at September 30, 2020 was

\$ 488,989

NOTE 5- LONG-TERM LIABILITIES

Long-term liabilities are comprised of the following as of September 30, 2020:

Capital Leases

On August 4, 2017 the Sheriff entered into a leasing agreement for six Chevrolet SUV for \$367,475 bearing interest at a rate of 3.52%, requiring quarterly payments of \$24,721. Final payment due August 4, 2021.	96,749
On September 30, 2019 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$53,026, requiring monthly payments of \$1,047 including principal and interest. Final payment due in September 30, 2024.	43,966
On August 27, 2019 the Sheriff entered into a leasing agreement for two 2019 Chevrolet Tahoe for \$105,197, requiring monthly payments of \$2,160 including principal and interest. Final payment due in August 2024.	85,843
On August 27, 2019 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$48,538, requiring monthly payments of \$1,001 including principal and interest. Final payment due in August 2024.	39,608
On September 25, 2019 the Sheriff entered into a leasing agreement for two 2019 Chevrolet Tahoe for \$101,326, requiring monthly payments of \$2,035 including principal and interest. Final payment due in September 2024.	84,012
On November 5, 2018 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$43,568, requiring monthly payments of \$859 including principal and interest. Final payment due in November 2023.	29,412
In November 5, 2018 the Sheriff entered into a leasing agreement for three 2019 Chevrolet Tahoe for \$147,524, requiring monthly payments of \$2,905 including principal and interest. Final payment due in November 2023.	99,550
In October 9, 2018 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$49,175, requiring monthly payments of \$968 including principal and interest. Final payment due in October 2023.	32,400

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

NOTE 5- LONG-TERM LIABILITIES - (Continued)

Capital Leases

On October 1, 2018 the Sheriff entered into a leasing agreement for a 2019 Chevrolet Tahoe for \$41,700, requiring monthly payments of \$812 including principal and interest. Final payment due in November 2023.	26,691
On March 27, 2020 the Sheriff entered into a leasing agreement for a 2020 Chevrolet Tahoe for \$44,627, requiring monthly payments of \$980 including principal and interest. Final payment due in March 2025. The balance at September 30, 2020 was	40,841
On February 27, 2020 the Sheriff entered into a leasing agreement for a 2020 Chevrolet Tahoe for \$51,944, requiring monthly payments of \$1,032 including principal and interest. Final payment due in February 2025. The balance at September 30, 2020 was	46,900
On January 31, 2020 the Sheriff entered into a leasing agreement for two 2020 Chevrolet Tahoe for \$103,889, requiring monthly payments of \$2,128 including principal and interest. Final payment due in January 2025. The balance at September 30, 2020 was	92,288
On January 21, 2020 the Sheriff entered into a leasing agreement for a 2020 Chevrolet Tahoe for \$51,944, requiring monthly payments of \$1,027 including principal and interest. Final payment due in January 2025. The balance at September 30, 2020 was	45,974
On January 31, 2020 the Sheriff entered into a leasing agreement for two 2020 Chevrolet Tahoe for \$103,889, requiring monthly payments of \$2,060 including principal and interest. Final payment due in January 2025. The balance at September 30, 2020 was	<u>92,288</u>
Total Capital Leases	<u><u>856,522</u></u>

Compensated Absences

Employees of the Sheriff's Office are entitled to paid sick time, personal and comp time based on length of service and job classification.	<u>1,512,980</u>
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TOTAL LONG-TERM LIABILITIES \$ 2,369,502

The annual debt service requirements at September 30, 2020, were as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 291,673	\$ 38,035	\$ 329,708
2022	194,923	35,900	230,823
2023	194,923	35,900	230,823
2024	149,330	28,002	177,332
2025	25,673	6,226	31,899
Total Capital leases	<u>856,522</u>	<u>\$ 144,063</u>	<u>\$ 1,000,585</u>
Compensated Absences	<u>1,512,980</u>		
TOTAL LONG-TERM LIABILITIES	<u><u>\$ 2,369,502</u></u>		

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

NOTE 5- LONG-TERM LIABILITIES - (Continued)

Changes in long-term liabilities for the year ended September 30, 2020, was as follows:

	Beginning Balance <u>10/1/2019</u>	Additions	Reductions	Ending Balance <u>9/30/2020</u>	Due Within One Year
Capital Leases	\$ 812,897	\$ 356,294	\$ (312,669)	\$ 856,522	\$ 291,673
Compensated absences	1,508,428	330,949	(326,397)	1,512,980	96,803
	<u>\$ 2,321,325</u>	<u>\$ 687,243</u>	<u>\$ (639,066)</u>	<u>\$ 2,369,502</u>	<u>\$ 388,476</u>

NOTE 6 - RETIREMENT PLAN

Plan Description

The Sheriff's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Service, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

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

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

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

NOTE 6 - RETIREMENT PLAN - (Continued)

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and July 1, 2020 through September 30, 2020, respectively, were as follows: regular 8.47% and 10.00%; county elected officers 48.82% and 49.18%; senior management 25.41% and 27.29%; special risk 25.48% and 24.45%; special risk administration 38.59% and 35.84%; rehired regular class 5.10% and 5.22%; and DROP participants 14.60% and 16.98%. During the fiscal year ended September 30, 2020, the Sheriff contributed to the plan an amount equal to 19.82% of covered payroll.

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

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

The Sheriff recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan, and the defined contribution plan, amounting to \$1,072,500, \$128,706, and \$489,713, respectively, for the fiscal year ended September 30, 2020. The Sheriff's payments after June 30, 2020, the measurement date used to determine net pension liability associated with the Pension Plan and the HIS Plan, amounted to \$284,703 and \$28,037, respectively. The Sheriff is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB No. 68, Accounting and Financial Reporting for Pensions- an amendment of GASB No. 27, and GASB No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB No. 68, effective October 1, 2014.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/retirement

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2020

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

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

NOTE 8 - RELATED PARTY TRANSACTIONS

The Sheriff is a constitutional county officer whose appropriations are approved by the Board of County Commissioners. The Board has agreed to provide certain operating expenditures for the Sheriff. The Board paid all property and casualty insurance and workers' compensation premiums for the Sheriff.

NOTE 9 - RISK MANAGEMENT

The Sheriff is exposed to various risk of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff is a member of a public entity risk pool which is a cooperative group of governmental entities joining together to finance an exposure, liability, or risk.

The pool provides coverage for, liability, public officials liability automobile physical damage, general liability, and automobile liability. The costs of the property and casualty insurance and workers' compensation are accounted for in the General Fund of the Board of County Commissioners.

REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
SHERIFF
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 206,803	\$ 1,342,404	\$ 1,135,601
Charges for Services	-	463,119	623,600	160,481
Miscellaneous	-	1,405,764	166,385	(1,239,379)
Total Revenues	-	2,075,686	2,132,389	56,703
Expenditures				
Law Enforcement				
Personnel Services	8,095,816	8,580,539	8,549,038	31,501
Operating Expenditures	1,208,704	1,924,645	1,913,003	11,642
Capital Outlay	262,085	563,892	541,733	22,159
Debt Service	85,000	435,000	433,232	1,768
Contingency	30,000	-	-	-
Total Law Enforcement	9,681,605	11,504,076	11,437,006	67,070
Corrections				
Personnel Services	2,870,556	2,968,771	2,939,292	29,479
Operating Expenditures	586,368	586,368	570,197	16,171
Capital Outlay	28,500	28,500	-	28,500
Contingency	20,000	-	-	-
Total Corrections	3,505,424	3,583,639	3,509,489	74,150
Judicial				
Personal Services	364,894	539,894	524,034	15,860
Operating Expenditures	4,827	4,827	3,102	1,725
Total Judicial	369,721	544,721	527,136	17,585
Total Expenditures	13,556,750	15,632,436	15,473,631	158,805
Excess of Revenues Over (Under)				
Expenditures	(13,556,750)	(13,556,750)	(13,341,242)	215,508
Other Financing Sources (Uses)				
Proceeds for financing capital leases	-	-	356,294	356,294
Proceeds From Sale of Capital Assets	-	7,492	7,761	269
Operating Transfers In	13,556,750	14,419,849	13,556,750	(863,099)
Total Other Financing Sources (Uses)	13,556,750	14,427,341	13,920,805	(506,536)
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	-	870,591	579,563	(291,028)
Fund Balance - October 1, 2019	(372,234)	(372,234)	(491,945)	(119,711)
Fund Balance - September 30, 2020	\$ (372,234)	\$ 498,357	\$ 87,618	\$ (410,739)

OTHER
FINANCIAL
INFORMATION

HENDRY COUNTY, FLORIDA
SHERIFF
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2020

	<u>Training</u>	<u>Equitable Sharing Program</u>	<u>Gun Range</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS				
Cash	<u>\$ 12,064</u>	<u>\$ 2,727</u>	<u>\$ 48,718</u>	<u>\$ 63,509</u>
Total assets	<u><u>\$ 12,064</u></u>	<u><u>\$ 2,727</u></u>	<u><u>\$ 48,718</u></u>	<u><u>\$ 63,509</u></u>
FUND EQUITY				
Fund Balances Assigned	<u>\$ 12,064</u>	<u>\$ 2,727</u>	<u>\$ 48,718</u>	<u>\$ 63,509</u>
Total Fund Equity	<u><u>\$ 12,064</u></u>	<u><u>\$ 2,727</u></u>	<u><u>\$ 48,718</u></u>	<u><u>\$ 63,509</u></u>

HENDRY COUNTY, FLORIDA
SHERIFF

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended September 30, 2020

	<u>Training</u>	<u>Equitable Sharing Program</u>	<u>Gun Range</u>	<u>Total Non-Major Governmental Funds</u>
Revenues				
Charges for Services	\$ -	\$ -	\$ 10,298	\$ 10,298
Collections	4,248	-	-	4,248
Miscellaneous	5	2	24	31
Total Revenues	<u>4,253</u>	<u>2</u>	<u>10,322</u>	<u>14,577</u>
Expenditures				
Operating Expenses	<u>-</u>	<u>-</u>	<u>6,327</u>	<u>6,327</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>6,327</u>	<u>6,327</u>
Excess of Revenues Over (Under) Expenditures	4,253	2	3,995	8,250
Fund Balances - October 1, 2019	<u>7,811</u>	<u>2,725</u>	<u>44,723</u>	<u>55,259</u>
Fund Balances - September 30, 2020	<u>\$ 12,064</u>	<u>\$ 2,727</u>	<u>\$ 48,718</u>	<u>\$ 63,509</u>

HENDRY COUNTY, FLORIDA
SHERIFF
Combining Statement of Fiduciary Assets and Liabilities- Agency Funds
September 30, 2020

	<u>Mounted Patrol</u>	<u>Impound Fees</u>	<u>Special Fund</u>	<u>Relief Fund</u>	<u>Employee Fund</u>
ASSETS					
Cash	\$ 350	\$ 3,491	\$ 8,116	\$ 1,885	\$ 22,556
Total Assets	<u>\$ 350</u>	<u>\$ 3,491</u>	<u>\$ 8,116</u>	<u>\$ 1,885</u>	<u>\$ 22,556</u>
LIABILITIES					
Due to Other Governments	\$ -	\$ 3,491	\$ -	\$ -	\$ -
Due to Individuals	350	-	8,116	1,885	22,556
Other Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 350</u>	<u>\$ 3,491</u>	<u>\$ 8,116</u>	<u>\$ 1,885</u>	<u>\$ 22,556</u>

<u>Suspense</u>	<u>Fine and Cost</u>	<u>Inmate Operating Account</u>	<u>D.A.R.E Program</u>	<u>Explorer Program</u>	<u>Auxiliary Fund</u>	<u>Total Fiduciary Fund</u>
\$ 69,061	\$ 50	\$ 88,234	\$ 16,147	\$ 7,755	\$ 8,298	\$ 225,943
<u>\$ 69,061</u>	<u>\$ 50</u>	<u>\$ 88,234</u>	<u>\$ 16,147</u>	<u>\$ 7,755</u>	<u>\$ 8,298</u>	<u>\$ 225,943</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,491
69,061	50	29,207	16,147	7,755	8,298	163,425
-	-	59,027	-	-	-	59,027
<u>\$ 69,061</u>	<u>\$ 50</u>	<u>\$ 88,234</u>	<u>\$ 16,147</u>	<u>\$ 7,755</u>	<u>\$ 8,298</u>	<u>\$ 225,943</u>

HENDRY COUNTY, FLORIDA
SHERIFF

Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
Mounted Patrol				
Assets				
Cash	\$ 349	\$ 1	\$ -	\$ 350
Total assets	<u>\$ 349</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 350</u>
Liabilities				
Due to Individuals	\$ 349	\$ 1	\$ -	\$ 350
Total Liabilities	<u>\$ 349</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 350</u>
Impound Fees				
Assets				
Cash	\$ 2,411	\$ 2,935	\$ 1,855	\$ 3,491
Total assets	<u>\$ 2,411</u>	<u>\$ 2,935</u>	<u>\$ 1,855</u>	<u>\$ 3,491</u>
Liabilities				
Due to Other Governments	\$ 2,411	\$ 2,935	\$ 1,855	\$ 3,491
Total Liabilities	<u>\$ 2,411</u>	<u>\$ 2,935</u>	<u>\$ 1,855</u>	<u>\$ 3,491</u>
Special Fund				
Assets				
Cash	\$ 7,189	\$ 1,600	\$ 673	\$ 8,116
Total assets	<u>\$ 7,189</u>	<u>\$ 1,600</u>	<u>\$ 673</u>	<u>\$ 8,116</u>
Liabilities				
Due to Individuals	\$ 7,189	\$ 1,600	\$ 673	\$ 8,116
Total Liabilities	<u>\$ 7,189</u>	<u>\$ 1,600</u>	<u>\$ 673</u>	<u>\$ 8,116</u>

HENDRY COUNTY, FLORIDA
SHERIFF

Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds - (Continued)
For the Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
<u>Relief Fund</u>				
Assets				
Cash	\$ 1,884	\$ 1	\$ -	\$ 1,885
Total assets	<u>\$ 1,884</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,885</u>
Liabilities				
Due to Individuals	\$ 1,884	\$ 1	\$ -	\$ 1,885
Total Liabilities	<u>\$ 1,884</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,885</u>
<u>Employee Flower Fund</u>				
Assets				
Cash	\$ 22,762	\$ 25,075	\$ 25,281	\$ 22,556
Total assets	<u>\$ 22,762</u>	<u>\$ 25,075</u>	<u>\$ 25,281</u>	<u>\$ 22,556</u>
Liabilities				
Due to Individuals	\$ 22,762	\$ 25,075	\$ 25,281	\$ 22,556
Total Liabilities	<u>\$ 22,762</u>	<u>\$ 25,075</u>	<u>\$ 25,281</u>	<u>\$ 22,556</u>
<u>Suspense</u>				
Assets				
Cash	\$ 78,185	\$ 110,210	\$ 119,334	\$ 69,061
Total assets	<u>\$ 78,185</u>	<u>\$ 110,210</u>	<u>\$ 119,334</u>	<u>\$ 69,061</u>
Liabilities				
Due to Individuals	\$ 78,185	\$ 110,210	\$ 119,334	\$ 69,061
Total Liabilities	<u>\$ 78,185</u>	<u>\$ 110,210</u>	<u>\$ 119,334</u>	<u>\$ 69,061</u>

HENDRY COUNTY, FLORIDA
SHERIFF

Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds - (Continued)
For the Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
<u>Fine and Cost</u>				
Assets				
Cash	\$ 50	\$ -	\$ -	\$ 50
Total assets	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
Liabilities				
Due to Individuals	\$ 50	\$ -	\$ -	\$ 50
Total Liabilities	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
<u>Inmate Operating</u>				
Assets				
Cash	\$ 31,575	\$ 575,013	\$ 518,354	\$ 88,234
Total assets	<u>\$ 31,575</u>	<u>\$ 575,013</u>	<u>\$ 518,354</u>	<u>\$ 88,234</u>
Liabilities				
Due to Individuals	\$ 12,494	\$ 190,339	\$ 173,626	\$ 29,207
Other Liabilities	19,081	384,674	344,728	59,027
Total Liabilities	<u>\$ 31,575</u>	<u>\$ 575,013</u>	<u>\$ 518,354</u>	<u>\$ 88,234</u>
<u>D.A.R.E. Program</u>				
Assets				
Cash	\$ 12,203	\$ 16,701	\$ 12,757	\$ 16,147
Total assets	<u>\$ 12,203</u>	<u>\$ 16,701</u>	<u>\$ 12,757</u>	<u>\$ 16,147</u>
Liabilities				
Due to Individuals	\$ 12,203	\$ 16,701	\$ 12,757	\$ 16,147
Total Liabilities	<u>\$ 12,203</u>	<u>\$ 16,701</u>	<u>\$ 12,757</u>	<u>\$ 16,147</u>

HENDRY COUNTY, FLORIDA
SHERIFF

Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds - (Continued)
For the Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
<u>Explorer Program</u>				
Assets				
Cash	\$ 7,669	\$ 3,339	\$ 3,253	\$ 7,755
Total assets	<u>\$ 7,669</u>	<u>\$ 3,339</u>	<u>\$ 3,253</u>	<u>\$ 7,755</u>
Liabilities				
Due to Individuals	\$ 7,669	3,339	3,253	\$ 7,755
Total Liabilities	<u>\$ 7,669</u>	<u>\$ 3,339</u>	<u>\$ 3,253</u>	<u>\$ 7,755</u>
<u>Auxiliary Fund</u>				
Assets				
Cash	\$ 8,294	\$ 4	\$ -	\$ 8,298
Total assets	<u>\$ 8,294</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 8,298</u>
Liabilities				
Due to Individuals	\$ 8,294	\$ 4	\$ -	\$ 8,298
Total Liabilities	<u>\$ 8,294</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 8,298</u>
<u>Totals - Agency Funds</u>				
Assets				
Cash	\$ 172,571	\$ 734,879	\$ 681,507	\$ 225,943
Total assets	<u>\$ 172,571</u>	<u>\$ 734,879</u>	<u>\$ 681,507</u>	<u>\$ 225,943</u>
Liabilities				
Due to Other Governments	\$ 2,411	\$ 2,935	\$ 1,855	\$ 3,491
Due to Individuals	151,079	347,270	334,924	163,425
Other Liabilities	19,081	384,674	344,728	59,027
Total Liabilities	<u>\$ 172,571</u>	<u>\$ 734,879</u>	<u>\$ 681,507</u>	<u>\$ 225,943</u>

**SUPPLEMENTARY
REPORTS**

**Report of Independent Auditor on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Honorable Steve Whidden,
Sheriff
Hendry County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Sheriff, (the "Sheriff") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2021, for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2020-01-HCSO that we consider to be a significant deficiency.

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*.

Hendry County, Florida, Sheriff's Response to Finding

The Sheriff's response to the finding identified in our audit is described in the accompanying Corrective Action Plan (IV-31). The Sheriff'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.

This report is intended solely for the information and use of the Sheriff's management, the Hendry County, Florida, Board of County Commissioners and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown & Smith CPA's

Punta Gorda, Florida
June 23, 2021

Independent Auditor's Management Letter

To the Honorable Steve Whidden,
Sheriff
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Sheriff, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 23, 2021.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address finding (2019-001 - Budgetary Control) and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

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

To the Honorable Steve Whidden,
Sheriff
Hendry County, Florida

We have examined the Hendry County, Florida, Sheriff's (the "Sheriff") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

HENDRY COUNTY, FLORIDA
SHERIFF
Schedule of Current Year Findings
For the Year Ended September 30, 2020

Finding 2020-001-HCSO – Financial Reporting (Significant Deficiency)

Criteria: Management is responsible for establishing and maintaining internal controls, including monitoring and for the fair presentation of the fiduciary funds in accordance with applicable accounting and reporting standards.

Condition: During our audit the Sheriff's Office was unable to reconcile significant accounts within the Inmate Operating Fund.

Cause: Inadequate design of internal controls over financial reporting of the Inmate Operating Fund.

Effect: Inadequate design of financial internal controls over the Inmate Operating Fund has led to management's inability to reconcile the Inmate Operating Fund.

Recommendation: The Sheriff's Office should improve its design of internal control over financial reporting of the Inmate Operating Fund to ensure reconciliations are completed accurately and timely.

Management's Response: Refer to Management's Response to the Management Letter on page IV-31.

Sheriff



Hendry County

Corrective Action Plan

STEVE WHIDDEN, SHERIFF

June 23, 2021

In response to the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, the Hendry County Sheriff's Office issues the following response:

Management Response to Finding **2020-001-HCSO - Financial Reporting (Significant Deficiency)**

The Sheriff's Office has been informed that improvements to its design of internal control over financial reporting of the Inmate Welfare Fund are needed to ensure reconciliations of significant accounts are completed accurately and timely.

The Sheriff's Office concurs with the recommendation made by the auditor. We will seek to ensure that Inmate Welfare account reconciliations are completed accurately and timely

A handwritten signature in black ink, appearing to read "S. Whidden".

SIGNED

Sheriff

TITLE

6/23/21

DATE



"Dedicated to promote a desirable quality of life in our community by maintaining and improving peace, order and safety through excellence in law enforcement and community service."

101 South Bridge Street • Post Office Box 579 • LaBelle, Florida 33975
Telephone 863-674-5600 • Fax 863-674-5634

SECTION V

SUPERVISOR OF ELECTIONS

Brenda K. Hoots

Report of Independent Auditor

To the Honorable Brenda K. Hoots,
Supervisor of Elections
Hendry County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Supervisor of Elections, (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2020 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each fund of Hendry County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 11 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Balance Sheet - Governmental Funds
September 30, 2020

	Governmental Funds			
	General Fund	Federal Election Activities Fund	Internet Security Fund	Total Governmental Funds
ASSETS				
Cash	\$ 24,685	\$ 220	\$ -	\$ 24,905
Accounts receivable	1,000	-	-	1,000
Total assets	\$ 25,685	\$ 220	\$ -	\$ 25,905
 LIABILITIES AND FUND EQUITY				
Liabilities				
Unearned revenue	\$ -	\$ 220	\$ -	\$ 220
Due to other governments	25,685	-	-	25,685
Total liabilities	25,685	220	-	25,905
Fund equity				
Fund balance	-	-	-	-
Total fund equity	-	-	-	-
Total liabilities and fund equity	\$ 25,685	\$ 220	\$ -	\$ 25,905

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the Fiscal Year Ended September 30, 2020

	Governmental Funds			
	General Fund	Federal Election Activities Fund	Internet Security Fund	Total Governmental Funds
Revenues				
Intergovernmental	\$ 10,635	\$ 9,272	\$ 26,921	\$ 46,828
Miscellaneous	2,567	-	-	2,567
Total revenues	13,202	9,272	26,921	49,395
Expenditures				
Governmental expenditures	541,742	9,272	26,921	577,935
Excess of revenues under expenditures	(528,540)	-	-	(528,540)
Other financing sources (uses)				
Operating transfers in	554,225	-	-	554,225
Operating transfers out	(25,685)	-	-	(25,685)
Total other financing sources (uses)	528,540	-	-	528,540
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balance - October 1, 2019	-	-	-	-
Fund balance - September 30, 2020	\$ -	\$ -	\$ -	\$ -

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Supervisor of Elections is an elected Constitutional Officer of Hendry County ("County"), a political subdivision of the State of Florida. The position of Supervisor of Elections was established by Article VIII, Section 1 (d) of the State of Florida Constitution. The general powers and responsibilities of the Supervisor of Elections are specified in Chapters 97 through Florida Statutes. The Supervisor of Elections is charged with the conduct of elections within the County, except certain independent special district elections separately provided for by special acts. The operations are financed by appropriations made by the Board of County Commissioners pursuant to the approved budget.

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

Fund Accounting

The accounts of the Supervisor of Elections are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts which comprise its assets, liabilities, fund equities, revenues, and expenditures.

General Fund

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

Special Revenue Funds

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

Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred, if measurable, except expenditures for debt service, and other long-term obligations which are recognized when paid.

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2020

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

Budgetary Requirements

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

1. On or before June 1 of each year the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year. Budgetary control is established at the fund level.
2. Public hearings are held by the Board to obtain taxpayer comments and possible adjustments by the Board.
3. The Board of County Commissioners may amend, modify, increase, or reduce any or all items of expenditures in the proposed budget submitted by the Supervisor of Elections by giving written notices of its actions, after approval of the budget.
4. Prior to October 1, the budget is legally enacted by the Board.

Encumbrances

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

Compensated Absences

It is the Supervisor of Election's policy to permit employees to accumulate a limited amount of earned, but unused, vacation and sick leave, which will be paid upon separation of service. Vacation is accrued as a liability when benefits are earned by the employee. The Supervisor of Elections uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation, as well as those expected to become eligible in the future. For the fiscal year ended September 30, 2020, the amount of accrued compensated absences was \$13,227.

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

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2020

NOTE 2 - CASH AND INVESTMENTS

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

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

At September, 30 2020, the carrying amount of the Supervisor of Elections' deposits was \$24,905 and the bank balance was \$36,186. These deposits were entirely covered during the year and year-end by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act of the State of Florida (Florida Statutes Chapter 280). The banks used by the Supervisor are banks designated as qualified depositories by the State Treasurer.

NOTE 3 - AMOUNT TO BE REMITTED TO BOARD OF COUNTY COMMISSIONERS

Funding for the operations of the Supervisor of Elections, accounted for in the General Fund, is provided by the Hendry County Board of County Commissioners. The amount of such funding is estimated in the budgeting process and by Statute, any excess of revenues and transfers over expenditures in the General Fund are returned to the Board of County Commissioners. Such excess, if any, is reflected as an operating transfer out in the accompanying financial statements.

NOTE 4 - GENERAL FIXED ASSETS

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

NOTE 5 - RETIREMENT PLAN

The Supervisor of Elections' employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Service, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2020

NOTE 5 - RETIREMENT PLAN - (Continued)

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

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and July 1, 2020 through September 30, 2020, respectively, were as follows: regular 8.47% and 10.00%; county elected officers 48.82% and 49.18%; senior management 25.41% and 27.29%; and DROP participants 14.60% and 16.98%. During the fiscal year ended September 30, 2020, the Supervisor of Elections contributed to the plan an amount equal to 10.68% of covered payroll.

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

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

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2020

NOTE 5 - RETIREMENT PLAN - (Continued)

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll by forfeited benefits of plan members. The Supervisor of Elections does not participate in the Investment Plan.

The Supervisor of Elections recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan and the HIS Plan amounting to \$25,956, and \$4,034, respectively, for the fiscal year ended September 30, 2020. The Supervisor of Elections' payments after June 30, 2020, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$7,613 and \$1,148 respectively. The Supervisor of Elections is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68, effective October 1, 2014.

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

NOTE 6 - RISK MANAGEMENT

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

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

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

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2020, the Supervisor was charged \$59,240.

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2020

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

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

REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - General Fund
 For the Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 10,635	\$ 10,635
Miscellaneous	-	-	2,567	2,567
Total revenues	-	-	13,202	13,202
Expenditures				
Governmental expenditures	554,225	554,225	541,742	12,483
Excess of revenues over (under) expenditures	(554,225)	(554,225)	(528,540)	25,685
Other financing sources (uses)				
Operating transfers in	554,225	554,225	554,225	-
Operating transfers out	-	-	(25,685)	(25,685)
Total other financing sources (uses)	554,225	554,225	528,540	(25,685)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balance - October 1, 2019	-	-	-	-
Fund balance - September 30, 2020	\$ -	\$ -	\$ -	\$ -

**SUPPLEMENTARY
REPORTS**

**Report of Independent Auditor on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the Honorable Brenda K. Hoots,
Supervisor of Elections
Hendry County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Supervisor of Elections, (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

Management Letter

Honorable Brenda K. Hoots,
Supervisor of Elections
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Supervisor of Elections (the "Supervisor of Elections"), Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 23, 2021.

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 June 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

Report of Independent Accountant on Compliance With Local Government Investment Policies

To the Honorable Brenda K. Hoots,
Supervisor of Elections
Hendry County, Florida

We have examined the Hendry County, Florida, Supervisor of Election's (the "Supervisor of Elections") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management is responsible for the Supervisor of Election's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Election's compliance.

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

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

In our opinion, the Supervisor of Elections complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020.

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

Ashley, Brown & Smith CPA's

Punta Gorda, Florida
June 23, 2021

SECTION VI

TAX COLLECTOR

Patrick B. Langford

Independent Auditor's Report

Honorable Patrick B. Langford
Tax Collector
Hendry County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund, the aggregate remaining fund information, and the fiduciary fund of the Hendry County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's special purpose financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining fund information, and the fiduciary fund for the Tax Collector as of September 30, 2020 and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Hendry County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Hendry County as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2021, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading 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.

Other Reporting Required by Government Auditing Standards, continued

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tax Collector's internal control over financial reporting and compliance.

Ashley, Brown & Smith CPAs

Punta Gorda, Florida

June 23, 2021

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Balance Sheet - Governmental Funds
September 30, 2020

	<u>General Fund</u>
ASSETS	
Cash	\$ 437,069
Due from other governments	52,969
Total Assets	<u>\$ 490,038</u>
LIABILITIES	
Accounts payable	\$ 17,349
Accrued liabilities	16,714
Due to the BOCC	448,501
Due to other governments	7,474
Total Liabilities	<u>\$ 490,038</u>

See accompanying note

HENDRY COUNTY, FLORIDA
TAX COLLECTOR

Statement of Revenue, Expenditures, and Change in Fund Balance - Governmental Funds
For the Fiscal Year Ended September 30, 2020

	<u>General Fund</u>
Revenue	
Charges for services	\$ 1,995,110
Miscellaneous	<u>9,129</u>
Total Revenue	<u>2,004,239</u>
Expenditures	
General Government	
Personal service	1,381,138
Operating expense	<u>174,600</u>
Total Expenditures	<u>1,555,738</u>
Excess of revenues over expenditures	
Other financing sources (uses)	
Operating transfers out	<u>(448,501)</u>
Total other financing sources (uses)	<u>(448,501)</u>
Excess of revenue and other sources over (under) expenditures and other uses	-
Fund balance - October 1, 2019	<u>-</u>
Fund balance - September 30, 2020	<u><u>\$ -</u></u>

See accompanying note

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Statement of Fiduciary Assets and Liabilities - Agency Funds
September 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 954,564</u>
Total Assets	<u><u>\$ 954,564</u></u>
 LIABILITIES	
Due to other Governments	\$ 96,443
Due to individuals	<u>858,121</u>
Total Liabilities	<u><u>\$ 954,564</u></u>

See accompanying note

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Notes to Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting principles and policies:

Reporting Entity

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

(a) Fund Accounting

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

The following fund types are utilized by the Tax Collector:

Governmental Funds

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

Fiduciary Funds

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

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

Measurement Focus

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

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

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Notes to Financial Statements
September 30, 2020

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

Basis of Accounting

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

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

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

Budgetary Process

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Tax Collector's annual budget. A budget is only required to be prepared for the General Fund. The Tax Collector's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis of accounting. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

Encumbrances

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

(c) Assets, Liabilities and Equity

Capital Assets

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

Compensated Absences

The Tax Collector's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated paid time off (PTO).

As of September 30, 2020, the Tax Collector had \$61,441 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Hendry County, Florida.

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Notes to Financial Statements
September 30, 2020

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

Compensated Absences - (Continued)

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

NOTE 2 - CASH AND INVESTMENTS

During the fiscal year, the Tax Collector maintained deposits in interest-bearing savings and checking accounts. At September 30, 2020, the bank balance of all accounts was \$1,755,088, and the book balance of deposits was \$1,383,689.

The Tax Collector had \$7,944 of cash on hand at September 30, 2020.

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

The Tax Collector held no investments during the fiscal year.

NOTE 3 - RETIREMENT PLAN

Plan Description

The Tax Collector's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Service, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

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

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Notes to Financial Statements
September 30, 2020

NOTE 3 - RETIREMENT PLAN - (Continued)

Plan Description - (Continued)

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and July 1, 2020 through September 30, 2020, respectively, were as follows: regular 8.47% and 10.000%; county elected officers 48.82% and 49.18%; senior management 25.41% and 27.29%; rehired regular service 5.22% and 5.10%; and DROP participants 14.60% and 16.98%. During the fiscal year ended September 30, 2020, the Tax Collector contributed to the plan an amount equal to 7.03% of covered payroll.

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

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

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Notes to Financial Statements
September 30, 2020

NOTE 3 - RETIREMENT PLAN - (Continued)

Funding Policy - (Continued)

Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll by forfeited benefits of plan members.

The Tax Collector recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$66,562, \$14,981, and \$12,624, respectively, for the fiscal year ended September 30, 2020. The Tax Collector's payments after June 30, 2020, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$22,110, and \$3,851, respectively. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014.

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

NOTE 4 - GENERAL LONG-TERM DEBT

The following changes in general long-term debt occurred during the year ended September 30, 2020:

Long-term debt payable at October 1, 2019	\$ 61,441
Increase (decrease) in accrued compensated absences	<u>(3,523)</u>
Long-term debt payable at September 30, 2020	<u><u>\$ 57,918</u></u>

General long-term debt is comprised of the following:

Noncurrent portion of compensated absences	
Employees of the Tax Collector are entitled to paid leave time based on length of service and job classification.	<u><u>\$ 57,918</u></u>

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Notes to Financial Statements
September 30, 2020

NOTE 5 - CONTINGENCIES

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

NOTE 6 - RISK MANAGEMENT

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

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

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

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2020, the Tax Collector was charged \$280,950.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

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

REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND

Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	\$ 1,650,544	\$ 1,679,733	\$ 1,995,110	\$ 315,377
Miscellaneous	-	-	9,129	9,129
Total Revenues	1,650,544	1,679,733	2,004,239	324,506
Expenditures				
General Government				
Personal services	1,431,585	1,460,774	1,381,138	79,636
Operating expenses	218,959	218,959	174,600	44,359
Total Expenditures	1,650,544	1,679,733	1,555,738	123,995
Excess of revenues over expenditures	-	-	448,501	(448,501)
Other financing sources (uses)				
Operating transfers out	-	-	(448,501)	448,501
Total other financing sources (uses)	-	-	(448,501)	448,501
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balance - October 1, 2019	-	-	-	-
Fund balance - September 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SUPPLEMENTARY
INFORMATION**

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds
September 30, 2020

	<u>Tax Collection and Redemption</u>	<u>Tag and Licenses</u>	<u>Waste Collection</u>	<u>Employee Concession</u>	<u>Total</u>
ASSETS					
Cash	<u>\$ 930,793</u>	<u>\$ -</u>	<u>\$ 23,372</u>	<u>\$ 399</u>	<u>\$ 954,564</u>
Total Assets	<u><u>\$ 930,793</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 23,372</u></u>	<u><u>\$ 399</u></u>	<u><u>\$ 954,564</u></u>
 LIABILITIES					
Due to other governments	<u>\$ 72,672</u>	<u>\$ -</u>	<u>\$ 23,372</u>	<u>\$ 399</u>	<u>\$ 96,443</u>
Due to individuals	<u>858,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>858,121</u>
Total Liabilities	<u><u>\$ 930,793</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 23,372</u></u>	<u><u>\$ 399</u></u>	<u><u>\$ 954,564</u></u>

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
September 30, 2020

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
TAX COLLECTION AND REDEMPTION				
ASSETS				
Cash	\$ 707,348	\$ 63,135,028	\$ 62,911,583	\$ 930,793
Total Assets	<u>\$ 707,348</u>	<u>\$ 63,135,028</u>	<u>\$ 62,911,583</u>	<u>\$ 930,793</u>
LIABILITIES				
Due to Board of County Commissioners	\$ -	\$ 17,193,939	\$ 17,193,939	\$ -
Due to the Clerk of Courts	-	57,000	57,000	-
Due to other governments	6,868	40,226,351	40,160,547	72,672
Due to individuals	700,480	5,657,738	5,500,097	858,121
Total Liabilities	<u>\$ 707,348</u>	<u>\$ 63,135,028</u>	<u>\$ 62,911,583</u>	<u>\$ 930,793</u>
TAG AND LICENSES				
ASSETS				
Cash	\$ 1,349	\$ 8,260,086	\$ 8,261,435	\$ -
Deposits Due	8,349	-	8,349	-
Total Assets	<u>\$ 9,698</u>	<u>\$ 8,260,086</u>	<u>\$ 8,269,784</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ 9,698	\$ -	\$ 9,698	\$ -
Total Liabilities	<u>\$ 9,698</u>	<u>\$ -</u>	<u>\$ 9,698</u>	<u>\$ -</u>

HENDRY COUNTY, FLORIDA
TAX COLLECTOR

Combining Statement of Changes in Assets and Liabilities - All Agency Funds - (Continued)
September 30, 2020

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
WASTE COLLECTION				
ASSETS				
Cash	\$ 18,255	\$ 15,490	\$ 10,373	\$ 23,372
Total Assets	<u>\$ 18,255</u>	<u>\$ 13,370</u>	<u>\$ 10,373</u>	<u>\$ 23,372</u>
LIABILITIES				
Due to Board of County Commissioners	\$ 18,255	\$ 15,490	\$ 10,373	\$ 23,372
Total Liabilities	<u>\$ 18,255</u>	<u>\$ 15,490</u>	<u>\$ 10,373</u>	<u>\$ 23,372</u>
EMPLOYEE CONCESSION				
ASSETS				
Cash	\$ 11,138	\$ 11,638	\$ 22,377	\$ 399
Total Assets	<u>\$ 11,138</u>	<u>\$ 11,638</u>	<u>\$ 22,377</u>	<u>\$ 399</u>
LIABILITIES				
Due to individuals	\$ 11,138	\$ 11,638	\$ 22,377	\$ 399
Total Liabilities	<u>\$ 11,138</u>	<u>\$ 11,638</u>	<u>\$ 22,377</u>	<u>\$ 399</u>

HENDRY COUNTY, FLORIDA
TAX COLLECTOR
Combining Statement of Changes in Assets and Liabilities - All Agency Funds - (Continued)
September 30, 2020

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 738,090	\$ 71,422,242	\$ 71,205,768	\$ 954,564
Deposits due	8,349	-	8,349	-
Total Assets	<u>\$ 746,439</u>	<u>\$ 71,422,242</u>	<u>\$ 71,214,117</u>	<u>\$ 954,564</u>
LIABILITIES				
Due to Board of County Commissioners	\$ 18,255	\$ 17,209,429	\$ 17,204,312	\$ 23,372
Due to the Clerk of Courts	-	57,000	57,000	-
Due to other governments	16,566	40,226,351	40,170,245	72,672
Due to individuals	711,618	5,669,376	5,522,474	858,520
Total Liabilities	<u>\$ 746,439</u>	<u>\$ 63,162,156</u>	<u>\$ 62,954,031</u>	<u>\$ 954,564</u>

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Patrick B. Langford
Tax Collector
Hendry County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of each major fund, the aggregate remaining fund information, and the fiduciary fund of the Hendry County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's special purpose financial statements, and have issued our report thereon dated June 23, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2020-001-HCTC Financial Reporting that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, 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.

Hendry County, Florida, Tax Collector's Response to Finding

The Tax Collector's response to the finding identified in our audit are described in the accompanying Corrective Action Plan (VI-24). The Sheriff'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.

This report is intended solely for the information and use of the Tax Collector's management, the Hendry County, Florida, Board of County Commissioners, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021



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Independent Auditor's Management Letter

Honorable Patrick B. Langford
Tax Collector
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 23, 2021.

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 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 June 23, 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 made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021



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Report of Independent Accountant on Compliance With Local Government Investment Policies

Honorable Patrick L. Langford
Tax Collector
Hendry County, Florida

We have examined the Hendry County, Florida, Tax Collector's (the "Tax Collector") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2020. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

Ashley, Brown & Smith CPAs

Punta Gorda, Florida
June 23, 2021

HENDRY COUNTY TAX COLLECTOR

SCHEDULE OF CURRENT YEAR FINDINGS

September 30, 2020

Finding 2020-001-HCTC - Financial Reporting (Significant Deficiency)

Criteria: The Hendry County Tax Collector is responsible for ensuring Design of IT general and application controls are in place that will ensure the financial information system will provide complete and accurate information consistent with financial reporting objectives.

Condition: As part of the audit, we requested supporting documentation in order to test internal controls over the reporting of ad valorem tax collections, commission calculations, and remittances, however, due to limitations of the financial reporting software, these reports were not readily available.

Cause: The current financial reporting software utilized by management is currently unable to generate necessary reports for management to timely and effectively ensure ad valorem tax calculations are calculated correctly, without having to manually recreate the process. The Tax Collector handles remittances for over (60) taxing authorities and as such, the manual process requires an extensive amount of time to complete.

Effect: The inability of the financial reporting software to generate adequate reports in order to ensure complete and accurate information regarding ad valorem tax collections, commission calculations, and remittances, negatively impacts management's ability to timely and effectively ensure compliance with financial reporting objectives.

Recommendation: The Hendry County Tax Collector should obtain financial reporting software to ensure that staff have the ability to run ad valorem tax reporting in order to provide complete and accurate information consistent with financial reporting objectives.

We have previously discussed this finding with the Hendry County Tax Collector, Pat Langford. Mr. Langford is accepting of the finding and has expressed his dedication to correcting the situation.

Management's Response: Management's response is provided within the corrective action plan on page VI-24.

Patrick B. Langford

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Corrective Action Plan

6/17/2021

In response to the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, the Hendry County Tax Collector issues the following response:

Management Response to Finding 2020-001-HCTC - Financial Reporting

I accept the finding. I plan to work with our financial reporting system vendor in order to ensure the system is capable of providing timely reports necessary to support our internal control policies. In the event that our current vendor cannot meet these expectations, I will take necessary steps to find a new vendor.

	<i>Tax Collector</i>	<i>6/17/21</i>
SIGNED	TITLE	DATE