

Comprehensive Annual
Financial Report
Fiscal Year Ended
September 30, 2020



HIGHLANDS COUNTY, FL

Sebring • Lake Placid • Avon Park



**Comprehensive Annual
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HIGHLANDS COUNTY, FL

Sebring • Lake Placid • Avon Park

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

HIGHLANDS COUNTY, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2020

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

SALLY B. HOOD
DIRECTOR OF ACCOUNTING

**HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2020**

INTRODUCTORY SECTION

Principal Officials	1
Letter of Transmittal	2
Certificate of Achievement for Excellence in Financial Reporting	9
Organizational Chart	10

FINANCIAL SECTION

Independent Auditors' Report	11
Management's Discussion and Analysis	14
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet – Governmental Funds	28
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities – Governmental Funds	29
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – County Transportation Trust Fund	33
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Istokpoga Marsh Watershed Improvement District Fund	34
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Local Government Infrastructure Surtax Fund	35
Statement of Net Position – Proprietary Funds	37
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	39
Statement of Cash Flows – Proprietary Funds	40
Statement of Fiduciary Net Position – Agency Funds	42
Notes to Financial Statements	43

**HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

FINANCIAL SECTION (CONTINUED)

Required Supplementary Information	
Modified Approach for Infrastructure Assets	100
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	101
Schedule of the County's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan	102
Schedule of the County's Contributions – Florida Retirement System Pension Plan	103
Schedule of the County's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan	104
Schedule of the County's Contributions – Health Insurance Subsidy Pension Plan	105
Combining and Individual Fund Statements and Schedules	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	106
Other Major Governmental Fund Description	109
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Highlands County Infrastructure Sales Surtax Refunding Revenue Note (HCISSR Construction) Fund	110
Nonmajor Governmental Funds Descriptions	111
Combining Balance Sheet – Nonmajor Governmental Funds	117
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	124
Budgetary Comparison Schedules:	
Lake Placid Sun-N-Lake Estates Fire District Fund	131
DeSoto City Special Benefit Fire District Fund	132
Orange Villa Special Benefit District Fund	133
Hickory Hills Special Benefit District Fund	134
Placid Lakes Special Benefit District Fund	135
Sebring Country Estates Special Benefit District Fund	136
Avon Park Estates Special Benefit District Fund	137
Highlands Lakes Special Tax District Fund	138
Highlands Park Special Benefit Fire District Fund	139

**HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued)

Budgetary Comparison Schedules (Continued):

Highlands Park Estates Improvement Trust Fund	140
Leisure Lakes Special Benefit Fire District Fund	141
Sebring Hills Special Benefit District Fund	142
Red Hill Farms Improvement District Fund	143
E911 Emergency Operations Fund	144
Hospital District Fund	145
Orange Blossom Estates Special Benefit District Fund	146
Sun-N-Lakes of Lake Placid Recreation District Fund	147
Conservation Trust Fund	148
Intergovernmental Radio Communications Fund	149
Sebring Acres Special Benefit District Fund	150
Orange Blossom (Unit 12) Special Benefit District Fund	151
Lake Haven Estates Special Benefit District Fund	152
Lorida Special Benefit Fire District Fund	153
Lake Placid Special Benefit Fire District Fund	154
Law Enforcement Education Fund	155
Building Code Enforcement	156
Florida Boating Improvement Fund	157
Special Law Enforcement Trust Fund	158
Highway Park Special Benefit District Fund	159
Community Development Block Grant Fund	160
Affordable Housing Assistance Trust Fund	161
Sun-N-Lakes 1 - 20 Improvement Trust	162
Highlands Park Estates Special Benefit District Fund	163
West Sebring Special Benefit Fire District Fund	164
Driver Education Safety Trust Fund	165
Tourist Development Agency Fund	166
Domestic Violence Training Fund	167
Fire Inspection and Safety Fund	168

**HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued)

Budgetary Comparison Schedules (Continued):

Venus Special Benefit Fire District Fund	169
Sebring Parkway Maintenance Fund	170
State Court Facilities Trust Fund	171
Innovations and Supplemental Courts Funding Trust Fund	172
Crime Prevention Fund	173
Court Tech 28.24(12)(e)1 Fund	174
Home Initiatives Partnership Fund	175
Placid Lakes Fire Special Benefit District Fund	176
Oak Manor Avenue Road Paving fund	177
Court Services Fund	178
Impact Fee - Parks and Recreation - Avon Park	179
Impact Fee - Correctional Facilities	180
Impact Fee - Fire	181
Impact Fee - Libraries	182
Impact Fee - Law Enforcement	183
Impact Fee - Emergency Medical Services	184
Thunderbird Hill Waste Water Special Benefit District	185
Highlands County Fire Protection Special Benefit District	186
Highlands County Public Improvement Revenue Note Fund (HCPIRN Construction) Fund	187
Internal Service Funds Descriptions	188
Combining Statement of Net Position – Internal Service Funds	189
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	190
Combining Statement of Cash Flows – Internal Service Funds	191
Trust and Agency Funds Descriptions	192
Combining Statement of Fiduciary Net Position – Agency Funds	193
Statement of Changes in Assets and Liabilities – Agency Funds	194

**HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

STATISTICAL SECTION

Statistical Section	197
Net Position by Components	198
Changes in Net Position	199
Fund Balances, Governmental Funds	202
Change in Fund Balances, Governmental Funds	203
Taxable Value and Actual Value of Property	204
Direct and Overlapping Property Tax Rates	205
Principal Property Tax Payers	206
Property Tax Levies and Collections	207
Ratios of General Bonded Debt Outstanding	208
Overlapping Governmental Activities Debt	209
Pledged-Revenue Coverage	210
Demographic and Economic Statistics	211
Principal Employers	212
Full-Time Equivalent County Government Employees by Function	213
Operating Indicators by Function	214
Capital Assets by Function	217

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards and State Financial Assistance	218
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	221
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	222
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida	224
Schedule of Findings and Questioned Costs	227
Management Letter	230
Independent Accountants' Report	232



HIGHLANDS COUNTY, FL

Sebring • Lake Placid • Avon Park



**INTRODUCTORY
SECTION**



**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2020**

BOARD OF COUNTY COMMISSIONERS

William Ron Handley
Chairperson
(District 3)

James L. (Jim) Brooks
(District 1)

Arlene Tuck
(District 4)

Don Elwell
(District 2)

R. Greg Harris
(District 5)

COUNTY ADMINISTRATOR

Randy Vosburg

**CLERK OF COURTS
and
CHIEF FINANCIAL OFFICER**

Robert W. Germaine

TAX COLLECTOR

Eric T. Zwyer

PROPERTY APPRAISER

C. Raymond McIntyre

SHERIFF

Paul Blackman

SUPERVISOR OF ELECTIONS

Penny Ogg

COUNTY ATTORNEY

Joy Cook Carmichael

**SENIOR DIRECTOR
BUSINESS SERVICES**

Jerome Kaszubowski

DIRECTOR OF ACCOUNTING

Sally B. Hood

INDEPENDENT AUDITORS

CliftonLarsonAllen LLP



Jerome Kaszubowski

Clerk of Circuit Court & Comptroller
Highlands County, Florida

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

590 S COMMERCE AVE
SEBRING FL 33870-3867
PHONE (863) 402-6565
FAX (863) 402-6768

March 2, 2021

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

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of Highlands County, Florida (County), for the fiscal year ended September 30, 2020.

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

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

REPORT FORMAT

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

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

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



County Profile

Highlands County is a non-charter county established under the Constitution and laws of the State of Florida. Established on April 23, 1921 from a segment of DeSoto County, Highlands County is Florida's 56th county. The County is located in the south-central part of Florida and is within close proximity to all major attractions and ports. Over 86% of the state's population is within a two-hour radius of the County. The County encompasses 1,029 square miles of the state's heartland that includes 78 square miles of water. The resident population served is estimated to be approximately 104,834, which includes the unincorporated County and three municipalities - the City of Avon Park, the City of Sebring and the Town of Lake Placid. According to the Florida Legislature's Office of Economic and Demographic Research, Highlands County is Florida's 36th most populous county.

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

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

Economic Condition

Citrus and cattle operations, both beef and dairy, provide the primary source of economic activity within the County. Florida's citrus production in 2019-2020 was 73.2 million boxes, down 5 percent from the previous season. Highlands County ranked third in the State in citrus production with 10.3 million boxes of fruit and ranked second in the state for number of beef cattle, with approximately 120,000 head, on 191,656 acres of designated pastureland. The economic impact of the cattle industry is a significant driver in the market with livestock sales totaling \$25,959,000 for Highlands County. There are approximately 375,798 acres of farmland in the county.

Tourism also plays a vital role in the local economy. With over 100 lakes, Highlands County is home to both recreational and tournament fishing, as well as recreational boating and skiing. The 12 Hours of Sebring endurance race, North America's longest running and most prestigious road race, provides a great opportunity for racing enthusiasts. The race, which is traditionally held annually in March at the Sebring International Raceway, celebrated 69 years of racing in November 2020, due to the COVID-19 pandemic.

The local economy continued expanding in 2020. For the sixth consecutive year, overall property values improved, up 4.46% for the year. Building permits issued totaled 7,014, a 2.84% increase for the fiscal year. Foreclosure cases were 107, an average decrease of 57.7% from last fiscal year, as a result of the State's foreclosure moratorium from April to September 2020. The unemployment rate in Highlands County was 5.9% at fiscal-year end, an increase of 1.6% from the prior year, as a result of the COVID-19 pandemic.



Major Initiatives

During the 2019-2020 fiscal year, asset and infrastructure project expenditures were as follows:

<u>Description</u>	<u>Amount</u>
ADA Improvements to County	\$ 70,307
Administrative Office Space Remodel	27,546
Annex Building Roof	1,218
Children's Advocacy Center	79,805
City of Avon Park, Donaldson Park Playground Equipment	48,065
Clerk of Courts, EDP & Capital Projects	815,526
Erosion Control Watershed Project for Catfish Creek and Josephine Creek	458,652
EOC Building Remodel	1,425
Extension Office Remodel	232
Fire/EMS Administration Building	51,615
Government Center Fire Alarm System	20,322
Government Center Roof	209,763
HVAC Improvements, County Facilities	752,226
Improvements to Roads and Streets	3,245,291
Information Technology Equipment	5,335
Lake June Park Renovation Phase I	277,700
Lake Placid Health Department Roof	27,563
Land Purchase	5,700
New Animal Control Operation Building	30,451
New Traffic Operations Building	11,095
Parks and Recreation Equipment	67,377
Public Safety Equipment	327,767
Pump Test Pit for Firetrucks	7,382
Road and Bridge Equipment	1,212,474
Road and Bridge Unit 1 Barn Refurbish	120,494
Road and Bridge Unit 3 Barn Refurbish	19,501
Sheriff's Office, Concrete Slab for New Driveway at Law Enforcement Building	3,878
Sheriff's Office, Detention Reconfiguration	392,095
Sheriff's Office, Remodel for Probation & Parole	5,658
Spring Lake Improvement District, Dog Park Restroom	42,000
Sun 'n Lake Racquet Club Expansion Phase I	94,706
Vehicles	<u>761,500</u>
 Total	 \$ <u><u>9,194,669</u></u>



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

Major Accomplishments for 2019-2020

- **Sebring Parkway Phase III** – This project was constructed using County personnel and equipment. The construction started February 2018 and completed in December 2019. The project has been modified to include all 4 travel lanes and 2 roundabouts. It was partially funded by the State of Florida Department of Transportation.

Major Projects Scheduled for the Future

- **Sebring Parkway Phase IIA** – This project begins at Youth Care Lane and ends at Desoto Road encompassing the existing 2-lane roadway, currently known as S. Highlands Avenue. The project length is approximately 0.70 miles in length and involves the construction to replace the existing 2-lane roadway with a 4-lane divided roadway. The new roadway system will consist of four – 12’ wide travel lanes, curb and gutter drainage, and an 8’ concrete multi-use path. Other improvements such as traffic signal upgrades, access management, and pedestrian crosswalks are also included as part of the project. The current budget for Phase IIA is \$5,500,000.00, with FDOT’s participation being \$3,811,072.00. Construction is scheduled to begin by May 2020 and be completed within one year.
- **Sebring Parkway Phase IIB** – This project begins at the Desoto Road intersection and extends to US 27 and is approximately 0.474 miles in length. The existing 2-lane roadway is proposed to be replaced with a 4-lane divided roadway. North of Highlands Regional Medical Center, there is a proposed design of a roundabout to reduce traffic conflicts in the area. As part of the project, a stormwater pond is a necessity to reduce runoff from the additional impervious area. The current budget for Phase IIB is \$4,861,969.00, with FDOT’s participation being \$3,714,624.00. The project will be bid with Phase IIA, so the timelines are similar in nature.
- **Memorial Drive Multiuse Path** - Highlands County was awarded a State of Florida Department of Transportation (FDOT) Local Agency Program (LAP) grant to construct an 8-foot-wide multiuse path along the right-of-way of Memorial Drive from Pompano Drive to Sebring Parkway in Sebring, FL, for an approximate distance of 7,500 linear feet. The total grant amount is \$1,520,457. The intent is for the design, construction and CEI services to be done by outside forces. The estimated completion date is June 2022.
- **CR 721 Roadway Improvements** –In June 2018, Highlands County entered into a state-funded grant agreement with the State of Florida Department of Transportation (FDOT) for an FDOT Small County Road Assistance Program (SCRAP) grant in the amount of \$4,000,000 for design and construction of improvements to CR 721 from SR 70 to US 98. The work consists of resurfacing approximately 45,823 linear feet of roadway. Construction will be completed by the County Road and Bridge Department. Construction must be completed by March 2021.



- **CR 623 (Kenilworth Boulevard) Roadway Improvements** - Highlands County was awarded a State of Florida Department of Transportation (FDOT) Small County Road Assistance Program (SCRAP) grant in the amount of \$1,419,207 for roadway improvements on CR 623 (Kenilworth Boulevard). The improvements will include, but not be limited to, the milling and resurfacing of existing pavement from Haywood Taylor Boulevard to Mini Ranch Road for an approximate distance of 7,804 linear feet (1.478 miles). The project is expected to be completed by July 2023.
- **Animal Services Building Addition** – Highlands County has budgeted the amount of \$450,000 for the construction of an addition to the existing Highlands County Sheriff’s Office Animal Services unit operations building. The project is expected to be completed by September 2022.
- **Traffic Operations Building** – Highlands County has budgeted the amount of \$760,000 for the construction of a building for the Traffic Operations Division. The project is expected to be completed by September 2022.
- **Heron Street Roadway Improvements** – Highlands County was awarded a FDOT Small County Outreach Program (SCOP) grant in the amount of \$1,001,791 for roadway improvements on Heron Street. The improvements will include, but not limited to, the milling and resurfacing of existing pavement from Hammock Road to Howey Road, approximately 1.000 mile. The project is expected to be completed by July 2023.
- **Interlake Boulevard Resurfacing** – Highlands County is assisted the Town of Lake Placid on an awarded FDOT Small County Outreach Program (SCOP) grant in the amount of \$655,000 for resurfacing of East Interlake Boulevard. The improvements included, but not limited to, the milling and resurfacing of existing pavement from Devane Circle to US 27, approximately 0.637 miles. The project was completed in November 2020.
- **W. Stryker Road Roadway Improvements** – Highlands County was awarded a FDOT Small County Road Assistance Program (SCRAP) grant in the amount of \$1,941,246 for roadway improvements on West Stryker Road. The improvements will include, but not limited to, the milling and resurfacing of existing pavement from North Olivia Drive to US 27, approximately 1.999 miles. The project is expected to be completed by July 2023.
- **Thunderbird Road East/West Sidewalk Extension** - The construction consists of 4,700 lineal feet of a five (5) foot wide concrete sidewalks along the right-of-way of Thunderbird Road in Sebring including associated safety and drainage improvements. Highlands County was awarded a FDOT Local Agency Program (LAP) grant for construction costs in the amount of \$382,213.00 for the East Sidewalk Extension and \$118,104.00 for the West Sidewalk Extension. The projects have undergone extensive environmental delays due to the presence of sand skinks and gopher tortoises within the project limits. The County has addressed and mitigated for said impacts. Currently, the project’s bid documents, and complete plan sets have been submitted to FDOT for their review and approval. Both projects are anticipated to be completed by February 2021.
- **Arbuckle Creek Road Turn Lane** – In February 2017, Highlands County was awarded an FDOT Small County Outreach Program (SCOP) grant in the amount of \$936,152 for intersection improvements at Arbuckle Creek Road and Landfill Access Road. The construction consists of the addition of an eastbound left turn lane and a westbound right turn lane from Arbuckle Creek Road to the northbound Landfill Access Road. Design, inspection, and construction of pavement



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

Financial Information

The County operates on a fiscal year of October 1st to September 30th. The fiscal year 2019-2020 budget was adopted with a millage rate of 8.55, a continued rate from the millage rate for fiscal year 2018-2019.

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

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

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

Independent Audit. Section 218.39, Florida Statutes, requires that an annual financial audit of the accounts and records of the County be performed by an independent certified public accounting firm. This requirement has been accomplished for the fiscal year ended September 30, 2020 and the opinions of the independent auditors are included in the Financial Section of this report.

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

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

Awards. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Highlands County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the 35th year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.



The Certificate of Achievement is valid for a period of one (1) year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program requirements and will submit it to the GFOA to determine eligibility for another certificate for the fiscal year ending September 30, 2020.

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

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

Respectfully submitted,



Jerome Kaszubowski, CGCIO
Clerk of Courts



Sally B. Hood, CPA, CGFM
Director of Accounting and Finance





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Highlands County
Florida**

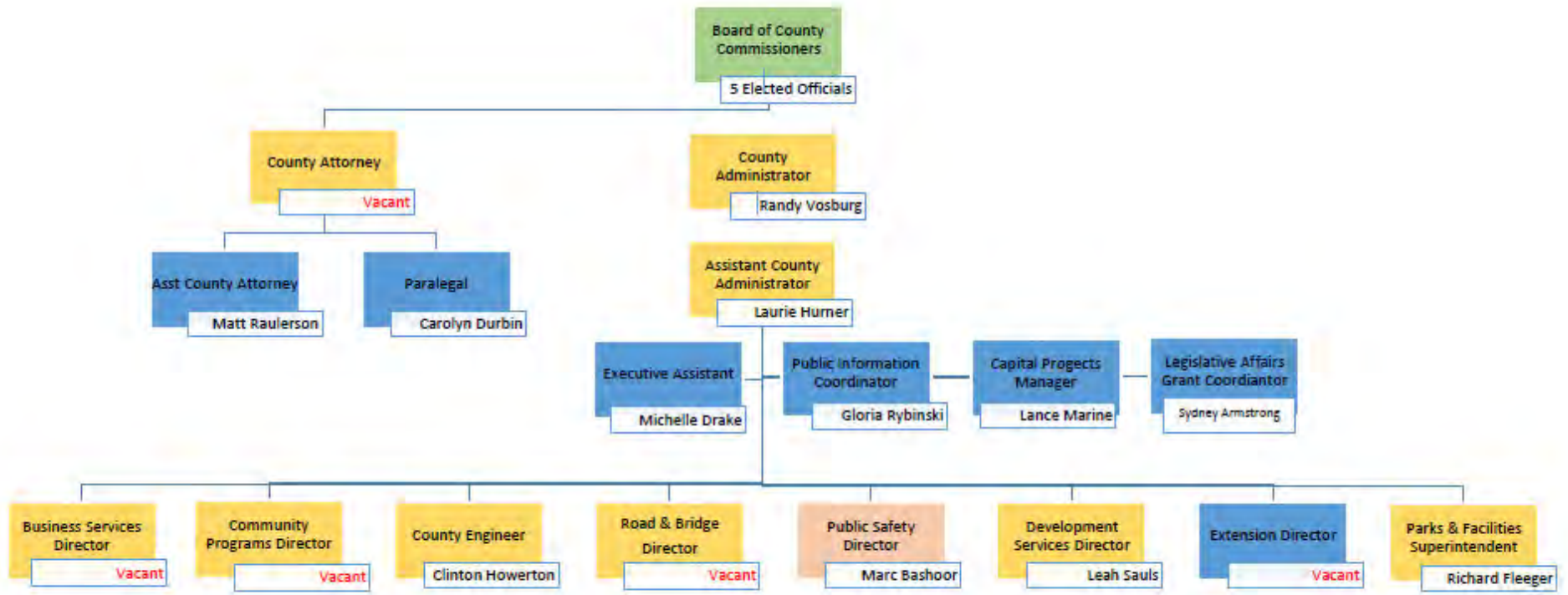
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

**HIGHLANDS COUNTY, FLORIDA
ORGANIZATIONAL CHART
YEAR ENDED SEPTEMBER 30, 2020**





HIGHLANDS COUNTY, FL

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**FINANCIAL
SECTION**





INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Highlands County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highlands County, Florida (County), as of and for the year ended September 30, 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.

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 25, information on infrastructure using the modified approach on page 100, information on other postemployment benefits on page 101, and information on pension benefits on pages 102 through 105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
March 2, 2021

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The management of Highlands County (County) offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$236 million (net position). Of this amount, \$240 million was invested in capital assets and \$34.9 million was restricted by laws, grant agreements, debt covenants or for capital projects. The County had an unrestricted net position of (\$38.8) million.
- Total net position decreased by \$7.7 million or 3.2%. The net position of governmental activities decreased \$8.5 million and business-type activities increased \$743 thousand.
- The fund balance in the General Fund was \$19.4 million, an increase of \$200 thousand from the previous year. The unassigned fund balance for the General Fund, which is available for use at the County's discretion, was \$17.5 million or 24.1% of total general fund expenditures.
- The governmental funds, in total, reported combined fund balances of \$58.1 million, a decrease of \$1.3 million from the previous year. Of this amount, \$17.5 million was unassigned fund balance. The decrease in fund balance was due in part to road resurface project cost increases in the current year.
- Total assets increased by \$5.3 million or 2% and total liabilities increased by \$20.2 million or 16%. The increase in total assets was due to the growth in cash and cash equivalents as well as capital assets. The increase in liabilities was due to the current liabilities and net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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

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

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

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

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

Fund Financial Statements

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

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

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Fund Financial Statements (Continued)

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$236 million (total net position) as of September 30, 2020. The County recognized a decrease in its total net position of \$7.7 million, or 3.2%, from \$243.7 million in 2019 to \$236 million in 2020.

Highlands County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and Other Assets	\$ 76,001,877	\$ 75,687,429	\$ 19,057,557	\$ 20,500,229	\$ 95,059,434	\$ 96,187,658
Capital Assets	247,093,901	251,225,010	8,787,886	8,848,384	255,881,787	260,073,394
Total Assets	323,095,778	326,912,439	27,845,443	29,348,613	350,941,221	356,261,052
Deferred Outflows of Resources	27,562,214	31,887,280	308,576	358,357	27,870,790	32,245,637
Long-Term Debt Outstanding	112,462,937	129,424,788	8,557,943	9,317,761	121,020,880	138,742,549
Other Liabilities	7,309,952	9,759,661	643,891	710,359	7,953,843	10,470,020
Total Liabilities	119,772,889	139,184,449	9,201,834	10,028,120	128,974,723	149,212,569
Deferred Inflows of Resources	6,022,161	3,239,221	75,881	59,489	6,098,042	3,298,710
Net Position:						
Net Investment in						
Capital Assets	225,367,005	231,232,076	8,758,438	8,684,054	234,125,443	239,916,130
Restricted	40,882,840	34,914,138	-	-	40,882,840	34,914,138
Unrestricted	(41,386,903)	(49,770,165)	10,117,866	10,935,307	(31,269,037)	(38,834,858)
Total Net Position	\$ 224,862,942	\$ 216,376,049	\$ 18,876,304	\$ 19,619,361	\$ 243,739,246	\$ 235,995,410

The largest portion of the County's net position (\$240 million) reflects its net investment in capital assets (e.g., land, buildings, improvements, infrastructure, machinery, and equipment), net of accumulated depreciation, reduced by outstanding related debt used to acquire those assets, plus capital-related deferred outflows of resources. These capital assets are used to provide services to citizens and therefore, are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources required to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (\$34.9 million) represents resources that are subject to external restrictions such as debt covenants, grantors, laws or regulations, or restrictions through enabling legislation on how they may be used.

The remaining balance is the unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2020, the County's unrestricted net position was (\$38.8) million. The change in the total unrestricted net position from (\$31.3) million at September 30, 2019 to (\$38.8) million at September 30, 2020 was partially due to changes in net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Highlands County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 25,246,712	\$ 23,445,274	\$ 11,136,751	\$ 14,340,910	\$ 36,383,463	\$ 37,786,184
Operating Grants and Contributions	16,217,196	6,191,361	90,909	26,280	16,308,105	6,217,641
Capital Grants and Contributions	3,250,430	6,697,061	-	-	3,250,430	6,697,061
General Revenues:						
Property Taxes	39,979,150	41,984,688	-	-	39,979,150	41,984,688
Other Taxes	15,959,654	15,719,847	-	-	15,959,654	15,719,847
Other	21,675,268	17,767,539	457,293	314,859	22,132,561	18,082,398
Total Revenues	122,328,410	111,805,770	11,684,953	14,682,049	134,013,363	126,487,819
Expenses:						
General Government	20,874,168	20,865,488	-	-	20,874,168	20,865,488
Public Safety	56,939,713	59,515,863	-	-	56,939,713	59,515,863
Physical Environment	1,178,231	1,250,441	-	-	1,178,231	1,250,441
Transportation	14,508,911	18,631,875	-	-	14,508,911	18,631,875
Economic Environment	3,704,233	3,266,775	-	-	3,704,233	3,266,775
Human Services	3,639,034	7,664,991	-	-	3,639,034	7,664,991
Culture and Recreation	2,894,053	3,542,238	-	-	2,894,053	3,542,238
Court Related	5,215,689	5,387,500	-	-	5,215,689	5,387,500
Interest on Long-Term Debt	452,226	462,290	-	-	452,226	462,290
Solid Waste	-	-	9,019,161	8,904,617	9,019,161	8,904,617
Energy Recovery	-	-	2,067,795	4,739,577	2,067,795	4,739,577
Total Expenses	109,406,258	120,587,461	11,086,956	13,644,194	120,493,214	134,231,655
Change in Net Position						
Before Transfers	12,922,152	(8,781,691)	597,997	1,037,855	13,520,149	(7,743,836)
Transfers	92,916	294,798	(92,916)	(294,798)	-	-
Change in Net Position	13,015,068	(8,486,893)	505,081	743,057	13,520,149	(7,743,836)
Net Position - Beginning	211,847,874	224,862,942	18,371,223	18,876,304	230,219,097	243,739,246
Net Position - Ending	\$ 224,862,942	\$ 216,376,049	\$ 18,876,304	\$ 19,619,361	\$ 243,739,246	\$ 235,995,410

Governmental Activities

The net position of governmental activities decreased \$8.5 million.

- Overall, revenues related to governmental activities decreased \$10.5 million, or 8.6%.
- Charges for Services decreased \$1.8 million, or 7.1%. Public Safety charges decreased a net \$815 thousand. Transportation decreased a net \$1.3 million.
- Operating Grants and Contributions decreased by \$10 million, or 61.8%. Public Safety funding decreased \$13.3 million, Human Services funding increased \$3.9 million.
- Capital Grants and Contributions increased by \$3.4 million, or 106%. Physical Environment increased \$4.8 million while Human Services funding decreased \$916 thousand and Transportation funding decreased \$355 thousand.
- Property Taxes increased \$2 million, or 5% due to a 4.56% increase in property tax values.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Governmental Activities (Continued)

- Other Taxes decreased \$240 thousand, or 1.5%. The County recognized a \$186 thousand increase in local option sales tax, offset by a \$257 thousand decrease in fuel taxes, and \$153 thousand decrease in tourist development tax collections.
- Other general revenues decreased \$3.9 million, or 18%. State shared revenues decreased \$431 thousand, interest and investment earnings decreased \$327 thousand, and miscellaneous revenues decreased \$3.02 million.
- Overall, expenses related to governmental activities increased \$11.2 million, or 10.2%. Emergency and disaster relief expenses related to COVID increased approximately \$3.8 million. Expenses in the Local Government Infrastructure Surtax fund increased \$2.8 million due to additional projects primarily in transportation projects. Expenses in the nonmajor funds increased \$1.2 million due to Public Safety increasing \$1.6 million but Economic Environment decreasing \$421 thousand. Additionally, expenses related to the net pension liability increased \$2 million from the prior year.
- Public Safety expenses increased \$2.6 million, or 4.6%. The increase is due to \$1.1 million of Sheriff expenses over the prior year and \$1.6 million of expenses related to the new county-wide fire services.
- Transportation expenses increased by \$4.1 million, or 28.4%. The increase is due to a \$3.0 million increase in resurfacing projects and capital related items of \$1.0 million.
- Human Services expenses increased by \$4 million, or 110.6%. The increase is due to the CARES/COVID grant expenditures in the amount of \$3.9 million.

Business-Type Activities

The net position of business-type activities increased \$743 thousand.

- Overall, revenues related to business-type activities increased \$3 million, or 25.6%, and expenses increased \$2.6 million, or 23.1%.
- Charges for Services increased \$3.2 million, or 28.8%. The sale of asphalt increased total operating revenues by \$2.7 million as well as a \$189 thousand increase of charges for services for the Energy Recovery facility. There was a minimal increase in revenues from the non-ad valorem assessment for solid waste collection, as well as disposal and recycling and there was a \$292 thousand increase for landfill tipping fees from the hauler.
- Solid Waste expenses decreased \$115 thousand, or 1.3%. Personal Services increased \$39 thousand, General & Administrative Expenditures decreased \$308 thousand, and Depreciation increased \$170 thousand.
- Energy Recovery expenses increased \$2.7 million, or 129.2%. The increase in Road Materials and Supplies was a direct result of the increase in asphalt production.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The County's governmental funds reported combined ending fund balances of \$58.1 million. Approximately \$17.5 million of the combined fund balances constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the balance is not available for new spending because it is non-spendable (\$3.1 million), restricted (\$35.8 million) or assigned (\$1.6 million). Significant restrictions include: restrictions for infrastructure and land acquisitions (\$18.9 million), restrictions for transportation related (\$5 million), restrictions for building department (\$3.2 million), and restrictions for fire districts (\$3.9 million).

The General Fund is the chief operating fund of the County. In 2020 the County maintained its millage rate of 8.55 mills in order to continue to provide quality services to its citizens and minimize the need to dip into its fund balance for operational needs. At September 30, 2020, the General Fund's total fund balance was \$19.4 million of which \$17.5 million (90.4%) was unassigned fund balance. The unassigned fund balance increased by \$400 thousand. As a measure of the General Fund's liquidity, the total fund balance represents 24.1% of total General Fund expenditures.

The County Transportation Trust Fund accounts for the operation of the road and bridge department, which is funded by the County's share of state gasoline taxes and the sixth-cent local option gas tax. As of September 30, 2020, the total fund balance was \$2.7 million, compared to \$5.4 million in 2019. The decrease in fund balance was due to a \$2 million decrease in revenues, and Transfers Out to other funds increased \$1.5 million.

The Istokpoga Marsh Watershed Improvement District Fund accounts for assessments and grant funds related to water control and improvements for the restoration of the watershed of Lake Okeechobee and the Florida Everglades. As of September 30, 2020, total fund balance was \$220 thousand compared to (\$5.5) million in 2019. The increase in fund balance was due to receiving grant funds in the amount of \$5.7 million for a major grant funded project that was completed as of September 30, 2020 and therefore met the eligibility requirements to receive reimbursement from the grantor agencies.

The Local Government Infrastructure Surtax Fund accounts for the one-cent local discretionary sales surtax that was approved by voters. As of September 30, 2020, the total fund balance was \$15.5 million, compared to \$19.9 million in 2019. The decrease in fund balance was due to an increase in expenditures for transportation related projects and an increase in debt retirement.

The Highlands County Infrastructure Sales Surtax Refunding Revenue Note (HCISSR Construction) Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure. As of September 30, 2020, the total fund balance was \$0, compared to \$207 thousand in 2019. The decrease in fund balance is due to Sebring Parkway Phase III costs.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Proprietary Funds

The Solid Waste Fund reported a net position of \$16.5 million, which is an increase of \$671 thousand over prior year. Unrestricted net position totaled \$9.8 million, a \$623 thousand increase over prior year, and net investments in capital assets totaled \$6.7 million, a \$48 thousand increase over prior year. Operating Revenues increased \$299 thousand, or 3.3% and Operating Expenses decreased \$100 thousand or 1.1%. The change in revenues was primarily due to increased landfill fees of \$295,012, Special Assessments increased \$35,302, but miscellaneous revenues and sale of recyclable materials decreased a combined \$31,139. The change in expenses was primarily due to Personal Services increased \$38,606, Waste Franchise Fees increased \$54,792 but General & Administrative Expenses along with Depreciation decreased \$193,088.

The Energy Recovery Fund reported a net position of \$3.0 million, which is an increase of \$62 thousand over prior year. Unrestricted net position totaled \$1.1 million. This fund accounts for the operation of the County's Asphalt Plant which was constructed at the landfill site in order to use materials disposed at the landfill as production material for asphalt. The change in total net position and unrestricted net position is due to the increase in asphalt sales which exceeded the increase in production costs.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$5.7 million.
- General Fund revenues were \$395 thousand less than the final budget amounts. Other financing sources (uses) were \$1 million more than budget due to the sale of surplus properties.
- Actual expenditures in the General Fund were \$5 million less than the final budget. Significant variations are summarized below:

<u>General Fund Department</u>	<u>Positive Variance</u>	<u>Reason for Variance</u>
Emergency/Disaster Relief	853,819	Unexpended Appropriations
Tax Collector	620,723	Unexpended Appropriations
Detention and Correction	507,282	Unexpended Appropriations
Sheriff	355,654	Unexpended Appropriations
Local Emergency Management Agency	292,128	Appropriations for personal services, education/ training, operating supplies, and repair & maintenance not expended.
Natural Resources	209,568	Project appropriations in professional services and contractual services, and garbage carts not expended.
Ambulance Services	202,306	Appropriations for contractual services, project repair & maintenance, operating supplies, and gas & oil not expended.
Supervisor of Elections	177,911	Unexpended Appropriations
Facilities Management	141,799	Appropriations for personal services, contractual services, repair & maintenance, and air conditioning not expended.
Children's Advocacy Center	112,954	Appropriations for personal services, project contractual services, project operating supplies, and project education/training not expended.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounted to \$260 million (net of accumulated depreciation) compared to \$255.9 million for the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, bridges, software, and land use rights. Major capital asset events during the fiscal year included the following:

- Parkway Phase III
- HCSO Detention Reconfiguration
- Fire/EMS Admin Building / Ambulance / Equipment
- IT Infrastructure Upgrades
- Road & Bridge Equipment / Vehicles
- Road Construction / Improvements
- Gov't Center Roof Replacement

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

	Governmental Activities		Business-Type Activities		Entity Total	
	2019	2020	2019	2020	2019	2020
Land	\$ 48,480,496	\$ 48,374,895	\$ 1,833,866	\$ 1,839,228	\$ 50,314,362	\$ 50,214,123
Infrastructure	107,895,752	120,035,880	-	-	107,895,752	120,035,880
Land Use Rights	2,415,419	2,415,419	-	-	2,415,419	2,415,419
Buildings	41,748,766	40,012,190	124,404	107,081	41,873,170	40,119,271
Improvements	7,037,708	7,184,567	3,506,056	3,178,877	10,543,764	10,363,444
Equipment	17,992,148	18,267,799	3,318,094	3,717,732	21,310,242	21,985,531
Computer Software	1,015,470	813,295	-	-	1,015,470	813,295
Construction in Progress	20,508,142	14,120,965	5,466	5,466	20,513,608	14,126,431
Total	<u>\$ 247,093,901</u>	<u>\$ 251,225,010</u>	<u>\$ 8,787,886</u>	<u>\$ 8,848,384</u>	<u>\$ 255,881,787</u>	<u>\$ 260,073,394</u>

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

Infrastructure

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

- Road System - The County has established an overall minimum average condition level of "fair" which carries a rating between 51 and 75. The overall average condition of the County road system for fiscal year 2020 was 52.69, compared to 52.86 in 2019.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Infrastructure (Continued)

- Bridge System - It is the County's policy to maintain an overall minimum average sufficiency rating of not less than 60%. The overall average sufficiency rating of the County bridge system for fiscal year 2020 was 78.05, compared to 77.96 in 2019.

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

- Road System – The County budgeted \$5.7 million for maintenance/preservation of its road system and expended \$5.5 million.
- Bridge System – The County budgeted \$150,000 for maintenance/preservation of its bridge system and expended \$35,808.

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

Long-Term Debt

At September 30, 2020, the County had total debt outstanding of \$22.7 million compared, to \$25.9 million in the prior year. Of this amount, all \$22.7 million represents governmental activities loans payable and other obligations. The decrease in total outstanding debt is attributed to payments on existing debt.

	Governmental Activities	
	2019	2020
Notes Payable, and Revenue		
Certificates and Capital Leases	\$ 25,888,552	\$ 22,714,207

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

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the County's budget for the 2021 fiscal year. More information on economic factors is provided in the Statistical Section and the Transmittal Letter.

- Highlands County's population increased in 2020 by 1.42%, from 103,342 in 2019 to an estimated 104,810 in 2020 and is projected to see an increase in 2021. Additionally, 2 of the 3 three municipalities showed population increases over the prior year according to the Office of Economic & Demographic Research.
- Highlands County's unemployment rate (October - September) averaged 6.7%, which was slightly lower than the average for the State of Florida (6.8%) and the nation (7.3%).
- Highlands County has a diverse property tax base. The ten largest taxpayers in the County represent 6.26% of the assessed property values of all taxpayers.
- In 2020, the total taxable value of property increased 4.56% over prior year. This was the sixth increase in total taxable value that has been recognized since 2008.

REQUESTS FOR INFORMATION

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

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

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

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

BASIC FINANCIAL STATEMENTS

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 45,357,685	\$ 7,563,635	\$ 52,921,320
Investments	20,139,490	5,381,329	25,520,819
Accounts Receivable - Net	1,938,874	205,738	2,144,612
Internal Balances	(183,853)	183,853	-
Due from Other Governmental Units	4,884,076	26,645	4,910,721
Inventory	309,420	492,041	801,461
Prepaid Items	2,717,648	63,076	2,780,724
Restricted Assets:			
Cash and Cash Equivalents	524,089	6,583,912	7,108,001
Capital Assets not Being Depreciated/Amortized	184,947,159	1,844,694	186,791,853
Capital Assets - Net of Accumulated Depreciation/Amortization	66,277,851	7,003,690	73,281,541
Total Assets	<u>326,912,439</u>	<u>29,348,613</u>	<u>356,261,052</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	31,759,187	355,612	32,114,799
OPEB Related Items	128,093	2,745	130,838
Total Deferred Outflows of Resources	<u>31,887,280</u>	<u>358,357</u>	<u>32,245,637</u>
LIABILITIES			
Vouchers Payable	3,297,576	576,211	3,873,787
Claims Payable	451,455	-	451,455
Contracts Payable - Retained Percentage	149,936	-	149,936
Due to Other Governmental Units	465,914	891	466,805
Due to Others	285,549	-	285,549
Accrued Interest Payable	161,855	-	161,855
Accrued Wages Payable	1,803,217	42,786	1,846,003
Deposits	558,654	90,373	649,027
Unearned Revenue	2,585,505	98	2,585,603
Noncurrent Liabilities:			
Due Within One Year:			
Notes Payable and Compensated Absences	3,692,022	97,595	3,789,617
Total OPEB Liability	126,664	-	126,664
Due in More than One Year:			
Notes Payable and Compensated Absences	24,336,296	8,021,413	32,357,709
Net Pension Liability	99,983,144	1,168,467	101,151,611
Total OPEB Liability	1,286,662	30,286	1,316,948
Total Liabilities	<u>139,184,449</u>	<u>10,028,120</u>	<u>149,212,569</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	1,891,276	30,604	1,921,880
OPEB Related Items	1,347,945	28,885	1,376,830
Total Deferred Inflows of Resources	<u>3,239,221</u>	<u>59,489</u>	<u>3,298,710</u>
NET POSITION			
Net Investment in Capital Assets	231,232,076	8,684,054	239,916,130
Restricted for:			
General Government	648,748	-	648,748
Public Safety	6,088,562	-	6,088,562
Infrastructure and Land Acquisition	20,533,314	-	20,533,314
Transportation	5,071,421	-	5,071,421
Economic Environment	7,935	-	7,935
Physical Environment	441	-	441
Community Programs	495,506	-	495,506
Conservation	259,884	-	259,884
Tourist Development	1,170,530	-	1,170,530
Istokpoga Marsh Watershed Maintenance	332,456	-	332,456
Culture and Recreation	305,341	-	305,341
Unrestricted	(49,770,165)	10,935,307	(38,834,858)
Total Net Position	<u>\$ 216,376,049</u>	<u>\$ 19,619,361</u>	<u>\$ 235,995,410</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 20,865,488	\$ 4,029,731	\$ 346,919	\$ 60,657	\$ (16,428,181)	\$ -	\$ (16,428,181)
Public Safety	59,515,863	13,796,529	319,850	481,644	(44,917,840)	-	(44,917,840)
Physical Environment	1,250,441	286,800	320,161	5,660,798	5,017,318	-	5,017,318
Transportation	18,631,875	2,453,038	-	454,091	(15,724,746)	-	(15,724,746)
Economic Environment	3,266,775	192,294	454,711	-	(2,619,770)	-	(2,619,770)
Human Services	7,664,991	21,113	4,521,721	39,871	(3,082,286)	-	(3,082,286)
Culture and Recreation	3,542,238	160,345	207,999	-	(3,173,894)	-	(3,173,894)
Court Related	5,387,500	2,505,424	20,000	-	(2,862,076)	-	(2,862,076)
Debt Service:							
Interest on Long-Term Debt	462,290	-	-	-	(462,290)	-	(462,290)
Total Governmental Activities	120,587,461	23,445,274	6,191,361	6,697,061	(84,253,765)	-	(84,253,765)
Business-Type Activities:							
Solid Waste	8,904,617	9,342,369	26,280	-	-	464,032	464,032
Energy Recovery	4,739,577	4,998,541	-	-	-	258,964	258,964
Total Business-Type Activities	13,644,194	14,340,910	26,280	-	-	722,996	722,996
Total Primary Government	\$ 134,231,655	\$ 37,786,184	\$ 6,217,641	\$ 6,697,061	(84,253,765)	722,996	(83,530,769)
General Revenues:							
Taxes:							
Property Taxes					41,984,688	-	41,984,688
Fuel Taxes					4,296,818	-	4,296,818
Sales Tax					9,952,249	-	9,952,249
Services Taxes					557,115	-	557,115
Other Taxes					913,665	-	913,665
Unrestricted State Shared Revenues					15,003,122	-	15,003,122
Net Change in Fair Value of Investments					948,096	276,307	1,224,403
Gain on Sale of Capital Assets					826,358	15,000	841,358
Insurance Recoveries					74,416	23,552	97,968
Miscellaneous					915,547	-	915,547
Transfers					294,798	(294,798)	-
Total General Revenues					75,766,872	20,061	75,786,933
Change in Net Position					(8,486,893)	743,057	(7,743,836)
Net Position - Beginning					224,862,942	18,876,304	243,739,246
Net Position - Ending					\$ 216,376,049	\$ 19,619,361	\$ 235,995,410

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General	County Transportation Trust	Istokpoga Marsh Watershed Improvement District	Local Government Infrastructure Surtax	HCISSR Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 13,573,478	\$ 1,197,935	\$ 1,371,318	\$ 9,034,637	\$ -	\$ 13,930,918	\$ 39,108,286
Cash and Cash Equivalents - Restricted	524,089	-	-	-	-	-	524,089
Investments	7,117,770	859,115	-	4,986,906	-	5,608,447	18,572,238
Accounts Receivable - Net	1,807,736	2,028	-	3,830	-	76,290	1,889,884
Due from Other Funds	126,498	-	665	-	-	136,436	263,599
Due from Other Governmental Units	1,281,184	1,055,120	-	2,153,371	-	394,401	4,884,076
Advances to Other Funds	62,305	-	-	-	-	-	62,305
Prepaid Items	973,703	36,054	-	-	-	1,707,891	2,717,648
Inventory	309,420	-	-	-	-	-	309,420
Total Assets	<u>\$ 25,776,183</u>	<u>\$ 3,150,252</u>	<u>\$ 1,371,983</u>	<u>\$ 16,178,744</u>	<u>\$ -</u>	<u>\$ 21,854,383</u>	<u>\$ 68,331,545</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Vouchers Payable	\$ 2,204,757	\$ 105,092	\$ 76,059	\$ 452,072	\$ -	\$ 422,801	\$ 3,260,781
Accrued Wages Payable	1,343,310	273,311	-	-	-	186,596	1,803,217
Contracts Payable-Retained Percentage	-	-	49,919	48,515	-	51,502	149,936
Customer Deposits	524,089	32,115	-	-	-	2,450	558,654
Due to Other Governmental Units	198,057	6,524	-	94,928	-	166,405	465,914
Due to Other Funds	166,210	7,686	-	7,665	-	106,504	288,065
Due to Others	3,699	-	-	-	-	281,850	285,549
Advances from Other Funds	-	-	-	-	-	133,305	133,305
Unearned Revenue	856,259	-	1,025,905	-	-	182,921	2,065,085
Total Liabilities	<u>5,296,381</u>	<u>424,728</u>	<u>1,151,883</u>	<u>603,180</u>	<u>-</u>	<u>1,534,334</u>	<u>9,010,506</u>
Deferred Inflows of Resources:							
Unavailable Revenue:							
Intergovernmental	85,217	-	-	102,272	-	-	187,489
Charges for Services	1,006,417	-	-	-	-	67,600	1,074,017
Total Deferred Inflows of Resources	<u>1,091,634</u>	<u>-</u>	<u>-</u>	<u>102,272</u>	<u>-</u>	<u>67,600</u>	<u>1,261,506</u>
Fund Balances:							
Nonspendable	1,345,428	36,054	-	-	-	1,707,891	3,089,373
Restricted	-	1,557,874	220,100	15,473,292	-	18,546,967	35,798,233
Assigned	518,151	1,131,596	-	-	-	-	1,649,747
Unassigned	17,524,589	-	-	-	-	(2,409)	17,522,180
Total Fund Balances	<u>19,388,168</u>	<u>2,725,524</u>	<u>220,100</u>	<u>15,473,292</u>	<u>-</u>	<u>20,252,449</u>	<u>58,059,533</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 25,776,183</u>	<u>\$ 3,150,252</u>	<u>\$ 1,371,983</u>	<u>\$ 16,178,744</u>	<u>\$ -</u>	<u>\$ 21,854,383</u>	<u>\$ 68,331,545</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
RECONCILIATION OF FUND BALANCES FOR GOVERNMENTAL FUNDS TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

Fund Balances - Total Governmental Funds	\$ 58,059,533
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	251,225,010
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	1,261,506
Long-term liabilities, including bonds payable, notes payable, and capital leases are not due and payable in the current period and, therefore, are not reported in the funds.	(22,714,207)
Accrued general long-term debt interest expense is not a financial use and, therefore, is not reported in the funds.	(161,855)
Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(69,620,610)
Total other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(2,633,178)
The assets and liabilities of the internal service funds, used by management to charge the costs of certain activities to individual funds, are included in governmental activities in the statement of net position.	<u>959,850</u>
Net Position of Governmental Activities	<u><u>\$ 216,376,049</u></u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	General	County Transportation Trust	Istokpoga Marsh Watershed Improvement District	Local Government Infrastructure Surtax	HCISSR Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 42,469,378	\$ 4,369,243	\$ -	\$ 9,952,249	\$ -	\$ 859,835	\$ 57,650,705
Licenses and Permits	885	69,330	-	-	-	967,301	1,037,516
Intergovernmental	19,225,262	3,040,147	5,660,798	2,109,721	-	1,460,783	31,496,711
Charges for Services	8,725,998	120,682	-	-	-	2,522,860	11,369,540
Fines and Forfeitures	52,000	-	-	-	-	565,376	617,376
Assessments	-	-	145,728	-	-	5,764,726	5,910,454
Net Change in Fair Value of Investments	324,498	44,535	318	208,016	880	285,727	863,974
Miscellaneous	1,943,366	1,519,741	-	170	-	423,817	3,887,094
Total Revenues	<u>72,741,387</u>	<u>9,163,678</u>	<u>5,806,844</u>	<u>12,270,156</u>	<u>880</u>	<u>12,850,425</u>	<u>112,833,370</u>
EXPENDITURES							
Current:							
General Government	17,138,835	-	-	1,962,595	-	36,175	19,137,605
Public Safety	41,669,096	-	-	1,365,088	-	8,237,925	51,272,109
Physical Environment	1,053,657	-	130,436	465,332	-	13,025	1,662,450
Transportation	72,154	10,323,050	-	10,159,392	208,208	608,832	21,371,636
Economic Environment	1,508,065	-	-	-	-	1,583,086	3,091,151
Human Services	7,063,869	-	-	30,450	-	293,361	7,387,680
Culture and Recreation	2,391,394	-	-	556,022	-	110,502	3,057,918
Court Related	1,800,244	-	-	-	-	2,874,355	4,674,599
Debt Service:							
Principal Retirement	-	-	-	3,174,345	-	-	3,174,345
Interest and Fiscal Charges	-	-	-	383,534	-	103,172	486,706
Total Expenditures	<u>72,697,314</u>	<u>10,323,050</u>	<u>130,436</u>	<u>18,096,758</u>	<u>208,208</u>	<u>13,860,433</u>	<u>115,316,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44,073	(1,159,372)	5,676,408	(5,826,602)	(207,328)	(1,010,008)	(2,482,829)
OTHER FINANCING SOURCES (USES)							
Transfers In	401,511	-	-	1,500,000	-	1,229,397	3,130,908
Transfers Out	(1,076,345)	(1,571,578)	-	(81,474)	-	(106,713)	(2,836,110)
Insurance Recoveries	12,985	38,725	-	-	-	22,706	74,416
Sale of Surplus Properties	826,358	-	-	-	-	-	826,358
Total Other Financing Sources (Uses)	<u>164,509</u>	<u>(1,532,853)</u>	<u>-</u>	<u>1,418,526</u>	<u>-</u>	<u>1,145,390</u>	<u>1,195,572</u>
NET CHANGE IN FUND BALANCES	208,582	(2,692,225)	5,676,408	(4,408,076)	(207,328)	135,382	(1,287,257)
Fund Balances - October 1, 2019	<u>19,179,586</u>	<u>5,417,749</u>	<u>(5,456,308)</u>	<u>19,881,368</u>	<u>207,328</u>	<u>20,117,067</u>	<u>59,346,790</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ 19,388,168</u>	<u>\$ 2,725,524</u>	<u>\$ 220,100</u>	<u>\$ 15,473,292</u>	<u>\$ -</u>	<u>\$ 20,252,449</u>	<u>\$ 58,059,533</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$ (1,287,257)
 Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which net capital outlay exceeded depreciation and amortization in the current period.	5,044,467
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of capital assets sold.	(913,356)
Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,174,345
Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds.	(2,583,128)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	24,416
Changes in net pension liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(12,426,691)
Changes in total other postemployment benefits liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(97,545)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net cost of certain activities of internal service funds is reported with governmental activities.	<u>577,856</u>
Change in Net Position of Governmental Activities	<u><u>\$ (8,486,893)</u></u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Taxes	\$ 42,307,643	\$ 42,307,643	\$ 42,469,378	\$ 161,735
Licenses and Permits	1,500	1,500	885	(615)
Intergovernmental	15,115,760	19,443,070	19,225,262	(217,808)
Charges for Services	8,838,343	9,138,256	8,725,998	(412,258)
Fines and Forfeitures	54,000	54,000	52,000	(2,000)
Net Change in Fair Value of Investments	157,000	164,185	324,498	160,313
Miscellaneous	1,892,902	2,027,590	1,943,366	(84,224)
Total Revenues	<u>68,367,148</u>	<u>73,136,244</u>	<u>72,741,387</u>	<u>(394,857)</u>
EXPENDITURES				
Current:				
General Government	18,673,941	18,796,593	17,138,835	1,657,758
Public Safety	42,222,616	43,315,912	41,669,096	1,646,816
Physical Environment	1,579,393	1,375,798	1,053,657	322,141
Transportation	72,154	72,154	72,154	-
Economic Environment	1,617,494	1,626,663	1,508,065	118,598
Human Services	3,553,941	8,133,813	7,063,869	1,069,944
Culture and Recreation	2,541,796	2,555,364	2,391,394	163,970
Court Related	1,702,409	1,830,482	1,800,244	30,238
Total Expenditures	<u>71,963,744</u>	<u>77,706,779</u>	<u>72,697,314</u>	<u>5,009,465</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,596,596)	(4,570,535)	44,073	4,614,608
OTHER FINANCING SOURCES (USES)				
Transfers In	133,871	390,316	401,511	11,195
Transfers Out	(1,328,546)	(1,537,350)	(1,076,345)	461,005
Insurance Recoveries	-	4,914	12,985	8,071
Sale of Surplus Properties	200,000	200,000	826,358	626,358
Total Other Financing Sources (Uses)	<u>(994,675)</u>	<u>(942,120)</u>	<u>164,509</u>	<u>1,106,629</u>
NET CHANGE IN FUND BALANCE	(4,591,271)	(5,512,655)	208,582	5,721,237
Fund Balances - October 1, 2019	<u>4,591,271</u>	<u>5,512,655</u>	<u>19,179,586</u>	<u>13,666,931</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,388,168</u>	<u>\$ 19,388,168</u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY TRANSPORTATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 4,589,037	\$ 4,589,038	\$ 4,369,243	\$ (219,795)
Licenses and Permits	52,000	52,000	69,330	17,330
Intergovernmental	3,331,181	3,350,976	3,040,147	(310,829)
Charges for Services	100,400	100,400	120,682	20,282
Net Change in Fair Value of Investments	50,400	50,400	44,535	(5,865)
Miscellaneous	2,632,340	2,632,340	1,519,741	(1,112,599)
Total Revenues	<u>10,755,358</u>	<u>10,775,154</u>	<u>9,163,678</u>	<u>(1,611,476)</u>
EXPENDITURES				
Current:				
Transportation:				
County Engineer	171,136	177,727	173,483	4,244
Engineering Services	1,644,261	1,690,879	1,485,857	205,022
Roads and Bridges	6,284,229	6,360,521	5,286,035	1,074,486
Bridge and Concrete	367,078	367,078	366,213	865
Maintenance Shop	869,026	871,795	804,428	67,367
Traffic Operations	1,171,639	1,193,230	1,086,728	106,502
Mowing - Right of Ways	596,678	596,678	513,559	83,119
County Shell Pit	252,060	252,060	205,924	46,136
Multi-Use Paths	97,340	97,340	-	97,340
Road and Bridge Superintendent	148,801	148,801	147,126	1,675
GIS	262,259	269,310	253,697	15,613
Total Expenditures	<u>11,864,507</u>	<u>12,025,419</u>	<u>10,323,050</u>	<u>1,702,369</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,109,149)	(1,250,265)	(1,159,372)	90,893
OTHER FINANCING SOURCES (USES)				
Transfers Out	(821,577)	(821,577)	(1,571,578)	(750,001)
Insurance Recoveries	-	-	38,725	38,725
Total Other Financing Sources (Uses)	<u>(821,577)</u>	<u>(821,577)</u>	<u>(1,532,853)</u>	<u>(711,276)</u>
NET CHANGE IN FUND BALANCE	(1,930,726)	(2,071,842)	(2,692,225)	(620,383)
Fund Balances - October 1, 2019	<u>1,930,726</u>	<u>2,071,842</u>	<u>5,417,749</u>	<u>3,345,907</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,725,524</u>	<u>\$ 2,725,524</u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ISTOKPOGA MARSH WATERSHED IMPROVEMENT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 618,812	\$ 4,538,750	\$ 5,660,798	\$ 1,122,048
Assessments	142,941	142,941	145,728	2,787
Net Change in Fair Value of Investments	-	-	318	318
Total Revenues	<u>761,753</u>	<u>4,681,691</u>	<u>5,806,844</u>	<u>1,125,153</u>
EXPENDITURES				
Current:				
Physical Environment:				
Istokpoga Marsh Improvements	<u>805,861</u>	<u>4,761,929</u>	<u>130,436</u>	<u>4,631,493</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(44,108)	(80,238)	5,676,408	5,756,646
Fund Balances - October 1, 2019	<u>44,108</u>	<u>80,238</u>	<u>(5,456,308)</u>	<u>(5,536,546)</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 220,100</u></u>	<u><u>\$ 220,100</u></u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 10,053,219	\$ 10,053,219	\$ 9,952,249	\$ (100,970)
Intergovernmental	16,483,156	21,032,265	2,109,721	(18,922,544)
Net Change in Fair Value of Investments	197,000	197,000	208,016	11,016
Miscellaneous	-	-	170	170
Total Revenues	<u>26,733,375</u>	<u>31,282,484</u>	<u>12,270,156</u>	<u>(19,012,328)</u>
EXPENDITURES				
Current:				
General Government:				
Central Services	1,112,000	1,273,418	809,469	463,949
Facilities Management	2,873,646	2,593,273	1,148,951	1,444,322
Supervisor of Elections	-	4,715	4,175	540
Total General Government	<u>3,985,646</u>	<u>3,871,406</u>	<u>1,962,595</u>	<u>1,908,811</u>
Public Safety:				
Sheriff	400,000	499,900	499,783	117
County Jail	1,700,000	2,020,343	468,449	1,551,894
Local Emergency Management Agency	108,487	111,145	69,370	41,775
Ambulance Service	570,500	730,500	323,636	406,864
Communications Program	43,000	43,000	3,850	39,150
Total Public Safety	<u>2,821,987</u>	<u>3,404,888</u>	<u>1,365,088</u>	<u>2,039,800</u>
Physical Environment:				
Natural Resources	-	465,332	465,332	-
Transportation:				
Road and Bridges	26,316,796	33,576,920	10,159,392	23,417,528
Human Services:				
Animal Control	389,628	429,707	30,450	399,257
Culture and Recreation:				
Recreation Department	766,617	781,254	462,472	318,782
Parks Department	92,275	136,402	93,550	42,852
Library - Avon Park	13,468	11,802	-	11,802
Library - Sebring	11,804	13,471	-	13,471
Library - Lake Placid	13,471	13,471	-	13,471
Total Culture and Recreation	<u>897,635</u>	<u>956,400</u>	<u>556,022</u>	<u>400,378</u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Debt Service:				
Principal Retirement	\$ 3,174,709	\$ 3,174,348	\$ 3,174,345	\$ 3
Interest and Fiscal Charges	383,261	383,623	383,534	89
Total Debt Service	<u>3,557,970</u>	<u>3,557,971</u>	<u>3,557,879</u>	<u>92</u>
Total Expenditures	<u>37,969,662</u>	<u>46,262,624</u>	<u>18,096,758</u>	<u>28,165,866</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(11,236,287)	(14,980,140)	(5,826,602)	9,153,538
OTHER FINANCING SOURCES (USES)				
Transfers In	750,000	750,000	1,500,000	750,000
Transfers Out	(81,474)	(81,474)	(81,474)	-
Total Other Financing Sources (Uses)	<u>668,526</u>	<u>668,526</u>	<u>1,418,526</u>	<u>750,000</u>
NET CHANGE IN FUND BALANCE	(10,567,761)	(14,311,614)	(4,408,076)	9,903,538
Fund Balances - October 1, 2019	<u>10,567,761</u>	<u>14,311,614</u>	<u>19,881,368</u>	<u>5,569,754</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,473,292</u>	<u>\$ 15,473,292</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Energy Recovery	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 6,986,444	\$ 577,191	\$ 7,563,635	\$ 6,249,399
Investments	5,381,329	-	5,381,329	1,567,252
Accounts Receivable - Net	205,738	-	205,738	48,990
Due from Other Funds	29,109	-	29,109	-
Due from Other Governmental Units	26,645	-	26,645	-
Advances to Other Funds	71,000	-	71,000	-
Prepaid Items	63,076	-	63,076	-
Inventory	-	492,041	492,041	-
Total Current Assets	12,763,341	1,069,232	13,832,573	7,865,641
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	6,583,912	-	6,583,912	-
Capital Assets:				
(Net of \$13,455,867 Accumulated Depreciation)				
Depreciation	6,866,718	1,981,666	8,848,384	-
Total Noncurrent Assets	13,450,630	1,981,666	15,432,296	-
Total Assets	26,213,971	3,050,898	29,264,869	7,865,641
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	355,612	-	355,612	-
OPEB Related Items	2,745	-	2,745	-
Total Deferred Outflows of Resources	358,357	-	358,357	-
LIABILITIES				
Current Liabilities:				
Vouchers Payable	574,009	2,202	576,211	36,795
Due to Other Funds	4,643	-	4,643	-
Accrued Wages Payable	42,786	-	42,786	-
Due to Other Governmental Units	682	209	891	-
Unearned Revenue	98	-	98	520,420
Compensated Absences - Current Portion	7,378	-	7,378	-
Landfill Closure Liability - Current Portion	90,217	-	90,217	-
Claims Payable	-	-	-	451,455
Total Current Liabilities	719,813	2,411	722,224	1,008,670

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2020**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Energy Recovery	Total	
LIABILITIES (CONTINUED)				
Long-Term Liabilities:				
Payable from Restricted Assets -				
Customer Deposits	\$ 90,373	\$ -	\$ 90,373	\$ -
Landfill Closure Liability	6,493,539	-	6,493,539	-
Compensated Absences Payable	66,405	-	66,405	5,808,734
Total OPEB Liability	30,286	-	30,286	-
Landfill Closure Liability	1,461,469	-	1,461,469	-
Net Pension Liability	1,168,467	-	1,168,467	-
Total Long-Term Liabilities	9,310,539	-	9,310,539	5,808,734
 Total Liabilities	10,030,352	2,411	10,032,763	6,817,404
 DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	30,604	-	30,604	-
OPEB Related Items	28,885	-	28,885	-
Total Deferred Inflows of Resources	59,489	-	59,489	-
 NET POSITION				
Net Investment in Capital Assets	6,702,388	1,981,666	8,684,054	-
Unrestricted	9,780,099	1,066,821	10,846,920	1,048,237
 Total Net Position	\$ 16,482,487	\$ 3,048,487	19,530,974	\$ 1,048,237
 Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			88,387	
 Net Position of Business-Type Activities			\$ 19,619,361	

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Solid Waste	Energy Recovery	Total	
OPERATING REVENUES				
Charges for Services	\$ 2,930,513	\$ 4,998,541	\$ 7,929,054	\$ 18,413,129
Special Assessments	6,408,345	-	6,408,345	-
Sale of Recyclable Materials	3,374	-	3,374	-
Miscellaneous	137	-	137	-
Total Operating Revenues	<u>9,342,369</u>	<u>4,998,541</u>	<u>14,340,910</u>	<u>18,413,129</u>
OPERATING EXPENSES				
Personal Services	1,178,706	-	1,178,706	-
General and Administrative	6,998,205	4,617,326	11,615,531	6,645,146
Insurance and Claims	-	-	-	11,264,416
Depreciation	737,860	121,931	859,791	-
Total Operating Expenses	<u>8,914,771</u>	<u>4,739,257</u>	<u>13,654,028</u>	<u>17,909,562</u>
Operating Income (Loss)	427,598	259,284	686,882	503,567
NONOPERATING REVENUES (EXPENSES)				
Operating Grants	26,280	-	26,280	-
Net Change in Fair Value of Investments	274,574	1,733	276,307	84,123
Insurance Recoveries	23,552	-	23,552	-
Gain/(Loss) on Disposal of Capital Assets	15,000	-	15,000	-
Total Nonoperating Revenues (Expenses)	<u>339,406</u>	<u>1,733</u>	<u>341,139</u>	<u>84,123</u>
INCOME BEFORE TRANSFERS	767,004	261,017	1,028,021	587,690
Transfer Out	<u>(96,023)</u>	<u>(198,775)</u>	<u>(294,798)</u>	<u>-</u>
CHANGE IN NET POSITION	670,981	62,242	733,223	587,690
Net Position - October 1, 2019	<u>15,811,506</u>	<u>2,986,245</u>		<u>460,547</u>
NET POSITION - SEPTEMBER 30, 2020	<u>\$ 16,482,487</u>	<u>\$ 3,048,487</u>		<u>\$ 1,048,237</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>9,834</u>	
Change in Net Position of Business-Type Activities			<u>\$ 743,057</u>	

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Solid Waste</u>	<u>Energy Recovery</u>	<u>Total</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 9,290,212	\$ 4,998,541	\$ 14,288,753	\$ -
Cash Received from Internal Customers	-	-	-	18,075,260
Cash Payments for Personal Services	(1,046,546)	-	(1,046,546)	-
Cash Payments to Vendors	(6,475,172)	(4,474,943)	(10,950,115)	-
Cash Payments for Insurance Premiums and Claims	-	-	-	(13,153,768)
Cash Payments to Employees for Services	-	-	-	(4,924,268)
Customer Deposits	1,500	-	1,500	-
Insurance Recoveries	23,552	-	23,552	-
Other Miscellaneous Cash Received	3,374	-	3,374	-
Net Cash Provided (Used) by Operating Activities	<u>1,796,920</u>	<u>523,598</u>	<u>2,320,518</u>	<u>(2,776)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant Funds Received	90,909	-	90,909	-
Advance to Other Funds	(30,608)	-	(30,608)	-
Operating Transfers to Other Funds	(96,023)	(198,775)	(294,798)	(362)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(35,722)</u>	<u>(198,775)</u>	<u>(234,497)</u>	<u>(362)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the Sale of Capital Assets	15,000	-	15,000	-
Acquisition of Capital Assets	(785,405)	-	(785,405)	-
Net Cash Used by Capital and Related Financing Activities	<u>(770,405)</u>	<u>-</u>	<u>(770,405)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	(2,255,958)	-	(2,255,958)	(200,000)
Sale of Investments	3,793,299	-	3,793,299	466,710
Investment Income	169,305	1,733	171,038	55,835
Net Cash Provided by Investing Activities	<u>1,706,646</u>	<u>1,733</u>	<u>1,708,379</u>	<u>322,545</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>2,697,439</u>	<u>326,556</u>	<u>3,023,995</u>	<u>319,407</u>
Cash and Cash Equivalents - October 1, 2019	<u>10,872,917</u>	<u>250,635</u>	<u>11,123,552</u>	<u>5,929,992</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2020	<u><u>\$ 13,570,356</u></u>	<u><u>\$ 577,191</u></u>	<u><u>\$ 14,147,547</u></u>	<u><u>\$ 6,249,399</u></u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Energy Recovery	Total	
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 427,598	\$ 259,284	\$ 686,882	\$ 503,567
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	737,860	121,931	859,791	-
Insurance Recoveries	23,552	-	23,552	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
(Increase) Decrease in:				
Accounts Receivable	(51,830)	-	(51,830)	(38,807)
Inventory	-	164,607	164,607	-
Due from Other Funds	(11,300)	-	(11,300)	-
Due from Other Governmental Units	2,947	-	2,947	-
Prepaid Items	15,995	-	15,995	-
Deferred Outflows Related to Pensions	(50,430)	-	(50,430)	-
Deferred Outflows Related to OPEB	649	-	649	-
Increase (Decrease) in:				
Vouchers Payable	(49,036)	(22,433)	(71,469)	(673,283)
Accrued Wages Payable	566	-	566	-
Due to Other Funds	4,643	-	4,643	-
Due to Other Governmental Units	682	209	891	-
Claims Payable	-	-	-	2,522
Compensated Absences	(3,929)	-	(3,929)	502,287
Landfill Closure Liability	562,049	-	562,049	-
Unearned Revenues	98	-	98	(299,062)
Customer Deposits	1,500	-	1,500	-
Total OPEB Liability	(26,028)	-	(26,028)	-
Net Pension Liability	227,726	-	227,726	-
Deferred Inflows Related to Pensions	(44,465)	-	(44,465)	-
Deferred Inflows Related to OPEB	28,073	-	28,073	-
Total Adjustments	1,369,322	264,314	1,633,636	(506,343)
Net Cash Provided (Used) by Operating Activities	\$ 1,796,920	\$ 523,598	\$ 2,320,518	\$ (2,776)
NONCASH CAPITAL AND INVESTING ACTIVITIES				
Capital Additions Funded by Accounts Payable	\$ 164,330	\$ -	\$ 164,330	\$ -
Change in Fair Value of Investments	98,331	-	98,331	-
Total Noncash Capital and Investing Activities	\$ 262,661	\$ -	\$ 262,661	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION CASH AND CASH EQUIVALENTS				
Total Cash and Cash Equivalents	\$ 13,570,356	\$ 577,191	\$ 14,147,547	\$ 6,249,399
Less: Restricted Cash and Investments	6,583,912	-	6,583,912	-
Total Unrestricted Cash and Cash Equivalents	\$ 6,986,444	\$ 577,191	\$ 7,563,635	\$ 6,249,399

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2020**

ASSETS

Cash and Cash Equivalents	\$ 3,411,130
Due from Others	36,985
Due from Other Governmental Units	<u>3,252</u>
Total Assets	<u>\$ 3,451,367</u>

LIABILITIES

Due to Others	\$ 575,619
Due to Other Governmental Units	1,935,445
Deposits	<u>940,303</u>
Total Liabilities	<u>\$ 3,451,367</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

<u>Note</u>	<u>Page</u>
1. Summary of Significant Accounting Policies	43-68
2. Cash, Cash Equivalents and Investments	69-75
3. Accounts Receivable	75
4. Capital Assets	76-77
5. Interfund Balances	78
6. Restricted Assets	78
7. Long-Term Liabilities.....	79-81
8. Governmental Fund Balances	81
9. Personnel Commitments.....	82
10. Other Postemployment Health Care Benefits	82-84
11. Landfill Closure and Post-Closure Care Cost	85
12. Miscellaneous Revenue	85
13. Major Customers.....	86
14. Commitments and Contingencies	86-87
15. Risk Management	87-88
16. Defined Benefit Pension Plans	88-96
17. Defined Contribution Plan	97
18. Fund Balance Deficit.....	98
19. Interfund Transfers.....	98
20. Tax Abatements	99

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Blended Component Units

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

B. Measurement Focus and Basis of Accounting

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

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

Government-Wide Financial Statements

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements

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

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

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

Governmental Funds

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Governmental Funds (Continued)

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

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

Proprietary Funds

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Basis of Presentation

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

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

Governmental Major Funds

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Proprietary Major Funds

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

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

Other Fund Types

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

Agency Funds – The Agency Funds account for all assets held by the County in its capacity as custodian or agent for individuals, other governmental units and non-public organizations. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. A description of each agency fund can be found on page 192.

C. Budgets and Budgetary Accounting

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

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

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets and Budgetary Accounting (Continued)

6. Section 129.07, Florida Statutes, as amended in 1978, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Board acts on all budget changes between departments, this becomes the level of control. The budgetary data presented herein was amended by the Board during the year in a legally permissible manner.
7. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds and Proprietary Funds except for the Industrial Development Agency Fund, Court Fund, Public Records Modernization Trust Fund, Teen Court Operations Fund, Court Related Technology Modernization Trust Fund, Homeowner's Foreclosure Education Fund, Community Donations Fund, and the Inmate Welfare Fund, which do not have legally adopted budgets.
8. Annual appropriated budgets for the General, Special Revenue, Capital Projects, and Proprietary Funds are legally adopted on a basis consistent with GAAP. However, the only funds required to report budgets are the General and Special Revenue Funds.
9. It is the Board's policy to amend the budget when unanticipated revenues and expenditures occur.
10. All appropriations lapse at the close of the fiscal year.
11. The Clerk's Court Services Fund does not budget for the excess of revenue over expenditures that is required to be returned to the state of Florida. For the year ending September 30, 2020, \$5,167 of revenue over expenditures returned to the state of Florida is included in total expenditures.

D. Reconciliation of Government-Wide and Fund Financial Statements

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

"Total fund balances" of the County's governmental funds, \$58,059,533, differs from "net position" of governmental activities, \$216,376,049, reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Capital Related Items

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

Cost of Capital Assets	\$ 341,743,759
Accumulated Depreciation/Amortization	<u>(90,518,749)</u>
Total Capital Assets	<u>\$ 251,225,010</u>

Receivable Transactions

Certain receivables are not available to pay current period expenditures, and therefore are reported as deferred inflows of resources in the funds. Balances as of September 30, 2020 were:

Deferred Inflows of Resources	<u>\$ 1,261,506</u>
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Long-Term Debt Transactions

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long term) are reported in the statement of net position. Balances as of September 30, 2020 were:

Notes Payable	<u>\$ (22,714,207)</u>
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Accrued Interest

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

Accrued Interest on Notes Payable and Capital Leases	<u>\$ (161,855)</u>
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**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Pension Related Items

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Accrued pension contributions included in the Compensated Absences Fund were adjusted to avoid duplication of the pension liability. Balances as of September 30, 2020 were:

Net Pension Liability	\$ (99,983,144)
Deferred Outflows of Resources - Pension Related	31,759,187
Deferred Inflows of Resources - Pension Related	(1,891,276)
Compensated Absences Adjustment	494,623
Total	<u><u>\$ (69,620,610)</u></u>

Other Postemployment Benefits Related Items

Total other postemployment benefits (OPEB) liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Balances as of September 30, 2020 were:

Total OPEB Liability	\$ (1,413,326)
Deferred Outflows of Resources - OPEB Related	128,093
Deferred Inflows of Resources - OPEB Related	(1,347,945)
Total	<u><u>\$ (2,633,178)</u></u>

Internal Service Funds

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

Internal Service Funds	<u><u>\$ 959,850</u></u>
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Elimination of Interfund Receivables/Payables

Interfund receivables, payables, and advances in the amount of \$267,827 between governmental funds were eliminated from the statement of net position.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The “net change in fund balances” for governmental funds, \$(1,287,257), differs from the “change in net position” for governmental activities, \$(8,486,893) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital Related Items

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

Capital Outlay	\$ 11,616,887
County Acquired Surplus Properties	570,629
Depreciation/Amortization Expense	<u>(7,143,049)</u>
Difference	<u>\$ 5,044,467</u>

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

Sale of Capital Assets	<u>\$ (913,356)</u>
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Long-Term Debt Transactions

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

Principal Repayments of Notes Payable	\$ 2,328,436
Principal Repayments of Capital Leases	845,909
Net Adjustment	<u>\$ 3,174,345</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Revenue Transactions

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

Intergovernmental Revenue	\$ (2,438,277)
Charges for Services	(144,851)
Total Adjustment	<u><u>\$ (2,583,128)</u></u>

Expense Transactions

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

Net Change in Interest Payable	\$ 26,082
Amortization of Bond Refunding Costs	(1,666)
Total Adjustment	<u><u>\$ 24,416</u></u>

Pension Related Items

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

Pension Expense	<u><u>\$ (12,426,691)</u></u>
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Other Postemployment Benefits Related Items

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

OPEB Expense	<u><u>\$ (97,545)</u></u>
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**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Internal Service Funds Net Cost

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

Internal Service Funds Change in Net Position	\$ 587,690
Internal Service Funds Operating Loss	
Allocated to Business-Type Activities	(9,834)
Net Adjustment	<u>\$ 577,856</u>

Transfers in and transfers out in the amount of \$2,836,110 between governmental funds were eliminated from the statement of activities.

E. Cash and Cash Equivalents

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

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

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

F. Investments

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

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments (Continued)

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

G. Accounts Receivable

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

H. Interfund Transactions

Interfund transactions are accounted for in the following manner:

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interfund Transactions (Continued)

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

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

I. Inventories

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

J. Prepaid Items

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

**HIGHLANDS COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax

The County's property tax roll is as follows:

Valuation Date January 1, 2020

Property Appraiser prepares the assessment roll with values as of January 1, 2020, submits this preliminary roll for approval by the Department of Revenue and notifies each taxing authority of their respective valuations. July 1, 2020

Each taxing authority holds two required public hearings and adopts a budget and ad valorem tax millage rates for the coming year. September 1, 2020

Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (levy date). November 1, 2020

Tax Collector mails a notice of taxes to each property owner on the assessment roll. Taxes may be paid November 2020 through March 2021 with the following applicable discounts:

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

All unpaid taxes on real and tangible personal property become delinquent. April 1, 2021

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. April and May 2021

Tax certificates are sold on all real estate parcels with unpaid real property taxes (lien date). June 1, 2021

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes. June 1, 2021

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax (Continued)

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

<u>Payment Due</u>	<u>Amount Due</u>	<u>Discount Percent</u>	<u>Discount Due Date</u>
First	25% of estimated tax	6.00	June 30, 2020
Second	25% of estimated tax	4.50	September 30, 2020
Third	25% of estimated tax plus 50% adjustment to actual tax	3.00	December 31, 2020
Fourth	25% of estimated tax plus 50% adjustment to actual tax	0.00	March 31, 2021

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. Property taxes receivable and a corresponding allowance for uncollectible property taxes are not included in the financial statements.

L. Capital Assets

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

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

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

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

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

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Unearned Revenues

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

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

N. Pensions

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

O. Other Postemployment Benefits (OPEB)

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

P. Deferred Outflows/Inflows of Resources

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

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

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

Q. Compensated Absences

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

R. Landfill Closure Costs

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds. Encumbrances are not the equivalent of expenditures; but rather represent a future commitment to purchase goods or services. Although encumbrances lapse at fiscal year-end, it is the County's intention to honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding as of September 30, 2020 totaled \$14,922,836. Encumbrances of the major funds totaled \$14,233,622 and consisted of the following: General Fund, \$518,151; County Transportation Trust \$278,829; Istokpoga Marsh Watershed Improvement District \$84,110; and Local Government Infrastructure Surtax, \$13,352,532. Nonmajor fund encumbrances, in the aggregate, totaled \$689,214.

T. Operating Subsidies and Grants

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

U. Self-Insurance

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

V. Eliminations

Eliminating entries were made between departments in the General Fund.

W. Fund Balance

The classifications of fund balances are described as follows:

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Fund Balance (Continued)

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

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

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

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

X. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted where there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted resources are used first to fund appropriation.

Y. Use of Estimates

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

At September 30, 2020, the bank balances of the County's deposits consisted of the following:

Demand Deposits	\$ 29,047,967
Certificates of Deposit	<u>5,000,000</u>
Total	<u>\$ 34,047,967</u>

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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

Deposits	\$ 32,090,456
Petty Cash and Change Funds	28,323
Investments	56,842,491
Total	<u>\$ 88,961,270</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 52,921,320
Investments	25,520,819
Restricted Cash and Cash Equivalents	7,108,001
Statement of Fiduciary Net Position - Agency Funds:	
Cash and Cash Equivalents	3,411,130
Total	<u>\$ 88,961,270</u>

Investments

The County invested funds throughout the year with local government investment pools. At September 30, 2020, the County's investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>
Measured at Amortized Cost:	
Local Government Surplus Funds Trust Funds PRIME Fund	\$ 15,503,712
Florida Local Government Investment Trust - Day To Day Fund	604,811
Total Measured at Amortized Cost	<u>16,108,523</u>
Measured at NAV:	
Florida Local Government Investment Trust - Short-Term Bond Fund	629,824
Florida Surplus Asset Fund Trust - Stable NAV Fund	2,624,756
Florida Surplus Asset Fund Trust - Variable NAV Fund	3,205,800
Florida Cooperative Liquid Assets Securities System	9,790,703
Florida Public Assets for Liquidity Management Portfolio	7,797,690
Florida Fixed Income Trust	16,685,195
Total Measured at NAV	<u>40,733,968</u>
Total	<u>\$ 56,842,491</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Florida PRIME

Florida PRIME is an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments represented 17.8% of the Florida PRIME's portfolio at September 30, 2020.

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

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

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

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

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Florida Local Government Investment Trust

Florida Local Government Investment Trust (FLGIT) is a public entity investment trust organized under the laws of the State of Florida. At September 30, 2020 the County was invested in the Day to Day Fund and the Short-Term Bond Fund.

FLGIT Day to Day Fund – At September 30, 2020, the average maturity in days was 27.33 days. The investments in the Day to Day Fund meet all of the necessary criteria to elect to measure all of the investments at amortized cost, as a cash equivalent.

FLGIT Short Term-Bond Fund – At September 30, 2020, the average maturity in years was 2 years. The FLGIT reports all share information at net asset value (NAV). The value of the County's position in the FLGIT external investment pool is the same as the value of the pool's shares.

The investment strategy of the FLGIT Short Term Bond Fund is to hold a diversified mix of sectors for income generation. The fund focus is on identifying the most efficient sources of income for the portfolio, as the income component of total return is believed to be the key driver for overall portfolio performance.

Florida Surplus Asset Fund Trust

Florida Surplus Asset Fund Trust (FL SAFE) is a common law trust organized in 2007 under the laws of the State of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five member Board of Trustees. At September 30, 2020, the County was invested in the Stable NAV Fund and the Variable NAV Fund.

FL SAFE Stable NAV Fund - At September 30, 2020, the average maturity is not to exceed 60 days. FL SAFE reports all share information at NAV. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

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

FL SAFE Variable NAV Fund - At September 30, 2020, the weighted average maturity (WAM) was about 1 year. FL SAFE reports all share information at NAV. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Florida Surplus Asset Fund Trust (Continued)

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

Florida Cooperative Liquid Assets Securities System

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted as a stable NAV investment pool. At September 30, 2020, the WAM in days was 51 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

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

Florida Public Assets for Liquidity Management Fund

The Florida Public Assets for Liquidity Management Fund (FL PALM) is a common law trust organized under the laws of the state of Florida. FL PALM is directed by a Board of Trustees and an Advisory Committee. At September 30, 2020, the County was invested in the FL PALM Portfolio.

Investments in FL PALM Portfolio is measured at NAV. As of September 30, 2020, FL PALM Portfolio's WAM in days was 46 days.

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

Florida Fixed income Trust

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

Investments in FL-FIT are measured at NAV. As of September 30, 2020, FL-FIT's WAM in days was 100 days.

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

The fair value of investments in certain pooled funds is based in the investments' fair value measurements. Such fair value measurements are as follows at September 30, 2020:

Pooled Funds:	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
FLGIT Short-Term Bond Fund	\$ 629,824	\$ -	Daily	1-3 Days
FL SAFE Stable NAV Fund	2,624,756	-	Daily	1 Day
FL SAFE Variable NAV Fund	3,205,800	-	Daily	1 Day
FLCLASS	9,790,703	-	Daily	1 Day
FL PALM Portfolio	7,797,690	-	Daily	1 Day
FL-FIT	16,685,195	-	Daily	1 Day

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has no policy on interest rate risk. Investments and related level of risk at September 30, 2020, were as follows:

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has no policy on credit risk. Presented below is the actual rating as of September 30, 2020 for each type of investment:

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

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable for the individual major and nonmajor and internal service funds in the aggregate consisted of the following at September 30, 2020:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Solid Waste	Nonmajor and Other Funds	Total
Emergency Medical Services	\$ 1,715,898	\$ -	\$ -	\$ -	\$ -	\$ 1,715,898
Landfill Charges	-	-	-	196,243	-	196,243
Interest	59,352	1,839	3,830	9,495	27,230	101,746
Miscellaneous	48,648	189	-	-	98,050	146,887
Accounts Receivable, Gross	1,823,898	2,028	3,830	205,738	125,280	2,160,774
Allowance for Doubtful Accounts	(16,162)	-	-	-	-	(16,162)
Accounts Receivable, Net	<u>\$ 1,807,736</u>	<u>\$ 2,028</u>	<u>\$ 3,830</u>	<u>\$ 205,738</u>	<u>\$ 125,280</u>	<u>\$ 2,144,612</u>

Activity in Emergency Medical Services accounts receivable was as follows:

Balance - September 30, 2019	\$ 5,562,519
Billings	7,413,358
Less:	
Cash Receipts	(3,714,463)
Medical/Medicaid Adjustments	(2,543,808)
Sent to Collection	(2,340,013)
Write Off	(2,489,163)
Other Adjustments	(172,532)
Balance - September 30, 2020	<u>\$ 1,715,898</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 48,480,496	\$ 557,998	\$ (663,599)	\$ 48,374,895
Construction in Progress	20,508,142	3,430,883	(9,818,060)	14,120,965
Infrastructure	107,895,752	12,140,128	-	120,035,880
Land Use Rights, Permanent	2,415,419	-	-	2,415,419
Total Capital Assets, Not Being Depreciated/Amortized	179,299,809	16,129,009	(10,481,659)	184,947,159
Capital Assets, Being Depreciated/Amortized:				
Buildings	72,877,620	346,979	(100,532)	73,124,067
Improvements Other Than Buildings	13,361,256	633,292	-	13,994,548
Machinery and Equipment	61,001,682	4,794,164	(2,564,336)	63,231,510
Computer Software	6,344,345	102,130	-	6,446,475
Total Capital Assets Being Depreciated/Amortized	153,584,903	5,876,565	(2,664,868)	156,796,600
Less: Accumulated Depreciation/Amortization for:				
Buildings	(31,128,854)	(2,083,555)	100,532	(33,111,877)
Improvements Other Than Buildings	(6,323,548)	(486,433)	-	(6,809,981)
Machinery and Equipment	(43,009,534)	(4,268,756)	2,314,579	(44,963,711)
Computer Software	(5,328,875)	(304,305)	-	(5,633,180)
Total Accumulated Depreciation/Amortization	(85,790,811)	(7,143,049)	2,415,111	(90,518,749)
Total Capital Assets, Being Depreciated/ Amortized, Net	67,794,092	(1,266,484)	(249,757)	66,277,851
Governmental Activities Capital Assets, Net	<u>\$ 247,093,901</u>	<u>\$ 14,862,525</u>	<u>\$ (10,731,416)</u>	<u>\$ 251,225,010</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 1,833,866	\$ 5,362	\$ -	\$ 1,839,228
Construction in Progress	5,466	-	-	5,466
Total Capital Assets, Not Being Depreciated/Amortized	1,839,332	5,362	-	1,844,694
Capital Assets, Being Depreciated/Amortized:				
Buildings and Systems	696,881	-	-	696,881
Improvements Other Than Buildings	10,379,791	-	-	10,379,791
Machinery and Equipment	8,576,639	914,927	(108,681)	9,382,885
Total Capital Assets Being Depreciated/Amortized	19,653,311	914,927	(108,681)	20,459,557
Less: Accumulated Depreciation/Amortization for:				
Buildings and Systems	(572,477)	(17,323)	-	(589,800)
Improvements Other Than Buildings	(6,873,735)	(327,179)	-	(7,200,914)
Machinery and Equipment	(5,258,545)	(515,289)	108,681	(5,665,153)
Total Accumulated Depreciation/Amortization	(12,704,757)	(859,791)	108,681	(13,455,867)
Total Capital Assets, Being Depreciated/ Amortized, Net	6,948,554	55,136	-	7,003,690
Business-Type Activities Capital Assets, Net	<u>\$ 8,787,886</u>	<u>\$ 60,498</u>	<u>\$ -</u>	<u>\$ 8,848,384</u>

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

Governmental Activities:	
General Government	\$ 1,317,981
Public Safety	3,727,969
Physical Environment	93,410
Transportation	1,289,277
Economic Environment	49,534
Human Services	110,645
Culture and Recreation	458,457
Court Related	95,776
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 7,143,049</u>
Business-Type Activities:	
Solid Waste	\$ 737,860
Energy Recovery	121,931
Total Depreciation/Amortization Expense - Business-Type Activities	<u>\$ 859,791</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 INTERFUND BALANCES

Interfund balances at September 30, 2020 consisted of the following amounts:

Due To/From Other Funds

	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	\$ 126,498	\$ 166,210
County Transportation Trust	-	7,686
Local Government Infrastructure Surtax	-	7,665
Istokpoga Marsh Watershed Improvement District	665	-
Solid Waste Fund	29,109	4,643
Nonmajor Governmental Funds	136,436	106,504
Total	\$ 292,708	\$ 292,708

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

Advances

- In 2018, the General Fund advanced a nonmajor governmental fund money for construction of a building. As of September 30, 2020, the outstanding balance was \$62,305.
- In 2020, the Solid Waste Fund refinanced an advance to a nonmajor governmental fund for wastewater improvements in 2018, and additional costs not covered by the original loan. The outstanding balance as of September 30, 2020 was \$71,000.

NOTE 6 RESTRICTED ASSETS

Restricted assets include customer deposits and amounts required by Florida Administrative Code 62-701.630 to be deposited in escrow for landfill management. Total restricted assets as of September 30, 2020 were as follows:

	Cash and Cash Equivalents
<u>Governmental Funds</u>	
General Fund:	
Customer Deposits	\$ 524,089
<u>Enterprise Funds</u>	
Solid Waste:	
Customer Deposits	\$ 90,373
Landfill Closure	6,493,539
Total Enterprise Funds	\$ 6,583,912

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 LONG-TERM LIABILITIES

The summary of changes in long-term debt for the fiscal year ended September 30, 2020 is as follows:

	Balance September 30, 2019	Additions	Reductions	Balance September 30, 2020	Due Within One Year
Governmental Activities:					
Notes Payable	\$ 25,042,643	\$ -	\$ (2,328,436)	\$ 22,714,207	\$ 3,160,611
Capital Leases	845,909	-	(845,909)	-	-
Compensated Absences	4,868,089	5,370,290	(4,924,268)	5,314,111	531,411
Governmental Activity Long-Term Liabilities	<u>\$ 30,756,641</u>	<u>\$ 5,370,290</u>	<u>\$ (8,098,613)</u>	<u>\$ 28,028,318</u>	<u>\$ 3,692,022</u>
Business-Type Activities:					
Landfill Closure Liability	\$ 7,483,176	\$ 562,049	\$ -	\$ 8,045,225	\$ 90,217
Compensated Absences	77,712	70,248	(74,177)	73,783	7,378
Business-Type Activity Long-Term Liabilities	<u>\$ 7,560,888</u>	<u>\$ 632,297</u>	<u>\$ (74,177)</u>	<u>\$ 8,119,008</u>	<u>\$ 97,595</u>

Compensated Absences

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

The following notes payable and revenue certificates were outstanding at September 30, 2020:

	<u>Remaining Principal Amount</u>
Governmental Activities Notes Payable:	
\$23,600,000 with a fixed interest rate equal to 2.01% dated May 7, 2015 with final payment due November 1, 2025. Interest payments are due on May 1 and November 1. Beginning November 1, 2015, principal payments ranging from \$1,025,000 to \$2,970,000, are due in annual installments until maturity date. Serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax. The proceeds from the note are used for refunding the Series 2010 Infrastructure Sales Surtax Revenue Note and financing the cost of a new Sheriff's administration building, jail roofing project, and Sebring Parkway Phase III.	\$ 16,950,000
\$522,610 with an interest rate equal to 2.169% dated November 1, 2018, with final payment due May 1, 2022. Beginning November 1, 2018 combined principal and interest payments of \$67,939 are due in semi-annual installments until maturity date. The proceeds from the note are used to finance Lifepak equipment purchase.	264,207
\$5,500,000 with a fixed interest rate equal to 2.08% dated September 19, 2019 with final payment due August 1, 2034. Interest payments are due on February 1 and August 1. Beginning August 1, 2021, principal payments ranging from \$345,000 to \$450,000 are due in annual installments until maturity date. Serviced from and secured by the County's Non-Ad Valorem Fire Assessment. The proceeds from the note are used for issuance expenses and the cost of the acquisition, construction and equipping of fire safety equipment, vehicles, a fire station and other infrastructure improvement projects located within the County.	<u>5,500,000</u>
Total Governmental Activities Notes Payable	<u><u>\$ 22,714,207</u></u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

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

The annual debt service requirements to amortize all debts outstanding as of September 30, 2020 are as follows:

Year Ending <u>September 30,</u>	<u>Governmental Activities</u>	
	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 3,160,611	\$ 433,379
2022	3,223,596	368,696
2023	3,150,000	303,507
2024	3,215,000	239,391
2025	3,280,000	173,911
2026-2030	4,945,000	335,713
2031-2034	1,740,000	91,520
Total	<u>\$ 22,714,207</u>	<u>\$ 1,946,117</u>

NOTE 8 GOVERNMENTAL FUND BALANCES

At September 30, 2020, the County's governmental fund balances were classified as follows:

	General	County Transportation Trust	Istokpoga Marsh Watershed Improvement District	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Advances to Other Funds	\$ 62,305	\$ -	\$ -	\$ -	\$ -	\$ 62,305
Prepaid Items	973,703	36,054	-	-	1,707,891	2,717,648
Inventories	309,420	-	-	-	-	309,420
Total Nonspendable	<u>1,345,428</u>	<u>36,054</u>	<u>-</u>	<u>-</u>	<u>1,707,891</u>	<u>3,089,373</u>
Restricted:						
General Government	-	-	-	-	234,436	234,436
Public Safety	-	-	-	-	1,168,514	1,168,514
Fire Districts	-	-	-	-	3,853,345	3,853,345
Inmate Welfare	-	-	-	-	622,693	622,693
Building Department	-	-	-	-	3,204,294	3,204,294
Istokpoga Marsh	-	-	-	-	-	-
Watershed Maintenance	-	-	220,100	-	-	220,100
Physical Environment	-	-	-	-	690	690
Conservation	-	-	-	-	259,884	259,884
Tourist Development	-	-	-	-	1,170,281	1,170,281
Transportation	-	1,557,874	-	-	3,477,493	5,035,367
Housing Programs	-	-	-	-	367,755	367,755
Human Services	-	-	-	-	115,650	115,650
Culture and Recreation	-	-	-	-	305,341	305,341
Court Related	-	-	-	-	206,545	206,545
Court Facilities	-	-	-	-	178,149	178,149
Infrastructure and Land Acquisition	-	-	-	15,473,292	3,381,897	18,855,189
Total Restricted	<u>-</u>	<u>1,557,874</u>	<u>220,100</u>	<u>15,473,292</u>	<u>18,546,967</u>	<u>35,798,233</u>
Assigned:						
Subsequent Year Expenditures	518,151	-	-	-	-	518,151
Transportation	-	1,131,596	-	-	-	1,131,596
Total Assigned	<u>518,151</u>	<u>1,131,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,649,747</u>
Unassigned	<u>17,524,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,409)</u>	<u>17,522,180</u>
Total Fund Balances	<u>\$ 19,388,168</u>	<u>\$ 2,725,524</u>	<u>\$ 220,100</u>	<u>\$ 15,473,292</u>	<u>\$ 20,252,449</u>	<u>\$ 58,059,533</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 PERSONNEL COMMITMENTS

Deferred Compensation Plan

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

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

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

NOTE 10 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 10 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Employees Covered by Benefit Terms

At September 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	30
Active Plan Members	797
Total	827

Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2020 and was determined by an actuarial valuation as of October 1, 2020. The following table shows the County's total OPEB liability for the year ended September 30, 2020.

	<u>Total OPEB Liability</u>
Balances - October 1, 2019	\$ 2,713,801
Changes for the Year:	
Service Cost	140,238
Interest	74,630
Changes in Assumptions	(414,877)
Differences Between Expected and Actual Experience	(1,202,118)
Benefit Payments	131,938
Net Changes	<u>(1,270,189)</u>
Balances - September 30, 2020	<u>\$ 1,443,612</u>

Discount Rate Sensitivity

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

<u>Description</u>	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB Plan Discount Rate	1.41 %	2.41 %	3.41 %
Total OPEB Liability	\$ 1,533,693	\$ 1,443,612	\$ 1,354,604

Healthcare Trend Rate Sensitivity

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

<u>Description</u>	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB Plan Healthcare Cost Rate	3.00 %	4.00 %	5.00 %
Total OPEB Liability	\$ 1,290,448	\$ 1,443,612	\$ 1,626,219

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 10 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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

For the year ended September 30, 2020, the County recognized OPEB expense of \$(31,699). In addition, the County reported deferred outflows and inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,001,765
Changes of assumptions	130,838	375,065
Total	<u>\$ 130,838</u>	<u>\$ 1,376,830</u>

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

<u>Year Ended September 30,</u>	
2021	\$ (246,567)
2022	(246,567)
2023	(246,567)
2024	(236,791)
2025	(269,500)

Actuarial Assumptions

The total OPEB liability in the October 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Healthcare Cost Trend Rates	4.00%

The actuarial cost method used was the Entry Age Normal method calculated on an individual basis with level percentage of pay.

Mortality rates were based on the Fully Generational MP2019 Mortality Improvement Scale.

The discount rate used to measure the total OPEB liability was 2.41%, based on yield for 20-year general obligation bond index.

The following changes have been made since the prior valuation:

- The trend table was updated to the latest model released by the Society of Actuaries and has been adjusted to include the effects of the Cadillac Tax.
- The discount rate was changed from 2.75% to 2.41%
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation based on the 2019 FRS Experience Study.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 11 LANDFILL CLOSURE AND POST-CLOSURE CARE COST

Highlands County has four landfill sites which are comprised of a total of ten cells, five of which are currently in operation. State and Federal laws and regulations require the County to place a final cover on the five cells currently in use when they are closed and to perform maintenance and monitoring functions for all landfill sites for thirty years after closure. Landfill operations and landfill closure and post-closure care costs are accounted for in the Solid Waste Enterprise Fund. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports as a liability a portion of closure and post-closure care costs based on landfill capacity used as of the balance sheet date. The landfill closure and post-closure care liability of \$8,045,225 at September 30, 2020, represents the cumulative amount reported to date based on an average use of 53% of the total estimated capacity. The portion of the liability related to 2020 usage is an increase of \$562,048. It is estimated that an additional liability totaling \$7,095,368 for Arbuckle Creek Cells 1A, 1B, 3, C&D and Agricultural Plastic will be recognized between the balance sheet date and the dates these cells will be filled to capacity in the years 2024, 2024, 2024, 2031 and 2099, respectively. Actual costs may differ due to inflation, changes in technology or changes in landfill laws and regulations.

The County is required by State and Federal laws and regulations to make annual contributions to a landfill management escrow account to finance closure and post-closure care financial assurance requirements. The County is in compliance with these requirements at September 30, 2020, with cash and investments of \$10,170,215 held for these purposes. The County expects that future inflation costs will be paid from future contributions and interest earnings on these contributions. In the event closure escrows and interest earnings prove inadequate due to higher than expected inflation, changes in technology or changes in laws or regulations, these costs may need to be financed by future landfill users or future tax revenue.

NOTE 12 MISCELLANEOUS REVENUE

Miscellaneous revenue included in the Governmental Funds for the fiscal year ended September 30, 2020, consists of the following:

	General	County Transportation Trust	Government Infrastructure Surtax	Other Governmental Funds
Interfund Services Rendered	\$ 1,249,799	\$ 1,379,685	\$ -	\$ -
Commissions on Inmate Phone Calls and Commis- sary Sales Profits	-	-	-	101,552
Other	693,567	140,056	170	322,265
Total	<u>\$ 1,943,366</u>	<u>\$ 1,519,741</u>	<u>\$ 170</u>	<u>\$ 423,817</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 13 MAJOR CUSTOMERS

A significant amount of the Solid Waste Fund revenue for 2020 is derived from one major customer as follows:

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

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

NOTE 14 COMMITMENTS AND CONTINGENCIES

The County has entered into various contracts for design, construction, and other services as of September 30, 2020:

	<u>Commitment</u>
Annex Building Roof Replacement	\$ 104,929
Arbuckle Creek Road Turn Lanes at Landfill Access Road	27,127
Asphalt Milling	94,808
Clerk of Courts Technology, Equipment and Software	103,554
CR 623	8,950
CR 721	140,930
EOC Building Remodel	41,575
Fire/EMS Administration Building	532,911
Fire Rescue Station 01 Highlands Lakes	632
Fire Rescue Station 18 DeSoto City	3,435
Fire Rescue Station 33 Highlands Park	8,405
Fire Rescue Station 45 Venus	20,530
Government Center Roof Replacement	134,847
Istokpoga Marsh Watershed Improvement District, Water Quality Improvement	112,356
New Animal Control Operation Building	39,858
Sebring Parkway Phase IIA	6,199,047
Sebring Parkway Phase IIB	5,366,515
Strategic Marketing Plan	33,571
Thunderbird Road Sidewalk	648,782
Total	<u>\$ 13,622,762</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

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

NOTE 15 RISK MANAGEMENT

Insurance Fund

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

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

Employee Benefit Fund

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

From October 1, 2001 through September 30, 2012, the County maintained private insurance for health insurance. Effective October 1, 2012, the County discontinued private insurance and re-established its self-insurance plan for group medical costs. The County maintained its self-insurance plan for health and dental costs for the fiscal year ended September 30, 2020.

Health and dental liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, including an estimate for claims incurred but not reported. This estimate is based on historical experience and current trends and it is computed by an actuarial firm. The claims liability for estimated health and dental claims payable as of September 30, 2020, is \$450,997.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 15 RISK MANAGEMENT (CONTINUED)

Employee Benefit Fund (Continued)

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

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

Fiscal Year	Beginning Balance	Incurred Claims	Payments	Ending Balance
2019	\$ 432,803	\$ 8,231,262	\$ 8,216,296	\$ 447,769
2020	447,769	9,532,765	9,529,537	450,997

NOTE 16 DEFINED BENEFIT PENSION PLANS

Background

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

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

The County's pension expense totaled \$19,941,722 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2020.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2019, were applied to employee salaries as follows: regular employees 8.47%, special risk 25.48%, county elected officials 48.82%, senior management 25.41%, and DROP participants 14.60%. The County's contributions to the FRS Plan were \$6,583,862 for the year ended September 30, 2020.

Pension Costs

At September 30, 2020, the County reported a liability of \$85,456,581 for its proportionate share of the FRS 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, 2020. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2020, the County's proportion was 0.197170451%, which was an increase of 0.005801114% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$18,534,328 for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,270,597	\$ -
Changes of Assumptions	15,470,360	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,088,167	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions County Contributions Subsequent to the Measurement Date	3,140,022	(783,331)
Total	<u>\$ 28,668,451</u>	<u>\$ (783,331)</u>

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$1,699,305 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2021	\$ 5,593,208
2022	8,216,597
2023	6,912,697
2024	4,285,247
2025	1,178,066

Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.80%

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	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%
Totals	100.0%			
Assumed Inflation - Mean			2.4%	1.7%

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.80%	6.80%	7.80%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 136,459,795	\$ 85,456,581	\$ 42,858,471

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County's contributions to the HIS Plan were \$740,270 for the year ended September 30, 2020.

Pension Costs

At September 30, 2020, the County reported a liability of \$15,695,030 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, 2020. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all participating employers. At June 30, 2020, the County's proportion was 0.128544136%, which was an increase of 0.002665014% from its proportion measured as of June 30, 2019.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

For the year ended September 30, 2020, the County recognized pension expense of \$1,407,394 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 642,022	\$ (12,108)
Changes in Actuarial Assumptions	1,687,663	(912,605)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,531	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	918,763	(213,836)
County Contributions Subsequent to the Measurement Date	185,369	-
Total	<u>\$ 3,446,348</u>	<u>\$ (1,138,549)</u>

\$185,369 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2021	\$ 520,541
2022	445,759
2023	241,559
2024	289,786
2025	347,241
Thereafter	277,544

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
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, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Discount Rate

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

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	1.21%	2.21%	3.21%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 18,142,754	\$ 15,695,030	\$ 13,691,575

Pension Plan Fiduciary Net Position

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

Summary

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

Description	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 85,456,581	\$ 15,695,030	\$ 101,151,611
Deferred Outflows of Resources Related to Pensions	28,668,451	3,446,348	32,114,799
Deferred Inflows of Resources Related to Pensions	783,331	1,138,549	1,921,880
Pension Expense	18,534,328	1,407,394	19,941,722

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 17 DEFINED CONTRIBUTION PLAN

FRS Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan pension expense totaled \$1,211,576 for the year ended September 30, 2020. Employee contributions to the Investment Plan totaled \$226,662 for the year ended September 30, 2020.

**HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 18 FUND BALANCE DEFICIT

Special Revenue Funds

Oak Manor Avenue Road Paving Fund – The fund balance deficit of \$1,042 is a result of initial costs related to the road paving project. No assessments were collected until fiscal year 2021.

NOTE 19 INTERFUND TRANSFERS

Transfers for the year ended September 30, 2020 consisted of the following:

Transfers to the General Fund from:

Nonmajor Governmental Funds	\$ 106,713
Solid Waste Fund	96,023
Energy Recovery Fund	<u>198,775</u>
Total	<u>401,511</u>

Transfers to the Local Government Infrastructure Surtax Fund from:

County Transportation Trust	1,500,000
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Transfers to Nonmajor Governmental Funds from:

General Fund	1,076,345
County Transportation Trust	71,578
Local Government Infrastructure Surtax Fund	<u>81,474</u>
Total	<u>1,229,397</u>

Total Interfund Transfers	<u><u>\$ 3,130,908</u></u>
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Transfers are used to: 1) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them; 2) provide matching funds for grants, and 3) use unrestricted General Fund and other fund revenues to finance transportation or other activities which must be accounted for in another fund.

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 20 TAX ABATEMENTS

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

To date, the Board has granted one exemption since the commencement of the program. On June 5, 2012, the Board granted Howard Fertilizer & Chemical Co., Inc., an ad valorem tax exemption of 72.64% for 10 years. No other commitments were made by government entities as part of the agreement. The gross dollar amount of tax abated during the 2019-2020 fiscal year for Howard Fertilizer & Chemical Co., equates to \$12,539.

**HIGHLANDS COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS
YEAR ENDED SEPTEMBER 30, 2020**

**Condition Rating of Highlands County
Roadway System**

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

	FY 2018	FY 2019	FY 2020
Road System	61.17	52.86	52.69

Comparison of Estimated to Actual Maintenance/Preservation

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Budgeted	\$ 2,895,859	\$ 3,007,781	\$ 3,513,970	\$ 5,758,461	\$ 5,686,498
Actual	2,604,701	2,572,640	977,259	1,381,079	5,504,681

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

**Condition Rating of Highlands County
Bridge System**

Overall Average Sufficiency Rating

	FY 2018	FY 2019	FY 2020
Bridge System	75.20	77.96	78.05

Comparison of Estimated to Actual Maintenance/Preservation

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Budgeted	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Actual	24,525	23,841	40,275	22,272	35,808

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

**HIGHLANDS COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 140,238	\$ 113,559	\$ 115,422
Interest	74,630	91,062	82,736
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(1,202,118)	-	-
Changes of Assumptions	(414,877)	196,258	(58,668)
Benefit Payments	131,938	(129,355)	(122,205)
Net Change in Total OPEB Liability	(1,270,189)	271,524	17,285
Total OPEB Liability - Beginning	2,713,801	2,442,277	2,424,992
Total OPEB Liability - Ending	<u>\$ 1,443,612</u>	<u>\$ 2,713,801</u>	<u>\$ 2,442,277</u>
Covered Employee Payroll	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348
Total OPEB Liability as a percentage of the Covered Employee Payroll	3.22%	6.28%	6.11%

Notes to Schedule:

The OPEB plan is not administered through a trust.

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

For the measurement date September 30, 2020, the amount reported as changes in assumptions resulted from the following:

- The trend table was updated to the latest model released by the Society of Actuaries and has been adjusted to include the effects of the Cadillac Tax.
- The discount rate was changed from 2.75% to 2.41%
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation based on the 2019 FRS Experience Study.

For the measurement date September 30, 2019, the amount reported as changes in assumptions resulted from the following:

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

For the measurement date September 30, 2018, the amount reported as changes in assumptions resulted from the following:

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

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

**HIGHLANDS COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN MEASUREMENT PERIODS**

	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.197170451%	0.191369337%	0.185889216%	0.188036873%	0.183000953%	0.173515439%
County's Proportionate Share of the Net Pension Liability	\$ 85,456,581	\$ 65,904,936	\$ 55,990,794	\$ 55,620,044	\$ 46,207,883	\$ 22,411,845
County's Covered Payroll	\$ 44,798,121	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	190.76%	155.86%	140.36%	142.48%	127.51%	62.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

**HIGHLANDS COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 6,583,862	\$ 6,157,860	\$ 5,451,120	\$ 4,824,979	\$ 4,743,244	\$ 4,232,805
Contributions in Relation to the Contractually Required Contribution	<u>(6,583,862)</u>	<u>(6,157,860)</u>	<u>(5,451,120)</u>	<u>(4,824,979)</u>	<u>(4,743,244)</u>	<u>(4,232,805)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	14.70%	14.25%	13.63%	12.37%	12.71%	11.95%

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

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

**HIGHLANDS COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN MEASUREMENT PERIODS**

	<u>2020</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's Proportion of the Net Pension Liability	0.128544136%	0.125879122%	0.121886584%	0.122329734%	0.117095796%	0.117233715%
County's Proportionate Share of the Net Pension Liability	\$ 15,695,030	\$ 14,084,614	\$ 12,900,612	\$ 13,080,059	\$ 13,647,029	\$ 11,955,994
County's Covered Payroll	\$ 44,798,121	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	35.04%	33.31%	32.34%	33.51%	37.66%	33.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

**HIGHLANDS COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 740,270	\$ 715,780	\$ 660,671	\$ 646,964	\$ 622,318	\$ 481,791
Contributions in Relation to the Contractually Required Contribution	<u>(740,270)</u>	<u>(715,780)</u>	<u>(660,671)</u>	<u>(646,964)</u>	<u>(622,318)</u>	<u>(481,791)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	1.65%	1.66%	1.65%	1.66%	1.67%	1.36%

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

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Taxes	\$ 42,307,643	\$ 42,307,643	\$ 42,469,378	\$ 161,735
Licenses and Permits	1,500	1,500	885	(615)
Intergovernmental	15,115,760	19,443,070	19,225,262	(217,808)
Charges for Services	8,838,343	9,138,256	8,725,998	(412,258)
Fines and Forfeitures	54,000	54,000	52,000	(2,000)
Net Change in Fair Value of Investments	157,000	164,185	324,498	160,313
Miscellaneous	1,892,902	2,027,590	1,943,366	(84,224)
Total Revenues	68,367,148	73,136,244	72,741,387	(394,857)
EXPENDITURES				
Current:				
General Government:				
Board of County Commissioners	472,352	472,352	433,682	38,670
County Administrator	615,428	615,428	574,467	40,961
Business Services	204,624	204,624	180,332	24,292
Clerk to Board-Financial and Administration	3,124,174	3,304,176	3,208,627	95,549
County Audits-CPA	191,300	191,300	191,300	-
Office of Management and Budget	332,692	339,926	263,866	76,060
Human Resources	293,562	297,149	204,760	92,389
Risk Management	93,403	95,705	91,803	3,902
Non-Ad Valorem Assessments	110,468	110,468	97,489	12,979
Public Information	97,581	98,424	81,953	16,471
Central Services	1,420,810	1,377,975	1,314,446	63,529
Property Appraiser	3,313,354	3,293,872	3,277,324	16,548
Tax Collector	3,419,238	3,419,238	2,798,515	620,723
Supervisor of Elections	1,234,583	1,425,995	1,248,084	177,911
Purchasing	268,284	294,784	262,468	32,316
County Attorney	384,778	448,359	381,514	66,845
County Planning and Development	830,773	474,901	404,947	69,954
Development Services	149,383	149,383	113,610	35,773
Clerk to Board - Other General Government Services	689,263	745,846	714,759	31,087
Facilities Management	1,427,891	1,436,688	1,294,889	141,799
Total General Government	18,673,941	18,796,593	17,138,835	1,657,758
Public Safety:				
Sheriff	18,500,286	22,063,091	21,707,437	355,654
Division of Forestry	35,180	35,180	35,180	-
County Jail Maintenance	729,022	-	-	-
Detention and Correction	9,718,938	11,819,259	11,311,977	507,282
Detention Medical	998,960	-	-	-
Detention and Corrections Other	130,000	120,000	68,734	51,266
Law Enforcement Maintenance	284,382	-	-	-
Law Enforcement Other	2,864,269	-	-	-
Zoning Department	637,779	644,232	553,575	90,657
Local Emergency Management Agency	518,618	627,269	335,141	292,128
Communications Program	108,475	108,475	86,527	21,948
Information Technology	95,000	95,000	85,975	9,025
Community Safety	85,894	85,894	82,398	3,496
Ambulance Services	6,781,913	6,911,352	6,709,046	202,306

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

EXPENDITURES (CONTINUED)	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current (Continued):				
Public Safety (Continued):				
Medical Examiner	\$ 403,423	\$ 403,423	\$ 403,323	\$ 100
Children's Advocacy Center	330,477	402,737	289,783	112,954
Total Public Safety	42,222,616	43,315,912	41,669,096	1,646,816
Physical Environment:				
County Extension	274,062	275,622	251,074	24,548
Natural Resources	711,745	461,397	251,829	209,568
Aquatic Plant Program	554,986	555,572	487,219	68,353
Nuisance Abatement	38,600	83,207	63,535	19,672
Total Physical Environment	1,579,393	1,375,798	1,053,657	322,141
Transportation:				
Avon Park Airport	20,579	20,579	20,579	-
Avon Park Southside	51,575	51,575	51,575	-
Total Transportation	72,154	72,154	72,154	-
Economic Environment:				
Office of Economic Development	324,044	333,213	252,713	80,500
Community Redevelopment - Sebring	478,200	478,200	478,200	-
Community Redevelopment - Avon Park	176,547	176,547	176,547	-
Community Redevelopment - Lake Placid	25,717	25,717	25,717	-
Sebring Regional Airport/Industrial Park	392,301	392,301	392,301	-
Veteran Service Office	220,685	220,685	182,587	38,098
Total Economic Environment	1,617,494	1,626,663	1,508,065	118,598
Human Services:				
Health Care Responsibility Act	125,000	114,650	33,303	81,347
Health Unit	251,505	251,505	251,474	31
Animal Control	-	1,485	1,485	-
Mental Health	511,704	511,704	511,704	-
Public Assistance Programs	65,738	72,792	64,110	8,682
State County Assistance Program	1,752,443	1,752,443	1,738,779	13,664
Human Services - Project Hope	42,045	42,045	42,045	-
Children's Services Council	30,000	35,000	33,305	1,695
Transportation for Disadvantaged	193,533	193,533	191,435	2,098
Community Program Services	42,111	54,549	53,370	1,179
Community Programs	106,610	106,610	94,601	12,009
Healthy Families Grant	433,252	442,494	347,074	95,420
Emergency/Disaster Relief	-	4,555,003	3,701,184	853,819
Total Human Services	3,553,941	8,133,813	7,063,869	1,069,944
Culture and Recreation:				
Library - Avon Park	189,671	190,000	143,081	46,919
Library - Sebring	439,316	446,384	418,273	28,111
Library - Lake Placid	203,773	207,754	203,679	4,075
Libraries - Countywide	138,637	138,637	133,825	4,812
Recreation Department	330,000	330,000	330,000	-

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Culture and Recreation (Continued):				
Parks Department	\$ 982,931	\$ 982,931	\$ 919,498	\$ 63,433
Sports Complex	170,221	170,221	155,046	15,175
Historic District Site Survey	2,230	2,230	785	1,445
Heartland Library Cooperative	85,017	87,207	87,207	-
Total Culture and Recreation	<u>2,541,796</u>	<u>2,555,364</u>	<u>2,391,394</u>	<u>163,970</u>
Court Related:				
Court General Administration:				
Circuit Court Administration	15,179	16,193	15,048	1,145
County Court Administration	-	100	2	98
State Attorney	16,946	17,363	17,363	-
Public Defender	6,011	6,011	5,371	640
Law Library	130,182	121,708	121,708	-
Circuit Court Criminal:				
Pre-Trial Release	125,824	132,991	132,991	-
Circuit Court Family:				
Pro Se Services	89,919	108,997	108,997	-
Circuit Court Juvenile:				
Circuit Court Juvenile Guardian Ad Litem	2,208	2,333	2,333	-
Court General Operations:				
General Operations Courthouse Security	1,147,970	1,236,218	1,207,944	28,274
General Operations Courthouse Facilities	168,170	188,568	188,487	81
Total Court Related	<u>1,702,409</u>	<u>1,830,482</u>	<u>1,800,244</u>	<u>30,238</u>
Total Expenditures	<u>71,963,744</u>	<u>77,706,779</u>	<u>72,697,314</u>	<u>5,009,465</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(3,596,596)	(4,570,535)	44,073	4,614,608
OTHER FINANCING SOURCES (USES)				
Transfers In	133,871	390,316	401,511	11,195
Transfers Out	(1,328,546)	(1,537,350)	(1,076,345)	461,005
Insurance Recoveries	-	4,914	12,985	8,071
Sale of Surplus Properties	200,000	200,000	826,358	626,358
Total Other Financing Sources (Uses)	<u>(994,675)</u>	<u>(942,120)</u>	<u>164,509</u>	<u>1,106,629</u>
NET CHANGE IN FUND BALANCE	(4,591,271)	(5,512,655)	208,582	5,721,237
Fund Balances - October 1, 2019	<u>4,591,271</u>	<u>5,512,655</u>	<u>19,179,586</u>	<u>13,666,931</u>
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 19,388,168	\$ 19,388,168

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

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

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

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS COUNTY INFRASTRUCTURE SALES SURTAX REFUNDING
REVENUE NOTE (HCISSR CONSTRUCTION) FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ 880	\$ 880	\$ -
EXPENDITURES				
Current:				
Transportation:				
Sebring Parkway II Series 2002	-	208,208	208,208	-
Total Expenditures	-	208,208	208,208	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(207,328)	(207,328)	-
Fund Balances - October 1, 2019	-	207,328	207,328	-
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

Homeowner's Foreclosure Education Fund - To account for funds for the purpose of educating the public as to the rights of homeowners regarding foreclosure proceedings.

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

CAPITAL PROJECTS FUND

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

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

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue Funds								
	Lake Placid Sun-N-Lake Estates Fire District	DeSoto City Special Benefit Fire District	Orange Villa Special Benefit District	Hickory Hills Special Benefit District	Placid Lakes Special Benefit District	Sebring Country Estates Special Benefit District	Avon Park Estates Special Benefit District	Highlands Lakes Special Tax District	Highlands Park Special Benefit Fire District
ASSETS									
Cash and Cash Equivalents	\$ 4,448	\$ 36,983	\$ 257	\$ 22,112	\$ 384,840	\$ 51,049	\$ 597,964	\$ 143,526	\$ 65,974
Investments	-	-	-	-	125,631	-	633,895	-	-
Accounts Receivable - Net	7	62	1	37	343	91	338	241	111
Due from Other Funds	-	-	6	11	774	94	402	-	-
Due from Other Governmental Units	505	-	-	-	306	12	175	80	46
Prepaid Items	424,389	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 429,349</u>	<u>\$ 37,045</u>	<u>\$ 264</u>	<u>\$ 22,160</u>	<u>\$ 511,894</u>	<u>\$ 51,246</u>	<u>\$ 1,232,774</u>	<u>\$ 143,847</u>	<u>\$ 66,131</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ -	\$ -	\$ 133	\$ 110	\$ 10,900	\$ -	\$ 645	\$ -	\$ -
Accrued Wages Payable	-	-	-	-	-	-	-	-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	1,300	-	-	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	133	110	12,200	-	645	-	-
Deferred Inflows of Resources:									
Unavailable Revenue:									
Charges for Services	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable	424,389	-	-	-	-	-	-	-	-
Restricted	4,960	37,045	131	22,050	499,694	51,246	1,232,129	143,847	66,131
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>429,349</u>	<u>37,045</u>	<u>131</u>	<u>22,050</u>	<u>499,694</u>	<u>51,246</u>	<u>1,232,129</u>	<u>143,847</u>	<u>66,131</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 429,349</u>	<u>\$ 37,045</u>	<u>\$ 264</u>	<u>\$ 22,160</u>	<u>\$ 511,894</u>	<u>\$ 51,246</u>	<u>\$ 1,232,774</u>	<u>\$ 143,847</u>	<u>\$ 66,131</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Special Revenue Funds									
	Highlands Park Estates Improve- ment Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improve- ment District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conservation Trust	Intergov- ernmental Radio Communi- cations
ASSETS										
Cash and Cash Equivalents	\$ 60,358	\$ 106,476	\$ 48,279	\$ 102,527	\$ -	\$ 115,630	\$ 22,940	\$ 28,618	\$ 259,584	\$ -
Investments	-	38,469	-	40,354	-	-	-	40,354	-	-
Accounts Receivable - Net	102	52	93	88	-	20	40	72	300	-
Due from Other Funds	-	-	120	28	85,859	-	-	277	-	-
Due from Other Governmental Units	-	227	-	-	134,597	-	-	670	-	4,130
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 60,460	\$ 145,224	\$ 48,492	\$ 142,997	\$ 220,456	\$ 115,650	\$ 22,980	\$ 69,991	\$ 259,884	\$ 4,130
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ -	\$ -	\$ 3,070	\$ -	\$ -	\$ -	\$ 23	\$ 2,961	\$ -	\$ -
Accrued Wages Payable	-	-	-	-	-	-	-	-	-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	100	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	43,074	-	-	-	-	4,130
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	3,070	-	43,074	-	23	3,061	-	4,130
Deferred Inflows of Resources:										
Unavailable Revenue:										
Charges for Services	-	-	-	-	67,600	-	-	-	-	-
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	60,460	145,224	45,422	142,997	109,782	115,650	22,957	66,930	259,884	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	60,460	145,224	45,422	142,997	109,782	115,650	22,957	66,930	259,884	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 60,460	\$ 145,224	\$ 48,492	\$ 142,997	\$ 220,456	\$ 115,650	\$ 22,980	\$ 69,991	\$ 259,884	\$ 4,130

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Special Revenue Funds									
	Sebring Acres Special Benefit District	Orange Blossom (Unit 12) Special Benefit District	Lake Haven Estates Special Benefit District	Lorida Special Benefit Fire District	Lake Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforcement	Florida Boating Improvement	Special Law Enforcement Trust	Highway Park Special Benefit District
ASSETS										
Cash and Cash Equivalents	\$ 182,585	\$ 8,274	\$ 31,520	\$ 30,933	\$ 412,579	\$ 135,766	\$ 1,502,856	\$ 89,175	\$ 162,126	\$ 34,972
Investments	-	-	-	-	-	117,644	1,737,922	141,460	67,201	-
Accounts Receivable - Net	223	14	57	55	693	226	1,444	54	143	60
Due from Other Funds	47	-	47	-	-	-	-	-	-	32
Due from Other Governmental Units	1	-	-	8	-	1,815	-	2,705	-	22
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 182,856</u>	<u>\$ 8,288</u>	<u>\$ 31,624</u>	<u>\$ 30,996</u>	<u>\$ 413,272</u>	<u>\$ 255,451</u>	<u>\$ 3,242,222</u>	<u>\$ 233,394</u>	<u>\$ 229,470</u>	<u>\$ 35,086</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ 1,376	\$ -	\$ 754	\$ -	\$ -	\$ -	\$ 2,842	\$ 1,407	\$ -	\$ 513
Accrued Wages Payable	-	-	-	-	-	-	25,443	-	-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	-	-	9,643	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>1,376</u>	<u>-</u>	<u>754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,928</u>	<u>1,407</u>	<u>-</u>	<u>513</u>
Deferred Inflows of Resources:										
Unavailable Revenue:										
Charges for Services	-	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	181,480	8,288	30,870	30,996	413,272	255,451	3,204,294	231,987	229,470	34,573
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>181,480</u>	<u>8,288</u>	<u>30,870</u>	<u>30,996</u>	<u>413,272</u>	<u>255,451</u>	<u>3,204,294</u>	<u>231,987</u>	<u>229,470</u>	<u>34,573</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 182,856</u>	<u>\$ 8,288</u>	<u>\$ 31,624</u>	<u>\$ 30,996</u>	<u>\$ 413,272</u>	<u>\$ 255,451</u>	<u>\$ 3,242,222</u>	<u>\$ 233,394</u>	<u>\$ 229,470</u>	<u>\$ 35,086</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Special Revenue Funds									
	Community Development Block Grant	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection And Safety
ASSETS										
Cash and Cash Equivalents	\$ -	\$ 386,508	\$ 58,770	\$ 93,166	\$ 645,438	\$ 32,857	\$ 595,136	\$ 1,016	\$ 52,593	\$ 162,696
Investments	-	242,247	-	-	50,443	-	564,774	-	50,443	-
Accounts Receivable - Net	-	833	98	180	664	52	880	1	87	275
Due from Other Funds	-	-	-	338	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	393	518	2,089	102,604	-	581	-
Prepaid Items	-	-	-	-	-	-	7,935	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 629,588</u>	<u>\$ 58,868</u>	<u>\$ 94,077</u>	<u>\$ 697,063</u>	<u>\$ 34,998</u>	<u>\$ 1,271,329</u>	<u>\$ 1,017</u>	<u>\$ 103,704</u>	<u>\$ 162,971</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ -	\$ 76,256	\$ -	\$ 765	\$ -	\$ -	\$ 91,846	\$ -	\$ -	\$ 81
Accrued Wages Payable	-	2,399	-	-	-	-	1,939	-	-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	1,050	-	-	-	-	-	-
Due to Other Governmental Units	-	902	-	-	-	-	96	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	62,305	-	-	-	-	-	-
Unearned Revenue	-	182,921	-	-	-	-	-	-	-	-
Total Liabilities	-	262,478	-	64,120	-	-	93,881	-	-	81
Deferred Inflows of Resources:										
Unavailable Revenue:										
Charges for Services	-	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable	-	-	-	-	-	-	7,935	-	-	-
Restricted	-	367,110	58,868	29,957	697,063	34,998	1,169,513	1,017	103,704	162,890
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	367,110	58,868	29,957	697,063	34,998	1,177,448	1,017	103,704	162,890
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 629,588</u>	<u>\$ 58,868</u>	<u>\$ 94,077</u>	<u>\$ 697,063</u>	<u>\$ 34,998</u>	<u>\$ 1,271,329</u>	<u>\$ 1,017</u>	<u>\$ 103,704</u>	<u>\$ 162,971</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Special Revenue Funds								
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District
ASSETS									
Cash and Cash Equivalents	\$ 50,128	\$ 862,475	\$ 26,743	\$ 20,888	\$ 79,106	\$ 100,443	\$ 253,663	\$ 639	\$ 239
Investments	50,443	163,766	175,757	-	67,201	-	-	-	-
Accounts Receivable - Net	83	979	52	91	128	88	127	16	1
Due from Other Funds	-	-	-	-	24,280	-	-	-	-
Due from Other Governmental Units	1,247	33,897	12,872	6,628	3,090	16,640	51,748	-	52
Prepaid Items	-	-	3,420	-	-	24,831	1,367	-	-
Total Assets	<u>\$ 101,901</u>	<u>\$ 1,061,117</u>	<u>\$ 218,844</u>	<u>\$ 27,607</u>	<u>\$ 173,805</u>	<u>\$ 142,002</u>	<u>\$ 306,905</u>	<u>\$ 655</u>	<u>\$ 292</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ 8,920	\$ 4,643	\$ 3,212	\$ 4,274	\$ -	\$ 26,102	\$ 883	\$ -	\$ -
Accrued Wages Payable	-	-	2,854	-	-	6,589	7,342	-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	103	-	-	-	4,639	-	10	-
Due to Other Funds	-	-	31,209	3,345	-	-	16,830	-	-
Due to Others	-	-	-	-	-	-	281,850	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	8,920	4,746	37,275	7,619	-	37,330	306,905	10	-
Deferred Inflows of Resources:									
Unavailable Revenue:									
Charges for Services	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable	-	-	3,420	-	-	24,831	1,367	-	-
Restricted	92,981	1,056,371	178,149	19,988	173,805	79,841	-	645	292
Unassigned	-	-	-	-	-	-	(1,367)	-	-
Total Fund Balances	<u>92,981</u>	<u>1,056,371</u>	<u>181,569</u>	<u>19,988</u>	<u>173,805</u>	<u>104,672</u>	<u>-</u>	<u>645</u>	<u>292</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 101,901</u>	<u>\$ 1,061,117</u>	<u>\$ 218,844</u>	<u>\$ 27,607</u>	<u>\$ 173,805</u>	<u>\$ 142,002</u>	<u>\$ 306,905</u>	<u>\$ 655</u>	<u>\$ 292</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

Special Revenue Funds

	Oak Manor Avenue Road Paving District	Public Records Modernization Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park
ASSETS									
Cash and Cash Equivalents	\$ -	\$ 234,011	\$ 6,211	\$ 105,738	\$ 185,944	\$ 113	\$ 87,720	\$ 589,075	\$ 4,667
Investments	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	-	312	10	221	69	-	-	49,409	8
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	6,236	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 234,323</u>	<u>\$ 6,221</u>	<u>\$ 105,959</u>	<u>\$ 192,249</u>	<u>\$ 113</u>	<u>\$ 87,720</u>	<u>\$ 638,484</u>	<u>\$ 4,675</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ -	\$ -	\$ -	\$ 2,668	\$ 7,401	\$ -	\$ 1,200	\$ 15,359	\$ -
Accrued Wages Payable	-	-	-	2,796	34,854	-	-	432	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	149,994	-	-	-	-
Due to Other Funds	1,042	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	1,042	-	-	5,464	192,249	-	1,200	15,791	-
Deferred Inflows of Resources:									
Unavailable Revenue:									
Charges for Services	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	234,323	6,221	100,495	-	113	86,520	622,693	4,675
Unassigned	(1,042)	-	-	-	-	-	-	-	-
Total Fund Balances	<u>(1,042)</u>	<u>234,323</u>	<u>6,221</u>	<u>100,495</u>	<u>-</u>	<u>113</u>	<u>86,520</u>	<u>622,693</u>	<u>4,675</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 234,323</u>	<u>\$ 6,221</u>	<u>\$ 105,959</u>	<u>\$ 192,249</u>	<u>\$ 113</u>	<u>\$ 87,720</u>	<u>\$ 638,484</u>	<u>\$ 4,675</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Special Revenue Funds							Capital Projects Fund	Total All Nonmajor Governmental Funds
	Impact Fee Correctional Facilities	Impact Fee Fire	Impact Fee Libraries	Impact Fee Law Enforcement	Impact Fee Emergency Medical Services	Thunderbird Hill Waste Water Special Benefit District	Highlands County Fire Protection Special Benefit District	HCPIRN Construction	
ASSETS									
Cash and Cash Equivalents	\$ 4,600	\$ 4,879	\$ 1,746	\$ 1,351	\$ 1,044	\$ 71,297	\$ 1,049,696	\$ 3,517,971	\$ 13,930,918
Investments	-	-	-	-	-	-	1,250,000	50,443	5,608,447
Accounts Receivable - Net	8	8	3	2	2	64	16,189	383	76,290
Due from Other Funds	-	-	-	-	-	80	24,041	-	136,436
Due from Other Governmental Units	-	-	-	-	-	-	10,507	-	394,401
Prepaid Items	-	-	-	-	-	-	8,886	1,237,063	1,707,891
Total Assets	<u>\$ 4,608</u>	<u>\$ 4,887</u>	<u>\$ 1,749</u>	<u>\$ 1,353</u>	<u>\$ 1,046</u>	<u>\$ 71,441</u>	<u>\$ 2,359,319</u>	<u>\$ 4,805,860</u>	<u>\$ 21,854,383</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,768	\$ 131,689	\$ 422,801
Accrued Wages Payable	-	-	-	-	-	-	101,948	-	186,596
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	51,502	51,502
Customer Deposits	-	-	-	-	-	-	-	-	2,450
Due to Other Governmental Units	-	-	-	-	-	-	1,018	-	166,405
Due to Other Funds	-	-	-	-	-	-	3,165	3,709	106,504
Due to Others	-	-	-	-	-	-	-	-	281,850
Advances from Other Funds	-	-	-	-	-	71,000	-	-	133,305
Unearned Revenue	-	-	-	-	-	-	-	-	182,921
Total Liabilities	-	-	-	-	-	71,000	128,899	186,900	1,534,334
Deferred Inflows of Resources:									
Unavailable Revenue:									
Charges for Services	-	-	-	-	-	-	-	-	67,600
Fund Balances:									
Nonspendable	-	-	-	-	-	-	8,886	1,237,063	1,707,891
Restricted	4,608	4,887	1,749	1,353	1,046	441	2,221,534	3,381,897	18,546,967
Unassigned	-	-	-	-	-	-	-	-	(2,409)
Total Fund Balances	<u>4,608</u>	<u>4,887</u>	<u>1,749</u>	<u>1,353</u>	<u>1,046</u>	<u>441</u>	<u>2,230,420</u>	<u>4,618,960</u>	<u>20,252,449</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,608</u>	<u>\$ 4,887</u>	<u>\$ 1,749</u>	<u>\$ 1,353</u>	<u>\$ 1,046</u>	<u>\$ 71,441</u>	<u>\$ 2,359,319</u>	<u>\$ 4,805,860</u>	<u>\$ 21,854,383</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Special Revenue Funds								
	Lake Placid Sun-N-Lake Estates Fire District	DeSoto City Special Benefit Fire District	Orange Villa Special Benefit District	Hickory Hills Special Benefit District	Placid Lakes Special Benefit District	Sebring Country Estates Special Benefit District	Avon Park Estates Special Benefit District	Highlands Lakes Special Tax District	Highlands Park Special Benefit Fire District
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	400	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Assessments	5,609	-	1,282	2,424	169,600	20,605	88,051	2,780	3,047
Net Change in Fair Value of Investments	179	437	7	157	7,147	457	16,330	2,714	777
Miscellaneous	-	-	-	-	230	-	-	-	-
Total Revenues	5,788	437	1,289	2,581	177,377	21,062	104,381	5,494	3,824
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	1,523	568
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	-	-	1,793	1,463	189,828	17,951	144,119	-	-
Economic Environment	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	1,793	1,463	189,828	17,951	144,119	1,523	568
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,788	437	(504)	1,118	(12,451)	3,111	(39,738)	3,971	3,256
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	5,788	437	(504)	1,118	(12,451)	3,111	(39,738)	3,971	3,256
Fund Balances - October 1, 2019	423,561	36,608	635	20,932	512,145	48,135	1,271,867	139,876	62,875
FUND BALANCES - SEPTEMBER 30, 2020	\$ 429,349	\$ 37,045	\$ 131	\$ 22,050	\$ 499,694	\$ 51,246	\$ 1,232,129	\$ 143,847	\$ 66,131

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds									
	Highlands Park Estates Improve- ment Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improve- ment District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conserva- tion Trust	Intergov- ernmental Radio Communi- cations
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	25,799	286,050	-	-	-	-
Charges for Services	-	-	-	-	405,656	-	-	-	40,755	51,402
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	-	3,481	26,396	6,178	-	-	-	60,678	-	-
Net Change in Fair Value of Investments	713	1,496	583	1,428	-	1,514	190	761	3,278	-
Miscellaneous	-	-	-	-	-	-	-	1,625	-	33,233
Total Revenues	713	4,977	26,979	7,606	431,455	287,564	190	63,064	44,033	84,635
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	19,524	-	-	1,010,861	-	-	-	-	384,292
Physical Environment	-	-	-	-	-	-	-	-	4,572	-
Transportation	-	-	24,389	591	-	-	249	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	293,361	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	68,681	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	19,524	24,389	591	1,010,861	293,361	249	68,681	4,572	384,292
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	713	(14,547)	2,590	7,015	(579,406)	(5,797)	(59)	(5,617)	39,461	(299,657)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	579,406	-	-	-	-	299,657
Transfers Out	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	579,406	-	-	-	-	299,657
NET CHANGE IN FUND BALANCE	713	(14,547)	2,590	7,015	-	(5,797)	(59)	(5,617)	39,461	-
Fund Balances - October 1, 2019	59,747	159,771	42,832	135,982	109,782	121,447	23,016	72,547	220,423	-
FUND BALANCES - SEPTEMBER 30, 2020	\$ 60,460	\$ 145,224	\$ 45,422	\$ 142,997	\$ 109,782	\$ 115,650	\$ 22,957	\$ 66,930	\$ 259,884	\$ -

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds									
	Sebring Acres Special Benefit District	Orange Blossom (Unit 12) Special Benefit District	Lake Haven Estates Special Benefit District	Lorida Special Benefit Fire District	Lake Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforce- ment	Florida Boating Improve- ment	Special Law Enforce- ment Trust	Highway Park Special Benefit District
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	966,451	-	-	-
Intergovernmental	-	-	-	-	-	-	-	36,812	8,548	-
Charges for Services	-	-	-	-	-	20,497	135,591	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	10,343	-	10,307	337	156	-	-	-	-	7,027
Net Change in Fair Value of Investments	2,528	98	365	554	8,874	4,169	46,165	2,495	3,217	376
Miscellaneous	-	-	-	-	-	-	3,557	-	-	-
Total Revenues	12,871	98	10,672	891	9,030	24,666	1,151,764	39,307	11,765	7,403
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	29,379	-	-	816,242	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-	-
Transportation	4,736	-	9,928	-	-	-	-	-	-	6,743
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	41,821	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	4,736	-	9,928	29,379	-	-	816,242	41,821	-	6,743
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,135	98	744	(28,488)	9,030	24,666	335,522	(2,514)	11,765	660
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	22,706	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	22,706	-	-	-
NET CHANGE IN FUND BALANCE	8,135	98	744	(28,488)	9,030	24,666	358,228	(2,514)	11,765	660
Fund Balances - October 1, 2019	173,345	8,190	30,126	59,484	404,242	230,785	2,846,066	234,501	217,705	33,913
FUND BALANCES - SEPTEMBER 30, 2020	\$ 181,480	\$ 8,288	\$ 30,870	\$ 30,996	\$ 413,272	\$ 255,451	\$ 3,204,294	\$ 231,987	\$ 229,470	\$ 34,573

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds									
	Community Development Block Grant	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection and Safety
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 859,835	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	850
Intergovernmental	-	476,108	-	-	-	-	-	-	-	-
Charges for Services	-	191,915	-	300	-	24,263	-	-	8,003	17,110
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	-	-	-	74,199	3,409	-	-	-	-	-
Net Change in Fair Value of Investments	-	8,056	694	2,409	10,946	311	17,405	12	1,060	2,527
Miscellaneous	-	-	-	156	-	-	-	-	-	-
Total Revenues	-	676,079	694	77,064	14,355	24,574	877,240	12	9,063	20,487
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	163,989	-	-	-	-	6,929
Physical Environment	-	-	-	-	-	-	249	-	-	-
Transportation	-	-	-	46,809	-	-	-	-	-	-
Economic Environment	164	804,174	-	-	-	-	677,414	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest and Fiscal Charges	-	-	-	3,217	-	-	-	-	-	-
Total Expenditures	164	804,174	-	50,026	163,989	-	677,663	-	-	6,929
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(164)	(128,095)	694	27,038	(149,634)	24,574	199,577	12	9,063	13,558
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(164)	(128,095)	694	27,038	(149,634)	24,574	199,577	12	9,063	13,558
Fund Balances - October 1, 2019	164	495,205	58,174	2,919	846,697	10,424	977,871	1,005	94,641	149,332
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ 367,110	\$ 58,868	\$ 29,957	\$ 697,063	\$ 34,998	\$ 1,177,448	\$ 1,017	\$ 103,704	\$ 162,890

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds								
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	52,444	-	-	-	20,000	313,222	-	-
Charges for Services	-	-	148,408	79,433	35,923	177,398	-	33,946	-
Fines and Forfeitures	-	-	-	-	329	-	-	-	-
Assessments	1,399	-	-	-	-	-	-	-	1,020
Net Change in Fair Value of Investments	1,028	16,168	4,496	505	2,355	494	3,020	82	29
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	2,427	68,612	152,904	79,938	38,607	197,892	316,242	34,028	1,049
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	11,394	-	-	-	20,734	-	-	-	354,933
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	-	159,606	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	101,334	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	210,968	89,810	-	364,355	299,412	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	11,394	159,606	210,968	89,810	20,734	364,355	299,412	101,334	354,933
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,967)	(90,994)	(58,064)	(9,872)	17,873	(166,463)	16,830	(67,306)	(353,884)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	153,051	-	30,820	-	166,463	-	-	-
Transfers Out	-	-	(15,291)	(19,867)	-	-	(16,830)	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	153,051	(15,291)	10,953	-	166,463	(16,830)	-	-
NET CHANGE IN FUND BALANCE	(8,967)	62,057	(73,355)	1,081	17,873	-	-	(67,306)	(353,884)
Fund Balances - October 1, 2019	101,948	994,314	254,924	18,907	155,932	104,672	-	67,951	354,176
FUND BALANCES - SEPTEMBER 30, 2020	\$ 92,981	\$ 1,056,371	\$ 181,569	\$ 19,988	\$ 173,805	\$ 104,672	\$ -	\$ 645	\$ 292

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds								
	Oak Manor Avenue Road Paving	Public Records Modernization Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	241,800	-	-	-	-
Charges for Services	-	58,342	17,786	167,178	908,470	84	-	-	-
Fines and Forfeitures	-	-	-	-	565,047	-	-	-	-
Assessments	-	-	-	-	-	-	-	-	-
Net Change in Fair Value of Investments	-	3,488	30	1,035	4,608	1	-	-	55
Miscellaneous	-	2,775	-	7,000	1,008	-	32,887	341,346	-
Total Revenues	-	64,605	17,816	175,213	1,720,933	85	32,887	341,346	55
EXPENDITURES									
Current:									
General Government	-	36,175	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	12,833	225,618	-
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	627	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	12,863	176,014	1,720,933	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	627	36,175	12,863	176,014	1,720,933	-	12,833	225,618	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(627)	28,430	4,953	(801)	-	85	20,054	115,728	55
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(627)	28,430	4,953	(801)	-	85	20,054	115,728	55
Fund Balances - October 1, 2019	(415)	205,893	1,268	101,296	-	28	66,466	506,965	4,620
FUND BALANCES - SEPTEMBER 30, 2020	\$ (1,042)	\$ 234,323	\$ 6,221	\$ 100,495	\$ -	\$ 113	\$ 86,520	\$ 622,693	\$ 4,675

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds						Capital Projects Fund		Total All Nonmajor Governmental Funds
	Impact Fee Correctional Facilities	Impact Fee Fire	Impact Fee Libraries	Impact Fee Law Enforcement	Impact Fee Emergency Medical Services	Thunderbird Hill Waste Water Special Benefit District	Highlands County Fire Protection Special Benefit District	HCPIRN Construction	
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 859,835
Licenses and Permits	-	-	-	-	-	-	-	-	967,301
Intergovernmental	-	-	-	-	-	-	-	-	1,460,783
Charges for Services	-	-	-	-	-	-	-	-	2,522,860
Fines and Forfeitures	-	-	-	-	-	-	-	-	565,376
Assessments	-	-	-	-	-	17,522	5,248,876	-	5,764,726
Net Change in Fair Value of Investments	54	58	21	16	12	531	44,116	53,096	285,727
Miscellaneous	-	-	-	-	-	-	-	-	423,817
Total Revenues	54	58	21	16	12	18,053	5,292,992	53,096	12,850,425
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	36,175
Public Safety	-	-	-	-	-	-	4,277,500	901,606	8,237,925
Physical Environment	-	-	-	-	-	8,204	-	-	13,025
Transportation	-	-	-	-	-	-	-	-	608,832
Economic Environment	-	-	-	-	-	-	-	-	1,583,086
Human Services	-	-	-	-	-	-	-	-	293,361
Culture and Recreation	-	-	-	-	-	-	-	-	110,502
Court Related	-	-	-	-	-	-	-	-	2,874,355
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	808	99,147	-	103,172
Total Expenditures	-	-	-	-	-	9,012	4,376,647	901,606	13,860,433
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	54	58	21	16	12	9,041	916,345	(848,510)	(1,010,008)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	1,229,397
Transfers Out	-	-	-	-	-	-	(54,725)	-	(106,713)
Insurance Recoveries	-	-	-	-	-	-	-	-	22,706
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(54,725)	-	1,145,390
NET CHANGE IN FUND BALANCE	54	58	21	16	12	9,041	861,620	(848,510)	135,382
Fund Balances - October 1, 2019	4,554	4,829	1,728	1,337	1,034	(8,600)	1,368,800	5,467,470	20,117,067
FUND BALANCES - SEPTEMBER 30, 2020	\$ 4,608	\$ 4,887	\$ 1,749	\$ 1,353	\$ 1,046	\$ 441	\$ 2,230,420	\$ 4,618,960	\$ 20,252,449

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE PLACID SUN-N-LAKE ESTATES FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 5,609	\$ 5,609
Net Change in Fair Value of Investments	-	-	179	179
Total Revenues	-	-	5,788	5,788
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	424,389	-	424,389
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(424,389)	5,788	430,177
Fund Balances - October 1, 2019	-	424,389	423,561	(828)
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 429,349	\$ 429,349

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DESOTO CITY SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 437	\$ 437
EXCESS OF REVENUES OVER EXPENDITURES	-	-	437	437
Fund Balances - October 1, 2019	-	-	36,608	36,608
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,045</u>	<u>\$ 37,045</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE VILLA SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 1,254	\$ 1,254	\$ 1,282	\$ 28
Net Change in Fair Value of Investments	-	-	7	7
Total Revenues	<u>1,254</u>	<u>1,254</u>	<u>1,289</u>	<u>35</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>1,720</u>	<u>1,793</u>	<u>1,793</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(466)	(539)	(504)	35
Fund Balances - October 1, 2019	<u>466</u>	<u>539</u>	<u>635</u>	<u>96</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 131</u></u>	<u><u>\$ 131</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HICKORY HILLS SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 2,400	\$ 2,400	\$ 2,424	\$ 24
Net Change in Fair Value of Investments	50	50	157	107
Total Revenues	<u>2,450</u>	<u>2,450</u>	<u>2,581</u>	<u>131</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>25,600</u>	<u>25,600</u>	<u>1,463</u>	<u>24,137</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(23,150)	(23,150)	1,118	24,268
Fund Balances - October 1, 2019	<u>23,150</u>	<u>23,150</u>	<u>20,932</u>	<u>(2,218)</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,050</u></u>	<u><u>\$ 22,050</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PLACID LAKES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 400	\$ 400
Assessments	162,507	162,507	169,600	7,093
Net Change in Fair Value of Investments	-	-	7,147	7,147
Miscellaneous	-	-	230	230
Total Revenues	<u>162,507</u>	<u>162,507</u>	<u>177,377</u>	<u>14,870</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>287,642</u>	<u>290,689</u>	<u>189,828</u>	<u>100,861</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES				
	(125,135)	(128,182)	(12,451)	115,731
Fund Balances - October 1, 2019	<u>125,135</u>	<u>128,182</u>	<u>512,145</u>	<u>383,963</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 499,694</u></u>	<u><u>\$ 499,694</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING COUNTRY ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 19,529	\$ 19,529	\$ 20,605	\$ 1,076
Net Change in Fair Value of Investments	110	110	457	347
Total Revenues	<u>19,639</u>	<u>19,639</u>	<u>21,062</u>	<u>1,423</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>23,000</u>	<u>23,000</u>	<u>17,951</u>	<u>5,049</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,361)	(3,361)	3,111	6,472
Fund Balances - October 1, 2019	<u>3,361</u>	<u>3,361</u>	<u>48,135</u>	<u>44,774</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 51,246</u></u>	<u><u>\$ 51,246</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AVON PARK ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 87,400	\$ 87,400	\$ 88,051	\$ 651
Net Change in Fair Value of Investments	5,000	5,000	16,330	11,330
Total Revenues	<u>92,400</u>	<u>92,400</u>	<u>104,381</u>	<u>11,981</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>92,400</u>	<u>173,050</u>	<u>144,119</u>	<u>28,931</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(80,650)	(39,738)	40,912
Fund Balances - October 1, 2019	<u>-</u>	<u>80,650</u>	<u>1,271,867</u>	<u>1,191,217</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,232,129</u></u>	<u><u>\$ 1,232,129</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS LAKES SPECIAL TAX DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 2,780	\$ 2,780
Net Change in Fair Value of Investments	-	-	2,714	2,714
Total Revenues	-	-	5,494	5,494
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	129,024	1,523	127,501
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(129,024)	3,971	132,995
Fund Balances - October 1, 2019	-	129,024	139,876	10,852
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 143,847	\$ 143,847

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 3,047	\$ 3,047
Net Change in Fair Value of Investments	-	-	777	777
Total Revenues	-	-	3,824	3,824
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	61,863	568	61,295
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(61,863)	3,256	65,119
Fund Balances - October 1, 2019	-	61,863	62,875	1,012
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 66,131	\$ 66,131

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK ESTATES IMPROVEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 713	\$ 713
EXPENDITURES				
Current:				
Transportation:				
Improvement Trust	20,000	20,000	-	20,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,000)	(20,000)	713	20,713
Fund Balances - October 1, 2019	20,000	20,000	59,747	39,747
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,460</u>	<u>\$ 60,460</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LEISURE LAKES SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 3,481	\$ 3,481
Net Change in Fair Value of Investments	-	-	1,496	1,496
Total Revenues	-	-	4,977	4,977
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	159,771	19,524	140,247
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(159,771)	(14,547)	145,224
Fund Balances - October 1, 2019	-	159,771	159,771	-
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 145,224	\$ 145,224

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING HILLS SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 25,883	\$ 25,883	\$ 26,396	\$ 513
Net Change in Fair Value of Investments	-	-	583	583
Total Revenues	<u>25,883</u>	<u>25,883</u>	<u>26,979</u>	<u>1,096</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>25,883</u>	<u>25,883</u>	<u>24,389</u>	<u>1,494</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	2,590	2,590
Fund Balances - October 1, 2019	<u>-</u>	<u>-</u>	<u>42,832</u>	<u>42,832</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 45,422</u></u>	<u><u>\$ 45,422</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RED HILL FARMS IMPROVEMENT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 6,413	\$ 6,413	\$ 6,178	\$ (235)
Net Change in Fair Value of Investments	350	350	1,428	1,078
Total Revenues	<u>6,763</u>	<u>6,763</u>	<u>7,606</u>	<u>843</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>6,763</u>	<u>6,763</u>	<u>591</u>	<u>6,172</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	7,015	7,015
Fund Balances - October 1, 2019	<u>-</u>	<u>-</u>	<u>135,982</u>	<u>135,982</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 142,997</u></u>	<u><u>\$ 142,997</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
E911 EMERGENCY OPERATIONS FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 25,799	\$ 25,799
Charges for Services	381,430	381,430	405,656	24,226
Total Revenues	<u>381,430</u>	<u>381,430</u>	<u>431,455</u>	<u>50,025</u>
EXPENDITURES				
Current:				
Public Safety:				
E911 Operations	<u>1,096,720</u>	<u>1,096,720</u>	<u>1,010,861</u>	<u>85,859</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(715,290)	(715,290)	(579,406)	135,884
OTHER FINANCING SOURCES				
Transfers In	<u>715,290</u>	<u>715,290</u>	<u>579,406</u>	<u>(135,884)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - October 1, 2019	<u>-</u>	<u>-</u>	<u>109,782</u>	<u>109,782</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 109,782</u></u>	<u><u>\$ 109,782</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOSPITAL DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 286,050	\$ 286,050	286,050	\$ -
Net Change in Fair Value of Investments	-	-	1,514	1,514
Total Revenues	<u>286,050</u>	<u>286,050</u>	<u>287,564</u>	<u>1,514</u>
EXPENDITURES				
Current:				
Human Services:				
Other Human Services	<u>286,050</u>	<u>322,195</u>	<u>293,361</u>	<u>28,834</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(36,145)	(5,797)	30,348
Fund Balances - October 1, 2019	<u>-</u>	<u>36,145</u>	<u>121,447</u>	<u>85,302</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 115,650</u></u>	<u><u>\$ 115,650</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE BLOSSOM ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 75	\$ 75	\$ 190	\$ 115
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	23,325	23,325	249	23,076
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(23,250)	(23,250)	(59)	23,191
Fund Balances - October 1, 2019	23,250	23,250	23,016	(234)
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,957</u>	<u>\$ 22,957</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUN-N-LAKES OF LAKE PLACID RECREATION DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 63,900	\$ 63,900	\$ 60,678	\$ (3,222)
Net Change in Fair Value of Investments	-	-	761	761
Miscellaneous	2,000	2,000	1,625	(375)
Total Revenues	<u>65,900</u>	<u>65,900</u>	<u>63,064</u>	<u>(2,836)</u>
EXPENDITURES				
Current:				
Culture and Recreation:				
Special Benefit Districts	<u>86,603</u>	<u>92,566</u>	<u>68,681</u>	<u>23,885</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(20,703)	(26,666)	(5,617)	21,049
Fund Balances - October 1, 2019	<u>20,703</u>	<u>26,666</u>	<u>72,547</u>	<u>45,881</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 66,930</u></u>	<u><u>\$ 66,930</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CONSERVATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 40,755	\$ 40,755
Net Change in Fair Value of Investments	-	-	3,278	3,278
Total Revenues	-	-	44,033	44,033
EXPENDITURES				
Current:				
Physical Environment:				
Conservation and Resource Management	59,000	58,872	4,572	54,300
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(59,000)	(58,872)	39,461	98,333
Fund Balances - October 1, 2019	59,000	58,872	220,423	161,551
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 259,884	\$ 259,884

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INTERGOVERNMENTAL RADIO COMMUNICATIONS FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 47,500	\$ 47,500	\$ 51,402	\$ 3,902
Miscellaneous	33,500	33,500	33,233	(267)
Total Revenues	<u>81,000</u>	<u>81,000</u>	<u>84,635</u>	<u>3,635</u>
EXPENDITURES				
Current:				
Public Safety:				
Other Public Safety	<u>386,292</u>	<u>386,292</u>	<u>384,292</u>	<u>2,000</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(305,292)	(305,292)	(299,657)	5,635
OTHER FINANCING SOURCES				
Transfers In	<u>305,292</u>	<u>305,292</u>	<u>299,657</u>	<u>(5,635)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
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>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING ACRES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 9,500	\$ 9,500	\$ 10,343	\$ 843
Net Change in Fair Value of Investments	-	-	2,528	2,528
Total Revenues	<u>9,500</u>	<u>9,500</u>	<u>12,871</u>	<u>3,371</u>
EXPENDITURES:				
Current:				
Transportation:				
Special Benefit Districts	<u>30,700</u>	<u>50,700</u>	<u>4,736</u>	<u>45,964</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,200)	(41,200)	8,135	49,335
Fund Balances - October 1, 2019	<u>21,200</u>	<u>41,200</u>	<u>173,345</u>	<u>132,145</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 181,480</u></u>	<u><u>\$ 181,480</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE BLOSSOM (UNIT 12) SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 98	\$ 98
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	8,005	8,005	-	8,005
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,005)	(8,005)	98	8,103
Fund Balances - October 1, 2019	8,005	8,005	8,190	185
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,288</u>	<u>\$ 8,288</u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE HAVEN ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 10,315	\$ 10,315	\$ 10,307	\$ (8)
Net Change in Fair Value of Investments	-	-	365	365
Total Revenues	<u>10,315</u>	<u>10,315</u>	<u>10,672</u>	<u>357</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>11,458</u>	<u>11,458</u>	<u>9,928</u>	<u>1,530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,143)	(1,143)	744	1,887
Fund Balances - October 1, 2019	<u>1,143</u>	<u>1,143</u>	<u>30,126</u>	<u>28,983</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,870</u></u>	<u><u>\$ 30,870</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FLORIDA SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 337	\$ 337
Net Change in Fair Value of Investments	-	-	554	554
Total Revenues	-	-	891	891
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	59,166	29,379	29,787
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(59,166)	(28,488)	30,678
Fund Balances - October 1, 2019	-	59,166	59,484	318
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 30,996	\$ 30,996

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE PLACID SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 156	\$ 156
Net Change in Fair Value of Investments	-	-	8,874	8,874
Total Revenues	-	-	9,030	9,030
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	410,350	-	410,350
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(410,350)	9,030	419,380
Fund Balances - October 1, 2019	-	410,350	404,242	(6,108)
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 413,272	\$ 413,272

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAW ENFORCEMENT EDUCATION FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 14,439	\$ 14,439	\$ 20,497	\$ 6,058
Net Change in Fair Value of Investments	730	730	4,169	3,439
Total Revenues	<u>15,169</u>	<u>15,169</u>	<u>24,666</u>	<u>9,497</u>
EXPENDITURES				
Current:				
Public Safety:				
Sheriff	<u>15,169</u>	<u>15,169</u>	<u>-</u>	<u>15,169</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	24,666	24,666
Fund Balances - October 1, 2019	<u>-</u>	<u>-</u>	<u>230,785</u>	<u>230,785</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 255,451</u></u>	<u><u>\$ 255,451</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING CODE ENFORCEMENT
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 896,100	\$ 896,100	\$ 966,451	\$ 70,351
Charges for Services	91,000	91,000	135,591	44,591
Net Change in Fair Value of Investments	-	-	46,165	46,165
Miscellaneous	1,200	1,200	3,557	2,357
Total Revenues	<u>988,300</u>	<u>988,300</u>	<u>1,151,764</u>	<u>163,464</u>
EXPENDITURES				
Current:				
Public Safety:				
Protective Inspections	<u>744,496</u>	<u>934,281</u>	<u>816,242</u>	<u>118,039</u>
EXCESS OF REVENUES OVER EXPENDITURES	243,804	54,019	335,522	281,503
OTHER FINANCING SOURCES				
Insurance Recoveries	<u>-</u>	<u>22,706</u>	<u>22,706</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	243,804	76,725	358,228	281,503
Fund Balances - October 1, 2019	<u>(243,804)</u>	<u>(76,725)</u>	<u>2,846,066</u>	<u>2,922,791</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,204,294</u></u>	<u><u>\$ 3,204,294</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FLORIDA BOATING IMPROVEMENT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 36,812	\$ (8,188)
Net Change in Fair Value of Investments	500	500	2,495	1,995
Total Revenues	<u>45,500</u>	<u>45,500</u>	<u>39,307</u>	<u>(6,193)</u>
EXPENDITURES				
Current:				
Culture and Recreation:				
Parks Department	<u>108,714</u>	<u>105,699</u>	<u>41,821</u>	<u>63,878</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(63,214)	(60,199)	(2,514)	57,685
Fund Balances - October 1, 2019	<u>63,214</u>	<u>60,199</u>	<u>234,501</u>	<u>174,302</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 231,987</u></u>	<u><u>\$ 231,987</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 8,548	\$ 8,548
Net Change in Fair Value of Investments	-	-	3,217	3,217
Total Revenues	-	-	11,765	11,765
EXPENDITURES				
Current:				
Public Safety:				
County Jail	-	217,705	-	217,705
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(217,705)	11,765	229,470
Fund Balances - October 1, 2019	-	217,705	217,705	-
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 229,470	\$ 229,470

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY PARK SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 6,926	\$ 6,926	\$ 7,027	\$ 101
Net Change in Fair Value of Investments	-	-	376	376
Total Revenues	<u>6,926</u>	<u>6,926</u>	<u>7,403</u>	<u>477</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	<u>8,926</u>	<u>8,926</u>	<u>6,743</u>	<u>2,183</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,000)	(2,000)	660	2,660
Fund Balances - October 1, 2019	<u>2,000</u>	<u>2,000</u>	<u>33,913</u>	<u>31,913</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,573</u></u>	<u><u>\$ 34,573</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Economic Environment:				
Community Development Block Grant	\$ -	\$ 164	\$ 164	\$ -
DEFICIENCY OF REVENUES				
 UNDER EXPENDITURES	-	(164)	(164)	-
Fund Balances - October 1, 2019	-	164	164	-
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ -	\$ -

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AFFORDABLE HOUSING ASSISTANCE TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 659,029	\$ 476,108	\$ (182,921)
Charges for Services	-	155,376	191,915	36,539
Net Change in Fair Value of Investments	-	6,527	8,056	1,529
Total Revenues	-	820,932	676,079	(144,853)
EXPENDITURES				
Current:				
Economic Environment:				
State Housing Assistance Grant	383,900	1,304,027	804,174	499,853
DEFICIENCY OF REVENUES UNDER EXPENDITURES				
	(383,900)	(483,095)	(128,095)	355,000
Fund Balances - October 1, 2019	383,900	483,095	495,205	12,110
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 367,110	\$ 367,110

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUN-N-LAKES 1 - 20 IMPROVEMENT TRUST
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 150	\$ 150	\$ 694	\$ 544
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	57,750	57,750	-	57,750
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(57,600)	(57,600)	694	58,294
Fund Balances - October 1, 2019	57,600	57,600	58,174	574
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,868</u>	<u>\$ 58,868</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 300	\$ 300
Assessments	61,256	61,256	74,199	12,943
Net Change in Fair Value of Investments	800	800	2,409	1,609
Miscellaneous	-	-	156	156
Total Revenues	<u>62,056</u>	<u>62,056</u>	<u>77,064</u>	<u>15,008</u>
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	62,208	62,296	46,809	15,487
Debt Service:				
Principal Retirement	19,212	19,212	-	19,212
Interest	3,217	3,217	3,217	-
Total Debt Service	<u>22,429</u>	<u>22,429</u>	<u>3,217</u>	<u>19,212</u>
Total Expenditures	<u>84,637</u>	<u>84,725</u>	<u>50,026</u>	<u>34,699</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,581)	(22,669)	27,038	49,707
Fund Balances - October 1, 2019	<u>22,581</u>	<u>22,669</u>	<u>2,919</u>	<u>(19,750)</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 29,957</u></u>	<u><u>\$ 29,957</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WEST SEBRING SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 3,409	\$ 3,409
Net Change in Fair Value of Investments	-	-	10,946	10,946
Total Revenues	-	-	14,355	14,355
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	830,634	163,989	666,645
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(830,634)	(149,634)	681,000
Fund Balances - October 1, 2019	-	830,634	846,697	16,063
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 697,063	\$ 697,063

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DRIVER EDUCATION SAFETY TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 18,000	\$ 24,263	\$ 24,263	\$ -
Net Change in Fair Value of Investments	45	311	311	-
Total Revenues	<u>18,045</u>	<u>24,574</u>	<u>24,574</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Safety:				
Sheriff	<u>18,045</u>	<u>24,574</u>	<u>-</u>	<u>24,574</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	24,574	24,574
Fund Balances - October 1, 2019	<u>-</u>	<u>-</u>	<u>10,424</u>	<u>10,424</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,998</u></u>	<u><u>\$ 34,998</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOURIST DEVELOPMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 870,000	\$ 870,000	\$ 859,835	\$ (10,165)
Net Change in Fair Value of Investments	-	-	17,405	17,405
Total Revenues	<u>870,000</u>	<u>870,000</u>	<u>877,240</u>	<u>7,240</u>
EXPENDITURES				
Current:				
Physical Environment:				
Lakes	40,000	254,690	249	254,441
Economic Environment:				
Industry Development	<u>1,049,812</u>	<u>1,075,020</u>	<u>677,414</u>	<u>397,606</u>
Total Expenditures	<u>1,089,812</u>	<u>1,329,710</u>	<u>677,663</u>	<u>652,047</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(219,812)	(459,710)	199,577	659,287
Fund Balances - October 1, 2019	<u>219,812</u>	<u>459,710</u>	<u>977,871</u>	<u>518,161</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,177,448</u></u>	<u><u>\$ 1,177,448</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DOMESTIC VIOLENCE TRAINING FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 4,800	\$ 4,800	\$ 8,003	\$ 3,203
Net Change in Fair Value of Investments	500	500	1,060	560
Total Revenues	<u>5,300</u>	<u>5,300</u>	<u>9,063</u>	<u>3,763</u>
EXPENDITURES				
Current:				
Public Safety:				
Sheriff	<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>5,300</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	9,063	9,063
Fund Balances - October 1, 2019	<u>-</u>	<u>-</u>	<u>94,641</u>	<u>94,641</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 103,704</u></u>	<u><u>\$ 103,704</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE INSPECTION AND SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 540	\$ 540	\$ 850	\$ 310
Charges for Services	16,285	16,285	17,110	825
Net Change in Fair Value of Investments	600	600	2,527	1,927
Total Revenues	<u>17,425</u>	<u>17,425</u>	<u>20,487</u>	<u>3,062</u>
EXPENDITURES				
Current:				
Public Safety:				
Fire Control	<u>32,842</u>	<u>32,842</u>	<u>6,929</u>	<u>25,913</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,417)	(15,417)	13,558	28,975
Fund Balances - October 1, 2019	<u>15,417</u>	<u>15,417</u>	<u>149,332</u>	<u>133,915</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 162,890</u></u>	<u><u>\$ 162,890</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
VENUS SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 1,399	\$ 1,399
Net Change in Fair Value of Investments	-	-	1,028	1,028
Total Revenues	<u>-</u>	<u>-</u>	<u>2,427</u>	<u>2,427</u>
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	<u>-</u>	<u>101,605</u>	<u>11,394</u>	<u>90,211</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>-</u>	<u>(101,605)</u>	<u>(8,967)</u>	<u>92,638</u>
Fund Balances - October 1, 2019	<u>-</u>	<u>101,605</u>	<u>101,948</u>	<u>343</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 92,981</u></u>	<u><u>\$ 92,981</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING PARKWAY MAINTENANCE FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 71,577	\$ 71,577	\$ 52,444	\$ (19,133)
Net Change in Fair Value of Investments	-	-	16,168	16,168
Total Revenues	<u>71,577</u>	<u>71,577</u>	<u>68,612</u>	<u>(2,965)</u>
EXPENDITURES				
Current:				
Transportation:				
Other Transportation	<u>224,628</u>	<u>268,471</u>	<u>159,606</u>	<u>108,865</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(153,051)	(196,894)	(90,994)	105,900
OTHER FINANCING SOURCES				
Transfers In	<u>153,051</u>	<u>153,051</u>	<u>153,051</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(43,843)	62,057	105,900
Fund Balances - October 1, 2019	<u>-</u>	<u>43,843</u>	<u>994,314</u>	<u>950,471</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,056,371</u></u>	<u><u>\$ 1,056,371</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE COURT FACILITIES TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 145,350	\$ 145,350	\$ 148,408	\$ 3,058
Net Change in Fair Value of Investments	7,500	7,500	4,496	(3,004)
Total Revenues	<u>152,850</u>	<u>152,850</u>	<u>152,904</u>	<u>54</u>
EXPENDITURES				
Current:				
Court Related:				
Operating Expenses	<u>250,435</u>	<u>255,626</u>	<u>210,968</u>	<u>44,658</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(97,585)	(102,776)	(58,064)	44,712
OTHER FINANCING USES				
Transfers Out	<u>(15,000)</u>	<u>(15,291)</u>	<u>(15,291)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(112,585)	(118,067)	(73,355)	44,712
Fund Balances - October 1, 2019	<u>112,585</u>	<u>118,067</u>	<u>254,924</u>	<u>136,857</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 181,569</u></u>	<u><u>\$ 181,569</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INNOVATIONS AND SUPPLEMENTAL COURTS FUNDING TRUST FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 70,350	\$ 74,666	\$ 79,433	\$ 4,767
Net Change in Fair Value of Investments	250	389	505	116
Total Revenues	<u>70,600</u>	<u>75,055</u>	<u>79,938</u>	<u>4,883</u>
EXPENDITURES				
Current:				
Court Related:				
Operating Expenses	<u>147,500</u>	<u>147,750</u>	<u>89,810</u>	<u>57,940</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(76,900)	(72,695)	(9,872)	62,823
OTHER FINANCING SOURCES (USES)				
Transfers In	32,800	33,050	30,820	(2,230)
Transfers Out	<u>(35,400)</u>	<u>(39,855)</u>	<u>(19,867)</u>	<u>19,988</u>
Total Other Financing Sources (Uses)	<u>(2,600)</u>	<u>(6,805)</u>	<u>10,953</u>	<u>17,758</u>
NET CHANGE IN FUND BALANCE	(79,500)	(79,500)	1,081	80,581
Fund Balances - October 1, 2019	<u>79,500</u>	<u>79,500</u>	<u>18,907</u>	<u>(60,593)</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,988</u></u>	<u><u>\$ 19,988</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CRIME PREVENTION FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 33,131	\$ 33,131	\$ 35,923	\$ 2,792
Fines and Forfeitures	288	288	329	41
Net Change in Fair Value of Investments	993	993	2,355	1,362
Total Revenues	<u>34,412</u>	<u>34,412</u>	<u>38,607</u>	<u>4,195</u>
EXPENDITURES				
Current:				
Public Safety:				
Operating Expenses	<u>45,014</u>	<u>45,014</u>	<u>20,734</u>	<u>24,280</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,602)	(10,602)	17,873	28,475
Fund Balances - October 1, 2019	<u>10,602</u>	<u>10,602</u>	<u>155,932</u>	<u>145,330</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 173,805</u></u>	<u><u>\$ 173,805</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT TECH 28.24(12)(e)1 FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 20,000	\$ 20,000
Charges for Services	147,500	147,500	177,398	29,898
Net Change in Fair Value of Investments	150	150	494	344
Miscellaneous	15,000	15,000	-	(15,000)
Total Revenues	<u>162,650</u>	<u>162,650</u>	<u>197,892</u>	<u>35,242</u>
EXPENDITURES				
Current:				
Court Related:				
Operating Expenses	<u>493,020</u>	<u>493,457</u>	<u>364,355</u>	<u>129,102</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(330,370)	(330,807)	(166,463)	164,344
OTHER FINANCING SOURCES				
Transfers In	<u>275,164</u>	<u>275,164</u>	<u>166,463</u>	<u>(108,701)</u>
NET CHANGE IN FUND BALANCE	(55,206)	(55,643)	-	55,643
Fund Balances - October 1, 2019	<u>55,206</u>	<u>55,643</u>	<u>104,672</u>	<u>49,029</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 104,672</u></u>	<u><u>\$ 104,672</u></u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOME INITIATIVES PARTNERSHIP FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ 33,946	\$ 33,946	\$ -
Net Change in Fair Value of Investments	-	-	82	82
Total Revenues	-	33,946	34,028	82
EXPENDITURES				
Current:				
Economic Environment:				
Operating Expenses	-	101,939	101,334	605
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(67,993)	(67,306)	687
Fund Balances - October 1, 2019	-	67,993	67,951	(42)
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 645	\$ 645

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PLACID LAKES SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 1,020	\$ 1,020
Net Change in Fair Value of Investments	-	-	29	29
Total Revenues	-	-	1,049	1,049
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	354,933	354,933	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(354,933)	(353,884)	1,049
Fund Balances - October 1, 2019	-	354,933	354,176	(757)
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 292	\$ 292

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OAK MANOR AVENUE ROAD PAVING FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ 627	\$ -	\$ (627)
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	-	627	627	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(627)	(627)
Fund Balances - October 1, 2019	-	-	(415)	(415)
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,042)</u>	<u>\$ (1,042)</u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT SERVICES FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 372,135	\$ 308,264	\$ 241,800	\$ (66,464)
Charges for Services	1,074,850	918,287	908,470	(9,817)
Fines and Forfeitures	512,470	500,770	565,047	64,277
Net Change in Fair Value of Investments	1,840	1,840	4,608	2,768
Miscellaneous	-	-	1,008	1,008
Total Revenues	<u>1,961,295</u>	<u>1,729,161</u>	<u>1,720,933</u>	<u>(8,228)</u>
EXPENDITURES				
Current:				
Court Related:				
Operating Expenses	<u>1,961,295</u>	<u>1,729,161</u>	<u>1,720,933</u>	<u>8,228</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	-	-	-	-
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>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - PARKS AND RECREATION - AVON PARK
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 19	\$ 19	\$ 55	\$ 36
EXPENDITURES				
Current:				
Culture and Recreation:				
Impact Fees	4,638	4,638	-	4,638
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,619)	(4,619)	55	4,674
Fund Balances - October 1, 2019	4,619	4,619	4,620	1
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,675</u>	<u>\$ 4,675</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - CORRECTIONAL FACILITIES
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 19	\$ 19	\$ 54	\$ 35
EXPENDITURES				
Current:				
Public Safety:				
Impact Fees	4,573	4,573	-	4,573
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,554)	(4,554)	54	4,608
Fund Balances - October 1, 2019	4,554	4,554	4,554	-
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,608</u>	<u>\$ 4,608</u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - FIRE
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 20	\$ 20	\$ 58	\$ 38
EXPENDITURES				
Current:				
Public Safety:				
Impact Fees	4,849	4,849	-	4,849
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,829)	(4,829)	58	4,887
Fund Balances - October 1, 2019	4,829	4,829	4,829	-
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,887</u>	<u>\$ 4,887</u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - LIBRARIES
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 7	\$ 7	\$ 21	\$ 14
EXPENDITURES				
Current:				
Culture and Recreation:				
Impact Fees	1,735	1,735	-	1,735
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,728)	(1,728)	21	1,749
Fund Balances - October 1, 2019	1,728	1,728	1,728	-
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,749</u>	<u>\$ 1,749</u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - LAW ENFORCEMENT
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 5	\$ 5	\$ 16	\$ 11
EXPENDITURES				
Current:				
Public Safety:				
Impact Fees	1,342	1,342	-	1,342
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,337)	(1,337)	16	1,353
Fund Balances - October 1, 2019	1,337	1,337	1,337	-
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,353</u>	<u>\$ 1,353</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - EMERGENCY MEDICAL SERVICES
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 4	\$ 4	\$ 12	\$ 8
EXPENDITURES:				
Current:				
Public Safety:				
Impact Fees	1,038	1,038	-	1,038
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,034)	(1,034)	12	1,046
Fund Balances - October 1, 2019	1,034	1,034	1,034	-
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,046</u>	<u>\$ 1,046</u>

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
THUNDERBIRD HILL WASTE WATER SPECIAL BENEFIT DISTRICT
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 17,195	\$ 17,195	\$ 17,522	\$ 327
Net Change in Fair Value of Investments	-	-	531	531
Total Revenues	<u>17,195</u>	<u>17,195</u>	<u>18,053</u>	<u>858</u>
EXPENDITURES				
Current:				
Physical Environment:				
Special Benefit District	6,586	13,189	8,204	4,985
Debt Service:				
Principal Retirement	9,801	9,801	-	9,801
Interest	808	808	808	-
Total Debt Service	<u>10,609</u>	<u>10,609</u>	<u>808</u>	<u>9,801</u>
Total Expenditures	<u>17,195</u>	<u>23,798</u>	<u>9,012</u>	<u>14,786</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(6,603)	9,041	15,644
Fund Balances - October 1, 2019	<u>-</u>	<u>6,603</u>	<u>(8,600)</u>	<u>(15,203)</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 441</u></u>	<u><u>\$ 441</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS COUNTY FIRE PROTECTION SPECIAL BENEFIT DISTRICT
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 5,100,000	\$ 5,100,000	\$ 5,248,876	\$ 148,876
Net Change in Fair Value of Investments	-	-	44,116	44,116
Total Revenues	<u>5,100,000</u>	<u>5,100,000</u>	<u>5,292,992</u>	<u>192,992</u>
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit District	8,170,595	5,497,748	4,277,500	1,220,248
Debt Service:				
Principal Retirement	350,000	12,677	-	12,677
Interest	150,000	150,000	99,147	50,853
Total Debt Service	<u>500,000</u>	<u>162,677</u>	<u>99,147</u>	<u>63,530</u>
Total Expenditures	<u>8,670,595</u>	<u>5,660,425</u>	<u>4,376,647</u>	<u>1,283,778</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,570,595)	(560,425)	916,345	1,476,770
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(54,725)	(54,725)	-
Issuance of Debt	3,431,382	-	-	-
Total Other Financing Sources (Uses)	<u>3,431,382</u>	<u>(54,725)</u>	<u>(54,725)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(139,213)	(615,150)	861,620	1,476,770
Fund Balances - October 1, 2019	<u>139,213</u>	<u>615,150</u>	<u>1,368,800</u>	<u>753,650</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,230,420</u>	<u>\$ 2,230,420</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS COUNTY PUBLIC IMPROVEMENT REVENUE
NOTE FUND (HCPIRN CONSTRUCTION) FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ 53,096	\$ 53,096	\$ -
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit District	-	3,382,981	901,606	2,481,375
DEFICIENCY OF REVENUES				
UNDER EXPENDITURES	-	(3,329,885)	(848,510)	2,481,375
Fund Balances - October 1, 2019	-	3,329,885	5,467,470	2,137,585
FUND BALANCES - SEPTEMBER 30, 2020	\$ -	\$ -	\$ 4,618,960	\$ 4,618,960

**HIGHLANDS COUNTY, FLORIDA
INTERNAL SERVICE FUNDS**

The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board and to other governmental units on a cost reimbursement basis. The Board maintains the following Internal Service Funds:

Employee Benefit - To account for employer, employee and retiree contributions to the County's health and dental plans and the payment of health and dental expenses.

Insurance - To account for activity related to property, general liability, public officials and employment practices liability, automobile, crime and worker's compensation needs of County departments and elected officials.

Compensated Absences - To account for accumulated leave credits, which will be paid to employees upon termination of employment.

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,263,212	\$ 55,581	\$ 4,930,606	\$ 6,249,399
Investments	689,086	-	878,166	1,567,252
Accounts Receivable	48,211	29	750	48,990
Total Assets	<u>2,000,509</u>	<u>55,610</u>	<u>5,809,522</u>	<u>7,865,641</u>
LIABILITIES				
Current Liabilities:				
Vouchers Payable	34,620	1,387	788	36,795
Claims Payable	450,997	458	-	451,455
Unearned Revenues	520,420	-	-	520,420
Total Current Liabilities	<u>1,006,037</u>	<u>1,845</u>	<u>788</u>	<u>1,008,670</u>
Noncurrent Liabilities:				
Compensated Absences	-	-	5,808,734	5,808,734
Total Liabilities	<u>1,006,037</u>	<u>1,845</u>	<u>5,809,522</u>	<u>6,817,404</u>
NET POSITION				
Unrestricted	<u>994,472</u>	<u>53,765</u>	<u>-</u>	<u>1,048,237</u>
Total Net Position	<u>\$ 994,472</u>	<u>\$ 53,765</u>	<u>\$ -</u>	<u>\$ 1,048,237</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 11,330,991	\$ 1,715,668	\$ 5,366,470	\$ 18,413,129
OPERATING EXPENSES				
General and Administrative	1,218,591	-	5,426,555	6,645,146
Insurance and Claims	9,532,765	1,731,651	-	11,264,416
Total Operating Expenses	<u>10,751,356</u>	<u>1,731,651</u>	<u>5,426,555</u>	<u>17,909,562</u>
OPERATING INCOME (LOSS)	579,635	(15,983)	(60,085)	503,567
NONOPERATING REVENUES				
Net Change in Fair Value of Investments	<u>21,865</u>	<u>2,173</u>	<u>60,085</u>	<u>84,123</u>
CHANGE IN NET POSITION	601,500	(13,810)	-	587,690
Net Position - October 1, 2019	<u>392,972</u>	<u>67,575</u>	<u>-</u>	<u>460,547</u>
NET POSITION - SEPTEMBER 30, 2020	<u><u>\$ 994,472</u></u>	<u><u>\$ 53,765</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,048,237</u></u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received From Internal Customers	\$ 10,993,151	\$ 1,715,639	\$ 5,366,470	\$ 18,075,260
Cash Payments for Insurance Premiums and Claims	(11,422,798)	(1,730,970)	-	(13,153,768)
Cash Payments to Employees for Services	-	-	(4,924,268)	(4,924,268)
Net Cash Provided (Used) by Operating Activities	<u>(429,647)</u>	<u>(15,331)</u>	<u>442,202</u>	<u>(2,776)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to Other Constitutional Officers	-	-	(362)	(362)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	(125,000)	-	(75,000)	(200,000)
Sale of Investments	105,168	-	361,542	466,710
Investment Income	12,885	2,173	40,777	55,835
Net Cash Provided (Used) by Investing Activities	<u>(6,947)</u>	<u>2,173</u>	<u>327,319</u>	<u>322,545</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(436,594)	(13,158)	769,159	319,407
Cash and Cash Equivalents - October 1, 2019	<u>1,699,806</u>	<u>68,739</u>	<u>4,161,447</u>	<u>5,929,992</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2020	<u><u>\$ 1,263,212</u></u>	<u><u>\$ 55,581</u></u>	<u><u>\$ 4,930,606</u></u>	<u><u>\$ 6,249,399</u></u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 579,635	\$ (15,983)	\$ (60,085)	\$ 503,567
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	(38,778)	(29)	-	(38,807)
Increase (Decrease) in:				
Vouchers Payable	(674,670)	1,387	-	(673,283)
Claims Payable	3,228	(706)	-	2,522
Compensated Absences	-	-	502,287	502,287
Unearned Revenues	(299,062)	-	-	(299,062)
Total Adjustments	<u>(1,009,282)</u>	<u>652</u>	<u>502,287</u>	<u>(506,343)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (429,647)</u></u>	<u><u>\$ (15,331)</u></u>	<u><u>\$ 442,202</u></u>	<u><u>\$ (2,776)</u></u>

**HIGHLANDS COUNTY, FLORIDA
TRUST AND AGENCY FUNDS
(FIDUCIARY FUNDS)**

These funds account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

The County maintains the following Fiduciary Funds:

Agency Funds

Sheriff's Inmates - To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

Sheriff's Cash Bonds - To account for cash appearance bonds collected by the Sheriff on behalf of the Clerk of Courts. These funds are disbursed to the Clerk of Courts weekly.

Sheriff's Unclaimed Evidence - To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

Sheriff's Individual Depositors - To account for fees charged to serve civil process. Fees are collected and held until service is complete and then remitted to other entities or individuals.

Sheriff's Suspense - To account for fees and court ordered payments collected for various agencies. These funds are remitted to the County or other governmental agencies.

Tax Collector's Tag Agency - To account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the State of Florida.

Tax Collector's Tax and License - To account for the collection of ad valorem and non-ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the State of Florida.

Tax Collector's Tax Redemption - To account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non ad valorem taxes and remittance to certificate holders and title search companies.

Clerk's Child Support - To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

Clerk's Suspense - To account for documentary stamp fees and recording fees, jury and witness payments and fines, and forfeitures collected through the court system and remitted to other governmental agencies.

Board's Agency Escrow - To account for the collection of funds held in escrow by the Board.

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2020**

	Sheriff's Inmates	Sheriff's Cash Bond	Sheriff's Unclaimed Evidence	Sheriff's Individual Depositors	Sheriff's Suspense	Tax Collector's Tag Agency	Tax Collector's Tax and License	Tax Collector's Tax Redemption	Clerk's Child Support	Clerk's Suspense	Board's Agency Escrow	Total
ASSETS												
Cash and Cash Equivalents	\$ 19,643	\$ -	\$ 1,216	\$ 2,390	\$ 22,604	\$ 169,898	\$ 1,263,800	\$ 79,813	\$ 821	\$ 1,650,371	\$ 200,574	\$ 3,411,130
Due from Others	1,442	-	-	-	-	2,609	28,013	-	2,751	1,784	386	36,985
Due from Other Governmental Units	-	-	-	-	347	-	-	-	-	2,905	-	3,252
Total Assets	\$ 21,085	\$ -	\$ 1,216	\$ 2,390	\$ 22,951	\$ 172,507	\$ 1,291,813	\$ 79,813	\$ 3,572	\$ 1,655,060	\$ 200,960	\$ 3,451,367
LIABILITIES												
Due to Others	\$ 10,960	\$ -	\$ 1,216	\$ 2,390	\$ -	\$ -	\$ 71,936	\$ 79,813	\$ 3,120	\$ 406,184	\$ -	\$ 575,619
Due to Other Governmental Units	10,125	-	-	-	22,951	172,507	1,219,877	-	452	509,533	-	1,935,445
Deposits	-	-	-	-	-	-	-	-	-	739,343	200,960	940,303
Total Liabilities	\$ 21,085	\$ -	\$ 1,216	\$ 2,390	\$ 22,951	\$ 172,507	\$ 1,291,813	\$ 79,813	\$ 3,572	\$ 1,655,060	\$ 200,960	\$ 3,451,367

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
SHERIFF'S INMATES				
ASSETS				
Cash and Cash Equivalents	\$ 11,357	\$ 490,093	\$ 481,807	\$ 19,643
Due from Others	2,069	183,218	183,845	1,442
Total Assets	<u>\$ 13,426</u>	<u>\$ 673,311</u>	<u>\$ 665,652</u>	<u>\$ 21,085</u>
LIABILITIES				
Due to Others	\$ 5,963	\$ 618,098	\$ 613,101	\$ 10,960
Due to Other Governmental Units	7,463	1,808,167	1,805,505	10,125
Total Liabilities	<u>\$ 13,426</u>	<u>\$ 2,426,265</u>	<u>\$ 2,418,606</u>	<u>\$ 21,085</u>
SHERIFF'S CASH BONDS				
ASSETS				
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 175,998</u>	<u>\$ 175,998</u>	<u>\$ -</u>
LIABILITIES				
Deposits	<u>\$ -</u>	<u>\$ 131,890</u>	<u>\$ 131,890</u>	<u>\$ -</u>
SHERIFF'S UNCLAIMED EVIDENCE				
ASSETS				
Cash and Cash Equivalents	<u>\$ 1,216</u>	<u>\$ 10,816</u>	<u>\$ 10,816</u>	<u>\$ 1,216</u>
LIABILITIES				
Due to Others	<u>\$ 1,216</u>	<u>\$ 10,816</u>	<u>\$ 10,816</u>	<u>\$ 1,216</u>
SHERIFF'S INDIVIDUAL DEPOSITORS				
ASSETS				
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 2,400</u>	<u>\$ 10</u>	<u>\$ 2,390</u>
LIABILITIES				
Due to Others	<u>\$ -</u>	<u>\$ 2,400</u>	<u>\$ 10</u>	<u>\$ 2,390</u>
SHERIFF'S SUSPENSE				
ASSETS				
Cash and Cash Equivalents	\$ 22,290	\$ 216,964	\$ 216,650	\$ 22,604
Due from Other Governmental Units	367	1,450	1,470	347
Total Assets	<u>\$ 22,657</u>	<u>\$ 218,414</u>	<u>\$ 218,120</u>	<u>\$ 22,951</u>
LIABILITIES				
Due to Other Governmental Units	<u>\$ 22,657</u>	<u>\$ 198,733</u>	<u>\$ 198,439</u>	<u>\$ 22,951</u>
TAX COLLECTOR'S TAG AGENCY				
ASSETS				
Cash and Cash Equivalents	\$ 156,858	\$ 14,806,619	\$ 14,793,579	\$ 169,898
Due from Others	8,446	913,762	919,599	2,609
Total Assets	<u>\$ 165,304</u>	<u>\$ 15,720,381</u>	<u>\$ 15,713,178</u>	<u>\$ 172,507</u>
LIABILITIES				
Due to Other Governmental Units	<u>\$ 165,304</u>	<u>\$ 12,923,286</u>	<u>\$ 12,916,083</u>	<u>\$ 172,507</u>

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
TAX COLLECTOR'S TAX AND LICENSE				
ASSETS				
Cash and Cash Equivalents	\$ 1,265,414	\$ 266,913,481	\$ 266,915,095	\$ 1,263,800
Due from Others	28,659	28,013	28,659	28,013
Total Assets	<u>\$ 1,294,073</u>	<u>\$ 266,941,494</u>	<u>\$ 266,943,754</u>	<u>\$ 1,291,813</u>
LIABILITIES				
Due to Others	\$ 120,457	\$ 4,613,117	\$ 4,661,638	\$ 71,936
Due to Other Governmental Units	1,173,616	102,394,030	102,347,769	1,219,877
Total Liabilities	<u>\$ 1,294,073</u>	<u>\$ 107,007,147</u>	<u>\$ 107,009,407</u>	<u>\$ 1,291,813</u>
TAX COLLECTOR'S TAX REDEMPTION				
ASSETS				
Cash and Cash Equivalents	\$ 93,709	\$ 5,167,409	\$ 5,181,305	\$ 79,813
LIABILITIES				
Due to Others	\$ 93,709	\$ 4,097,957	\$ 4,111,853	\$ 79,813
CLERK'S CHILD SUPPORT				
ASSETS				
Cash and Cash Equivalents	\$ 1,110	\$ 157,596	\$ 157,885	\$ 821
Due from Others	2,730	26	5	2,751
Total Assets	<u>\$ 3,840</u>	<u>\$ 157,622</u>	<u>\$ 157,890</u>	<u>\$ 3,572</u>
LIABILITIES				
Due to Others	\$ 3,411	\$ 123,170	\$ 123,461	\$ 3,120
Due to Other Governmental Units	429	15,229	15,206	452
Total Liabilities	<u>\$ 3,840</u>	<u>\$ 138,399</u>	<u>\$ 138,667</u>	<u>\$ 3,572</u>
CLERK'S SUSPENSE				
ASSETS				
Cash and Cash Equivalents	\$ 1,570,499	\$ 13,126,403	\$ 13,046,531	\$ 1,650,371
Investments	134,037	-	134,037	-
Due from Others	320	2,460	996	1,784
Due from Other Governmental Units	1,662	28,729	27,486	2,905
Total Assets	<u>\$ 1,706,518</u>	<u>\$ 13,157,592</u>	<u>\$ 13,209,050</u>	<u>\$ 1,655,060</u>
LIABILITIES				
Due to Others	\$ 345,950	\$ 3,739,957	\$ 3,679,723	\$ 406,184
Due to Other Governmental Units	479,827	9,798,065	9,768,359	509,533
Deposits	880,741	1,342,214	1,483,612	739,343
Total Liabilities	<u>\$ 1,706,518</u>	<u>\$ 14,880,236</u>	<u>\$ 14,931,694</u>	<u>\$ 1,655,060</u>

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
BOARD'S AGENCY ESCROW FUND				
ASSETS				
Cash and Cash Equivalents	\$ 89,322	\$ 140,391	\$ 29,139	\$ 200,574
Due from Others	-	386	-	386
Total Assets	<u>\$ 89,322</u>	<u>\$ 140,777</u>	<u>\$ 29,139</u>	<u>\$ 200,960</u>
LIABILITIES				
Deposits	<u>\$ 89,322</u>	<u>\$ 140,468</u>	<u>\$ 28,830</u>	<u>\$ 200,960</u>
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 3,211,775	\$ 301,208,170	\$ 301,008,815	\$ 3,411,130
Investments	134,037	-	134,037	-
Due from Others	42,224	1,127,865	1,133,104	36,985
Due from Other Governmental Units	2,029	30,179	28,956	3,252
Total Assets	<u>\$ 3,390,065</u>	<u>\$ 302,366,214</u>	<u>\$ 302,304,912</u>	<u>\$ 3,451,367</u>
LIABILITIES				
Due to Others	\$ 570,706	\$ 13,205,515	\$ 13,200,602	\$ 575,619
Due to Other Governmental Units	1,849,296	127,137,510	127,051,361	1,935,445
Deposits	970,063	1,614,572	1,644,332	940,303
Total Liabilities	<u>\$ 3,390,065</u>	<u>\$ 141,957,597</u>	<u>\$ 141,896,295</u>	<u>\$ 3,451,367</u>

HIGHLANDS COUNTY, FL

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**STATISTICAL
SECTION**



HIGHLANDS COUNTY, FLORIDA STATISTICAL SECTION

This section of the County's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Net Position by Components, Last Ten Fiscal Years	198
Changes in Net Position, Last Ten Fiscal Years	199
Fund Balances, Governmental Funds, Last Ten Fiscal Years	202
Change in Fund Balances, Governmental Funds, Last Ten Fiscal Years	203
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, ad valorem taxes.	
Taxable Value and Actual Value of Property, Last Ten Fiscal Years	204
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	205
Principal Property Tax Payers, Current Fiscal Year and Nine Years Prior	206
Property Tax Levies and Collections, Last Ten Fiscal Years	207
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Ratios of General Bonded Debt Outstanding by Type, Last Ten Fiscal Years	208
Overlapping Governmental Activities Debt, As of September 30, 2020	209
Pledged-Revenue Coverage, Last Ten Fiscal Years	210
The table which concerns computation of legal debt margins is omitted because the Constitution of the State of Florida, Section 200.181, Florida Statutes, and Highlands County set no legal debt limit.	
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment which the County's financial activities take place.	
Demographic and Economic Statistics, Last Ten Fiscal Years	211
Principal Employers, Current Fiscal Year and Nine Years Prior	212
Operating Information	
These schedules contain service and capital asset data to help the reader understand how the information in the County's financial report relates to the services provided by the County and the activities it performs.	
Full-Time Equivalent County Government Employees by Function	213
Operating Indicators by Function	214
Capital Assets by Function	217

Sources: Unless otherwise noted, the information contained in the schedules in this Statistical Section are derived from the comprehensive annual financial reports for the relevant year.

**HIGHLANDS COUNTY, FLORIDA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year									
	2020	2019	2018	2017	2015*	2015	2014	2013	2012	2011
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 231,232	\$ 225,367	\$ 213,827	\$ 206,255	\$ 197,479	\$ 194,776	\$ 192,567	\$ 189,798	\$ 186,017	\$ 185,195
Restricted	34,914	40,883	42,707	40,820	47,025	56,267	40,172	41,035	43,995	2
Unrestricted	(49,770)	(41,387)	(44,686)	(30,211)	(25,408)	(33,080)	14,911	17,893	17,406	60,372
Total Governmental Activities										
Net Position	<u>\$ 216,376</u>	<u>\$ 224,863</u>	<u>\$ 211,848</u>	<u>\$ 216,864</u>	<u>\$ 219,096</u>	<u>\$ 217,963</u>	<u>\$ 247,650</u>	<u>\$ 248,726</u>	<u>\$ 247,418</u>	<u>\$ 245,569</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 8,684	\$ 8,758	\$ 9,369	\$ 9,153	\$ 9,393	\$ 9,369	\$ 9,728	\$ 10,068	\$ 9,954	\$ 12,797
Restricted	-	-	-	-	-	-	-	-	-	43
Unrestricted	10,935	10,118	9,002	7,650	5,609	5,378	5,069	3,260	2,734	2,504
Total Business-Type Activities										
Net Position	<u>\$ 19,619</u>	<u>\$ 18,876</u>	<u>\$ 18,371</u>	<u>\$ 16,803</u>	<u>\$ 15,002</u>	<u>\$ 14,747</u>	<u>\$ 14,797</u>	<u>\$ 13,328</u>	<u>\$ 12,688</u>	<u>\$ 15,344</u>
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 239,916	\$ 234,125	\$ 223,196	\$ 215,408	\$ 206,872	\$ 204,145	\$ 202,295	\$ 199,866	\$ 195,971	\$ 197,992
Restricted	34,914	40,883	42,707	40,820	47,025	56,267	40,172	41,035	43,995	45
Unrestricted	(38,835)	(31,269)	(35,684)	(22,561)	(19,799)	(27,702)	19,980	21,153	20,140	62,876
Total Primary Government										
Net Position	<u>\$ 235,995</u>	<u>\$ 243,739</u>	<u>\$ 230,219</u>	<u>\$ 233,667</u>	<u>\$ 234,098</u>	<u>\$ 232,710</u>	<u>\$ 262,447</u>	<u>\$ 262,054</u>	<u>\$ 260,106</u>	<u>\$ 260,913</u>

*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in 2015.

**HIGHLANDS COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Governmental Activities:										
General Government	\$ 20,865,488	\$ 20,874,168	\$ 18,519,219	\$ 17,632,374	\$ 15,875,786	\$ 13,531,358	\$ 14,797,429	\$ 14,026,292	\$ 15,726,969	\$ 18,086,207
Public Safety	59,515,863	56,939,713	59,326,852	48,236,789	41,971,815	37,704,396	38,955,726	37,050,892	36,008,957	37,834,107
Physical Environment	1,250,441	1,178,231	1,864,091	1,276,317	1,688,061	1,038,196	1,021,946	1,558,380	1,391,528	1,839,208
Transportation	18,631,875	14,508,911	13,459,205	13,339,901	13,152,319	13,178,891	13,308,009	12,405,754	13,730,299	12,263,525
Economic Environment	3,266,775	3,704,233	3,508,116	2,716,539	2,713,202	3,227,914	1,813,659	2,169,217	2,571,305	2,908,356
Human Services	7,664,991	3,639,034	3,682,396	3,844,649	3,838,641	4,803,440	5,103,604	4,056,257	3,298,713	2,939,280
Culture and Recreation	3,542,238	2,894,053	2,988,164	3,241,983	3,041,505	2,991,401	2,800,793	2,819,321	2,919,597	3,289,267
Court Related	5,387,500	5,215,689	4,782,597	4,508,844	4,286,136	4,325,815	4,175,685	4,232,528	4,046,362	2,133,649
Debt Service:										
Interest on Long-Term Debt	462,290	452,226	479,532	526,214	576,318	447,348	407,662	386,170	294,638	443,410
Total Governmental Activities Expenses	120,587,461	109,406,258	108,610,172	95,323,610	87,143,783	81,248,759	82,384,513	78,704,811	79,988,368	81,737,009
Business-Type Activities:										
Solid Waste	8,904,617	9,019,161	8,258,598	7,911,813	8,229,484	7,839,954	6,820,416	7,993,191	8,304,132	8,226,418
Water and Sewer	-	-	-	-	-	-	-	-	300,578	499,896
Highway Park Utility	-	-	-	-	-	-	-	-	89,823	140,108
Energy Recovery	4,739,577	2,067,795	1,286,705	2,182,353	2,190,260	2,037,100	2,830,944	2,255,324	2,413,568	2,005,691
Total Business-Type Activities Expenses	13,644,194	11,086,956	9,545,303	10,094,166	10,419,744	9,877,054	9,651,360	10,248,515	11,108,101	10,872,113
Total Primary Government Expenses	<u>\$ 134,231,655</u>	<u>\$ 120,493,214</u>	<u>\$ 118,155,475</u>	<u>\$ 105,417,776</u>	<u>\$ 97,563,527</u>	<u>\$ 91,125,813</u>	<u>\$ 92,035,873</u>	<u>\$ 88,953,326</u>	<u>\$ 91,096,469</u>	<u>\$ 92,609,122</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 4,029,731	\$ 3,611,736	\$ 3,491,884	\$ 3,388,476	\$ 3,232,991	\$ 3,430,390	\$ 3,158,631	\$ 3,303,744	\$ 2,802,300	\$ 2,815,601
Public Safety	13,796,529	14,611,053	10,201,333	9,109,107	8,455,014	9,093,968	8,404,021	7,885,226	6,766,009	6,573,661
Physical Environment	286,800	223,291	209,208	203,253	190,111	188,619	200,061	196,423	248,362	230,925
Transportation	2,453,038	3,778,828	2,960,748	2,541,604	2,532,117	2,263,685	2,404,676	2,034,975	1,762,758	2,001,802
Economic Environment	192,294	218,340	234,972	190,647	133,273	91,339	-	-	-	-
Human Services	21,113	22,944	32,040	56,356	78,134	104,571	118,965	97,182	107,859	89,708
Culture and Recreation	160,345	198,047	205,665	205,127	231,252	255,352	236,647	249,848	230,599	231,266
Court Related	2,505,424	2,582,473	2,770,345	2,551,261	2,395,544	2,733,165	2,796,207	2,813,899	2,761,810	3,039,109
Operating Grants and Contributions:										
General Government	346,919	89,915	97,665	119,917	154,809	169,073	204,518	211,540	230,402	250,310
Public Safety	319,850	13,637,806	918,640	484,767	471,626	429,685	433,524	307,961	1,091,644	818,288
Physical Environment	320,161	269,695	320,313	322,895	442,290	234,827	206,295	869,464	519,960	950,632
Transportation	-	-	23,995	6,419	2,052	181,443	54,068	-	675,645	7,466
Economic Environment	454,711	1,363,228	738,802	408,358	826,494	1,103,227	1,064,101	650,825	1,044,748	1,301,191
Human Services	4,521,721	646,931	739,927	534,043	667,781	1,934,767	2,344,565	687,133	941,722	185,995
Culture and Recreation	207,999	194,621	241,801	193,493	207,941	258,164	239,627	177,843	294,188	279,393
Court Related	20,000	15,000	15,000	-	-	-	-	-	-	-

**HIGHLANDS COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
PROGRAM REVENUES										
Governmental Activities (Continued):										
Capital Grants and Contributions:										
General Government	\$ 60,657	\$ 167,864	\$ 98,063	\$ 60,657	\$ 60,657	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	481,644	446,895	38,756	86,077	400,886	21,466	154,816	832,757	324,557	25,139
Physical Environment	5,660,798	870,117	872,809	711,535	329,100	158,408	38,638	-	-	-
Transportation	454,091	809,475	2,151,471	2,899,663	696,326	795,084	1,178,687	2,002,772	2,529,199	536,922
Economic Environment	-	-	-	-	-	-	-	67,552	195,923	-
Human Services	39,871	956,079	606,301	-	-	-	-	-	45,230	-
Culture and Recreation	-	-	-	-	3,115	15,707	-	-	69,706	31,216
Court Related	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities										
Program Revenues	36,333,696	44,714,338	26,969,738	24,073,655	21,511,513	23,462,940	23,238,047	22,389,144	22,642,621	19,368,624
Business-Type Activities:										
Charges for Services:										
Solid Waste	9,342,369	9,043,194	9,704,626	9,282,253	8,245,581	8,026,002	8,112,624	8,120,527	8,304,716	8,375,167
Water and Sewer	-	-	-	-	-	-	-	-	437,330	566,917
Highway Park Utility	-	-	-	-	-	-	-	-	92,127	125,499
Energy Recovery	4,998,541	2,093,557	1,236,046	2,377,919	2,223,189	2,151,518	2,883,567	2,589,128	2,803,771	2,302,421
Operating Grants and Contributions:										
Solid Waste	26,280	90,909	90,909	90,909	90,909	90,910	90,909	70,588	90,374	88,974
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Highway Park Utility	-	-	-	-	-	-	-	-	-	-
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Highway Park Utility	-	-	-	-	-	-	-	-	-	-
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities										
Program Revenues	14,367,190	11,227,660	11,031,581	11,751,081	10,559,679	10,268,430	11,087,100	10,780,243	11,728,318	11,458,978
Total Primary Government										
Program Revenues	<u>\$ 50,700,886</u>	<u>\$ 55,941,998</u>	<u>\$ 38,001,319</u>	<u>\$ 35,824,736</u>	<u>\$ 32,071,192</u>	<u>\$ 33,731,370</u>	<u>\$ 34,325,147</u>	<u>\$ 33,169,387</u>	<u>\$ 34,370,939</u>	<u>\$ 30,827,602</u>
NET REVENUE (EXPENSE)										
Governmental Activities	\$ (84,253,765)	\$ (64,691,920)	\$ (81,640,434)	\$ (71,249,955)	\$ (65,632,270)	\$ (57,785,819)	\$ (59,146,466)	\$ (56,315,667)	\$ (57,345,747)	\$ (62,368,385)
Business-Type Activities	722,996	140,704	1,486,278	1,656,915	139,935	391,376	1,435,740	531,728	620,217	586,865
Total Primary Governmental										
Net Expense	<u>\$ (83,530,769)</u>	<u>\$ (64,551,216)</u>	<u>\$ (80,154,156)</u>	<u>\$ (69,593,040)</u>	<u>\$ (65,492,335)</u>	<u>\$ (57,394,443)</u>	<u>\$ (57,710,726)</u>	<u>\$ (55,783,939)</u>	<u>\$ (56,725,530)</u>	<u>\$ (61,781,520)</u>

**HIGHLANDS COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 41,984,688	\$ 39,979,150	\$ 39,565,159	\$ 38,462,928	\$ 37,278,775	\$ 36,998,413	\$ 30,637,891	\$ 31,472,962	\$ 32,423,039	\$ 34,215,713
Fuel Taxes	4,296,818	4,554,036	4,662,245	4,544,584	4,587,791	4,571,124	4,442,566	4,375,972	4,672,974	4,803,043
Sales Tax	9,952,249	9,766,712	9,811,985	9,072,162	9,128,971	8,646,977	8,104,374	7,690,604	7,413,355	7,280,803
Services Taxes	557,115	574,650	623,216	724,573	675,705	702,695	711,348	731,353	729,751	804,349
Other Taxes	913,665	1,064,256	560,188	482,936	481,072	453,063	420,444	384,622	368,501	349,093
State Shared Revenues	15,003,122	15,434,257	15,205,276	14,506,012	13,810,350	13,389,606	12,809,474	12,317,628	12,212,916	12,735,009
Net Change in Fair Value of Investments	948,096	1,274,929	892,708	662,365	451,282	456,608	240,985	296,350	731,814	370,769
Gain on Sale of Capital Assets	826,358	952,383	145,545	77,368	43,112	230,677	500	-	13,755	14,954
Insurance Recoveries	74,416	752,218	-	-	-	-	-	-	-	-
Miscellaneous	915,547	3,261,481	1,993,965	485,539	308,519	360,970	335,215	354,041	629,127	583,612
Transfers	294,798	92,916	226,063	-	-	-	-	-	-	-
Total Governmental Activities	<u>75,766,872</u>	<u>77,706,988</u>	<u>73,686,350</u>	<u>69,018,467</u>	<u>66,765,577</u>	<u>65,810,133</u>	<u>57,702,797</u>	<u>57,623,532</u>	<u>59,195,232</u>	<u>61,157,345</u>
Business-Type Activities:										
Net Change in Fair Value of Investments	276,307	450,023	243,064	143,822	59,744	46,870	35,409	35,162	38,339	21,099
Gain (Loss) on Sale of Capital Assets	15,000	2,888	5	-	55,000	1,951	(2,694)	73,727	-	(52,241)
Insurance Recoveries	23,552	4,382	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(294,798)	(92,916)	(226,063)	-	-	-	-	-	-	-
Special Item: Loss on Transfer of Assets to Municipality	-	-	-	-	-	-	-	-	(3,315,330)	-
Total Business-Type Activities	<u>20,061</u>	<u>364,377</u>	<u>17,006</u>	<u>143,822</u>	<u>114,744</u>	<u>48,821</u>	<u>32,715</u>	<u>108,889</u>	<u>(3,276,991)</u>	<u>(31,142)</u>
Total Primary Government	<u>\$ 75,786,933</u>	<u>\$ 78,071,365</u>	<u>\$ 73,703,356</u>	<u>\$ 69,162,289</u>	<u>\$ 66,880,321</u>	<u>\$ 65,858,954</u>	<u>\$ 57,735,512</u>	<u>\$ 57,732,421</u>	<u>\$ 55,918,241</u>	<u>\$ 61,126,203</u>
Change in Net Position:										
Government Activities	\$ (8,486,893)	\$ 13,015,068	\$ (7,954,084)	\$ (2,231,488)	\$ 1,133,307	\$ 8,024,314	\$ (1,443,669)	\$ 1,307,865	\$ 1,849,485	\$ (1,211,040)
Business-Type Activities	743,057	505,081	1,503,284	1,800,737	254,679	440,197	1,468,455	640,617	(2,656,774)	555,723
Total Primary Government	<u>\$ (7,743,836)</u>	<u>\$ 13,520,149</u>	<u>\$ (6,450,800)</u>	<u>\$ (430,751)</u>	<u>\$ 1,387,986</u>	<u>\$ 8,464,511</u>	<u>\$ 24,786</u>	<u>\$ 1,948,482</u>	<u>\$ (807,289)</u>	<u>\$ (655,317)</u>

**HIGHLANDS COUNTY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL FUND										
Nonspendable	\$ 1,345,428	\$ 1,688,633	\$ 1,254,682	\$ 1,271,683	\$ 1,090,109	\$ 898,522	\$ 735,796	\$ 843,142	\$ 643,375	\$ 606,075
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	518,151	357,689	392,559	5,395,581	478,468	536,116	1,051,976	728,198	1,078,004	1,115,776
Unassigned	17,524,589	17,133,264	4,946,829	11,207,433	17,965,879	18,007,274	15,424,223	16,816,083	19,842,464	19,725,387
Total General Fund	<u>\$ 19,388,168</u>	<u>\$ 19,179,586</u>	<u>\$ 6,594,070</u>	<u>\$ 17,874,697</u>	<u>\$ 19,534,456</u>	<u>\$ 19,441,912</u>	<u>\$ 17,211,995</u>	<u>\$ 18,387,423</u>	<u>\$ 21,563,843</u>	<u>\$ 21,447,238</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 1,743,945	\$ 138,111	\$ 43,171	\$ 129,818	\$ 58,043	\$ 78,576	\$ 55,560	\$ 9,863	\$ -	\$ 1,460
Restricted	35,798,233	44,362,820	41,575,220	40,740,308	46,180,218	55,617,654	38,863,427	39,614,669	42,615,226	39,143,321
Assigned	1,131,596	1,131,596	1,131,596	1,131,596	1,131,596	1,209,272	1,131,596	4,136,848	-	-
Unassigned	(2,409)	(5,465,323)	(5,285,444)	(3,502,628)	(449,481)	(94,077)	(182,558)	(156,012)	(160,506)	(178,875)
Total All Other Governmental Funds	<u>\$ 38,671,365</u>	<u>\$ 40,167,204</u>	<u>\$ 37,464,543</u>	<u>\$ 38,499,094</u>	<u>\$ 46,920,376</u>	<u>\$ 56,811,425</u>	<u>\$ 39,868,025</u>	<u>\$ 43,605,368</u>	<u>\$ 42,454,720</u>	<u>\$ 38,965,906</u>

**HIGHLANDS COUNTY, FLORIDA
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Taxes	\$ 57,650,705	\$ 55,887,727	\$ 55,172,719	\$ 53,234,947	\$ 52,101,154	\$ 51,319,790	\$ 44,263,651	\$ 44,593,603	\$ 45,544,644	\$ 47,393,350
Licenses and Permits	1,037,516	1,001,754	1,465,721	773,153	768,201	670,995	592,967	499,113	489,004	588,807
Intergovernmental	31,496,711	34,817,945	22,550,893	21,205,397	18,627,084	19,987,878	19,391,575	20,076,861	22,480,446	19,184,676
Charges for Services	11,369,540	11,944,323	10,893,391	10,219,318	9,464,472	10,046,027	9,628,330	8,938,804	7,329,535	7,344,562
Fines and Forfeitures	617,376	597,206	613,473	483,845	659,069	853,718	689,523	331,052	144,685	141,395
Assessments	5,910,454	5,432,424	2,222,840	2,236,688	2,151,722	2,167,235	2,071,734	2,038,077	2,004,101	2,089,742
Net Change in Fair Value of Investments	863,974	1,129,691	782,659	610,260	429,176	432,068	232,693	277,805	697,864	350,324
Miscellaneous	3,887,094	6,117,091	4,505,545	4,163,763	3,800,801	3,990,201	3,797,347	3,774,692	3,413,626	3,712,680
Total Revenues	<u>112,833,370</u>	<u>116,928,161</u>	<u>98,207,241</u>	<u>92,927,371</u>	<u>88,001,679</u>	<u>89,467,912</u>	<u>80,667,820</u>	<u>80,530,007</u>	<u>82,103,905</u>	<u>80,805,536</u>
EXPENDITURES										
Current:										
General Government	19,137,605	19,504,745	17,298,385	16,382,937	15,820,668	15,320,898	15,038,762	14,375,841	14,428,638	17,706,422
Public Safety	51,272,109	48,686,528	55,424,348	46,488,455	49,112,058	37,532,165	36,769,408	44,876,262	34,690,081	37,853,328
Physical Environment	1,662,450	3,256,902	3,807,540	5,951,756	1,652,101	1,419,943	1,030,244	1,542,732	1,376,193	1,763,210
Transportation	21,371,636	19,273,642	17,015,511	17,543,571	14,340,234	14,656,785	16,141,550	14,963,532	15,862,116	13,735,417
Economic Environment	3,091,151	3,548,911	3,413,605	2,663,981	2,646,019	3,058,180	1,763,053	2,119,215	2,848,424	2,876,117
Human Services	7,387,680	3,596,614	3,571,908	3,682,639	3,830,092	4,746,714	5,073,317	3,950,544	3,275,763	2,828,400
Culture and Recreation	3,057,918	2,770,798	2,661,198	2,915,249	2,719,949	2,576,017	2,536,456	2,436,329	2,655,630	2,828,665
Court Related	4,674,599	4,608,530	4,460,416	4,186,800	4,453,875	4,373,657	4,402,846	4,171,592	3,963,102	2,087,156
Debt Service:										
Principal Retirement	3,174,345	2,821,386	2,609,352	2,658,400	2,648,293	9,867,709	2,792,500	1,527,497	1,527,608	4,051,087
Interest	486,706	439,671	486,219	534,624	576,895	342,527	400,404	287,154	317,627	600,559
Bond Administration	-	-	-	-	-	-	-	-	-	-
Other Debt Service	-	-	-	-	-	-	-	-	-	37,980
Total Expenditures	<u>115,316,199</u>	<u>108,507,727</u>	<u>110,748,482</u>	<u>103,008,412</u>	<u>97,800,184</u>	<u>93,894,595</u>	<u>85,948,540</u>	<u>90,250,698</u>	<u>80,945,182</u>	<u>86,368,341</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,482,829)	8,420,434	(12,541,241)	(10,081,041)	(9,798,505)	(4,426,683)	(5,280,720)	(9,720,691)	1,158,723	(5,562,805)
OTHER FINANCING SOURCES (USES)										
Transfers In	3,130,908	1,320,536	1,569,934	1,636,066	1,121,712	1,186,440	4,119,015	1,396,287	3,580,898	1,969,665
Transfers Out	(2,836,110)	(1,227,620)	(1,343,871)	(1,636,066)	(1,121,712)	(1,186,440)	(4,119,015)	(1,056,287)	(1,344,202)	(1,969,665)
Issuance of Refunding Note	-	-	-	-	-	-	-	-	-	11,890,000
Insurance Recoveries	74,416	752,217	-	-	-	-	-	-	-	-
Issuance of Debt	826,358	6,022,610	-	-	-	23,600,000	-	8,010,470	210,000	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(12,031,932)
Total Other Financing Sources (Uses)	<u>1,195,572</u>	<u>6,867,743</u>	<u>226,063</u>	<u>-</u>	<u>-</u>	<u>23,600,000</u>	<u>-</u>	<u>8,350,470</u>	<u>2,446,696</u>	<u>(141,932)</u>
Net Change in Fund Balances	<u>\$ (1,287,257)</u>	<u>\$ 15,288,177</u>	<u>\$ (12,315,178)</u>	<u>\$ (10,081,041)</u>	<u>\$ (9,798,505)</u>	<u>\$ 19,173,317</u>	<u>\$ (5,280,720)</u>	<u>\$ (1,370,221)</u>	<u>\$ 3,605,419</u>	<u>\$ (5,704,737)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.53%	3.51%	3.19%	3.73%	4.01%	11.62%	4.08%	2.44%	2.46%	5.86%

**HIGHLANDS COUNTY, FLORIDA
TAXABLE VALUE AND ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property (Assessed Value ^a)				Assessed Value ^a of Personal Property	Less: Allowable Exemptions	Total Taxable Value ^b	Total Direct Tax Rate ^c
	Residential Property	Agriculture	Commercial Property	Other				
2020	\$ 4,696,604,547	\$ 630,636,086	\$ 945,504,608	\$ 1,116,687,337	\$ 688,218,384	\$ 3,025,622,319	\$ 5,052,028,643	8.5500
2019	4,420,651,377	571,111,854	940,284,611	1,091,717,986	686,246,734	2,873,692,500	4,836,320,062	8.5500
2018	4,185,031,437	683,819,126	909,541,660	1,069,894,445	688,743,734	2,775,178,889	4,761,851,513	8.5500
2017	3,908,190,237	733,151,871	899,474,589	1,059,389,125	668,544,116	2,637,549,375	4,631,200,563	8.5500
2016	3,521,950,986	722,088,198	879,493,681	1,041,600,090	667,761,606	2,329,575,367	4,503,319,194	8.5500
2015	3,430,182,769	734,356,228	872,987,089	1,024,869,481	675,833,516	2,272,404,297	4,465,824,786	8.5500
2014	3,444,169,441	712,697,860	863,410,453	1,025,462,248	682,100,936	2,285,182,642	4,442,658,296	7.1000
2013	3,572,305,436	725,319,963	839,352,031	1,030,868,951	701,451,574	2,321,476,920	4,547,821,035	7.1000
2012	3,937,953,139	695,048,858	850,340,509	1,062,203,211	629,408,701	2,465,928,211	4,709,026,207	7.1000
2011	4,333,665,684	661,062,597	858,201,822	1,021,215,059	632,201,205	2,584,930,120	4,921,416,247	7.1000

Source: Highlands County Property Appraiser.

Notes:

^a Assessed value is determined by the Highlands County Property Appraiser on January 1 of each year at 100% of fair market value, as required by Section 192.042, Florida Statutes.

^b Taxable values are based on the assessed value after deducting allowable statutory exemptions.

^c Per \$1,000 of value.

**HIGHLANDS COUNTY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rates		Overlapping Rates ^a						Total Overlapping Rates	Total Countywide
	General Government	Total Direct Rate	School District	South Florida Water District	Southwest Florida Water District	City of Avon Park	City of Sebring	Town of Lake Placid		
2020	8.5500	8.5500	6.1200	0.2795	0.2801	0.3000	5.3184	3.5000	15.7980	24.3480
2019	8.5500	8.5500	6.3220	0.2936	0.2955	0.3000	5.3184	3.6500	16.1795	24.7295
2018	8.5500	8.5500	6.5420	0.3100	0.3131	0.3000	5.3184	3.6500	16.4335	24.9835
2017	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073
2016	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073
2015	8.5500	8.5500	7.2780	0.3842	0.3658	0.3000	4.9900	3.6500	16.9680	25.5180
2014	7.1000	7.1000	7.2650	0.4110	0.3818	0.3000	4.9900	3.6500	16.9978	24.0978
2013	7.1000	7.1000	7.6980	0.4289	0.3928	3.6000	4.9900	3.6500	20.7597	27.8597
2012	7.1000	7.1000	7.8130	0.4363	0.3928	5.8745	5.2500	3.6500	23.4166	30.5166
2011	7.1000	7.1000	7.6160	0.6240	0.5597	5.8745	5.4338	3.8100	23.9180	31.0180

Source: Highlands County Property Appraiser.

Notes:

The County's basic property tax rate may be increased only by a majority vote of the Board of County Commissioners.

^a Overlapping rates are those of local and county governments that apply to property owners within Highlands County. Not all overlapping rates apply to all Highlands County property owners.

**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Taxpayer	Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Duke Energy f/k/a Progress Energy	Electric Utility	\$ 165,050,451	1	2.04%	\$ 111,911,750	1	1.49%
FLA Gas Transmission Co	Gas System	63,598,684	2	0.79%	-	-	-
Sebring Airport Authority	Industrial/Entertainment	49,509,194	3	0.61%	61,246,172	2	0.82%
Tanglewood Investors Limited	Real Estate	48,708,717	4	0.60%	31,796,799	7	0.42%
Glades Electric Coop Inc.	Electric Utility	42,064,980	5	0.52%	35,822,800	5	0.48%
Gulfstream Natural Gas Sys LLC	Gas System	37,585,600	6	0.47%	60,434,780	3	0.81%
Lykes Bros Inc.	Cattle & Citrus	27,396,204	7	0.34%	48,640,154	4	0.65%
ARC SSSEBFL001 LLC	Retail	26,607,201	8	0.33%	-	-	-
Sun Comm Acquisitions LLC	Real Estate	23,138,746	9	0.29%	-	-	-
Highlands County Hospital	Hospital	22,016,801	10	0.27%	28,600,627	8	0.38%
Embarq-Florida Inc.	Telephone Services	-	-	-	32,522,070	6	0.43%
Walmart	Retail	-	-	-	26,033,528	9	0.35%
809 Lake Jackson LLC	Real Estate	-	-	-	22,050,578	10	0.29%
Total Assessed Value of Ten Largest Taxpayers		505,676,578		6.26%	459,059,258		6.12%
Total Assessed Value of All Other Taxpayers		7,571,974,384		93.74%	7,047,287,109		93.88%
Total Assessed Value of All Taxpayers		<u>\$ 8,077,650,962</u>		<u>100.00%</u>	<u>\$ 7,506,346,367</u>		<u>100.00%</u>

Source: Highlands County Property Appraiser.

Note: The assessed value includes real and personal property.

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

Fiscal Year	Taxes Levied for the Fiscal Year ^a (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ^b	Total Collections to Date ^b	
		Amount ^b	Percentage of Original Levy		Amount	Percentage of Original Levy
2020	N/A	N/A	N/A	N/A	N/A	N/A
2019	41,350,592	N/A	N/A	N/A	N/A	N/A
2018	40,713,868	N/A	N/A	N/A	N/A	N/A
2017	39,596,821	\$ 38,268,827	96.65%	\$ -	\$ 38,268,827	96.65%
2016	38,503,428	37,129,634	96.43%	78,509	37,208,143	96.64%
2015	38,168,421	36,841,599	96.52%	82,693	36,924,293	96.74%
2014	32,330,893	30,487,500	94.30%	78,347	30,565,848	94.54%
2013	32,289,547	31,226,552	96.71%	99,762	31,326,313	97.02%
2012	33,440,571	32,238,611	96.41%	793,319	33,031,930	98.78%
2011	34,942,081	33,766,320	96.64%	166,847	33,933,167	97.11%

Source: Highlands County Property Appraiser.

Notes:

^a Property taxes become due and payable on November 1 of each year. A 4% discount is allowed if taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of each year.

Property taxes receivable and a corresponding reserve for uncollectible property taxes are not included in the financial statements as there are no delinquent taxes as of September 30, 2020.

Information regarding the Original Levy was obtained from the Property Appraiser.

^b Information was obtained from the Tax Collector's Recapitulation of the Tax Roll report. Data for 2018, 2019, and 2020 was not available.

**HIGHLANDS COUNTY, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita	Personal Income	Population
	General Obligation Bonds	Notes Payable	Revenue Certificates	Mortgage Payable	Capital Leases	Notes Payable	Capital Leases					
2020	\$ -	\$ 22,714,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,714,207	N/A	N/A	N/A	N/A
2019	-	25,042,643	-	-	845,909	-	-	25,888,552	14.15%	244	\$ 3,662,511	\$ 106,221
2018	-	21,008,750	-	-	1,678,578	-	-	22,687,328	15.52%	216	3,520,298	104,933
2017	-	22,404,315	-	-	2,892,365	60,596	-	25,357,276	13.52%	244	3,428,227	103,852
2016	-	23,768,018	15,000	-	4,172,062	296,472	97,790	28,349,342	11.55%	278	3,273,759	102,041
2015	-	25,085,303	30,000	-	5,488,070	522,271	192,879	31,318,523	10.17%	313	3,186,066	100,137
2014	-	9,996,456	45,000	-	6,829,624	738,423	285,343	17,894,846	16.93%	182	3,030,199	98,548
2013	-	11,526,895	60,000	-	8,076,685	945,342	375,254	20,984,176	13.90%	214	2,916,520	98,077
2012	-	12,870,317	75,000	-	93,561	1,311,594	-	14,350,472	20.47%	146	2,938,159	98,222
2011	-	14,067,103	90,000	-	179,374	2,188,265	79,877	16,604,619	17.55%	169	2,913,943	98,477

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

**HIGHLANDS COUNTY, FLORIDA
OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2020**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt			
Notes Payable	\$ 22,714,207	100%	\$ 22,714,207
Total Direct Debt	<u>22,714,207</u>		<u>22,714,207</u>
Overlapping Debt			
Highlands County School Board:			
Bonds Payable	2,990,000	100%	2,990,000
Certificates of Participation	38,255,000	100%	38,255,000
South Florida Water Management District:			
Certificates of Participation	<u>348,425,000</u>	14%	<u>47,529,917</u>
Total Overlapping Debt	<u>389,670,000</u>		<u>88,774,917</u>
Total Direct and Overlapping Debt	<u>\$ 412,384,207</u>		<u>\$ 111,489,124</u>

Source: Debt outstanding data provided by each respective agency.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Highlands County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

^a The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

**HIGHLANDS COUNTY, FLORIDA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Infrastructure Sales Surtax Pledged Revenue Coverage					
Fiscal Year	Infrastructure Sales Surtax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2020	\$ 9,952,249	\$ 2,200,744	\$ 361,928	\$ 2,562,672	3.88
2019	9,766,713	1,725,366	399,322	2,124,688	4.60
2018	9,811,985	1,383,363	426,446	1,809,809	5.42
2017	9,072,162	1,351,833	450,352	1,802,185	5.03
2016	9,128,971	1,295,755	465,995	1,761,750	5.18
2015	8,646,980	1,550,112	200,478	1,750,590	4.94
2014	8,104,375	1,509,888	234,169	1,744,057	4.65
2013	7,690,604	1,465,066	266,974	1,732,040	4.44
2012	7,413,352	1,405,630	298,654	1,704,284	4.35
2011	7,280,190	3,811,733	560,697	4,372,430	1.67

Notes:

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

The 2010 Infrastructure Sales Surtax Revenue Note and 2005 Infrastructure Sales Surtax Revenue Note are serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax.

**HIGHLANDS COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population ^a	Total Personal Income ^a (in thousands)	Per Capita Personal Income ^a	Public School Enrollment ^b	Unemployment Rate ^c
2020	-	\$ -	\$ -	12,047	5.90%
2019	106,221	3,662,511	34,480	11,993	4.30%
2018	104,933	3,520,298	33,548	12,308	4.20%
2017	103,852	3,428,227	33,011	12,513	4.80%
2016	102,041	3,273,759	32,083	12,296	6.90%
2015	100,137	3,186,066	31,817	12,481	7.40%
2014	98,584	3,030,199	30,737	12,059	8.20%
2013	98,077	2,916,520	29,797	12,202	9.40%
2012	98,222	2,938,159	29,913	12,070	10.30%
2011	98,477	2,913,943	29,590	12,012	11.50%

Notes:

^a Information was provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

^b Information was provided by the Highlands County School Board.

^c Information was provided by the Florida Research and Economic Information Database.

**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Highlands County School Board	1,577	1	4.66%	1,574	1	4.01%
Advent Health f/k/a Florida Hospital	1,487	2	4.40%	1,500	2	3.82%
Wal-Mart	975	3	2.88%	796	3	2.03%
Publix	496	4	1.47%	-		0.00%
The Results Company f/k/a Agero	465	5	1.37%	600	4	1.53%
South Florida State College	422	6	1.25%	-		0.00%
Highlands Regional Medical Center	400	7	1.18%	413	5	1.05%
Highlands County Board of County Commissioners	383	8	1.13%	374	6	0.95%
Alan Jay Automotive	360	9	1.06%	250	10	0.64%
Highlands County Sheriff's Office	359	10	1.06%	328	8	0.83%
DelRay Plants	-		0.00%	350	7	0.89%
The Palms of Sebring	-		0.00%	257	9	0.65%
Total	6,924		20.46%	6,442		16.40%
Labor Force Employed	33,827			39,282		

Source: Top Employee information was provided by the Highlands County Economic Development Commission. Labor force employee numbers were obtained from the Florida Research and Economic Database.

*** Information not available.

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

Function	Full-Time Equivalent Employees as of September 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL GOVERNMENT										
Legislative	5	5	5	5	5	5	5	5	5	5
Executive	5	5	4	4	5	6	5	4	4	5
Financial and Administrative	135	129	124	124	116	119	122	127	121	123
Comprehensive Planning	4	4	5	5	5	6	6	5	5	7
Other General Government	24	26	26	24	27	27	27	27	31	34
PUBLIC SAFETY										
Law Enforcement	243	243	244	232	220	216	216	205	219	197
Fire Control	29	32	16	13	14	16	13	19	17	22
Detention / Correction	112	111	110	106	108	104	99	111	118	118
Protective Inspection	17	18	16	13	16	15	15	16	15	17
Emergency and Disaster	9	7	4	5	4	6	6	6	6	4
Ambulance and Rescue	69	65	63	66	61	57	64	64	64	70
Other Public Safety	6	5	3	3	3	2	2	2	2	2
PHYSICAL ENVIRONMENT										
Water Utility Services	17	19	16	21	19	20	21	22	22	27
Conservation and Rescue	13	16	14	13	14	14	14	12	12	10
TRANSPORTATION										
Road and Street Facilities	107	120	120	112	113	107	112	111	111	111
ECONOMIC ENVIRONMENT										
Housing	1	1	1	1	1	1	1	1	1	1
Veteran Services	3	3	3	3	3	3	3	3	3	3
Other	3	3	3	3	2	1	2	2	2	1
HUMAN SERVICES										
Health	6	8	8	8	8	8	7	9	8	8
Welfare	1	1	1	1	7	9	10	10	7	7
Other Human Services	-	1	1	1	-	-	-	-	-	-
CULTURE AND RECREATION										
Libraries	19	16	16	14	16	18	17	18	18	17
Parks and Recreation	17	16	17	18	18	18	18	18	14	15
COURT RELATED										
Court General Administration	21	19	23	21	22	14	9	11	15	8
Circuit Court Criminal	4	4	5	5	6	6	7	8	5	6
Circuit Court Civil	4	4	3	3	4	4	4	4	3	4
Circuit Court Family	9	10	8	9	9	9	6	9	8	5
Circuit Court Juvenile	4	5	3	3	3	2	3	4	4	4
Court General Operations	6	9	9	8	7	16	11	11	12	8
County Court Traffic	4	6	6	6	7	7	7	7	6	7
Total	897	911	877	850	843	836	832	851	858	846

**HIGHLANDS COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION**

Function / Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL GOVERNMENT										
New Hires	52	89	66	46	46	50	54	48	27	35
Purchase Orders Issued	1,687	1,681	1,708	1,910	1,518	1,629	1,696	1,804	1,764	2,069
Comp Plan Amendments	10	7	5	7	15	13	2	3	6	563
IT Work Orders Completed	17,050	15,636	17,676	14,636	8,917	9,778	9,205	7,567	5,605	5,097
IT Users Served	650	650	650	650	650	650	650**	812	801	614
PUBLIC SAFETY										
Emergency Medical Services:										
Emergency 911 Call Volume:										
Fire/Rescue Calls	19,292	20,629	****	****	****	****	****	****	****	****
EMS Calls	****	****	17,089	17,365	16,546	15,696	14,814	14,645	14,782	14,243
Fire Department Calls	****	****	3,914	11,002	9,337	8,174	7,412	7,442	7,204	6,567
Average EMS Response Time (in Minutes)	7.20	7.23	7.02	7.06	8.04	7.99	7.15	6.80	6.78	5.70
Air Medical Service (Number of Flights)	188	212	135	116	104	108	106	88	122	142
Sheriff:										
Arrests Made	2,054	3,570	3,699	3,258	4,474	5,489	6,014	4,431	4,845	5,920
Traffic Citations Issued	2,466	3,888	2,040	2,116	2,349	3,244	3,188	4,534	5,501	3,852
Detentions and Correction:										
Jail Average Daily Population	397	460	417	423	379	387	399	399	422	406
Building Department:										
Permits Issued	7,014	6,820	11,339	5,598	5,407	4,745	4,185	3,651	3,508	3,784
Inspections Performed	13,216	14,431	19,685	9,430	7,527	7,527	6,210	5,390	5,179	6,162
Zoning Department:										
Code Enforcement Complaints Received	2,691	2,142	1,975	2,818	2,222	1,552	2,272	2,875	3,333	1,756
Code Enforcement Inspections Performed	5,329	3,623	3,347	4,219	4,106	4,050	4,664	5,618	6,103	4,689
PHYSICAL ENVIRONMENT										
Recycled Waste (Tons)	2,200	3,366	5,528	3,614	2,391	2,563	2,737	3,014	2,791	48
Landfill Waste:										
Residential Household Waste (Tons)	44,450	37,960	37,954	37,575	39,411	37,609	36,189	37,449	38,394	39,601
Commercial Waste (Tons)	39,285	36,506	38,443	30,975	28,238	26,856	28,763	28,014	27,956	27,010
TRANSPORTATION										
Miles of Road Constructed	4.31	-	-	0.10	-	0.31	2.12	0.18	0.09	1.52
Miles of Road Reconstructs	132.42	0.06	-	1.10	1.54	1.38	1.39	0.48	0.61	1.52
Miles of Road Resurfaced	67.00	22.39	8.09	30.81	31.30	34.95	31.30	31.39	36.44	32.89

**HIGHLANDS COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION (CONTINUED)**

Function / Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
ECONOMIC ENVIRONMENT										
Down Payment Assistance Loan Program	***	***	***	***	***	***	***	***	***	***
Veterans' Services:										
In Office Visits	1,400	4,905	5,043	5,291	***	5,032	4,717	5,986	6,747	6,262
Phone Calls Received	12,300	10,503	7,990	7,264	***	19,200	19,200	24,729	26,583	24,672
Home Visits	-	5	5	12	***	3	6	***	***	***
Transportation Trips	125	250	242	242	***	89	74	80	***	***
Presentations	40	52	29	30	***	110	104	289	266	310
HUMAN SERVICES										
Animal Services:										
Number of Complaints Received *	4,486	5,603	5,373	2,994	7,359	8,553	8,442	7,030	8,067	8,643
Number of Impoundments *	2,678	3,531	3,035	1,726	3,316	3,547	3,433	3,593	4,928	7,201
Animals Reclaimed *	243	268	285	118	340	412	371	229	283	509
Animals Adopted *	185	329	434	139	451	601	557	277	322	286
Animals Donated to Humane Society *	1,240	1,323	1,046	420	1,277	***	713	771	938	1,021
Animals Euthanized *	731	1,225	1,038	616	1,146	1,441	1,798	2,232	2,925	4,917
Wildlife Relocated	***	52	***	***	***	***	104	***	297	378
Transportation Trips for Disadvantaged Persons	64,316	74,525	72,219	78,334	92,039	100,123	126,472	74,172	73,147	70,631
CULTURE AND RECREATION										
Library Operations:										
Registered Borrowers in Highlands County	89,250	88,030	20,409	18,736	20,218	19,846	20,320	21,178	11,830	61,513
Library Visitors	136,564	233,161	248,481	269,095	284,480	287,573	284,785	278,277	290,139	303,053
Items Circulated:										
Adult	172,284	233,352	281,953	295,853	354,156	305,349	253,187	260,875	267,294	304,191
Children	68,059	111,532	104,319	122,681	123,069	119,176	94,354	89,103	87,032	96,903
Adult Programs:										
Number of Programs	95	159	247	510	414	392	237	189	251	174
Number of Attendees	1,198	2,202	2,263	4,187	2,766	3,259	1,821	1,385	1,963	2,097
Children's Programs:										
Number of Programs	117	229	205	226	287	195	319	197	251	243
Number of Attendees	3,262	3,124	2,681	3,242	3,736	3,120	2,875	3,734	4,056	2,235
Volunteer Hours	2,825	5,164	6,058	5,435	5,425	5,204	2,103	4,304	6,140	8,465
Library Webpage Visits	186,041	230,313	919,587	1,087,095	1,226,146	***	353,182	215,303	207,842	954,110
Public Internet Usage (Hours)	10,702	33,962	194,178	105,715	25,165	35,341	46,595	50,881	54,619	***
Park Rentals:										
H. L. Bishop	29	61	64	32	49	52	47	29	48	40
Boat Ramps Maintained	38	38	38	38	38	38	38	38	38	39

**HIGHLANDS COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION (CONTINUED)**

Function / Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
COURT RELATED										
Cases in Court	15,948	26,955	27,557	26,840	26,967	29,806	30,953	29,831	30,704	30,887
Individuals thru Security	52,611	106,396	100,996	124,283	111,171	125,991	130,060	122,695	146,858	149,639

Sources: Information was obtained from various County departments.

* For 2017 these numbers represent the time period of April 2017 through September 2017. Information for the remainder of the fiscal year is not available due to a transition of Animal Services to the Sheriff's Office.

** Methodology for calculating number of IT Users changed in 2014.

*** Information not available.

**** As of January 1, 2019, all EMS and Fire calls became combined into Fire/Rescue calls

HIGHLANDS COUNTY, FLORIDA CAPITAL ASSETS BY FUNCTION

Function / Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL GOVERNMENT										
IT Networked Buildings	54	54	46	42	43	43	43	43	39	34
PUBLIC SAFETY										
EMS Vehicles:										
Ambulances	14	12	13	15	14	12	12	12	12	15
Jaws	17	2	2	1	2	2	2	2	2	2
Administrative	7	6	5	3	3	2	2	2	2	2
Paid/Volunteer Fire Stations:	17	17	17	17	17	*	*	*	*	*
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	3	3	3	4	4	3	5	5	5	3
Patrol Vehicles	144	144	129	110	97	103	104	104	99	85
Command Center	1	1	1	1	3	3	1	1	1	1
Special Operations Vehicle	3	3	2	4	4	3	3	3	2	2
Aircraft	1	1	1	1	1	1	1	1	1	1
Watercraft	3	3	3	3	3	3	4	4	4	4
Correction Facility Capacity	504	504	504	504	504	504	504	504	504	504
TRANSPORTATION										
Miles of County Road:										
Paved	1,003	999	998	998	998	1,010	1,010	1,007	998	998
Unpaved	194	198	200	197	197	217	215	213	220	220
Number of Airports	2	2	2	3	3	3	3	3	3	3
CULTURE AND RECREATION										
Number of County Libraries	3	3	3	3	3	3	3	3	3	3
Library Books	257,241	253,678	245,326	233,238	206,601	236,135	245,123	148,506	219,767	208,778
Library Audio Materials	9,888	9,652	*	9,252	17,941	18,284	12,261	7,967	11,202	10,890
Library Video Materials	32,537	28,380	12,519	26,637	20,886	22,555	31,378	19,799	21,169	20,767
Number of County Boat Ramps	38	38	38	38	38	38	38	38	38	39
Number of County Parks	45	45	45	45	45	45	45	45	45	21
Parks with Playgrounds	4	4	4	4	4	4	4	5	4	4
Parks with Baseball/Softball Fields	10	10	10	10	10	10	10	10	6	6
Park Acreage (Estimated):										
Developed	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Undeveloped	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67

Sources: Information was obtained from various County departments.

* Information not available

HIGHLANDS COUNTY, FL

Sebring • Lake Placid • Avon Park



**COMPLIANCE
SECTION**

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2020**

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Pass-Through Entity Identifying Number	Amounts Passed Through To Subrecipients	Expenditures
FEDERAL AWARDS				
U.S. Department of Justice				
Direct Programs				
Bulletproof Vest Partnership Program	16.607	N/A	\$ -	\$ 3,066
Public Safety Partnership and Community Policing Grants	16.710	2017UMWX0138	-	202,207
COVID-19 Emergency Response	16.034	2020-VD-BX-0022	-	60,650
JAG Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0425	-	18,824
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-HIGH-1-Y5-033	-	61,757
Total Edward Byrne Memorial Justice Assistance Grant Program			-	80,581
Pass-Through from Florida Attorney General				
Crime Victim Assistance	16.575	VOCA -2019-Highlands County Sheriff - 00132	-	107,297
Pass-Through from Florida Department of Law Enforcement				
Residential Substance Abuse Treatment for State Prisoners	16.593	2020-RSAT-HIGH-1-D2-004	-	79,319
Pass-Through from Florida Network of Children's Advocacy Centers				
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	SEBR-FL-TFCBT-PI19	-	8,406
Total U.S. Department of Justice			-	541,526
U.S. Department of Transportation				
Pass-Through from Florida Department of Transportation:				
Highway Planning and Construction	20.205	431343-1-38-01	-	562
Highway Planning and Construction	20.205	433203-1-38-01	-	562
Highway Planning and Construction	20.205	435067-1-3/58/68-01	-	8,050
Highway Planning and Construction	20.205	441739	-	983
Total Highway Planning and Construction Cluster			-	10,157
Total U.S. Department of Transportation			-	10,157
U.S. Department of Treasury				
Pass-Through from Florida Department of Emergency Management:				
COVID-19 Coronavirus Relief Funds	21.019	Y2270	-	3,777,427
Pass-Through from Florida Housing Finance Corporation:				
COVID-19 Coronavirus Relief Funds	21.019	061-2020	-	126,108
Total COVID-19 Coronavirus Relief Funds			-	3,903,535
Total U.S. Department of Treasury			-	3,903,535
U.S. Election Assistance Commission				
Pass-Through from Florida Division of Elections:				
Help America Vote Act Requirements Payments	90.401	2019-2020-0001-HIG	-	36,078
Help America Vote Act Requirements Payments	90.401	2019-2020-0001-HIG	-	3,000
Total Help America Vote Act Requirements Payments			-	39,078
Pass-Through from Florida Division of Elections:				
HAVA Election Security Grants	90.404	2020-001-HIG	-	24,371
Total U.S. Election Assistance Commission			-	63,449
U.S. Department of Health and Human Services				
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:				
Promoting Safe and Stable Families	93.556	HF-19-20-42	-	11,264
Promoting Safe and Stable Families	93.556	HF-20-21-42	-	5,218
Total Promoting Safe and Stable Families			-	16,482
Temporary Assistance for Needy Families				
Temporary Assistance for Needy Families	93.558	HF-19-20-42	-	72,469
Temporary Assistance for Needy Families	93.558	HF-20-21-42	-	33,580
Total Temporary Assistance for Needy Families Cluster			-	106,049
Pass-Through U.S. Agency for Children and Families and Office of Child Support Enforcement, Florida Department of Revenue:				
Child Support Enforcement	93.563	COC28	-	313,222
Total U.S. Department of Health and Human Services			-	435,753

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Pass-Through Entity Identifying Number	Amounts Passed Through To Subrecipients	Expenditures
FEDERAL AWARDS (CONTINUED)				
Department of Homeland Security				
Pass-Through from Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0581	\$ -	\$ (396,702)
Emergency Management Performance Grants	97.042	G0024	-	59,037
Total Department of Homeland Security			-	(337,665)
U.S. Department of Agriculture				
Environmental Quality Incentives Program	10.912	NR184209XXXXC042	-	455,845
Total U.S. Department of Agriculture			-	455,845
Total Expenditures of Federal Awards			\$ -	\$ 5,072,600

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE				
Florida Department of Economic Opportunity				
Military Base Protection	40.014	DIG 16-136	\$ -	\$ 41,404
Military Base Protection	40.014	CON 19-102	-	41,911
Total Military Base Protection			-	83,315
Total Florida Department of Economic Opportunity			-	83,315
Florida Department of Environmental Protection				
Small County Consolidated Waste Grants	37.012	N/A	-	26,280
Statewide Surface Water Restoration and Wastewater Projects	37.039	NF023	-	(47,723)
Total Florida Department of Environmental Protection			-	(21,443)
Florida Department of State & Secretary of State				
State Aid to Libraries	45.030	18-ST-16	-	207,809
Total Florida Department of State & Secretary of State			-	207,809
Florida Executive Office of the Governor				
Emergency Management Programs	31.063	A0052	-	51,744
Total Florida Executive Office of the Governor			-	51,744
Florida Housing Finance Corporation				
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	-	49,392
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	-	311,116
Total Florida Housing Finance Corporation			-	360,508
Florida Department of Transportation				
County Incentive Grant Program	55.008	429841-1-54-01	-	(8,432)
County Incentive Grant Program	55.008	433553-1-54-01	-	(12,423)
Total County Incentive Grant Program			-	(20,855)
Small County Outreach Program	55.009	436641-1-54-01	-	22,144
Small County Outreach Program	55.009	436644-1-54-01	-	3,284
Pass-Through from Town of Lake Placid: Small County Outreach Program	55.009	438925-1-54-01	-	29,218
Total Small County Outreach Program			-	54,646
Small County Road Assistance Program	55.016	440447-1-54-01	-	153,840
Small County Road Assistance Program	55.016	436642-1-54-01	-	54,849
Small County Road Assistance Program	55.016	436643-1-54-01	-	149,010
Total Small County Road Assistance Program			-	357,699
Total Florida Department of Transportation			-	391,490
Florida Department of Children and Families				
Pass-Through from Florida Network for Children's Advocacy Centers, Inc.: Florida Network Children's Advocacy Center	60.124	19-20-dcf-cac-23	-	2,597
Total Florida Department of Children and Families			-	2,597
Florida Department of Health				
County Grant Awards	64.005	C5028	-	3,712
County Grant Awards	64.005	C6028	-	5,993
County Grant Awards	64.005	C7028	-	6,774
County Grant Awards	64.005	C8028	-	12,816
Total County Grant Awards			-	29,295
Total Florida Department of Health			-	29,295
Florida Department of Highway Safety and Motor Vehicles				
Child Abuse Prevention and Intervention License Plate Project	76.067	N/A	-	749
Child Abuse Prevention and Intervention License Plate Project	76.067	N/A	-	2,432
Total Florida Department of Highway Safety and Motor Vehicles			-	3,181
Florida Department of Legal Affairs and Attorney General				
FL Network of Children's Advocacy Centers	41.031	19/20-GR-CAC23	-	41,878
FL Network of Children's Advocacy Centers	41.031	20/21-GR-CAC23	-	8,174
Total Florida Department of Legal Affairs and Attorney General			-	50,052
Total State Financial Assistance			\$ -	\$ 1,158,548
Total Expenditures of Federal Awards and State Financial Assistance			\$ -	\$ 6,231,148

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HIGHLANDS COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal award and state financial assistance activity of Highlands County, Florida (County) under programs of the federal government and State of Florida for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the County's basic financial statements. Such expenditures are recognized following the cost principles in contained in the Uniform Guidance for all awards, with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 CONTINGENCIES

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of March 2, 2021, there were no material questioned or disallowed costs as a result of grant audits in process or completed.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of County Commissioners
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highlands County, Florida (County), as of and for the year ended September 30, 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 March 2, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Sebring, Florida
March 2, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of County Commissioners
Highlands County, Florida

Report on Compliance for Each Major Federal Program and State Project

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

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 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 project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

Board of County Commissioners
Highlands County, Florida

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



CliftonLarsonAllen LLP

Sebring, Florida
March 2, 2021

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
YEAR ENDED SEPTEMBER 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)

21.019

Name of Federal Program or Cluster

Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over state projects:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General? _____ yes x no

Identification of Major State Projects

CSFA Number(s)	Name of State Project
40.901	State Housing Initiatives Partnership Program
55.016	Small County Road Assistance Program

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 347,564

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.



MANAGEMENT LETTER

Board of County Commissioners
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of Highlands County, Florida (County), as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated March 2, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 2, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

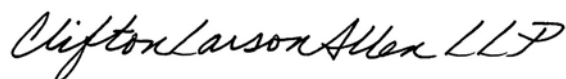
Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within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

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Sebring, Florida
March 2, 2021



INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined Highlands County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2020. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2020.

This report is intended solely for the information and use of the County and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
March 2, 2021



HIGHLANDS COUNTY

BOARD OF COUNTY COMMISSIONERS

HIGHLANDS COUNTY, FLORIDA SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS YEAR ENDED SEPTEMBER 30, 2020

Highlands County, Florida respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2020.

Audit period: October 1, 2019 through September 30, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—STATE AWARD PROJECT AUDITS

2019 – 001 Reporting for Statewide Surface Water Restoration and Wastewater Projects

Condition: Audit procedures identified noncompliance with the reporting requirements of the Statewide Surface Water Restoration and Wastewater Project grant agreement.

Status: Corrective action was taken. Department Management work closely with the Project Manager to ensure reports are submitted in a timely manner. Intraoffice support is assigned to assist the Project Manager on all grant reports, as a secondary control measure. Additionally, Grants Coordinator assists to ensure reporting deadlines are met.

2019 – 002 Reporting for Prepaid Next Generation 911 (NG911) State Grant Program

Condition: Audit procedures identified noncompliance with the reporting requirements of the NG911 grant.

Status: Corrective action was taken. Grant reports are reviewed prior to submission by an individual, other than the preparer, who is knowledgeable of the reporting requirements.

If there are questions regarding this plan, please call Sally Hood, Accounting and Finance Director, Highlands County Clerk of Courts at 863-402-6898.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – COURT SERVICES FUND	7
STATEMENT OF NET POSITION – PROPRIETARY FUND	8
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUND	9
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	10
STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUND	11
NOTES TO FINANCIAL STATEMENTS	12
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	27
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	28
AGENCY FUND DESCRIPTIONS	29
COMBINING STATEMENT OF FIDUCIARY NET POSITION – ALL AGENCY FUNDS	30
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS	31
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	32
MANAGEMENT LETTER	34
INDEPENDENT ACCOUNTANTS' REPORT	36



INDEPENDENT AUDITORS' REPORT

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparisons for the General Fund and Court Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Highlands County, Florida as of September 30, 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 this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2020, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clerk's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
December 29, 2020

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

ASSETS	General	Court	Public Records Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 144,579	\$ 253,663	\$ 234,011	\$ 185,944	\$ 112,062	\$ 930,259
Accounts Receivable	509	127	312	69	231	1,248
Due from Other Governmental Units	96,269	51,748	-	6,236	-	154,253
Prepaid Items	53,414	1,367	-	-	-	54,781
Total Assets	<u>\$ 294,771</u>	<u>\$ 306,905</u>	<u>\$ 234,323</u>	<u>\$ 192,249</u>	<u>\$ 112,293</u>	<u>\$ 1,140,541</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Vouchers Payable	\$ 140,267	\$ 883	\$ -	\$ 7,401	\$ 2,668	\$ 151,219
Due to Other Governmental Units	-	-	-	149,994	-	149,994
Due to Others	-	281,850	-	-	-	281,850
Due to Constitutional Officers	62,021	16,830	-	-	-	78,851
Accrued Payroll and Related Liabilities	92,483	7,342	-	34,854	2,796	137,475
Total Liabilities	<u>294,771</u>	<u>306,905</u>	<u>-</u>	<u>192,249</u>	<u>5,464</u>	<u>799,389</u>
FUND BALANCES						
Nonspendable	53,414	1,367	-	-	-	54,781
Restricted	-	-	234,323	-	106,829	341,152
Unassigned	(53,414)	(1,367)	-	-	-	(54,781)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>234,323</u>	<u>-</u>	<u>106,829</u>	<u>341,152</u>
Total Liabilities and Fund Balances	<u>\$ 294,771</u>	<u>\$ 306,905</u>	<u>\$ 234,323</u>	<u>\$ 192,249</u>	<u>\$ 112,293</u>	<u>\$ 1,140,541</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	General	Court	Public Records Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Appropriation from Board of County Commissioners	\$ 4,139,362	\$ -	\$ -	\$ -	\$ -	\$ 4,139,362
Miscellaneous Revenues:						
Recording Fees	-	-	58,342	-	167,179	225,521
Intergovernmental	201,720	313,222	-	241,800	-	756,742
Court Related Service Charge	-	-	-	908,470	17,870	926,340
Fines and Forfeitures	-	-	-	565,047	-	565,047
Interest Earnings	-	3,020	3,488	4,608	1,065	12,181
Other Miscellaneous Revenues	72,633	-	2,775	1,008	7,000	83,416
Total Revenues	<u>4,413,715</u>	<u>316,242</u>	<u>64,605</u>	<u>1,720,933</u>	<u>193,114</u>	<u>6,708,609</u>
EXPENDITURES						
General Government:						
Personal Services	3,175,262	-	-	-	-	3,175,262
Operating Expenditures	801,495	3,790	2,776	-	-	808,061
Capital Outlay	19,259	-	33,400	-	-	52,659
Total General Government	<u>3,996,016</u>	<u>3,790</u>	<u>36,176</u>	<u>-</u>	<u>-</u>	<u>4,035,982</u>
Court Related:						
Personal Services	304,759	279,111	-	1,664,954	117,716	2,366,540
Operating Expenditures	4,924	16,511	-	50,812	71,161	143,408
Capital Outlay	54,012	-	-	-	-	54,012
Total Court Related	<u>363,695</u>	<u>295,622</u>	<u>-</u>	<u>1,715,766</u>	<u>188,877</u>	<u>2,563,960</u>
Total Expenditures	<u>4,359,711</u>	<u>299,412</u>	<u>36,176</u>	<u>1,715,766</u>	<u>188,877</u>	<u>6,599,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	54,004	16,830	28,429	5,167	4,237	108,667
OTHER FINANCING USES						
Unexpended Budget Balance Reverting to Board of County Commissioners	(54,004)	(16,830)	-	-	-	(70,834)
Distribution of Excess Fees to State of Florida	-	-	-	(5,167)	-	(5,167)
Total Other Financing Uses	<u>(54,004)</u>	<u>(16,830)</u>	<u>-</u>	<u>(5,167)</u>	<u>-</u>	<u>(76,001)</u>
NET CHANGE IN FUND BALANCE	-	-	28,429	-	4,237	32,666
Fund Balance - October 1, 2019	-	-	205,894	-	102,592	308,486
FUND BALANCE - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,323</u>	<u>\$ -</u>	<u>\$ 106,829</u>	<u>\$ 341,152</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 4,159,362	\$ 4,139,362	\$ 4,139,362	\$ -
Miscellaneous Revenues:				
Other Miscellaneous Revenues	-	72,635	72,633	(2)
Intergovernmental	-	201,720	201,720	-
Total Revenues	<u>4,159,362</u>	<u>4,413,717</u>	<u>4,413,715</u>	<u>(2)</u>
EXPENDITURES				
General Government:				
Personal Services	2,984,473	3,206,284	3,175,262	31,022
Operating Expenditures	828,964	824,479	801,495	22,984
Capital Outlay	-	19,259	19,259	-
Total General Government	<u>3,813,437</u>	<u>4,050,022</u>	<u>3,996,016</u>	<u>54,006</u>
Court Related:				
Personal Services	281,745	304,759	304,759	-
Operating Expenditures	9,900	4,924	4,924	-
Capital Outlay	54,280	54,012	54,012	-
Total Court Related	<u>345,925</u>	<u>363,695</u>	<u>363,695</u>	<u>-</u>
Total Expenditures	<u>4,159,362</u>	<u>4,413,717</u>	<u>4,359,711</u>	<u>54,006</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	54,004	54,004
OTHER FINANCING USES				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(54,004)	(54,004)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2019	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COURT SERVICES FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Miscellaneous Revenues:				
Intergovernmental	\$ 372,135	\$ 308,265	\$ 241,800	\$ (66,465)
Court Related Service Charge	1,074,850	918,287	908,470	(9,817)
Fines and Forfeitures	512,470	500,770	565,047	64,277
Interest Earnings	1,840	1,840	4,608	2,768
Other Miscellaneous Revenue	-	-	1,008	1,008
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,961,295	1,729,162	1,720,933	(8,229)
EXPENDITURES				
Court Related:				
Personal Services	1,876,334	1,665,724	1,664,954	770
Operating Expenditures	84,961	63,438	50,812	12,626
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,961,295	1,729,162	1,715,766	13,396
EXCESS OF REVENUES OVER EXPENDITURES				
	-	-	5,167	5,167
OTHER FINANCING USES				
Distribution of Excess Fees to State of Florida	-	-	(5,167)	(5,167)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2019	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020**

	Internal Service Fund
	Compensated Absences
ASSETS	
Cash and Cash Equivalents	\$ 344,133
Accounts Receivable	397
Total Assets	344,530
LIABILITIES	
Due to BOCC	519
Accrued Compensated Absences Payable	344,011
Total Liabilities	344,530
NET POSITION	
Unrestricted	\$ -

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund
	Compensated Absences
OPERATING REVENUES	
Charges for Services	\$ 431,054
OPERATING EXPENSES	
Compensated Absences Expense	433,053
OPERATING LOSS	(1,999)
NONOPERATING REVENUES	
Net Change in Fair Value of Investments	1,999
CHANGE IN NET POSITION	-
Net Position - October 1, 2019	-
NET POSITION - SEPTEMBER 30, 2020	\$ -

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund <u>Compensated Absences</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Charges for Services	\$ 431,054
Cash Paid to Employees for Services	(411,518)
Net Cash Provided by Operating Activities	<u>19,536</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipt from Other Constitutional Officers	130
Net Cash Provided by Noncapital Financing Activities	<u>130</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	156,842
Investment Income	1,964
Net Cash Provided by Investing Activities	<u>158,806</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	178,472
Cash and Cash Equivalents - October 1, 2019	<u>165,661</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2020	<u><u>\$ 344,133</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (1,999)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	21,535
Net Cash Provided by Operating Activities	<u><u>\$ 19,536</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2020**

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,651,192
Due from Others	4,535
Due from Other Governmental Units	2,905
Total Assets	<u>\$ 1,658,632</u>
LIABILITIES	
Due to Others	\$ 409,304
Due to Other Governmental Units	410,260
Due to Constitutional Officers	99,725
Deposits	739,343
Total Liabilities	<u>\$ 1,658,632</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established on April 3, 1921, under the laws of the state of Florida, Chapter 8513. The Clerk of Courts (Clerk) is one of six constitutional officers elected to serve within the County and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Clerk's financial statements include only the funds of the Clerk's office. There are no separate legal entities (component units) for which the Clerk is to be financially accountable.

The Clerk is elected every four years to serve as Clerk of the Circuit Court as well as the County Courts. In addition, the Clerk is the ex-officio Clerk to the Board of County Commissioners of Highlands County (Board). As Clerk to the Board, the Clerk is the auditor, recorder, and custodian of all County funds.

The Clerk is a budget officer in that noncourt functions of the Clerk are funded by revenues that are received from the Board in the form of an appropriation. The Clerk is required to submit to the Board excess revenues over expenditures as of September 30 of each year for the noncourt related budget.

Court related fees collected by the Clerk in carrying out his duties are used to fund the court functions of the Clerk of Courts. Excess fees are remitted per Sections 28.36 and 28.37, Florida Statutes.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allow the Clerk to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

Fund Accounting

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Clerk's various funds is as follows:

Major Governmental Funds

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk of the Courts that are not required either legally or by GAAP to be accounted for in another fund.

Court Fund – The Court Fund is a special revenue fund used to account for the Child Support Enforcement grant activity, which is restricted by the grantor, and bond estreature activity.

Public Records Modernization Trust Fund – The Public Records Modernization Trust Fund is a special revenue fund used to account for the additional service charges on recorded instruments used exclusively for modernizing the official recordkeeping systems in the Clerk's office per Section 28.24(12)(d), Florida Statutes.

Court Services Fund – The Court Services Fund is a special revenue fund used to account for court-related filing fees, service charges, fines, court costs, appropriations and expenses of the Clerk as mandated by Section 28.35, Florida Statutes.

Nonmajor Governmental Funds

Court Related Technology Modernization Trust Fund – The Court Related Technology Modernization Trust Fund is a special revenue fund used to account for the recording fees used exclusively to fund court related technology information needs for the Clerk of Courts per Section 28.24(12)(e), Florida Statutes.

Teen Court Fund – The Teen Court Fund is a special revenue fund used to account for assessment of mandatory court costs for the operation and administration of the Highlands County Court Program per Section 938.19, Florida Statutes.

Homeowner's Foreclosure Education Fund – The Homeowner's Foreclosure Education Fund is a special revenue fund used to account for funds for the purpose of educating the public as to the rights of homeowners regarding foreclosure proceedings.

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Fiduciary Funds

Agency Funds – Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Capital Assets

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the governmental funds at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Clerk and is accountable for them under Florida Law. The Clerk notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Clerk may not dispose of any capital assets in his custody. The Clerk is to notify the Board of any unused or obsolete assets, and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

Measurement Focus

Governmental Funds – Governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported unassigned fund balances (net current assets) are considered a measure of "available, spendable, or appropriable resources." Governmental Funds operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position.

Basis of Accounting

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary funds and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Clerk's office.

The Clerk is required to prepare two budgets. One budget relates to the Clerk's court related functions and is filed with the Clerks of Court Operations Corporation (CCOC). The other budget relates to the requirement of the Clerk as Clerk to the Board and is filed with the Board. Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP.

Clerk to the Board Budget

1. On or before June 1 of each year, the Clerk submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. The Clerk receives his budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Clerk acts on all budget changes between departments, this becomes the level of control.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data (Continued)

Clerk to the Board Budget (Continued)

8. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
9. All appropriations lapse at the close of the fiscal year.

Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP. The Court Fund, Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund are not legally required to have budgets.

Cash and Cash Equivalents

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

Investments

The Clerk invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Compensated Absences

Employees of the Clerk earn paid-time-off in varying amounts. Upon retirement, death, resignation, or separation in good standing employees are eligible to receive payment, at their current rates of pay, up to 100% of accumulated paid-time-off based on years of service. However, employees having less than one year of service will not be paid for any accumulated paid-time-off. Employees of the Clerk are limited to no more than 400 hours of paid time-off carryover at year-end.

In governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Paid-time-off for the Clerk's employees have been fully funded and are recorded as expenditures in the governmental funds.

Fund Balance

The classifications of fund balances are described as follows:

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Clerk is reporting restricted fund balances in the Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund.

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Clerk's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Clerk intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

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

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Clerk does not have a separate fund balance policy.

Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Clerk at the end of each fiscal year for noncourt functions shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund and Court Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures, and changes in fund balance, and the related liability is included in due to constitutional officers.

Use of Estimates

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Post Employment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Clerk participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2020, the bank balance of the Clerk's deposits consisted of the following:

Deposits	\$ 1,810,317
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The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Clerk's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Clerk's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year.

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

The Clerk invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 17.8% of Florida PRIME's portfolio at September 30, 2020.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Clerk's investment policy limits the maximum duration of the overall portfolio to one year.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Clerk's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2020, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

Credit Risk (Continued)

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

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

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Deposits	\$ 2,027,769
Petty Cash and Change in Funds	6,900
Florida PRIME	890,915
Total	\$ 2,925,584
 Balance Sheet - Governmental Funds:	
Cash and Cash Equivalents	\$ 930,259
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	344,133
Statement of Fiduciary Net Position - Agency Fund:	
Cash and Cash Equivalents	1,651,192
Total Cash, Cash Equivalents, and Investments	\$ 2,925,584

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Clerk earn paid-time-off in varying amounts. In the event of retirement or termination of employment, an employee is paid for a portion of paid-time-off credits unused.

The following shows the change in compensated absences for the fiscal year ended September 30, 2020:

Accrued Compensated Absences - September 30, 2019	\$ 322,476
Leave Earned by Employees	433,053
Payments to Employees	<u>(411,518)</u>
Accrued Compensated Absences - September 30, 2020	<u><u>\$ 344,011</u></u>

NOTE 4 PENSION PLANS

Background

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Benefits Provided

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

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

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Clerk.

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$516,530, \$460,231, and \$426,056, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Board and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2020 were as follows:

Budget Appropriation

The General Fund of the Clerk received payments from the Board in the amount of \$4,139,362 for the year ended September 30, 2020. The amounts payable to the Board at September 30, 2020 for excess fees and other items were \$62,021.

Court Fund

The Board provides certain indirect costs for Child Support Enforcement Grant activities. The excess of revenues over expenditures is remitted to the Board at fiscal year-end. The amounts payable to the Board at September 30, 2020 for excess fees were \$16,830.

Various Services

The Board provides various services to the Clerk. The charges for these services for the fiscal year ended September 30, 2020 amounted to \$743,656.

The Clerk provides information technology support, communication and freight services, and other miscellaneous services to the Board. The Clerk received \$72,635 for these services for the fiscal year ended September 30, 2020.

NOTE 6 RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 CAPITAL ASSETS

The Clerk's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Clerk, pursuant to Florida Statutes, records no capital assets for which the Clerk is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Operating Machinery and Equipment	4-20
Software - Internally Generated	3-10
Software - Purchased/Leased	3-10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County.

The following is a summary of the changes in capital assets for which the Clerk is custodian during fiscal year 2020:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets, Not Being				
Depreciated/Amortized:				
Software Conversion in Process	\$ 103,772	\$ 33,400	\$ (3,572)	\$ 133,600
IT Equipment in Development	1,106,769	591,872	(138,636)	1,560,005
Total Capital Assets Not Being				
Depreciated/Amortized	1,210,541	625,272	(142,208)	1,693,605
Capital Assets, Being				
Depreciated/Amortized:				
Equipment	2,582,553	363,346	(257,184)	2,688,715
Computer Software	1,341,190	102,130	-	1,443,320
Total Capital Assets Being				
Depreciated/Amortized	3,923,743	465,476	(257,184)	4,132,035
Less: Accumulated				
Depreciation/Amortization:				
Equipment	(1,840,543)	(249,063)	254,481	(1,835,125)
Computer Software	(999,371)	(142,511)	-	(1,141,882)
Total Accumulated				
Depreciation/Amortization	(2,839,914)	(391,574)	254,481	(2,977,007)
Total Capital Assets, Being				
Depreciated/Amortized, Net	1,083,829	73,902	(2,703)	1,155,028
Total Capital Assets, Net	<u>\$ 2,294,370</u>	<u>\$ 699,174</u>	<u>\$ (144,911)</u>	<u>\$ 2,848,633</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	<u>Court Related Technology Modernization Trust</u>	<u>Teen Court</u>	<u>Homeowner's Foreclosure Education</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 105,738	\$ 6,211	\$ 113	\$ 112,062
Accounts Receivable	221	10	-	231
	<u>105,959</u>	<u>6,221</u>	<u>113</u>	<u>112,293</u>
Total Assets	<u>\$ 105,959</u>	<u>\$ 6,221</u>	<u>\$ 113</u>	<u>\$ 112,293</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 2,668	\$ -	\$ -	\$ 2,668
Accrued Payroll and Related Liabilities	2,796	-	-	2,796
Total Liabilities	<u>5,464</u>	<u>-</u>	<u>-</u>	<u>5,464</u>
FUND BALANCES				
Restricted	<u>100,495</u>	<u>6,221</u>	<u>113</u>	<u>106,829</u>
Total Liabilities and Fund Balances	<u>\$ 105,959</u>	<u>\$ 6,221</u>	<u>\$ 113</u>	<u>\$ 112,293</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Court Related Technology Modernization Trust	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
REVENUES				
Miscellaneous Revenues:				
Recording Fees	\$ 167,179	\$ -	\$ -	\$ 167,179
Court Related Service Charge	-	17,786	84	17,870
Interest Earnings	1,035	29	1	1,065
Other Miscellaneous Revenues	7,000	-	-	7,000
Total Revenues	<u>175,214</u>	<u>17,815</u>	<u>85</u>	<u>193,114</u>
EXPENDITURES				
Court Related:				
Personal Services	107,791	9,925	-	117,716
Operating Expenditures	68,223	2,938	-	71,161
Total Expenditures	<u>176,014</u>	<u>12,863</u>	<u>-</u>	<u>188,877</u>
NET CHANGE IN FUND BALANCE	(800)	4,952	85	4,237
Fund Balance - October 1, 2019	<u>101,295</u>	<u>1,269</u>	<u>28</u>	<u>102,592</u>
FUND BALANCES - SEPTEMBER 30, 2020	<u><u>\$ 100,495</u></u>	<u><u>\$ 6,221</u></u>	<u><u>\$ 113</u></u>	<u><u>\$ 106,829</u></u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
AGENCY FUND DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2020**

The Clerk maintains the following Agency Funds:

Child Support – To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

Suspense – Used by the Clerk to account for documentary stamp and recording fees, jury and witness payments, and fines and forfeitures collected through the court system and remitted to other governmental agencies.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS
SEPTEMBER 30, 2020**

	Agency Funds		Total
	Child Support	Suspense	
ASSETS			
Cash and Cash Equivalents	\$ 821	\$ 1,650,371	\$ 1,651,192
Due from Others	2,751	1,784	4,535
Due from Other Governmental Units	-	2,905	2,905
Total Assets	\$ 3,572	\$ 1,655,060	\$ 1,658,632
LIABILITIES			
Due to Others	\$ 3,120	\$ 406,184	\$ 409,304
Due to Other Governmental Units	452	409,808	410,260
Due to Constitutional Officers	-	99,725	99,725
Deposits	-	739,343	739,343
Total Liabilities	\$ 3,572	\$ 1,655,060	\$ 1,658,632

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
CHILD SUPPORT FUND				
ASSETS				
Cash and Cash Equivalents	\$ 1,110	\$ 157,596	\$ 157,885	\$ 821
Due from Others	2,730	26	5	2,751
Total Assets	<u>\$ 3,840</u>	<u>\$ 157,622</u>	<u>\$ 157,890</u>	<u>\$ 3,572</u>
LIABILITIES				
Due to Others	\$ 3,411	\$ 123,170	\$ 123,461	\$ 3,120
Due to Other Governmental Units	429	15,229	15,206	452
Total Liabilities	<u>\$ 3,840</u>	<u>\$ 138,399</u>	<u>\$ 138,667</u>	<u>\$ 3,572</u>
SUSPENSE				
ASSETS				
Cash and Cash Equivalents	\$ 1,570,499	\$ 13,126,403	\$ 13,046,531	\$ 1,650,371
Investments	134,037	-	134,037	-
Due from Others	320	2,460	996	1,784
Due from Other Governmental Units	1,662	28,729	27,486	2,905
Total Assets	<u>\$ 1,706,518</u>	<u>\$ 13,157,592</u>	<u>\$ 13,209,050</u>	<u>\$ 1,655,060</u>
LIABILITIES				
Due to Others	\$ 345,950	\$ 3,739,957	\$ 3,679,723	\$ 406,184
Due to Other Governmental Units	398,430	8,737,378	8,726,000	409,808
Due to Constitutional Officers	81,397	1,060,687	1,042,359	99,725
Deposits	880,741	1,342,214	1,483,612	739,343
Total Liabilities	<u>\$ 1,706,518</u>	<u>\$ 14,880,236</u>	<u>\$ 14,931,694</u>	<u>\$ 1,655,060</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 1,571,609	\$ 13,283,999	\$ 13,204,416	\$ 1,651,192
Investments	134,037	-	134,037	-
Due from Others	3,050	2,486	1,001	4,535
Due from Other Governmental Units	1,662	28,729	27,486	2,905
Total Assets	<u>\$ 1,710,358</u>	<u>\$ 13,315,214</u>	<u>\$ 13,366,940</u>	<u>\$ 1,658,632</u>
LIABILITIES				
Due to Others	\$ 349,361	\$ 3,863,127	\$ 3,803,184	\$ 409,304
Due to Other Governmental Units	398,859	8,752,607	8,741,206	410,260
Due to Constitutional Officers	81,397	1,060,687	1,042,359	99,725
Deposits	880,741	1,342,214	1,483,612	739,343
Total Liabilities	<u>\$ 1,710,358</u>	<u>\$ 15,018,635</u>	<u>\$ 15,070,361</u>	<u>\$ 1,658,632</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated December 29, 2020.

Internal Control Over Financial Reporting

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

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

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

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
December 29, 2020



MANAGEMENT LETTER

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated December 29, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 29, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
December 29, 2020



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Jerome Kaszubowski, Clerk of Courts
and the Florida Auditor General
Highlands County, Florida

We have examined the Clerk of Courts of Highlands County, Florida's (the Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerk of the courts alimony and child support payments, and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2020. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2020.

This report is intended solely for the information and use of the Clerk and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
December 29, 2020



**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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**PROPERTY APPRIASER
HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	4
STATEMENT OF NET POSITION – PROPRIETARY FUND	5
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUND	6
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	22
MANAGEMENT LETTER	24
INDEPENDENT ACCOUNTANTS' REPORT	26



INDEPENDENT AUDITORS' REPORT

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Property Appraiser as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 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 this matter.

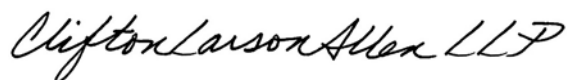
Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2020, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
December 1, 2020

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash and Cash Equivalents	\$ 80,806
Accounts Receivable	35
	<hr/>
Total Assets	<u>\$ 80,841</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Vouchers Payable	\$ 12,625
Accrued Wages Payable	46,226
Due to Other Governmental Units	2,420
Due to Board of County Commissioners	19,570
	<hr/>
Total Liabilities	80,841

FUND BALANCE

Unassigned	-
	<hr/>
Total Fund Balance	-
	<hr/>
Total Liabilities and Fund Balance	<u>\$ 80,841</u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRIASER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Appropriations from Board of County Commissioners	\$ 3,255,577	\$ 3,236,086	\$ 3,236,086	\$ -
South Florida Water Management District	8,106	8,106	8,106	-
Southwest Florida Water Management District	49,671	49,680	49,680	-
Intergovernmental	-	-	2,265	2,265
Total Intergovernmental Revenues	<u>3,313,354</u>	<u>3,293,872</u>	<u>3,296,137</u>	<u>2,265</u>
Miscellaneous Revenues:				
Interest Earnings	-	-	144	144
Other Miscellaneous Revenues	-	-	928	928
Total Miscellaneous Revenues	<u>-</u>	<u>-</u>	<u>1,072</u>	<u>1,072</u>
Total Revenues	3,313,354	3,293,872	3,297,209	3,337
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	2,270,790	2,458,224	2,458,217	7
Operating Expenditures	1,006,564	826,815	819,066	7,749
Capital Outlay	36,000	8,833	-	8,833
Total Expenditures	<u>3,313,354</u>	<u>3,293,872</u>	<u>3,277,283</u>	<u>16,589</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	19,926	19,926
OTHER FINANCING USES				
Transfer of Excess Fees	-	-	(19,926)	(19,926)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2019	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
 HIGHLANDS COUNTY, FLORIDA
 STATEMENT OF NET POSITION
 PROPRIETARY FUND
 SEPTEMBER 30, 2020**

	Internal Service Fund
	Compensated Absences
ASSETS	
Cash and Cash Equivalents	\$ 485,308
LIABILITIES	
Accrued Compensated Absences Payable	485,308
NET POSITION	
Unrestricted	\$ -

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund <hr/> Compensated Absences <hr/>
OPERATING REVENUES	
Charges for Services	\$ 278,251
OPERATING EXPENSES	
Compensated Absences Expense	<hr/> 278,478
OPERATING LOSS	(227)
NONOPERATING REVENUES	
Net Change in Fair Value of Investments	<hr/> 227
CHANGE IN NET POSITION	-
Net Position - October 1, 2019	<hr/> -
NET POSITION - SEPTEMBER 30, 2020	<hr/> <hr/> \$ -

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund
	Compensated Absences
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 278,251
Cash Paid to Employees for Services	(259,586)
Net Cash Provided by Operating Activities	18,665
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	227
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,892
Cash and Cash Equivalents - October 1, 2019	466,416
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2020	\$ 485,308
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (227)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	18,892
Net Cash Provided by Operating Activities	\$ 18,665

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter county established April 23, 1921, under the laws of Florida 1921, Chapter 8513. The Property Appraiser of Highlands County, Florida (Property Appraiser) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners (the Board), Highlands County, Florida. The Property Appraiser's financial statements include only the funds of the Property Appraiser's office. There are no separate legal entities (component units) for which the Property Appraiser is financially accountable.

The Property Appraiser is elected every four years to serve as the official appraiser of property within the county as it relates to the ad valorem tax rolls. The Property Appraiser is responsible for ensuring that all property is included on the tax rolls, that the fair value of the property is correctly reflected in the rolls, and that the proper millage rate has been applied to the recorded property values. In addition, the Property Appraiser is responsible to ensure that all taxable tangible personal property is properly reflected on the tax rolls.

The Property Appraiser is a "fee" officer, in that operating revenues are received based upon the services rendered to the various taxing governmental units within the county. The Property Appraiser receives the majority of his operating revenues from the Board of County Commissioners in the form of an appropriation. The balance of fees in excess of expenditures remaining at September 30 are divided among the various taxing governmental units in the same proportion as that particular unit's payments to the Property Appraiser during the year relates to the total payments from all taxing governmental units.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America.

Fund Accounting

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

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Property Appraiser's various funds is as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources not required to be accounted for in another fund. Intergovernmental revenues and fees are recorded in this fund. Expenditures for general governmental services are paid through this fund.

Proprietary Funds

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Capital Assets

All capital assets purchased are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Property Appraiser and is accountable for them under Florida Law. The Property Appraiser notifies the Board of capital assets purchased and the original cost is recorded in the capital assets records of Highlands County as a whole. The Property Appraiser may not dispose of any capital assets in his custody. The Property Appraiser is to notify the Board of any unused or obsolete assets and it is the Boards' responsibility to dispose of these assets in accordance with the various Florida Statutes.

Measurement Focus

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

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
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 or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Property Appraiser's office:

1. On or before June 1 of each year, the Property Appraiser submits an annual budget for the operations of his office to the state of Florida, Department of Revenue (the Department). A copy of his budget is also furnished to the Board of County Commissioners. After his budget has been reviewed and approved by the Department, it becomes his operating budget for the ensuing fiscal year.
2. The Property Appraiser's operating budget can only be amended after written approval has been received from the Department.
3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
5. Annual appropriated budget for the General Fund is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Property Appraiser considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida Prime) under the management of the State Board of Administration.

Investments

The Property Appraiser invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Compensated Absences

Employees of the Property Appraiser earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive payment at their current rate of pay 100% of accumulated annual leave.

There is no limit on the amount of sick leave that can be accumulated by employees of the Property Appraiser. The limit of lump-sum reimbursements of sick leave credits is based on years of continuous service. Employees of the Property Appraiser with 10 or more years of continuous service are fully vested for sick leave. Upon termination of employment, these employees are eligible to receive payment for accumulated sick leave up to 500 hours at their current rate of pay.

In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. The vested liability for accrued compensated absences has been budgeted for and fully funded by the General Fund.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The classifications of fund balances are described as follows:

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

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Property Appraiser intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the Property Appraiser's General Fund.

Net Position

The classifications of net position are described as follows:

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Property Appraiser does not have a separate fund balance policy as any unexpended fund balance is returned to the Board and other taxing units each year.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Property Appraiser participates with the County in offering retiring employees the opportunity to continue in the county's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS

At September 30, 2020, the bank balance of the Property Appraiser's deposits were \$669,584. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

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

The Property Appraiser invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 17.8% of Florida Prime's portfolio at September 30, 2020.

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

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2020, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk (Continued)

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

As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

A reconciliation to amounts shown on the balance sheet and statement of net position is as follows:

Demand Deposits	\$ 553,720
Petty Cash and Change Funds	100
Florida PRIME	12,294
Total	<u>\$ 566,114</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 80,806
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	485,308
Total Cash and Cash Equivalents	<u>\$ 566,114</u>

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Property Appraiser earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for vested accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2020:

Compensated Absences - September 30, 2019	\$ 466,416
Leave Earned by Employees	278,478
Payments to Employees	<u>(259,586)</u>
Compensated Absences - September 30, 2020	<u>\$ 485,308</u>

NOTE 4 PENSION PLANS

Background

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

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

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

Detailed information about the county's proportionate share of FRS' net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the county.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided (Continued)

Detailed information about the county's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the county.

FRS Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Property Appraiser.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

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

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$276,705, \$241,810, and \$232,684, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's comprehensive annual financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2020, were as follows:

Budget Appropriation – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$3,236,086 for the year ended September 30, 2020. Excess fees payable to the Board at September 30, 2020 was \$19,750.

Various Services – The Board of County Commissioners provides various services to the Property Appraiser. The charges for these services for the fiscal year ended September 30, 2020 amounted to \$364,071.

Amounts paid to the Clerk for the fiscal year ended September 30, 2020, for other services were \$6,451.

NOTE 6 RISK MANAGEMENT

The Property Appraiser is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 CAPITAL ASSETS

The Property Appraiser's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Property Appraiser, pursuant to Florida Statutes, records no capital assets for which the Property Appraiser is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost. Contributed assets are recorded at estimated acquisition value at the time received. Contributed assets are recorded at estimated fair value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Assets	Years
Machinery and Equipment	4 to 20
Software - Internally Generated	3 to 10
Software - Purchased/Leased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county. The following is a summary of the changes in capital assets for which the Property Appraiser is custodian during fiscal year 2020:

	Beginning Balance	Additions	Deletions	Ending Balances
Capital Assets, Being				
Depreciated/Amortized:				
Equipment	\$ 604,834	\$ -	\$ (24,768)	\$ 580,066
Computer Software	2,791,399	-	-	2,791,399
Total Capital Assets Being				
Depreciated/Amortized	3,396,233	-	(24,768)	3,371,465
Less: Accumulated				
Depreciation/Amortization:				
Equipment	(526,219)	(32,400)	24,768	(533,851)
Computer Software	(2,791,399)	-	-	(2,791,399)
Total Accumulated				
Depreciation/Amortization	(3,317,618)	(32,400)	24,768	(3,325,250)
Total Capital Assets, Net	\$ 78,615	\$ (32,400)	\$ -	\$ 46,215



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated December 1, 2020.

Internal Control Over Financial Reporting

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

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

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

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Sebring, Florida
December 1, 2020



MANAGEMENT LETTER

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated December 1, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 1, 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 audit findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Financial Management

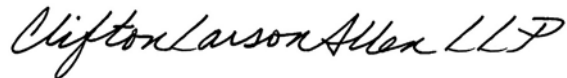
Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Sebring, Florida
December 1, 2020



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INDEPENDENT ACCOUNTANTS' REPORT

Honorable C. Raymond McIntyre, Property Appraiser
and the Florida Auditor General
Highlands County, Florida

We have examined the Highlands County Property Appraiser, Highlands County, Florida (Property Appraiser)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2020. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

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

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

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

This report is intended solely for the information and use of the Property Appraiser and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
December 1, 2020

**SHERIFF
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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**SHERIFF
HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	6
STATEMENT OF NET POSITION – PROPRIETARY FUND	7
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUND	8
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	9
STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUND	10
NOTES TO FINANCIAL STATEMENTS	11
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	27
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	28
AGENCY FUNDS DESCRIPTIONS	29
COMBINING STATEMENT OF FIDUCIARY NET POSITION – ALL AGENCY FUNDS	30
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS	31
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	33
MANAGEMENT LETTER	35
INDEPENDENT ACCOUNTANTS' REPORT	37



INDEPENDENT AUDITORS' REPORT

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 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 this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2020 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
December 3, 2020

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,497,529	\$ 676,795	\$ 2,174,324
Accounts Receivable	15,777	49,409	65,186
Prepaid Items	73,965	-	73,965
	\$ 1,587,271	\$ 726,204	\$ 2,313,475
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Vouchers Payable	\$ 349,261	\$ 16,559	\$ 365,820
Accrued Wages Payable	538,941	432	539,373
Due to Board of County Commissioners	698,921	-	698,921
Due to Other Governments	148	-	148
Total Liabilities	1,587,271	16,991	1,604,262
 FUND BALANCE			
Nonspendable	73,965	-	73,965
Restricted	-	709,213	709,213
Unassigned	(73,965)	-	(73,965)
Total Fund Balance	-	709,213	709,213
Total Liabilities and Fund Balance	\$ 1,587,271	\$ 726,204	\$ 2,313,475

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Intergovernmental:			
Appropriation from Board of County Commissioners	\$ 36,240,301	\$ -	\$ 36,240,301
Miscellaneous Revenues:			
Commissary Sales	-	101,553	101,553
Miscellaneous Revenues	-	272,680	272,680
Total Revenues	<u>36,240,301</u>	<u>374,233</u>	<u>36,614,534</u>
EXPENDITURES			
Court Related:			
Courthouse Security:			
Personal Services	1,198,298	-	1,198,298
Operating Expenditures	9,640	-	9,640
Total Court Related	<u>1,207,938</u>	<u>-</u>	<u>1,207,938</u>
Public Safety:			
Law Enforcement:			
Personal Services	18,999,907	-	18,999,907
Operating Expenditures	3,317,821	12,833	3,330,654
Capital Outlay	721,121	-	721,121
Total Law Enforcement	<u>23,038,849</u>	<u>12,833</u>	<u>23,051,682</u>
Corrections and Detention:			
Personal Services	9,018,151	25,172	9,043,323
Operating Expenditures	2,118,462	184,938	2,303,400
Capital Outlay	175,366	15,508	190,874
Total Corrections and Detention	<u>11,311,979</u>	<u>225,618</u>	<u>11,537,597</u>
Total Expenditures	<u>35,558,766</u>	<u>238,451</u>	<u>35,797,217</u>
EXCESS OF REVENUES OVER EXPENDITURES	681,535	135,782	817,317
OTHER FINANCING USES			
Unexpended Budget Balance Reverting to Board of County Commissioners	<u>(681,535)</u>	<u>-</u>	<u>(681,535)</u>
NET CHANGE IN FUND BALANCE	-	135,782	135,782
Fund Balance - October 1, 2019	<u>-</u>	<u>573,431</u>	<u>573,431</u>
FUND BALANCE - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ 709,213</u>	<u>\$ 709,213</u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	General Fund			Variance - Positive (Negative)
	Budget		Actual	
	Original	Final		
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 29,392,194	\$ 36,285,301	\$ 36,240,301	\$ (45,000)
EXPENDITURES				
Court Related:				
Courthouse Security:				
Personal Services	1,140,426	1,226,571	1,198,298	28,273
Operating Expenditures	7,544	9,646	9,640	6
Total Court Related	<u>1,147,970</u>	<u>1,236,217</u>	<u>1,207,938</u>	<u>28,279</u>
Public Safety:				
Law Enforcement:				
Personal Services	15,945,697	19,094,260	18,999,907	94,353
Operating Expenditures	2,537,254	3,414,440	3,317,821	96,619
Capital Outlay	42,335	721,124	721,121	3
Total Law Enforcement	<u>18,525,286</u>	<u>23,229,824</u>	<u>23,038,849</u>	<u>190,975</u>
Corrections and Detention:				
Personal Services	9,060,347	9,173,107	9,018,151	154,956
Operating Expenditures	658,591	2,470,145	2,118,462	351,683
Capital Outlay	-	176,008	175,366	642
Total Corrections and Detention	<u>9,718,938</u>	<u>11,819,260</u>	<u>11,311,979</u>	<u>507,281</u>
Total Expenditures	<u>29,392,194</u>	<u>36,285,301</u>	<u>35,558,766</u>	<u>726,535</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	681,535	681,535
OTHER FINANCING USES				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(681,535)	(681,535)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2019	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020

	Internal Service Fund <hr/> Compensated Absences <hr/>
ASSETS	
Cash and Cash Equivalents	\$ 3,040,618
LIABILITIES	
Accrued Compensated Absences Payable	<hr/> 3,040,618
NET POSITION	
Unrestricted	<hr/> <hr/> \$ -

See accompanying Notes to Financial Statements.

**SHERIFF
 HIGHLANDS COUNTY, FLORIDA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 2,736,311
OPERATING EXPENSES	
Compensated Absences Expense	<u>2,765,113</u>
OPERATING LOSS	(28,802)
NONOPERATING REVENUES	
Investment Earnings	<u>28,802</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2019	<u>-</u>
NET POSITION - SEPTEMBER 30, 2020	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund <u>Compensated Absences</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 2,736,311
Cash Paid to Employees for Services	<u>(2,476,595)</u>
Net Cash Provided by Operating Activities	259,716
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>28,802</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	288,518
Cash and Cash Equivalents - October 1, 2019	<u>2,752,100</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2020	<u><u>\$ 3,040,618</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (28,802)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Increase in Compensated Absences	<u>288,518</u>
Net Cash Provided by Operating Activities	<u><u>\$ 259,716</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2020**

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 45,853
Due from Other Governmental Units	347
Due from Others	<u>1,442</u>
Total Assets	<u><u>\$ 47,642</u></u>
 LIABILITIES	
Due to Others	\$ 14,566
Due to Other Governmental Units	<u>33,076</u>
Total Liabilities	<u><u>\$ 47,642</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established April 23, 1921 under the laws of Florida 1921, Chapter 8513. The Sheriff of Highlands County, Florida (Sheriff) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue from the Board of County Commissioners, Highlands County, Florida. The Sheriff's financial statements include only the funds of the Sheriff's office. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

The Sheriff is elected every four years to serve as the Keeper of the Peace for Highlands County.

The Sheriff is a "budget" officer in that all of the Sheriff's operating revenues are received from the Board of County Commissioners (Board) in the form of an appropriation. Any fees collected by the office in carrying out duties as Sheriff, except for reimbursements for overtime incurred while assisting other federal and state agencies, are remitted to the Board at the end of each month. The Sheriff is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to present only fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America.

Fund Accounting

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Sheriff's various funds is as follows:

Major Governmental Fund

General Fund – The General Fund is the general operating fund of the Sheriff. The majority of the Sheriff's day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general government services are paid through this fund.

Nonmajor Governmental Funds

Community Donations Fund – The Community Donations Fund is a special revenue fund used to account for public donations received by the Sheriff's office.

Inmate Welfare Fund – The Inmate Welfare Fund is a special revenue fund used to account for the profits earned from telephone services and commissary services operated within the County jail. Profits are earned from sales of products such as candy and toothpaste to the inmates. Profits from these sales can only be spent for the benefit of the inmates.

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Fiduciary Funds

Agency Funds – Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Capital Assets

All capital assets purchased are recorded as expenditures in the governmental funds at the time of purchase. Capital assets used by the Sheriff are capitalized in the basic financial statements of the County rather than in the governmental funds of the Sheriff. Capital assets are valued at historical cost or estimated historical cost if actual is not available. Donated capital assets are recorded at acquisition value at the date of donation. The Sheriff maintains custodial responsibility for the capital assets used by his office.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

Governmental Funds – The governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

Basis of Accounting

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Sheriff’s office:

1. On or before June 1 of each year, the Sheriff submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data (Continued)

3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. If the Board adopts a budget that includes amendments, modifications, increases, or reductions to the Sheriff's proposed budget, they must provide the Sheriff written notice of the changes.
7. The Sheriff receives budgeted revenues from the Board in installments. One twelfth of the budget is received in all months except January and September. One sixth of the budget is received in January, and no appropriation is received in September.
8. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Sheriff acts on all budget changes between departments, this becomes the level of control.
9. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
10. Annual appropriated budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
11. All appropriations lapse at the close of the fiscal year.

Cash and Cash Equivalents

The Sheriff considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

Investments

The Sheriff invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Prepaid Items

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees of the Sheriff earn annual and sick leave in varying amounts. Upon retirement, death, resignation or separation in good standing, employees are eligible to receive payment for accumulated annual and sick leave. Annual leave will be paid out 100% at the current rate of pay. There is no limit on the amount of sick leave that can be accumulated by an employee. Sick leave will be paid out at varying rates based on years of service and minimum balances, and payout is capped at 2,080 hours.

In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Annual and sick leave credits for the Sheriff's Office employees have been fully funded and are recorded as an expenditure in the Internal Service Fund. No liability has been recorded for the nonvesting accumulating rights to receive sick leave pay benefits.

Fund Balance

The classifications of fund balances are described as follows:

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

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Sheriff is reporting restricted fund balances in the Inmate Welfare fund and Community Donations fund.

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Sheriff intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

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

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Sheriff does not have a separate fund balance policy.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unexpended Budget Balance Reverting to Board of County Commissioners

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Sheriff at the end of each fiscal year shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to the Board.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Sheriff participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2020, the bank balance of the Sheriff's deposits were \$3,778,479. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

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

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

The Sheriff invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 17.8% of Florida PRIME's portfolio at September 30, 2020.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sheriff has no policy on interest rate risk.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Sheriff's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2020, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

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

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Demand Deposits	\$	2,800,531
Petty Cash and Change Fund		3,093
Florida PRIME		2,457,171
Total		\$ 5,260,795
Balance Sheet:		
Cash and Cash Equivalents	\$	2,174,324
Statement of Net Position:		
Cash and Cash Equivalents		3,040,618
Statement of Fiduciary Net Position:		
Cash and Cash Equivalents		45,853
Total Cash and Cash Equivalents		\$ 5,260,795

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Sheriff earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated leave credits unused. Employees may be paid for accumulated sick leave benefits at varying amounts based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2020:

Compensated Absences - September 30, 2019	\$	2,752,100
Leave Earned by Employees		2,765,113
Payments to Employees		(2,476,595)
Compensated Absences - September 30, 2020		\$ 3,040,618

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

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

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Sheriff.

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

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$4,025,392 \$3,892,743 and \$3,487,762, respectively, equal to the actuarially determined contribution requirements for each year.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions (Continued)

Additional information about pension plans can be found in the County's comprehensive annual financial report.

NOTE 5 DEFINED CONTRIBUTION PLAN

401(a) Discretionary Contribution Plan

The Sheriff maintains a defined contribution retirement plan for governmental entities, the Highlands County Sheriff's Office 401(a) Discretionary Contribution Plan. The Sheriff is the Plan Administrator. The Plan was organized pursuant to Internal Revenue Code Section 401(a) by declaration of the Sheriff.

Employees working in the telecommunications and nursing areas are generally eligible to participate in the Plan. The Sheriff determines the contribution rate. The contribution rate for the year ended September 30, 2020 was 3%. There were no employee contributions to the plan. Contributions to the Plan for fiscal years ended September 30, 2020, 2019, and 2018 were \$42,832, \$37,980, and \$33,287, respectively.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2020 were as follows:

Budget Appropriation

The General Fund of the Sheriff received revenues from the Board of County Commissioners in the amount of \$36,240,302 for the year ended September 30, 2020. Amounts payable to the Board at September 30, 2020 for excess fees was \$681,535. Additionally, the Sheriff received other miscellaneous fees of \$17,386 which was payable to the Board of County Commissioners at September 30, 2020.

Various Goods and Services

The Board of County Commissioners provides various goods, services, and employee benefits to the Sheriff. The charges for these goods, services, and employee benefits for the fiscal year ended September 30, 2020 amounted to \$3,353,998.

The Clerk of the Circuit Court provides the Sheriff various software maintenance and licensing services. The charges for these services for the fiscal year ended September 30, 2020 amounted to \$25,356.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff is a member of the Florida Sheriffs Risk Management Fund and participates in the following programs: Florida Sheriffs' Self-Insurance Program, Florida Sheriffs' Workers' Compensation Self Insurance Program, and the Sheriffs' Automobile Risk Program, governmental insurance carriers. These agencies administer insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The Sheriff is liable for deductibles on certain coverage.

NOTE 8 CAPITAL ASSETS

The Sheriff's capital assets include furniture, equipment, computer equipment, vehicles, and software. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Leasehold Improvements	3 to 40
Machinery and Equipment	4 to 20
Software - Internally Generated	3 to 10
Software - Purchased/Leased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statement of the County.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8 CAPITAL ASSETS (CONTINUED)

The following is a summary of the changes in capital assets for which the Sheriff is custodian during fiscal year 2020:

	Beginning Balance	Additions	Deletions	Ending Balances
Capital Assets, Being				
Depreciated/Amortized:				
Equipment	\$ 11,522,675	\$ 1,195,457	\$ (986,536)	\$ 11,731,596
Leasehold Improvements	-	7,366	-	7,366
Computer Software	657,943	-	-	657,943
Total Capital Assets Being				
Depreciated/Amortized	12,180,618	1,202,823	(986,536)	12,396,905
Less: Accumulated Depreciation/ Amortization:				
Equipment	(8,769,207)	(978,906)	955,716	(8,792,397)
Computer Software	(230,396)	(46,221)	-	(276,617)
Total Accumulated				
Depreciation/Amortization	(8,999,603)	(1,025,127)	955,716	(9,069,014)
Total Capital Assets, Net	<u>\$ 3,181,015</u>	<u>\$ 177,696</u>	<u>\$ (30,820)</u>	<u>\$ 3,327,891</u>

NOTE 9 COMMITMENTS AND CONTINGENCIES

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

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

ASSETS	Community Donation Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	\$ 87,720	\$ 589,075	\$ 676,795
Accounts Receivable	-	49,409	49,409
Total Assets	\$ 87,720	\$ 638,484	\$ 726,204
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Vouchers Payable	\$ 1,200	\$ 15,359	\$ 16,559
Accrued Wages Payable	-	432	432
Total Liabilities	1,200	15,791	16,991
FUND BALANCE			
Restricted	86,520	622,693	709,213
Total Liabilities and Fund Balance	\$ 87,720	\$ 638,484	\$ 726,204

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Community Donation Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Miscellaneous Revenues:			
Commissary Sales	\$ -	\$ 101,553	\$ 101,553
Miscellaneous Revenues	32,887	239,793	272,680
Total Revenues	<u>32,887</u>	<u>341,346</u>	<u>374,233</u>
EXPENDITURES			
Public Safety:			
Law Enforcement:			
Operating Expenditures	12,833	-	12,833
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Law Enforcement	12,833	-	12,833
Corrections and Detention:			
Personal Services	-	25,172	25,172
Operating Expenditures	-	184,938	184,938
Capital Outlay	<u>-</u>	<u>15,508</u>	<u>15,508</u>
Total Corrections and Detention	<u>-</u>	<u>225,618</u>	<u>225,618</u>
Total Expenditures	<u>12,833</u>	<u>225,618</u>	<u>238,451</u>
EXCESS OF REVENUES OVER EXPENDITURES	20,054	115,728	135,782
Fund Balance - October 1, 2019	<u>66,466</u>	<u>506,965</u>	<u>573,431</u>
FUND BALANCE - SEPTEMBER 30, 2020	<u><u>\$ 86,520</u></u>	<u><u>\$ 622,693</u></u>	<u><u>\$ 709,213</u></u>

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
AGENCY FUNDS DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2020**

These funds are used to account for assets held by the Sheriff as an agent for individuals, other governmental units, and/or other funds.

Agency Funds:

Inmates – To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

Cash Bond – To account for cash appearance bonds collected by the Sheriff on behalf of the Clerk of Courts. These funds are disbursed to the Clerk of Courts weekly.

Unclaimed Evidence – To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

Individual Depositors – To account for fees charged to serve civil process. Fees are collected and held until service is complete and then remitted to other entities or individuals.

Suspense – To account for fees and court ordered payments collected for various agencies. These funds are remitted to the County or other governmental agencies.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS
SEPTEMBER 30, 2020**

	<u>Inmates</u>	<u>Cash Bond</u>	<u>Unclaimed Evidence</u>	<u>Individual Depositors</u>	<u>Suspense</u>	<u>Total</u>
ASSETS						
Cash and Cash Equivalents	\$ 19,643	\$ -	\$ 1,216	\$ 2,390	\$ 22,604	\$ 45,853
Due from Other Governmental Units	-	-	-	-	347	347
Due from Others	1,442	-	-	-	-	1,442
Total Assets	<u>\$ 21,085</u>	<u>\$ -</u>	<u>\$ 1,216</u>	<u>\$ 2,390</u>	<u>\$ 22,951</u>	<u>\$ 47,642</u>
LIABILITIES						
Due to Others	\$ 10,960	\$ -	\$ 1,216	\$ 2,390	\$ -	\$ 14,566
Due to Other Governmental Units	10,125	-	-	-	22,951	33,076
Total Liabilities	<u>\$ 21,085</u>	<u>\$ -</u>	<u>\$ 1,216</u>	<u>\$ 2,390</u>	<u>\$ 22,951</u>	<u>\$ 47,642</u>

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
INMATES				
ASSETS				
Cash and Cash Equivalents	\$ 11,357	\$ 490,093	\$ 481,807	\$ 19,643
Due from Others	2,069	183,218	183,845	1,442
Total Assets	<u>\$ 13,426</u>	<u>\$ 673,311</u>	<u>\$ 665,652</u>	<u>\$ 21,085</u>
LIABILITIES				
Due to Others	\$ 5,963	\$ 618,098	\$ 613,101	\$ 10,960
Due to Other Governmental Units	7,463	1,808,167	1,805,505	10,125
Total Liabilities	<u>\$ 13,426</u>	<u>\$ 2,426,265</u>	<u>\$ 2,418,606</u>	<u>\$ 21,085</u>
CASH BOND				
ASSETS				
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 175,998</u>	<u>\$ 175,998</u>	<u>\$ -</u>
LIABILITIES				
Deposits	<u>\$ -</u>	<u>\$ 131,890</u>	<u>\$ 131,890</u>	<u>\$ -</u>
UNCLAIMED EVIDENCE				
ASSETS				
Cash and Cash Equivalents	<u>\$ 1,216</u>	<u>\$ 10,816</u>	<u>\$ 10,816</u>	<u>\$ 1,216</u>
LIABILITIES				
Due to Others	<u>\$ 1,216</u>	<u>\$ 10,816</u>	<u>\$ 10,816</u>	<u>\$ 1,216</u>

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
INDIVIDUAL DEPOSITORS				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 2,400	\$ 10	\$ 2,390
LIABILITIES				
Due to Others	\$ -	\$ 2,400	\$ 10	\$ 2,390
SUSPENSE				
ASSETS				
Cash and Cash Equivalents	\$ 22,290	\$ 216,964	\$ 216,650	\$ 22,604
Due from Other Governmental Units	367	1,450	1,470	347
Total Assets	<u>\$ 22,657</u>	<u>\$ 218,414</u>	<u>\$ 218,120</u>	<u>\$ 22,951</u>
LIABILITIES				
Due to Other Governmental Units	<u>\$ 22,657</u>	<u>\$ 198,733</u>	<u>\$ 198,439</u>	<u>\$ 22,951</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 34,863	\$ 896,271	\$ 885,281	\$ 45,853
Due from Other Governmental Units	367	1,450	1,470	347
Due from Others	2,069	183,218	183,845	1,442
Total Assets	<u>\$ 37,299</u>	<u>\$ 1,080,939</u>	<u>\$ 1,070,596</u>	<u>\$ 47,642</u>
LIABILITIES				
Due to Others	\$ 7,179	\$ 631,314	\$ 623,927	\$ 14,566
Due to Other Governmental Units	30,120	2,006,900	2,003,944	33,076
Deposits	-	131,890	131,890	-
Total Liabilities	<u>\$ 37,299</u>	<u>\$ 2,770,104</u>	<u>\$ 2,759,761</u>	<u>\$ 47,642</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Sheriff of Highlands County, Florida (Sheriff), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated December 3, 2020.

Internal Control Over Financial Reporting

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

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

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

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Sebring, Florida
December 3, 2020



MANAGEMENT LETTER

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Sheriff of Highlands County, Florida (Sheriff), as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated December 3, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 3, 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. See Note 1 to the financial statements.

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Sebring, Florida
December 3, 2020



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Paul Blackman, Sheriff
and the Florida Auditor General
Highlands County, Florida

We have examined the Sheriff of Highlands County, Florida's (Sheriff) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2020. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Sheriff complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the Sheriff and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
December 3, 2020

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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CONSULTING**

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	4
STATEMENT OF NET POSITION – PROPRIETARY FUND	5
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUND	6
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	22
MANAGEMENT LETTER	24
INDEPENDENT ACCOUNTANTS' REPORT	26



INDEPENDENT AUDITORS' REPORT

The Honorable Penny Ogg
Supervisor of Elections
Highlands County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable Penny Ogg
Supervisor of Elections
Highlands County, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the State of Florida Auditor General. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 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 this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2021, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
January 5, 2021

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash and Cash Equivalents	\$ 77,839
Due from Other Governments	24,371
Prepaid Items	<u>2,715</u>
Total Assets	<u><u>\$ 104,925</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 32,388
Due to Other Constitutional Officers	50,892
Accrued Wages	<u>21,645</u>
Total Liabilities	104,925

FUND BALANCE

Nonspendable	2,715
Unassigned	<u>(2,715)</u>
Total Fund Balance	<u>-</u>

Total Liabilities and Fund Balance	<u><u>\$ 104,925</u></u>
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See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 1,234,583	\$ 1,225,083	\$ 1,218,583	\$ (6,500)
Intergovernmental	-	207,403	86,191	(121,212)
Investment Earnings	-	5	5	-
Total Revenues	<u>1,234,583</u>	<u>1,432,491</u>	<u>1,304,779</u>	<u>(127,712)</u>
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	729,332	862,593	781,582	81,011
Operating Expenditures	354,841	419,096	330,753	88,343
Capital Outlay	150,410	150,802	135,747	15,055
Total Expenditures	<u>1,234,583</u>	<u>1,432,491</u>	<u>1,248,082</u>	<u>184,409</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	56,697	56,697
OTHER FINANCING USES				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	<u>(56,697)</u>	<u>(56,697)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2020**

	Internal Service Fund
	Compensated Absences
ASSETS	
Cash and Cash Equivalents	\$ 45,851
LIABILITIES	
Accrued Compensated Absences Payable	45,582
Due to Other Constitutional Officers	269
Total Liabilities	45,851
NET POSITION	
Unrestricted	-
Total Net Position	\$ -

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund
	Compensated Absences
OPERATING REVENUES	
Charges for Services	\$ 24,459
OPERATING EXPENSES	
Compensated Absences Expense	24,459
CHANGE IN NET POSITION	-
Net Position - October 1, 2019	-
NET POSITION - SEPTEMBER 30, 2020	\$ -

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund
	Compensated Absences
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 24,459
Cash Paid to Employees for Services	(14,767)
Net Cash Provided by Operating Activities	9,692
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES	
Transfer to Other Constitutional Officers	(492)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of Interest	269
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,469
Cash and Cash Equivalents - October 1, 2019	36,382
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2020	\$ 45,851
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	\$ 9,692
Net Cash Provided by Operating Activities	\$ 9,692

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter county established on April 23, 1921 under the laws of the state of Florida 1921, Chapter 8513. The Supervisor of Elections of Highlands County, Florida (Supervisor of Elections) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Supervisor of Elections' financial statements include only the funds of the Supervisor of Elections' office. There are no separate legal entities (component units) for which the Supervisor of Elections is financially accountable.

The Supervisor of Elections is elected every four years to serve as the official responsible for registering eligible voters within the county, conducting elections within the county, receiving qualifying fees for public office, and tabulating results of votes cast during elections.

The Supervisor of Elections is a "budget" officer in that all of the Supervisor of Elections' operating revenues are received from the Board of County Commissioners (the Board) in the form of an appropriation. Any fees collected by the Supervisor of Elections in carrying out her duties are remitted to the Board at the end of each month. The Supervisor of Elections is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Supervisor of Elections to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Supervisor of Elections. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

Fund Accounting

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Supervisor of Elections' various funds are as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Supervisor of Elections. The majority of the Supervisor of Elections' day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general governmental services are paid for through this fund.

Proprietary Funds

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Capital Assets

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Supervisor of Elections and is accountable for them under Florida Law. The Supervisor of Elections notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Supervisor of Elections may not dispose of any capital assets in her custody. The Supervisor of Elections is to notify the Board of any unused or obsolete assets and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

Measurement Focus

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

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Basis of Accounting

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Supervisor of Elections' office:

1. On or before June 1 of each year, the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed County-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the county's operating budget is legally enacted through passage of a resolution.
6. The Supervisor of Elections receives her budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. The Supervisor of Elections' annual budget is monitored at varying levels of classification detail.
8. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
9. Annual appropriated budgets for the General Fund are legally adopted on a basis consistent with GAAP.
10. All appropriations lapse at the close of the fiscal year.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Supervisor of Elections considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

Investments

The Supervisor of Elections invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Compensated Absences

Employees of the Supervisor of Elections earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive 100% of accumulated annual leave, up to 240 hours, at their current rates of pay.

There is no limit on the amount of sick leave that can be accumulated by employees of the Supervisor of Elections. Upon separation of service, up to 1,040 hours of sick leave will be paid out at varying rates based on years of continuous service, at the current rate of pay.

In governmental funds, only the amounts that normally would be liquidated with expendable available resources are accrued as current year expenditures. Annual and the vested sick leave credits for the Supervisor of Elections have been fully funded and are recorded as expenditures in the General Fund.

Fund Balance

The classifications of fund balances are described as follows:

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

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Supervisor of Elections' highest level of decision-making authority.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Assigned Fund Balance – Amounts the Supervisor of Elections intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the Supervisor of Elections' General Fund.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections' policy to first apply restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted assets are available. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Supervisor of Elections does not have a separate fund balance policy as any unexpended fund balance is returned to the Board of County Commissioners each year.

Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Supervisor of Elections at the end of each fiscal year shall be remitted to the Board of County Commissioners. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to Board of County Commissioners on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to constitutional officers.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Supervisor of Elections participates with the county in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS

At September 30, 2020, the bank balance of the Supervisor of Elections' deposits were \$134,462. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

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

The Supervisor of Elections invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 17.8% of Florida PRIME's portfolio at September 30, 2020.

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted-average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Supervisor of Elections' investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2020, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

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

As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk (Continued)

A reconciliation to amounts shown on the balance sheet and statement of net position is as follows:

Demand Deposits	\$ 104,307
Petty Cash and Change Funds	150
Florida PRIME	19,233
Total	<u>\$ 123,690</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 77,839
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	45,851
Total Cash and Cash Equivalents	<u>\$ 123,690</u>

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Supervisor of Elections earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2020:

Compensated Absences - September 30, 2019	\$ 35,890
Leave Earned by Employees	24,459
Payments to Employees	<u>(14,767)</u>
Compensated Absences - September 30, 2020	<u>\$ 45,582</u>

The Supervisor of Elections is obligated to make available to retired employees the option to maintain coverage with the county group health insurance plan. The Supervisor of Elections incurs no cost for this as the retired employee makes monthly payments to the county for this insurance.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

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

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

Detailed information about the county's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the county.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the county's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the county.

FRS Investment Plan

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

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Supervisor of Elections.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options.

Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Supervisor of Election's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$94,953, \$85,251, and \$80,817, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's comprehensive annual financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the fiscal year ended September 30, 2020 were as follows:

Budget Appropriation

The General Fund of the Supervisor of Elections received appropriations from the Board of County Commissioners in the amount of \$1,218,583 for the fiscal year ended September 30, 2020. Excess fees and other amounts payable to the Board at September 30, 2020 were \$50,892.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 RELATED PARTY TRANSACTIONS (CONTINUED)

Various Services

The Board of County Commissioners provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2020 amounted to \$79,637.

The Clerk of Courts provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2020 amounted to \$113,099.

NOTE 6 RISK MANAGEMENT

The Supervisor of Elections is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole.

NOTE 7 CAPITAL ASSETS

The Supervisor of Elections' capital assets include furniture, equipment, voter equipment, computer equipment, vehicles, and software. The Supervisor of Elections, pursuant to Florida Statutes, records no capital assets for which the Supervisor of Elections is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Assets	Years
Machinery and Equipment	4 to 20
Software - Internally Generated	3 to 10
Software - Purchased/Leased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 CAPITAL ASSETS (CONTINUED)

The following is a summary of the changes in capital assets for which the Supervisor of Elections is custodian during fiscal year 2020:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets, Being Depreciated/ Amortized:				
Equipment	\$ 590,896	\$ 7,196	\$ -	\$ 598,092
Computer Software	31,914	-	-	31,914
Total Capital Assets, Being Depreciated/Amortized	622,810	7,196	-	630,006
Less: Accumulated Depreciation/ Amortization:				
Equipment	(249,327)	(61,350)	-	(310,677)
Computer Software	(31,914)	-	-	(31,914)
Total Accumulated Depreciation/Amortization	(281,241)	(61,350)	-	(342,591)
Total Capital Assets, Net	<u>\$ 341,569</u>	<u>\$ (54,154)</u>	<u>\$ -</u>	<u>\$ 287,415</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Penny Ogg
Supervisor of Elections
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated January 5, 2021.

Internal Control Over Financing Reporting

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

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

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

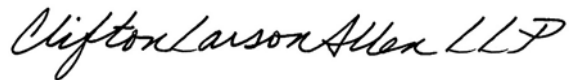
The Honorable Penny Ogg
Supervisor of Elections
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 5, 2021



CliftonLarsonAllen LLP
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MANAGEMENT LETTER

The Honorable Penny Ogg
Supervisor of Elections
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 5, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 5, 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 or recommendations in the preceding annual financial audit report.

Official Title and Legal Authority

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

The Honorable Penny Ogg
Supervisor of Elections
Highlands County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Sebring, Florida
January 5, 2021



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Penny Ogg, Supervisor of Elections
and the Florida Auditor General
Highlands County, Florida

We have examined the Supervisor of Elections of Highlands County, Florida's (Supervisor of Elections) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the Supervisor of Elections and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
January 5, 2021

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2020



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**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	5
STATEMENT OF NET POSITION – PROPRIETARY FUND	6
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUND	7
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	8
STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUNDS	9
NOTES TO FINANCIAL STATEMENTS	10
SUPPLEMENTARY INFORMATION	
AGENCY FUNDS DESCRIPTIONS	24
COMBINING STATEMENT OF FIDUCIARY NET POSITION – ALL AGENCY FUNDS	25
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS	26
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	27
MANAGEMENT LETTER	29
INDEPENDENT ACCOUNTANTS' REPORT	31



INDEPENDENT AUDITORS' REPORT

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable Eric T. Zwayer
Tax Collector
Highlands County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Highlands County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 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 this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 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, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 20, 2021

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 557,098
Accounts Receivable, Net	8,014
Inventory	2,540
Prepaid Items	19,331
Total Assets	\$ 586,983
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Vouchers Payable	\$ 13,777
Due to Other Governmental Units	12,909
Due to Board of County Commissioners	511,595
Due to Others	3,474
Accrued Wages Payable	45,228
Total Liabilities	586,983
FUND BALANCE	
Nonspendable	21,871
Unassigned	(21,871)
Total Fund Balance	-
Total Liabilities and Fund Balance	\$ 586,983

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services:				
Commissions from:				
Board of County Commissioners	\$ 1,756,944	\$ 1,756,944	\$ 1,770,175	\$ 13,231
South Florida Water Management District	15,150	15,150	4,156	(10,994)
Southwest Florida Water Management District	34,272	34,272	23,890	(10,382)
Other Taxing Districts	221,957	221,957	234,073	12,116
Other Fees	1,250,360	1,250,360	1,361,145	110,785
Total Charges for Services	<u>3,278,683</u>	<u>3,278,683</u>	<u>3,393,439</u>	<u>114,756</u>
Intergovernmental Revenues:				
Intergovernmental Revenues	-	-	4,539	4,539
Miscellaneous Revenues:				
Interest Earnings	20,000	20,000	11,537	(8,463)
Other Miscellaneous Revenues	38,145	38,145	38,597	452
Total Miscellaneous Revenues	<u>58,145</u>	<u>58,145</u>	<u>50,134</u>	<u>(8,011)</u>
Total Revenues	3,336,828	3,336,828	3,448,112	111,284
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	2,820,256	2,820,256	2,578,474	241,782
Operating Expenditures	467,944	467,944	345,135	122,809
Total Expenditures	<u>3,288,200</u>	<u>3,288,200</u>	<u>2,923,609</u>	<u>364,591</u>
EXCESS OF REVENUES OVER EXPENDITURES	48,628	48,628	524,503	475,875
OTHER FINANCING SOURCES (USES)				
Transfer of Excess Fees	-	-	(524,503)	(524,503)
Unbudgeted Excess Fees	(48,628)	(48,628)	-	48,628
Total Other Financing Uses	<u>(48,628)</u>	<u>(48,628)</u>	<u>(524,503)</u>	<u>(475,875)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2019	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020**

	<u>Internal Service Fund</u> <u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 105,313
LIABILITIES	
Accrued Compensated Absences Payable	<u>105,313</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
 HIGHLANDS COUNTY, FLORIDA
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund Compensated Absences
OPERATING REVENUES	
Charges for Services	\$ 188,465
OPERATING EXPENSES	
Compensated Absence Expense	189,433
OPERATING LOSS	(968)
NONOPERATING REVENUES	
Net Change in Fair Value of Investments	968
CHANGE IN NET POSITION	-
Net Position - October 1, 2019	-
NET POSITION - SEPTEMBER 30, 2020	\$ -

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Fund <u>Compensated Absences</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 188,465
Cash Paid to Employees for Services	<u>(173,565)</u>
Net Cash Provided by Operating Activities	14,900
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>968</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,868
Cash and Cash Equivalents - October 1, 2019	<u>89,445</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2020	<u><u>\$ 105,313</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (968)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	<u>15,868</u>
Net Cash Provided by Operating Activities	<u><u>\$ 14,900</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2020**

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,513,511
Due from Others	<u>30,622</u>
Total Assets	<u>\$ 1,544,133</u>
LIABILITIES	
Due to Other Governmental Units	\$ 1,392,384
Due to Others	<u>151,749</u>
Total Liabilities	<u>\$ 1,544,133</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established April 23, 1921 under the Constitution and Laws of the State of Florida, 1921, Chapter 8513. The Tax Collector of Highlands County, Florida (Tax Collector) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue through the fees and commissions that are generated by the Tax Collector's office pursuant to the provisions of Section 192.091, Florida Statutes. These financial statements include only the funds of the Tax Collector and are not meant to represent Highlands County, Florida, as a whole. There are no separate legal entities (component units) for which the Tax Collector is financially accountable.

The Tax Collector is elected every four years to serve as the public official charged with the responsibility for collecting and disbursing ad valorem taxes, non-ad valorem taxes, and tangible taxes for the County as well as various other taxes and licenses. Additional duties of the Tax Collector include motor vehicle, mobile home, vessel and drivers' license registrations, hunting and fishing licenses, yard sale permits, certified copies of birth certificates, and concealed weapons licensing processing.

The Tax Collector is a "fee" officer in that operating revenues are received based upon the services rendered. The balance of fees in excess of expenditures remaining at September 30 is divided among the various taxing units in the same proportion as that particular unit's payments to the Tax Collector during the year bear to the total payments received from all taxing units.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Tax Collector to present only fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

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

Governmental Fund

General Fund – The General Fund is the general operating fund of the Tax Collector. The majority of the Tax Collector's day-to-day operating costs are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Fees from the collection of general property taxes, licenses, and certain other intergovernmental revenues are recorded in this fund. Expenditures for general governmental services are paid through this fund.

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Fiduciary Funds

Agency Funds – Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Capital Assets

All capital assets purchased, which include furniture, equipment, computer equipment, and vehicles, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Tax Collector and is accountable for them under Florida Law. The Tax Collector notifies the Board of County Commissioners of capital assets purchased and the original cost is recorded in the capital asset records of the Board of County Commissioners. The Tax Collector may not dispose of any capital assets in his custody. The Tax Collector is to notify the Board of County Commissioners of any unused or obsolete assets and it is the Board of County Commissioners' responsibility to dispose of these assets in accordance with the various Florida Statutes.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

Governmental Fund – The General Fund is presented using the flow of current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

Basis of Accounting

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Tax Collector’s office:

1. On or before August 1 of each year, the Tax Collector submits an annual budget for the operations of the office to the State of Florida, Department of Revenue, Property Tax Administration (Department). A copy of the budget is also furnished to the Board of County Commissioners. After the budget has been reviewed and approved by the Department, it becomes the operating budget for the ensuing fiscal year.
2. The Tax Collector’s operating budget can only be amended after written approval has been received from the Department.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data (Continued)

3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
5. The budget for the General Fund is adopted on a basis consistent with GAAP.

Cash and Cash Equivalents

Cash and cash equivalents is cash on hand as well as demand deposits and investments in the Local Government Surplus Funds Trust Fund (Florida PRIME) with original maturities of three months or less from the date of acquisition.

The Tax Collector maintains a pooled bank account where cash resources of several funds are consolidated for investment purposes. This account represents the amount owned by each fund. This practice gives the Tax Collector the ability to maximize the yield on the short-term investment of cash, increasing interest earnings accordingly.

Interest earned on pooled investments is allocated to the participating funds.

Investments

The Tax Collector invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

Compensated Absences

Employees of the Tax Collector earn paid time off in varying amounts. Paid time off credits earned in excess of 400 hours which are not used by the close of business on December 31 of each calendar year shall be canceled. Upon terminal separation from the Tax Collector's office, employees having one year of satisfactory, continuous and creditable service are eligible to receive payment for paid time off up to 400 hours at their current rate of pay. The limit of lump-sum reimbursements of paid time off credits is based on years of service.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The classifications of fund balances are described as follows:

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

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Tax Collector's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Tax Collector intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; positive amounts can be reported only in the Tax Collector's General Fund.

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Tax Collector considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Tax Collector does not have a separate fund balance policy because, by Florida Statute, the Tax Collector must return any excess fees at year-end.

Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund (excess fees) held by the Tax Collector at the end of each fiscal year be distributed to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the office. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues, expenditures and changes in fund balance, and the related liability is recorded as due to the Board of County Commissioners and other governmental units.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Tax Collector participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH AND CASH EQUIVALENTS

At year-end, the bank balance of the Tax Collector's deposits were \$831,451. The entire amount of the demand deposits is deposited in a State of Florida qualified depository and, therefore, is fully collateralized.

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

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

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

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

The Tax Collector invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 17.8% of Florida PRIME's portfolio at September 30, 2020.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2020, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk (Continued)

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

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

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Demand Deposits	\$ 961,114
Petty Cash and Change Funds	12,750
Florida PRIME	<u>1,202,058</u>
Total	<u><u>\$ 2,175,922</u></u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 557,098
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	105,313
Statement of Fiduciary Net Position - Agency Funds:	
Cash and Cash Equivalents	<u>1,513,511</u>
Total Cash and Cash Equivalents	<u><u>\$ 2,175,922</u></u>

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Tax Collector earn paid time off in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated paid time off credits unused based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2020:

Compensated Absences - September 30, 2019	\$ 89,445
Increase in Leave Earned by Employees	189,433
Payments to Employees	<u>(173,565)</u>
Compensated Absences - September 30, 2020	<u><u>\$ 105,313</u></u>

NOTE 4 PENSION PLANS

Background

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

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Tax Collector.

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$302,470, \$286,289, and \$259,638, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

NOTE 5 RELATED-PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2020 were as follows:

Charges for Services

The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$1,770,175 for the year ended September 30, 2020. Excess fees payable to the Board at September 30, 2020 was \$511,595.

Various Services

The Board of County Commissioners provides various services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2020 amounted to \$348,246.

The Clerk of Courts provides various services to the Tax Collector. The charges for IT support and software related expenditures for the fiscal year ended September 30, 2020 amounted to \$40,897.

NOTE 6 RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 CAPITAL ASSETS

The Tax Collector's capital assets include furniture, equipment, computer equipment, and vehicles. The Tax Collector, pursuant to Florida Statutes, records no capital assets for which the Tax Collector is custodian. The threshold for capitalizing all capital assets except software is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Assets	
Machinery and Equipment	4 to 20 Years
Software - Internally Generated	3 to 10 Years
Software - Purchased/Leased	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County. The following is a summary of the changes in capital assets for which the Tax Collector was custodian during fiscal year 2020:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated/ Amortized:				
Equipment	\$ 700,423	\$ -	\$ (457,495)	\$ 242,928
Less Accumulated Depreciation/ Amortization:				
Equipment	(673,902)	(4,750)	457,495	(221,157)
Total Capital Assets, Net	\$ 26,521	\$ (4,750)	\$ -	\$ 21,771

NOTE 8 COMMITMENTS AND CONTINGENCIES

The Tax Collector is named as a defendant in several lawsuits concerning assessment and collection of prior years' ad valorem taxes on real and personal property located in Highlands County, Florida. The outcome of these matters turns upon disputed questions of property classifications and tax values. As of September 30, 2020, based on management's opinion, it does not appear the Tax Collector's assets will be affected and, consequently, no provision has been made for any liability that might arise from these claims.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
AGENCY FUNDS DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2020**

The Tax Collector maintains the following Agency Funds:

Agency Funds:

Tag Agency – Used by the Tax Collector to account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the State of Florida.

Tax and License – Used by the Tax Collector to account for the collection of ad valorem and non ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the State of Florida.

Tax Redemption – Used by the Tax Collector to account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non ad valorem taxes and remittance to certificate holders.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS
SEPTEMBER 30, 2020**

	<u>Tag Agency</u>	<u>Tax and License</u>	<u>Tax Redemption</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 169,898	\$ 1,263,800	\$ 79,813	\$ 1,513,511
Due from Others	2,609	28,013	-	30,622
Total Assets	<u>\$ 172,507</u>	<u>\$ 1,291,813</u>	<u>\$ 79,813</u>	<u>\$ 1,544,133</u>
LIABILITIES				
Due to Other Governmental Units	\$ 172,507	\$ 1,219,877	\$ -	\$ 1,392,384
Due to Others	-	71,936	79,813	151,749
Total Liabilities	<u>\$ 172,507</u>	<u>\$ 1,291,813</u>	<u>\$ 79,813</u>	<u>\$ 1,544,133</u>

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
TAG AGENCY				
ASSETS				
Cash and Cash Equivalents	\$ 156,858	\$ 14,806,619	\$ 14,793,579	\$ 169,898
Due from Others	8,446	913,762	919,599	2,609
Total Assets	<u>\$ 165,304</u>	<u>\$ 15,720,381</u>	<u>\$ 15,713,178</u>	<u>\$ 172,507</u>
LIABILITIES				
Due to Other Governmental Units	<u>\$ 165,304</u>	<u>\$ 12,923,286</u>	<u>\$ 12,916,083</u>	<u>\$ 172,507</u>
TAX AND LICENSE				
ASSETS				
Cash and Cash Equivalents	\$ 1,265,414	\$ 266,913,481	\$ 266,915,095	\$ 1,263,800
Due from Others	28,659	28,013	28,659	28,013
Total Assets	<u>\$ 1,294,073</u>	<u>\$ 266,941,494</u>	<u>\$ 266,943,754</u>	<u>\$ 1,291,813</u>
LIABILITIES				
Due to Other Governmental Units	\$ 1,173,616	\$ 102,394,030	\$ 102,347,769	\$ 1,219,877
Due to Others	120,457	4,613,117	4,661,638	71,936
Total Liabilities	<u>\$ 1,294,073</u>	<u>\$ 107,007,147</u>	<u>\$ 107,009,407</u>	<u>\$ 1,291,813</u>
TAX REDEMPTION				
ASSETS				
Cash and Cash Equivalents	<u>\$ 93,709</u>	<u>\$ 5,167,409</u>	<u>\$ 5,181,305</u>	<u>\$ 79,813</u>
LIABILITIES				
Due to Others	<u>\$ 93,709</u>	<u>\$ 4,097,957</u>	<u>\$ 4,111,853</u>	<u>\$ 79,813</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 1,515,981	\$ 286,887,509	\$ 286,889,979	\$ 1,513,511
Due from Others	37,105	941,775	948,258	30,622
Total Assets	<u>\$ 1,553,086</u>	<u>\$ 287,829,284</u>	<u>\$ 287,838,237</u>	<u>\$ 1,544,133</u>
LIABILITIES				
Due to Other Governmental Units	\$ 1,338,920	\$ 115,317,316	\$ 115,263,852	\$ 1,392,384
Due to Others	214,166	8,711,074	8,773,491	151,749
Total Liabilities	<u>\$ 1,553,086</u>	<u>\$ 124,028,390</u>	<u>\$ 124,037,343</u>	<u>\$ 1,544,133</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Eric T. Zwayer
Tax Collector
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Tax Collector of Highlands County, Florida (Tax Collector), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated January 20, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Sebring, Florida
January 20, 2021



MANAGEMENT LETTER

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tax Collector of Highlands County, Florida (Tax Collector), as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated January 20, 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 20, 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 in the preceding annual financial report.

Official Title and Legal Authority

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

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Sebring, Florida
January 20, 2021



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

We have examined the Tax Collector of Highlands County, Florida (Tax Collector)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2020. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Tax Collector complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the Tax Collector and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
January 20, 2021