

HARDEE COUNTY, FLORIDA
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2021



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INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Hardee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hardee County, Florida (County), as of and for the year ended September 30, 2021, 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 did not audit the financial statements of the Hardee County Industrial Development Authority (Authority), which represent 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Transportation Trust Fund, Fire Control Fund, Grants Fund, Emergency Disaster Fund, and Economic Development Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During fiscal year ended September 30, 2021, the County adopted GASB Statement No. 84 Fiduciary Activities. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle (see Note 16.) Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

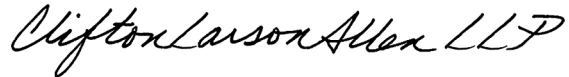
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part 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.

Honorable Board of County Commissioners
Hardee County, Florida

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2022, 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 23, 2022

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Hardee County Management hereby provides a narrative overview and analysis of Hardee County, Florida's (the County) financial activities for fiscal year ended September 30, 2021. This report provides comparative data for fiscal years 2021 and 2020.

Financial Highlights

Significant financial highlights for fiscal year 2021 are as follows:

- Total assets and deferred outflows of resources of the County exceeded total liabilities and deferred inflows of resources by \$71.30 million. Of this amount, \$65.58 million was invested in capital assets, net of related debt; \$17.16 million was restricted for various purposes; and unrestricted net deficit was \$11.44 million.
- The total net position was \$4.04 million more than the previous years' net position.
- The County's total liabilities decreased by \$20.75 million or 42.1% from the previous year.
- As of September 30, 2021, the combined total governmental funds' fund balance reflected a balance of \$29.67 million, an increase of 0.7% from the previous year.
- The County's total unassigned fund balance was \$10.51 million.

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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, in a manner similar to a private-sector business. The statements include the statement of net position and the statement of activities.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as 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 government'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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Both the statement of net position and the statement of activities distinguish between the functions that are supported by governmental activities and business-type activities. Governmental activities are primarily supported by property taxes, charges for services, fuel taxes, sales taxes, and grants. Business-type activities are supported by charges to the users of those activities, such as water and sewer service charges, and landfill tipping fees. The governmental activities of the County include general government, public safety, transportation, human services, culture and recreation, physical environment, and economic environment. The business-type activities of the County include water, wastewater, and solid waste.

The government-wide financial statements can be found on pages 16 to 17 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 uses fund accounting to ensure compliance with finance-related legal requirements. Fund financial statements present financial information for governmental funds, proprietary funds, and fiduciary funds.

The **Governmental Fund Financial Statements** provide information on the current assets, deferred inflows of resources, and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. Governmental funds are used to account for the same functions as reported in the 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. Hardee County has 20 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Transportation Trust Fund, Fire Control Fund, Grants Fund, Emergency Disaster Fund, and Economic Development Authority Fund. Data from the other governmental special revenue funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental special revenue funds is provided in the form of combining statements within the report. To demonstrate compliance with the Board of County Commissioners' adopted budget, a budgetary comparison statement has been provided for the General Fund and other major governmental special revenue funds.

The basic governmental fund financial statements can be found on pages 18 to 28 of this report.

The **Proprietary Funds Financial Statements** provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. An enterprise fund is a type of proprietary fund. The County maintains three enterprise funds to account for its water, wastewater, and solid waste operations. Proprietary funds provide the same type of information as the government-wide financial statements for business-type activities, only in more detail.

The basic proprietary fund financial statement can be found on pages 29 to 32 of this report.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The ***Fiduciary Funds Financial Statements*** 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 statement 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.

The basic fiduciary funds financial statement can be found on pages 33 and 34 of this report.

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. Those notes to the financial statements can be found on pages 35 to 76 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In our case, the County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$71.30 million at the close of the most recent fiscal year. The following schedule provides a summary of assets, liabilities, and net position of the County.

Hardee County's Net Position

The largest portion of the County's net position (91.98%) reflects its investment in capital assets, (e.g., land, buildings, machinery equipment, and infrastructure) less any related debt used to acquire those assets that remain outstanding. These assets are used to provide services to citizens and are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Overall, the County's net position increased by \$4.04 million.

Hardee County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Current and Other Assets	\$ 32,405,653	\$ 36,932,314	\$ 6,330,086	\$ 5,953,541	\$ 38,735,739	\$ 42,885,855
Capital Assets	49,192,717	49,872,273	19,970,096	20,255,168	69,162,813	70,127,441
Total Assets	81,598,370	86,804,587	26,300,182	26,208,709	107,898,552	113,013,296
Deferred Outflows of Resources	10,182,425	5,690,122	257,635	163,036	10,440,060	5,853,158
Current Liabilities	2,003,657	5,892,002	1,218,549	1,256,166	3,222,206	7,148,168
Noncurrent Liabilities	37,252,544	13,303,134	8,872,574	8,137,576	46,125,118	21,440,710
Total Liabilities	39,256,201	19,195,136	10,091,123	9,393,742	49,347,324	28,588,878
Deferred Inflows of Resources	1,669,337	18,477,056	65,203	502,249	1,734,540	18,979,305
Net Position:						
Net Investment in						
Capital Assets	48,990,002	48,964,559	16,092,846	16,613,488	65,082,848	65,578,047
Restricted	17,994,375	17,158,427	-	-	17,994,375	17,158,427
Unrestricted	(16,129,120)	(11,300,469)	308,645	(137,734)	(15,820,475)	(11,438,203)
Total Net Position	\$ 50,855,257	\$ 54,822,517	\$ 16,401,491	\$ 16,475,754	\$ 67,256,748	\$ 71,298,271

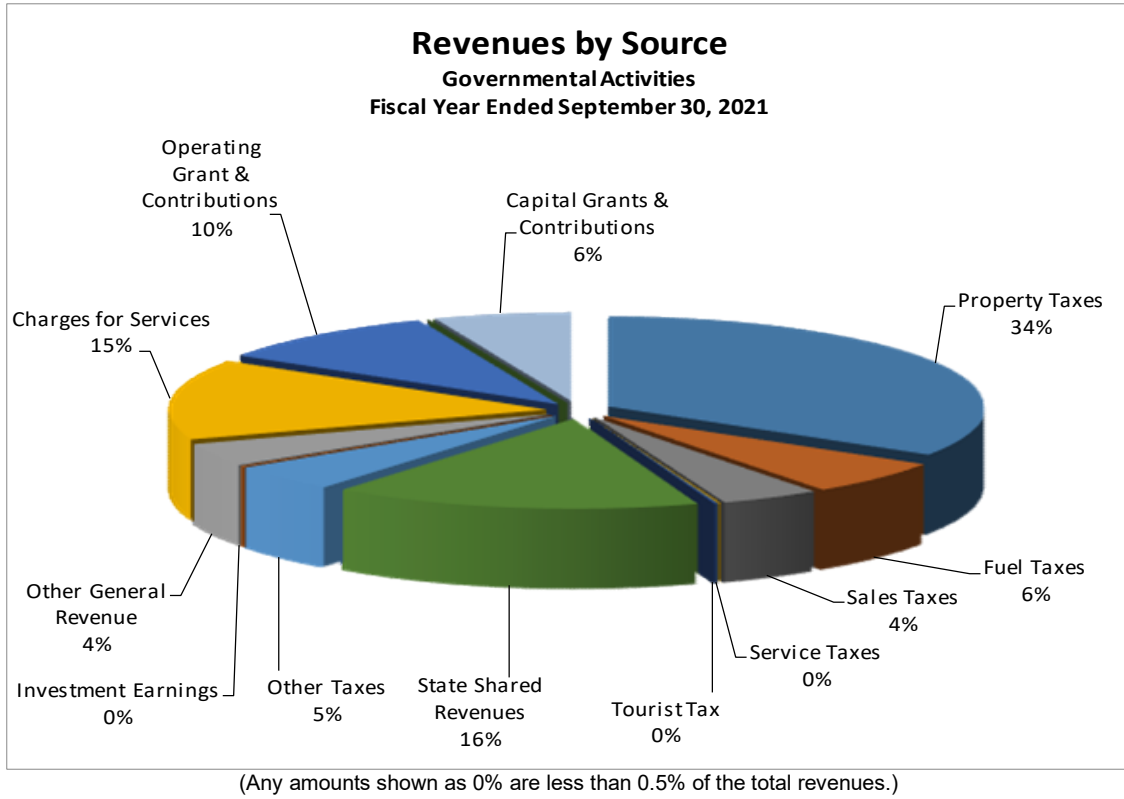
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Hardee County's Changes in Net Position

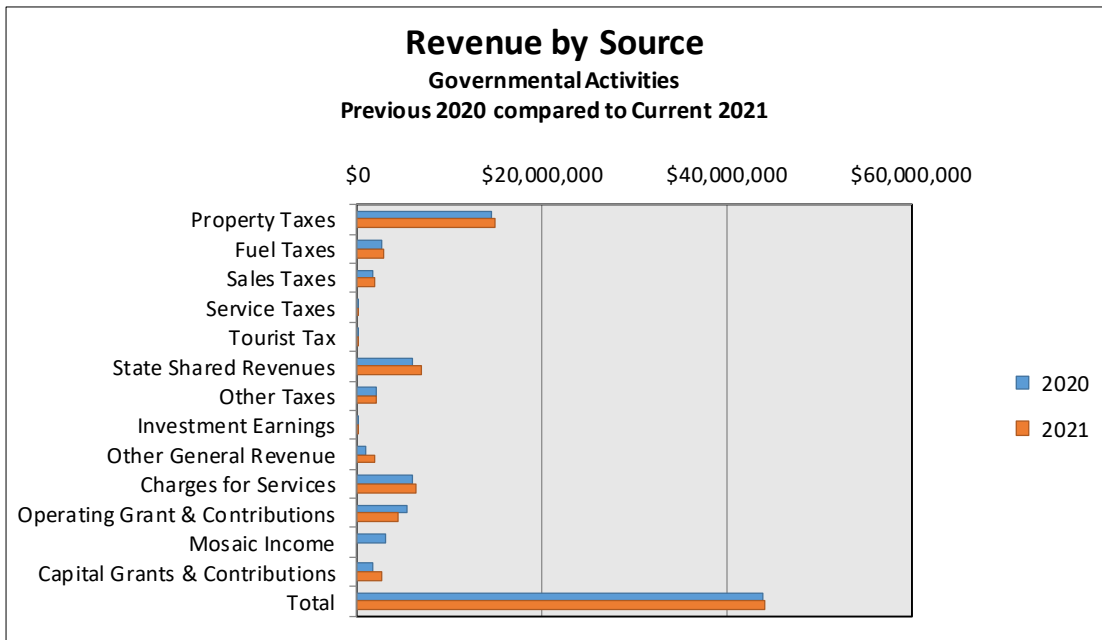
	Governmental Activities		Business-Type Activities		Total	
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,957,413	\$ 6,372,603	\$ 3,086,305	\$ 3,108,983	\$ 9,043,718	\$ 9,481,586
Operating Grants and Contributions	5,361,218	4,394,481	106,888	111,831	5,468,106	4,506,312
Capital Grants and Contributions	1,721,726	2,638,761	2,946,517	1,031,363	4,668,243	3,670,124
General Revenues:						
Property Taxes	14,419,193	14,985,703	-	-	14,419,193	14,985,703
Other Taxes	6,345,366	6,868,649	-	-	6,345,366	6,868,649
State Shared Revenue	5,956,659	6,978,331	-	-	5,956,659	6,978,331
Mosaic Income	3,073,352	-	-	-	3,073,352	-
Other	1,155,667	1,890,219	147,089	19,642	1,302,756	1,909,861
Total Revenues	<u>43,990,594</u>	<u>44,128,747</u>	<u>6,286,799</u>	<u>4,271,819</u>	<u>50,277,393</u>	<u>48,400,566</u>
EXPENSES						
General Government	10,318,511	9,061,223	-	-	10,318,511	9,061,223
Public Safety	20,538,007	17,308,616	-	-	20,538,007	17,308,616
Physical Environment	466,720	330,703	-	-	466,720	330,703
Transportation	7,017,439	6,610,388	-	-	7,017,439	6,610,388
Economic Environment	2,435,369	4,085,823	-	-	2,435,369	4,085,823
Human Services	3,159,401	1,557,221	-	-	3,159,401	1,557,221
Culture and Recreation	1,205,317	1,345,775	-	-	1,205,317	1,345,775
Debt Service:						
Interest on Long-Term Debt	21,079	26,350	-	-	21,079	26,350
Solid Waste	-	-	2,110,742	2,143,041	2,110,742	2,143,041
Wauchula Hills Wastewater	-	-	1,653,220	1,789,595	1,653,220	1,789,595
Vandolah Wastewater	-	-	124,579	110,663	124,579	110,663
Total Expenses	<u>45,161,843</u>	<u>40,326,099</u>	<u>3,888,541</u>	<u>4,043,299</u>	<u>49,050,384</u>	<u>44,369,398</u>
Change in Net Position Before Transfers	(1,171,249)	3,802,648	2,398,258	228,520	1,227,009	4,031,168
Transfers	237,271	154,257	(237,271)	(154,257)	-	-
Change in Net Position	<u>(933,978)</u>	<u>3,956,905</u>	<u>2,160,987</u>	<u>74,263</u>	<u>1,227,009</u>	<u>4,031,168</u>
Net Position - Beginning of Year, as Previously Reported	51,789,235	50,855,257	14,240,504	16,401,491	66,029,739	67,256,748
Restatement	-	10,355	-	-	-	10,355
Net Position - Beginning of Year, as Restated	<u>51,789,235</u>	<u>50,865,612</u>	<u>14,240,504</u>	<u>16,401,491</u>	<u>66,029,739</u>	<u>67,267,103</u>
Net Position - End of Year	<u>\$ 50,855,257</u>	<u>\$ 54,822,517</u>	<u>\$ 16,401,491</u>	<u>\$ 16,475,754</u>	<u>\$ 67,256,748</u>	<u>\$ 71,298,271</u>

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The following chart depicts revenues of the governmental activities for the year.

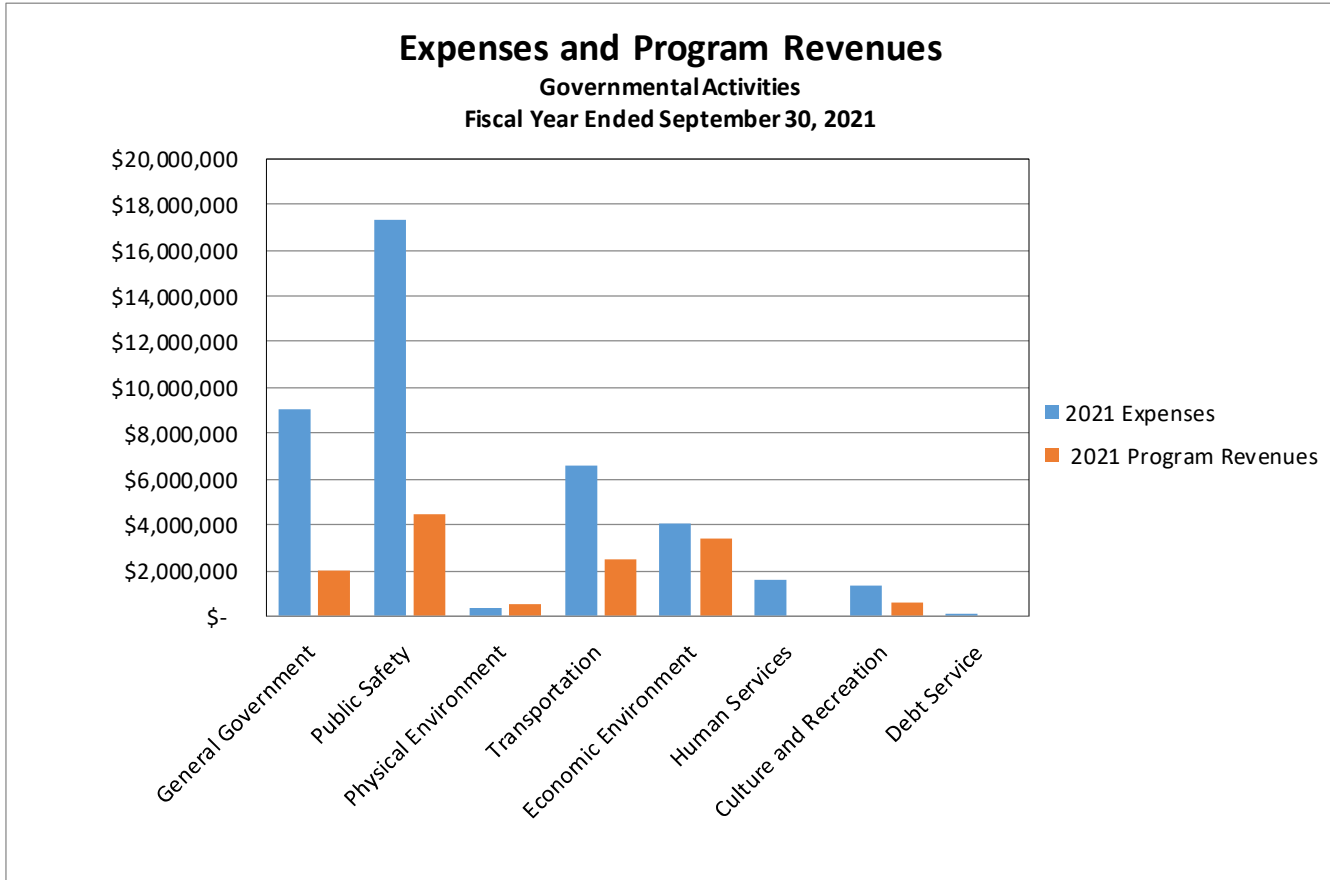


The following chart depicts the major revenue sources as a comparison of fiscal year revenues.



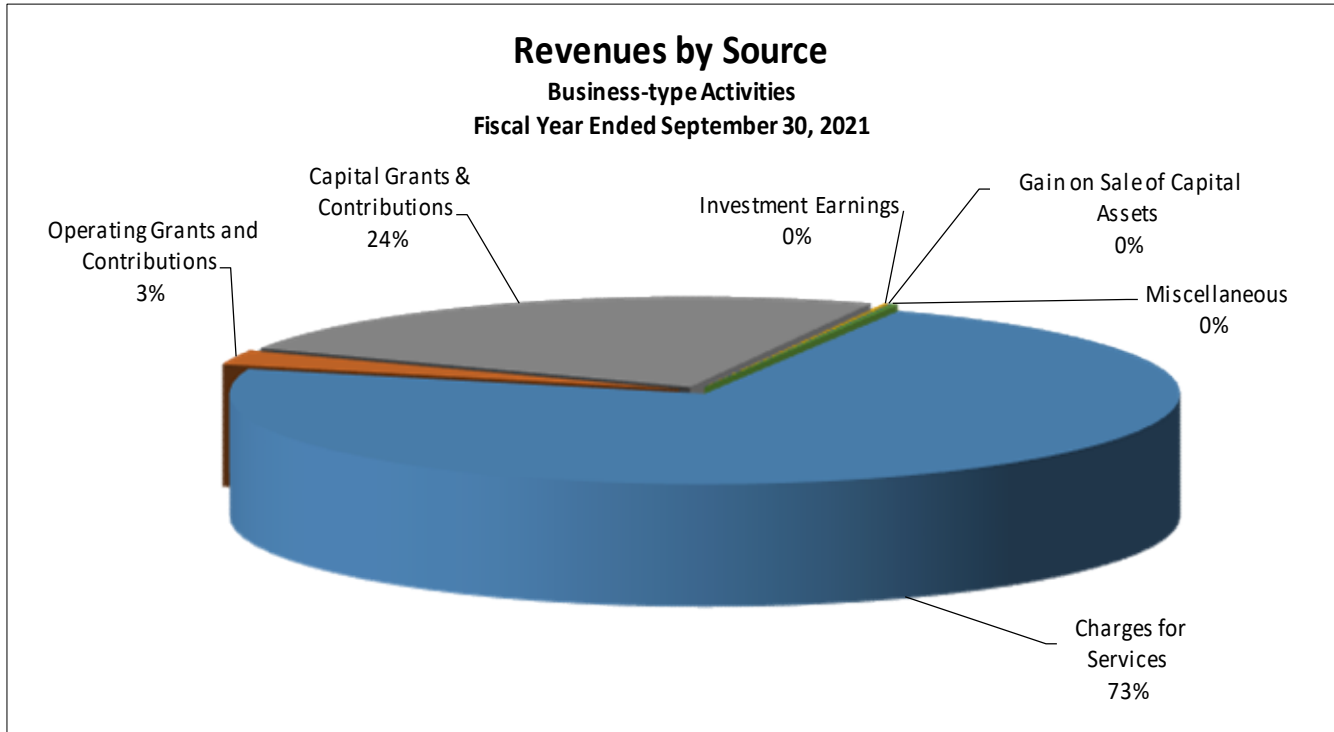
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The following chart depicts governmental activity expenses compared to program revenue (e.g., charges for services, operating grants, and contributions), which funded those activities for the fiscal year; the amounts not funded by program revenues were funded by general revenues (e.g., property taxes, state shared revenue, etc.).



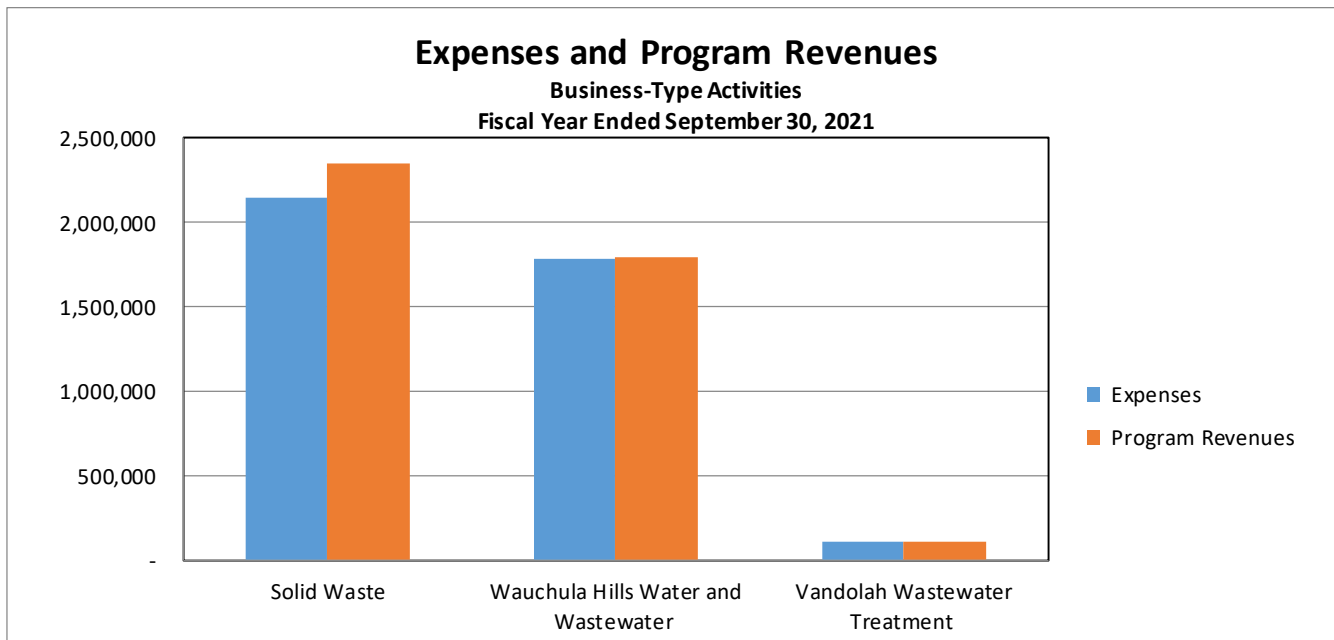
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The following chart depicts revenues of the business-type activities for the year:



(Any amounts shown as 0% are less than 0.5% of the total revenues.)

The following chart depicts business-type activities expenses compared to program revenue (e.g., charges for services, operating grants and contributions, capital grants and contributions, etc.), which funded those activities for the fiscal year.



**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

An analysis of the County's "Changes in Net Position" reflects that the overall revenues have decreased by \$1.88 million. Further analysis shows that the overall decrease is attributed to a \$2.01 million decrease in business-type activities offset by a \$138 thousand increase in governmental type activities. Major factors contributing to the decreased revenues in the government type activities are as follows:

- A \$3.07 million decrease in Mosaic income related to funding the Hardee County Economic Development Authority (EDA), a blended component unit, received.
- A \$966 thousand decrease in operating grants and contributions primarily related to the final FEMA grant revenues recognized from Hurricane Irma.
- A \$1.02 million increase in state shared revenues as a result of the economic improvement over the previous year.
- A \$917 thousand increase in capital grants and contributions related to a transportation grant.
- A \$567 thousand increase in property taxes related to the increase in property valuations.

The changes in revenues in the business-type activities are as follows:

- A \$1.92 million decrease in capital grants and contributions primarily related to water and wastewater projects.

County expenses illustrate an overall decrease of \$4.68 million. The overall decrease was due to a decrease in governmental activities of \$4.84 million and an increase in the business-type activities of \$155 thousand. The decrease of the government type activities expenses is due to the following activities below:

- A \$3.23 million decrease in public safety due to a (\$4.3) million net effect of pension related changes.
- A \$1.26 million decrease general government due to a (\$1.5) million net effect of pension related changes.
- A \$1.60 million decrease in human services due to EDA's contribution to a permanent endowment for scholarships within Hardee County of \$2.00 million in fiscal year 2020 compared to \$562 thousand in fiscal year 2021.
- A \$1.60 million increase in economic environment due to the EDA's increase in grant awards for economic development projects, plus COVID-19 related costs.

The increase in expenses of the business-type activities was reflective of the following:

- A \$136 thousand increase in Wauchula Hills Wastewater due to new customer connection costs, which are not capital.

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.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Governmental Funds

The focus of Hardee County's governmental funds is to provide information on near-term inflows, outflows, and balances of accessible resources. Such information is useful in assessing the County's financing requirements; in particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$29.67 million. Approximately \$2.94 million of the fund balance is restricted within the Transportation Fund, \$424 thousand within the Grants Fund, \$10.97 million within the Economic Development Authority Fund, and \$1.75 million is restricted within the nonmajor governmental funds. Committed fund balances were \$1.72 million within the Fire Control Fund and \$122 thousand within the nonmajor governmental funds. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$10.52 million, which represents 35% of the total fund balance in the governmental funds. Unassigned fund balances are those dollars which are available for spending at the government's discretion. As a measure of the General Fund's liquidity, General Fund unassigned balance represents 43% of the total general fund expenditures.

Proprietary Funds

Hardee County's proprietary funds provide the same type of information found in the government-wide business-type activities financial statements, but in more detail. Solid waste program revenues increased by \$66 thousand. Net position of the solid waste department increased by \$143 thousand. The water/wastewater program revenues were a combined total decrease of \$1.95 million and the net position decreased by \$58 thousand.

Budgetary Highlights

Budget and actual comparison schedules are provided in the Basic Financial Statements for the General fund and all major special revenue funds. Budget and actual comparison schedules are also provided in the combining and individual fund statements and schedules for all nonmajor funds with annually appropriated budgets. The budget and actual comparison schedules show the original adopted budgets, the final revised budget, actual results, and variance between the final budget and actual results for the general and major special revenue funds. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues.

Difference between original and final amended budget for the General Fund was a \$384 thousand increase and included the following:

- The most significant impact to the changes in the budget continued to be related to the COVID-19 pandemic with the addition of the CARES Act recovery grants.
- Other grant increases to the budget include College Hill transportation grant, and state appropriations for design of a new Emergency Management facility.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Total revenues exceeded final budget by \$4.08 million. This was primarily due to the carry forward of Coronavirus Relief Funds from the U.S. Treasury; and various other intergovernmental revenues exceeding budget.

Total expenditures were \$1.39 million under budget, not including the \$5.28 million of reserves that is included in the total expenditures final budget amount. This was primarily due to various capital projects that moved forward into the current year.

Capital Assets

The County's investments in capital assets for its governmental and business-type activities as of September 30, 2021 were \$70.13 million (net of accumulated depreciation).

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

CAPITAL ASSETS	Governmental Activities		Business-Type Activities		Total	
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Land	\$ 3,691,552	\$ 3,691,552	\$ 962,625	\$ 962,625	\$ 4,654,177	\$ 4,654,177
Construction in Progress	923,280	3,612,689	3,256,412	3,847,473	4,179,692	7,460,162
Buildings and Improvements	13,064,898	12,813,679	7,571,810	7,401,140	20,636,708	20,214,819
Machinery and Equipment	6,552,962	6,693,784	1,276,500	1,989,915	7,829,462	8,683,699
Infrastructure	24,960,025	23,060,569	6,902,749	6,054,015	31,862,774	29,114,584
Total Capital Assets	<u>\$ 49,192,717</u>	<u>\$ 49,872,273</u>	<u>\$ 19,970,096</u>	<u>\$ 20,255,168</u>	<u>\$ 69,162,813</u>	<u>\$ 70,127,441</u>

Additional information on the County's capital assets can be found in Note 5 to the financial statements.

Debt Management

As of September 30, 2021, the County had total long-term liabilities outstanding of \$21.44 million. Of this amount, \$2.78 million is notes payable, \$551 thousand is capital leases, \$1.01 million is compensated absences, \$9.95 million is net pension liability, \$5.04 million is landfill closure and post closure obligations, and other postemployment benefits (OPEB) obligations consisted of \$2.11 million.

Hardee County's Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Notes Payable	\$ -	\$ -	\$ 3,130,000	\$ 2,780,000	\$ 3,130,000	\$ 2,780,000
Capital Leases	769,800	551,267	-	-	769,800	551,267
Compensated Absences	1,094,964	1,008,502	5,287	5,287	1,100,251	1,013,789
Landfill Closure/Post Closure	-	-	4,810,763	5,038,774	4,810,763	5,038,774
Net Pension Liability	33,513,324	9,725,684	842,505	221,975	34,355,829	9,947,659
OPEB Obligations	1,874,456	2,017,681	84,019	91,540	1,958,475	2,109,221
Total	<u>\$ 37,252,544</u>	<u>\$ 13,303,134</u>	<u>\$ 8,872,574</u>	<u>\$ 8,137,576</u>	<u>\$ 46,125,118</u>	<u>\$ 21,440,710</u>

Additional information on Hardee County's long-term debt can be found in Notes 6, 9, and 11 of this report.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Economic Factors and Next Year's Budgets and Rates

Local, national, and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by indicators such as employment growth, unemployment, new construction, assessed valuation, and tax base.

- As referenced from the United States Census, the total estimated population for Hardee County for 2021 is 26,244. As a comparison, the estimated population for Hardee County for 2020 was 27,385. This is a decrease of -.04%.
- As referenced by the State of Florida Labor Force Summary, the unemployment rate for Hardee County for 2021 is 6.5% which is a decrease from prior year's 6.9% and is higher than the states average of 3.5%.
- The final taxable value for fiscal year 2021-22 increased by 3.85% over fiscal year 2019-20.
- The millage rate for fiscal year 2021-22 was set and adopted at 8.8000 mills; an increase of 4.4% over the roll back rate. This can be confusing, as the prior year's millage was 8.8038 mills but the Truth in Millage requires that each county determine the rate necessary to generate the same amount of taxes as prior year.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increased the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 and \$75,000), except for school district taxes. Since that additional \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to 3% or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to 10%, except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on October 1, 2008, with the exception of the 10% assessment cap on non-homestead property which became effective on January 1, 2009.

The implementation of Article VII of the State Constitution approved in the special election held on January 29, 2008 resulted in significant reductions to Hardee County's ad valorem tax base. As a fiscally constrained county, pursuant to FS 218.12 each year the state sets aside an appropriation to offset the reduction in ad valorem tax revenue. In 2021 the total reduction in taxable value as a result of this amendment was \$146,170,833. In addition, a tax exemption for conservation lands was also introduced and the total loss in value resulting from this exemption was \$347,505. To offset the loss in revenues, the state's contribution in fiscal year 2021 was \$1,066,769.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Economic Factors and Next Year's Budgets and Rates (Continued)

In March of 2020, the World Health Organization declared a world-wide pandemic with the spread of Coronavirus Disease (COVID-19). The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the County has and continues to take appropriate actions to mitigate the negative impact. The full impact remains unknown as we continue to mitigate and identify all consequences.

Requests for Information

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

County Commissioners Office
412 West Orange St., Rm. 103
Wauchula, FL 33873

If you have questions concerning the Basic Financial Statements or other accounting information in this report, please contact the Clerk of Courts at:

Clerk of Courts
P. O. Drawer 1749
Wauchula, FL 33873

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**HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
ASSETS				
Cash and Cash Equivalents	\$ 31,498,947	\$ 3,983,092	\$ 35,482,039	\$ 11,733,926
Investments	-	-	-	6,105,995
Deposits Held by Others	10,068	3,596	13,664	-
Accounts Receivable, Net	785,617	145,998	931,615	138,669
Note Receivable	-	-	-	218,184
Internal Balances	(728)	728	-	-
Due from Other Governmental Agencies	4,310,040	204,429	4,514,469	1,728,020
Prepaid Items	4,464	-	4,464	82,310
Inventory - Supplies	323,906	-	323,906	-
Inventory - Property Held for Resale	-	-	-	533,076
Restricted Assets:				
Cash and Cash Equivalents	-	1,615,698	1,615,698	-
Capital Assets, Not Being Depreciated	7,304,241	4,810,098	12,114,339	7,638,554
Capital Assets, Net of Accumulated Depreciation	42,568,032	15,445,070	58,013,102	9,473,578
Total Assets	<u>86,804,587</u>	<u>26,208,709</u>	<u>113,013,296</u>	<u>37,652,312</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	5,543,179	156,369	5,699,548	-
Other Postemployment Benefits Related Items	146,943	6,667	153,610	-
Total Deferred Outflows of Resources	<u>5,690,122</u>	<u>163,036</u>	<u>5,853,158</u>	<u>-</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,953,657	1,188,750	3,142,407	545,233
Due to Other Governmental Agencies	1,327,225	-	1,327,225	-
Deposits	-	59,075	59,075	-
Unearned Revenue	2,611,120	8,341	2,619,461	146,000
Noncurrent Liabilities:				
Due within One Year	1,110,611	521,444	1,632,055	-
Due in More than One Year	449,158	7,302,617	7,751,775	-
Net Pension Liability	9,725,684	221,975	9,947,659	-
Total Other Postemployment Benefits Liability	2,017,681	91,540	2,109,221	-
Total Liabilities	<u>19,195,136</u>	<u>9,393,742</u>	<u>28,588,878</u>	<u>691,233</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	17,759,683	469,702	18,229,385	-
Other Postemployment Benefits Related Items	717,373	32,547	749,920	-
Total Deferred Inflows of Resources	<u>18,477,056</u>	<u>502,249</u>	<u>18,979,305</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	48,964,559	16,613,488	65,578,047	17,112,132
Restricted for:				
Court Innovations	473,922	-	473,922	-
Court Technology	26,468	-	26,468	-
E-911	555,892	-	555,892	-
Economic Development	8,683,743	-	8,683,743	17,311,518
Grants	623,424	-	623,424	-
Inmate Welfare	90,460	-	90,460	-
Law Enforcement Education	40,184	-	40,184	-
Law Enforcement Trust	171,297	-	171,297	-
Law Enforcement - Other	15,769	-	15,769	-
Official Records	160,246	-	160,246	-
Recreation	2,285,967	-	2,285,967	-
Tourist Development	246,943	-	246,943	-
Transportation	3,784,112	-	3,784,112	-
Total Restricted Net Position	<u>17,158,427</u>	<u>-</u>	<u>17,158,427</u>	<u>17,311,518</u>
Unrestricted (Deficit)	<u>(11,300,469)</u>	<u>(137,734)</u>	<u>(11,438,203)</u>	<u>2,537,429</u>
Total Net Position	<u>\$ 54,822,517</u>	<u>\$ 16,475,754</u>	<u>\$ 71,298,271</u>	<u>\$ 36,961,079</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

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		Component Unit	
					Governmental Activities	Business-Type Activities	Industrial Development Authority	
						Total		
Primary Government								
Governmental Activities:								
General Government	\$ 9,061,223	\$ 1,544,423	\$ 418,663	\$ -	\$ (7,098,137)	\$ -	\$ (7,098,137)	\$ -
Public Safety	17,308,616	4,014,115	377,217	90,828	(12,826,456)	-	(12,826,456)	-
Physical Environment	330,703	319,835	168,619	-	157,751	-	157,751	-
Transportation	6,610,388	66,865	-	2,398,948	(4,144,575)	-	(4,144,575)	-
Economic Environment	4,085,823	-	3,399,373	-	(686,450)	-	(686,450)	-
Human Services	1,557,221	-	-	-	(1,557,221)	-	(1,557,221)	-
Culture and Recreation	1,345,775	427,365	30,609	148,985	(738,816)	-	(738,816)	-
Debt Service:								
Interest and Fiscal Charges	26,350	-	-	-	(26,350)	-	(26,350)	-
Total Governmental Activities	40,326,099	6,372,603	4,394,481	2,638,761	(26,920,254)	-	(26,920,254)	-
Business-Type Activities:								
Solid Waste	2,143,041	2,233,803	111,831	1,585	-	204,178	204,178	-
Wauchula Hills Water and Wastewater	1,789,595	762,290	-	1,029,778	-	2,473	2,473	-
Vandolah Wastewater Treatment	110,663	112,890	-	-	-	2,227	2,227	-
Total Business-Type Activities	4,043,299	3,108,983	111,831	1,031,363	-	208,878	208,878	-
Total Primary Government	\$ 44,369,398	\$ 9,481,586	\$ 4,506,312	\$ 3,670,124	(26,920,254)	208,878	(26,711,376)	-
Component Unit:								
Industrial Development Authority	\$ 3,802,903	\$ 677,963	\$ 117,300	\$ 3,305,269	-	-	-	297,629
GENERAL REVENUES								
Taxes:								
					14,985,703	-	14,985,703	-
					2,748,978	-	2,748,978	-
					1,880,288	-	1,880,288	-
					45,860	-	45,860	-
					66,923	-	66,923	-
					2,126,600	-	2,126,600	-
					6,978,331	-	6,978,331	-
					-	-	-	4,510,000
					38,897	7,001	45,898	43,473
					-	1,980	1,980	-
					1,851,322	10,661	1,861,983	55
					154,257	(154,257)	-	-
					30,877,159	(134,615)	30,742,544	4,553,928
					3,956,905	74,263	4,031,168	4,851,157
CHANGE IN NET POSITION								
					50,855,257	16,401,491	67,256,748	32,109,922
					10,355	-	10,355	-
					50,865,612	16,401,491	67,267,103	32,109,922
NET POSITION - END OF YEAR								
					\$ 54,822,517	\$ 16,475,754	\$ 71,298,271	\$ 36,961,079

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
BALANCE SHEET — GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Major					Nonmajor		Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Emergency Disaster	Economic Development Authority Fund	Other Governmental Funds	
ASSETS								
Cash and Cash Equivalents	\$ 9,849,950	\$ 1,206,588	\$ 1,763,763	\$ 894,636	\$ 2,585,419	\$ 13,142,292	\$ 2,056,299	\$ 31,498,947
Deposits	5,753	4,315	-	-	-	-	-	10,068
Accounts Receivable, Net	779,591	250	39	-	-	-	5,737	785,617
Due from Other Funds	518,730	75,000	-	-	-	-	301,671	895,401
Due from Other Governments	1,111,049	2,805,572	13,441	296,806	-	-	83,172	4,310,040
Prepaid Items	2,359	-	-	-	-	-	2,105	4,464
Inventory of Supplies, at Cost	323,906	-	-	-	-	-	-	323,906
	<u>\$ 12,591,338</u>	<u>\$ 4,091,725</u>	<u>\$ 1,777,243</u>	<u>\$ 1,191,442</u>	<u>\$ 2,585,419</u>	<u>\$ 13,142,292</u>	<u>\$ 2,448,984</u>	<u>\$ 37,828,443</u>
Total Assets								

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
BALANCE SHEET — GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	Major					Nonmajor		Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Emergency Disaster	Economic Development Authority Fund	Other Governmental Funds	
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1,010,142	\$ 625,000	\$ 51,142	\$ 74,959	\$ 707	\$ 126,839	\$ 64,868	\$ 1,953,657
Due to Other Funds	57,756	39,060	-	474,669	-	-	324,644	896,129
Due to Other Governments	22,586	-	1,051	-	-	1,145,788	157,800	1,327,225
Unearned Revenue	-	-	-	25,701	2,585,419	-	-	2,611,120
Total Liabilities	1,090,484	664,060	52,193	575,329	2,586,126	1,272,627	547,312	6,788,131
Deferred Inflows of Resources:								
Unavailable Revenue								
Intergovernmental	61,266	488,866	7,311	192,604	-	-	35,625	785,672
Emergency Medical Services	589,296	-	-	-	-	-	-	589,296
Total Deferred Inflows of Resources	650,562	488,866	7,311	192,604	-	-	35,625	1,374,968
Fund Balances:								
Nonspendable	326,265	-	-	-	-	-	2,105	328,370
Restricted	-	2,938,799	-	423,509	-	10,969,710	1,751,292	16,083,310
Committed	-	-	1,717,739	-	-	-	121,781	1,839,520
Assigned	-	-	-	-	-	899,955	-	899,955
Unassigned	10,524,027	-	-	-	(707)	-	(9,131)	10,514,189
Total Fund Balances	10,850,292	2,938,799	1,717,739	423,509	(707)	11,869,665	1,866,047	29,665,344
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,591,338</u>	<u>\$ 4,091,725</u>	<u>\$ 1,777,243</u>	<u>\$ 1,191,442</u>	<u>\$ 2,585,419</u>	<u>\$ 13,142,292</u>	<u>\$ 2,448,984</u>	

Amounts reported for governmental activities in the statement of net position

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	49,872,273
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	1,374,968
Long-term liabilities, including capital leases, and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(1,559,769)
Net pension liability is not due and payable in the current period, therefore, the liabilities and the related deferred outflows and inflows of resources are not reported in the funds.	(21,942,188)
Total other postemployment benefits liability is not due and payable in the current period, therefore, the liabilities and the related deferred outflows and inflows of resources are not reported in the funds.	(2,588,111)
Net Position of Governmental Activities	<u>\$ 54,822,517</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Major					Non-Major		Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Emergency Disaster	Economic Development Authority Fund	Other Governmental Funds	
REVENUES								
Taxes	\$ 16,911,851	\$ 1,507,263	\$ -	\$ -	\$ -	\$ -	\$ 66,923	\$ 18,486,037
Licenses and Permits	486,914	400	-	-	-	-	-	487,314
Intergovernmental	6,810,625	5,150,756	17,649	787,685	1,423,103	2,126,600	619,680	16,936,098
Charges for Services	2,458,482	66,465	16,040	-	-	-	917,706	3,458,693
Fines and Forfeitures	13,914	-	-	-	-	-	189,985	203,899
Assessments	-	-	2,133,823	-	-	-	-	2,133,823
Interest	11,879	3,963	925	559	3,330	16,369	1,693	38,718
Miscellaneous	1,412,570	232,085	71,358	127,568	-	-	115,126	1,958,707
Total Revenues	<u>28,106,235</u>	<u>6,960,932</u>	<u>2,239,795</u>	<u>915,812</u>	<u>1,426,433</u>	<u>2,142,969</u>	<u>1,911,113</u>	<u>43,703,289</u>
EXPENDITURES								
Current:								
General Government	7,321,778	-	-	-	-	-	1,482,552	8,804,330
Public Safety	15,041,899	-	2,499,369	77,557	-	-	232,911	17,851,736
Physical Environment	40,767	-	-	50,491	-	-	241,947	333,205
Transportation	-	4,000,255	-	75,000	-	-	-	4,075,255
Economic Environment	-	-	-	431,819	926,078	2,734,017	-	4,091,914
Human Services	914,976	-	-	56,454	-	562,994	-	1,534,424
Culture and Recreation	1,159,603	-	-	-	-	211,838	-	1,371,441
Capital Outlay	491,678	3,745,213	466,411	148,985	476,877	-	18,691	5,347,855
Debt Service:								
Principal Retirement	90,379	-	128,154	-	-	-	-	218,533
Interest	9,141	-	17,209	-	-	-	-	26,350
Total Expenditures	<u>25,070,221</u>	<u>7,745,468</u>	<u>3,111,143</u>	<u>840,306</u>	<u>1,402,955</u>	<u>3,508,849</u>	<u>1,976,101</u>	<u>43,655,043</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,036,014	(784,536)	(871,348)	75,506	23,478	(1,365,880)	(64,988)	48,246
OTHER FINANCING SOURCES (USES)								
Transfers In	189,045	38,122	313,310	5,385	-	-	1,065,989	1,611,851
Transfers Out	(757,616)	-	-	(1,514)	(30,199)	-	(668,265)	(1,457,594)
Total Other Financing Sources (Uses)	<u>(568,571)</u>	<u>38,122</u>	<u>313,310</u>	<u>3,871</u>	<u>(30,199)</u>	<u>-</u>	<u>397,724</u>	<u>154,257</u>
NET CHANGE IN FUND BALANCES	2,467,443	(746,414)	(558,038)	79,377	(6,721)	(1,365,880)	332,736	202,503
Fund Balances - Beginning of Year, as Previously Reported	8,382,849	3,685,213	2,275,777	344,132	6,014	13,235,545	1,522,956	29,452,486
Restatement (See Note 16)	-	-	-	-	-	-	10,355	10,355
Fund Balances - Beginning of Year, as Restated	<u>8,382,849</u>	<u>3,685,213</u>	<u>2,275,777</u>	<u>344,132</u>	<u>6,014</u>	<u>13,235,545</u>	<u>1,533,311</u>	<u>29,462,841</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 10,850,292</u>	<u>\$ 2,938,799</u>	<u>\$ 1,717,739</u>	<u>\$ 423,509</u>	<u>\$ (707)</u>	<u>\$ 11,869,665</u>	<u>\$ 1,866,047</u>	<u>\$ 29,665,344</u>

See accompanying Notes to Financial Statements.

**HARDEE 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, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 202,503

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

Governmental funds report capital outlay 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 capital outlay exceeded depreciation and amortization in the current period. 679,556

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. 304,995

Some revenues reported in the statement of activities will not be collected for several months after the fiscal year-end and, therefore, are not reported as revenues in governmental funds. 425,458

Changes in net pension liability and related pension amounts 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. 2,367,524

Changes in total other postemployment benefits (OPEB) liability and related OPEB amounts 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. (23,131)

Change in Net Position of Governmental Activities \$ 3,956,905

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL — GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 16,676,062	\$ 16,676,062	\$ 16,911,851	\$ 235,789
Licenses and Permits	292,356	292,356	486,914	194,558
Intergovernmental	4,597,578	4,607,501	6,810,625	2,203,124
Charges for Services	1,489,523	1,505,257	2,458,482	953,225
Fines and Forfeitures	1,710	1,710	13,914	12,204
Interest	57,650	57,866	11,879	(45,987)
Miscellaneous	872,103	885,271	1,412,570	527,299
Total Revenues	<u>23,986,982</u>	<u>24,026,023</u>	<u>28,106,235</u>	<u>4,080,212</u>
EXPENDITURES				
Current:				
General Government	8,432,871	8,406,024	7,321,778	1,084,246
Public Safety	14,581,627	14,628,451	15,041,899	(413,448)
Physical Environment	43,107	43,200	40,767	2,433
Human Services	980,185	975,830	914,976	60,854
Culture and Recreation	1,259,531	1,257,651	1,159,603	98,048
Capital Outlay	682,571	1,053,041	491,678	561,363
Debt Service:				
Principal Retirement	90,379	90,379	90,379	-
Interest	9,141	9,141	9,141	-
Other Expenditures	2,180,226	5,276,480	-	5,276,480
Total Expenditures	<u>28,259,638</u>	<u>31,740,197</u>	<u>25,070,221</u>	<u>6,669,976</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,272,656)	(7,714,174)	3,036,014	10,750,188
OTHER FINANCING SOURCES (USES)				
Transfers In	211,542	3,416,680	189,045	(3,227,635)
Transfers Out	(1,294,306)	(1,294,926)	(757,616)	537,310
Issuance of Debt	-	237,000	-	(237,000)
Total Other Financing Sources (Uses)	<u>(1,082,764)</u>	<u>2,358,754</u>	<u>(568,571)</u>	<u>(2,927,325)</u>
NET CHANGE IN FUND BALANCES	(5,355,420)	(5,355,420)	2,467,443	7,822,863
Fund Balances - Beginning of Year	<u>5,355,420</u>	<u>5,355,420</u>	<u>8,382,849</u>	<u>3,027,429</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,850,292</u>	<u>\$ 10,850,292</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES — BUDGET AND ACTUAL — TRANSPORTATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,314,350	\$ 1,314,350	\$ 1,507,263	\$ 192,913
Licenses and Permits	-	-	400	400
Intergovernmental	11,946,993	12,307,916	5,150,756	(7,157,160)
Charges for Services	144,450	144,450	66,465	(77,985)
Interest	42,000	42,000	3,963	(38,037)
Miscellaneous	166,540	231,540	232,085	545
Total Revenues	<u>13,614,333</u>	<u>14,040,256</u>	<u>6,960,932</u>	<u>(7,079,324)</u>
EXPENDITURES				
Current:				
Transportation	5,297,411	5,271,363	4,000,255	1,271,108
Capital Outlay	10,769,680	11,222,851	3,745,213	7,477,638
Other Expenditures	1,565,656	1,679,048	-	1,679,048
Total Expenditures	<u>17,632,747</u>	<u>18,173,262</u>	<u>7,745,468</u>	<u>10,427,794</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,018,414)	(4,133,006)	(784,536)	3,348,470
OTHER FINANCING SOURCES				
Transfers In	41,700	156,292	38,122	(118,170)
NET CHANGE IN FUND BALANCES	(3,976,714)	(3,976,714)	(746,414)	3,230,300
Fund Balances - Beginning of Year	<u>3,976,714</u>	<u>3,976,714</u>	<u>3,685,213</u>	<u>(291,501)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,938,799</u>	<u>\$ 2,938,799</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL — FIRE CONTROL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 81,304	\$ 17,649	\$ (63,655)
Charges for Services	15,500	15,500	16,040	540
Assessments	2,156,278	2,156,278	2,133,823	(22,455)
Interest	15,620	15,620	925	(14,695)
Miscellaneous	500	74,500	71,358	(3,142)
Total Revenues	<u>2,187,898</u>	<u>2,343,202</u>	<u>2,239,795</u>	<u>(103,407)</u>
EXPENDITURES				
Current:				
Public Safety	2,800,338	2,850,746	2,499,369	351,377
Capital Outlay	-	111,817	466,411	(354,594)
Debt Service:				
Principal Retirement	128,153	128,154	128,154	-
Interest	17,213	17,212	17,209	3
Other Expenditures	250,611	1,093,690	-	1,093,690
Total Expenditures	<u>3,196,315</u>	<u>4,201,619</u>	<u>3,111,143</u>	<u>1,090,476</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,008,417)	(1,858,417)	(871,348)	987,069
OTHER FINANCING SOURCES				
Transfers In	850,000	1,700,000	313,310	(1,386,690)
NET CHANGE IN FUND BALANCES	(158,417)	(158,417)	(558,038)	(399,621)
Fund Balances - Beginning of Year	158,417	158,417	2,275,777	2,117,360
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,717,739</u>	<u>\$ 1,717,739</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL — GRANTS FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 698,070	\$ 1,167,281	\$ 787,685	\$ (379,596)
Interest	1,000	1,560	559	(1,001)
Miscellaneous	10,000	88,563	127,568	39,005
Total Revenues	<u>709,070</u>	<u>1,257,404</u>	<u>915,812</u>	<u>(341,592)</u>
EXPENDITURES				
Current:				
Public Safety	40,638	278,434	77,557	200,877
Physical Environment	77,489	77,489	50,491	26,998
Transportation	-	75,000	75,000	-
Economic Environment	813,565	963,455	431,819	531,636
Human Services	43,101	80,817	56,454	24,363
Capital Outlay	160,000	160,000	148,985	11,015
Total Expenditures	<u>1,134,793</u>	<u>1,635,195</u>	<u>840,306</u>	<u>794,889</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(425,723)	(377,791)	75,506	453,297
OTHER FINANCING SOURCES (USES)				
Transfers In	5,385	6,005	5,385	(620)
Transfers Out	(2,348)	(2,348)	(1,514)	834
Total Other Financing Sources (Uses)	<u>3,037</u>	<u>3,657</u>	<u>3,871</u>	<u>214</u>
NET CHANGE IN FUND BALANCES	(422,686)	(374,134)	79,377	453,511
Fund Balances - Beginning of Year	<u>422,686</u>	<u>374,134</u>	<u>344,132</u>	<u>(30,002)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,509</u>	<u>\$ 423,509</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES — BUDGET AND ACTUAL — EMERGENCY DISASTER FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 100,000	\$ 6,727,683	\$ 1,423,103	\$ (5,304,580)
Interest	-	50	3,330	3,280
Total Revenues	<u>100,000</u>	<u>6,727,733</u>	<u>1,426,433</u>	<u>(5,301,300)</u>
EXPENDITURES				
Current:				
Economic Environment	1,013,000	2,070,035	926,078	1,143,957
Capital Outlay	374,037	709,051	476,877	232,174
Other Expenditures	-	2,586,662	-	2,586,662
Total Expenditures	<u>1,387,037</u>	<u>5,365,748</u>	<u>1,402,955</u>	<u>3,962,793</u>
EXCESS OF REVENUES OVER EXPENDITURES	(1,287,037)	1,361,985	23,478	(1,338,507)
OTHER FINANCING USES				
Transfers Out	-	(4,179,253)	(30,199)	4,149,054
NET CHANGE IN FUND BALANCE	(1,287,037)	(2,817,268)	(6,721)	2,810,547
Fund Balance - Beginning of Year	<u>1,287,037</u>	<u>2,817,268</u>	<u>6,014</u>	<u>(2,811,254)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (707)</u>	<u>\$ (707)</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — ECONOMIC DEVELOPMENT AUTHORITY FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,000,000	\$ 2,126,600	\$ 2,126,600	\$ -
Other Revenue:				
Mosaic Income	75,000	-	-	-
Interest	22,189	16,433	16,369	(64)
Total Revenues	<u>2,097,189</u>	<u>2,143,033</u>	<u>2,142,969</u>	<u>(64)</u>
EXPENDITURES				
Current:				
Economic Environment	7,999,428	10,266,117	2,734,017	7,532,100
Human Services	-	562,994	562,994	-
Recreation	2,315,499	2,316,899	211,838	2,105,061
Total Expenditures	<u>10,314,927</u>	<u>13,146,010</u>	<u>3,508,849</u>	<u>9,637,161</u>
NET CHANGE IN FUND BALANCES	(8,217,738)	(11,002,977)	(1,365,880)	9,637,097
Fund Balances - Beginning of Year	<u>11,837,725</u>	<u>11,837,728</u>	<u>13,235,545</u>	<u>1,397,817</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,619,987</u>	<u>\$ 834,751</u>	<u>\$ 11,869,665</u>	<u>\$ 11,034,914</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	Total Enterprise Funds
ASSETS				
CURRENT ASSETS				
Cash	\$ 2,973,483	\$ 869,538	\$ 140,071	\$ 3,983,092
Deposits	-	3,596	-	3,596
Accounts Receivable, Net	65,443	80,477	78	145,998
Due from Other Funds	-	729	-	729
Due from Other Governmental Agencies	4,733	199,696	-	204,429
Total Current Assets	<u>3,043,659</u>	<u>1,154,036</u>	<u>140,149</u>	<u>4,337,844</u>
NONCURRENT ASSETS				
Restricted Cash and Cash Equivalents	1,615,698	-	-	1,615,698
Capital Assets:				
Land	372,775	424,850	165,000	962,625
Construction in Progress	8,180	3,839,293	-	3,847,473
Buildings and Improvements	2,968,658	5,801,120	1,184,598	9,954,376
Equipment	3,429,665	615,750	8,961	4,054,376
Infrastructure	7,218,397	12,497,975	-	19,716,372
Less: Accumulated Depreciation	<u>(8,465,994)</u>	<u>(9,370,448)</u>	<u>(443,612)</u>	<u>(18,280,054)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,531,681</u>	<u>13,808,540</u>	<u>914,947</u>	<u>20,255,168</u>
Total Noncurrent Assets	<u>7,147,379</u>	<u>13,808,540</u>	<u>914,947</u>	<u>21,870,866</u>
Total Assets	<u>10,191,038</u>	<u>14,962,576</u>	<u>1,055,096</u>	<u>26,208,710</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	63,681	81,433	11,255	156,369
Other Postemployment Benefits Related Items	<u>2,704</u>	<u>3,487</u>	<u>476</u>	<u>6,667</u>
Total Deferred Outflows of Resources	<u>66,385</u>	<u>84,920</u>	<u>11,731</u>	<u>163,036</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	Total Enterprise Funds
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,054,786	\$ 130,766	\$ 3,198	\$ 1,188,750
Due to Other Funds	-	-	1	1
Deposits	23,842	35,233	-	59,075
Unearned Revenue	-	8,341	-	8,341
Accrued Compensated Absences, Current Portion	1,856	-	-	1,856
Notes Payable, Current Portion	350,000	-	-	350,000
Landfill Closure and Postclosure Costs, Current Portion	169,588	-	-	169,588
Total Current Liabilities	<u>1,600,072</u>	<u>174,340</u>	<u>3,199</u>	<u>1,777,611</u>
NONCURRENT LIABILITIES				
Accrued Compensated Absences	3,431	-	-	3,431
Net Pension Liability	128,255	72,083	21,637	221,975
Other Postemployment Benefits	37,122	47,879	6,539	91,540
Notes Payable, Less Current Portion	2,430,000	-	-	2,430,000
Landfill Closure and Post-closure Costs	4,869,186	-	-	4,869,186
Total Noncurrent Liabilities	<u>7,467,994</u>	<u>119,962</u>	<u>28,176</u>	<u>7,616,132</u>
Total Liabilities	9,068,066	294,302	31,375	9,393,743
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	190,453	245,919	33,330	469,702
Other Postemployment Benefits Related Items	13,199	17,023	2,325	32,547
Total Deferred Inflows of Resources	<u>203,652</u>	<u>262,942</u>	<u>35,655</u>	<u>502,249</u>
NET POSITION				
Net Investment in Capital Assets	1,984,197	13,714,344	914,947	16,613,488
Unrestricted	<u>(998,492)</u>	<u>775,908</u>	<u>84,850</u>	<u>(137,734)</u>
Total Net Position	<u>\$ 985,705</u>	<u>\$ 14,490,252</u>	<u>\$ 999,797</u>	<u>\$ 16,475,754</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION — PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	Total Enterprise Funds
OPERATING REVENUES				
Sales and Charges for Services	\$ 1,141,373	\$ 762,290	\$ 112,890	\$ 2,016,553
Special Assessments	1,092,430	-	-	1,092,430
Total Operating Revenues	<u>2,233,803</u>	<u>762,290</u>	<u>112,890</u>	<u>3,108,983</u>
OPERATING EXPENSES				
Personal Services	350,036	455,167	62,202	867,405
General and Administrative	1,394,423	657,631	24,847	2,076,901
Depreciation	357,800	676,797	23,614	1,058,211
Total Operating Expenses	<u>2,102,259</u>	<u>1,789,595</u>	<u>110,663</u>	<u>4,002,517</u>
OPERATING INCOME (LOSS)	131,544	(1,027,305)	2,227	(893,534)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	111,831	1,585	-	113,416
Interest Income	5,607	1,233	161	7,001
Interest Expense	(40,782)	-	-	(40,782)
Gain on Sale of Capital Assets	1,980	-	-	1,980
Miscellaneous Revenue	841	9,820	-	10,661
Total Nonoperating Revenues (Expenses), Net	<u>79,477</u>	<u>12,638</u>	<u>161</u>	<u>92,276</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	211,021	(1,014,667)	2,388	(801,258)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	-	1,029,778	-	1,029,778
Transfers In	-	1,710	-	1,710
Transfers Out	(68,024)	(75,233)	(12,710)	(155,967)
Total Transfers	<u>(68,024)</u>	<u>956,255</u>	<u>(12,710)</u>	<u>875,521</u>
CHANGE IN NET POSITION	142,997	(58,412)	(10,322)	74,263
Net Position - Beginning of Year	<u>842,708</u>	<u>14,548,664</u>	<u>1,010,119</u>	<u>16,401,491</u>
NET POSITION - END OF YEAR	<u>\$ 985,705</u>	<u>\$ 14,490,252</u>	<u>\$ 999,797</u>	<u>\$ 16,475,754</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	Solid Waste Fund	Wauchula Hills Water/Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 2,249,655	\$ 764,965	\$ 112,864	\$ 3,127,484
Payments to Suppliers	(1,219,968)	(678,635)	(24,633)	(1,923,236)
Payments to Employees	(383,627)	(497,150)	(67,992)	(948,769)
Net Cash Provided (Used) by Operating Activities	<u>646,060</u>	<u>(410,820)</u>	<u>20,239</u>	<u>255,479</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental Grant	111,831	1,585	-	113,416
Other Nonoperating Revenue	1,457	9,820	-	11,277
Transfers to Other Fund	(65,865)	(74,252)	(12,709)	(152,826)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>47,423</u>	<u>(62,847)</u>	<u>(12,709)</u>	<u>(28,133)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants, State Shared Revenues, and Contributions	-	1,476,220	-	1,476,220
Acquisition and Construction of Capital Assets	(57,299)	(1,185,083)	-	(1,242,382)
Proceeds from Sale of Capital Assets	1,980	-	-	1,980
Proceeds from Issuance of Debt	2,780,000	-	-	2,780,000
Principal Paid on Notes Payable	(3,130,000)	-	-	(3,130,000)
Interest Paid	(40,782)	-	-	(40,782)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(446,101)</u>	<u>291,137</u>	<u>-</u>	<u>(154,964)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	5,607	1,233	161	7,001
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	252,989	(181,297)	7,691	79,383
Cash and Cash Equivalents - Beginning of Year	<u>4,336,192</u>	<u>1,050,835</u>	<u>132,380</u>	<u>5,519,407</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,589,181</u>	<u>\$ 869,538</u>	<u>\$ 140,071</u>	<u>\$ 5,598,790</u>
CLASSIFIED AS				
Cash	\$ 2,973,483	\$ 869,538	\$ 140,071	\$ 3,983,092
Restricted Cash and Cash Equivalents	1,615,698	-	-	1,615,698
Total	<u>\$ 4,589,181</u>	<u>\$ 869,538</u>	<u>\$ 140,071</u>	<u>\$ 5,598,790</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 131,544	\$ (1,027,305)	\$ 2,227	\$ (893,534)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	357,800	676,797	23,614	1,058,211
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	14,852	(2,038)	(26)	12,788
(Increase) Decrease In Deferred Outflows - Pensions	37,138	50,758	6,798	94,694
(Increase) Decrease In Deferred Outflows - OPEB	(69)	(25)	(1)	(95)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(50,256)	(21,004)	489	(70,771)
Increase (Decrease) in Due to Other Government Agencies	(3,300)	-	(275)	(3,575)
Increase (Decrease) in Deposits	1,000	4,980	-	5,980
Increase (Decrease) in Unearned Revenue	-	(267)	-	(267)
Increase (Decrease) in Net Pension Liability	(251,632)	(324,922)	(43,976)	(620,530)
Increase (Decrease) in Total OPEB Liability	3,436	3,617	468	7,521
Increase (Decrease) in Landfill Closure and Postclosure Costs	228,011	-	-	228,011
Increase (Decrease) In Deferred Inflows - Pensions	179,381	231,333	31,307	442,021
Increase (Decrease) In Deferred Inflows - OPEB	(1,845)	(2,744)	(386)	(4,975)
Net Cash Provided (Used) by Operating Activities	<u>\$ 646,060</u>	<u>\$ (410,820)</u>	<u>\$ 20,239</u>	<u>\$ 255,479</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Assets Acquired through Retainage and Accounts Payable	<u>\$ 759,304</u>	<u>\$ 94,196</u>	<u>\$ -</u>	<u>\$ 853,500</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash	<u>\$ 788,399</u>
LIABILITIES	
Due to Individuals	73,878
Due to Other Governments	191,154
Due to Indigent Health Care Special District	91
Deposit - Installment Taxes	<u>300,756</u>
Total Liabilities	<u>565,879</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	222,520
Total Net Position	<u>\$ 222,520</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds
ADDITIONS	
Collections from Individuals	\$ 219,483
Property Tax Collections for Other Governments	14,430,883
Evidence Collected	22,504
Collections for Court Related Activities	884,606
Licenses, Taxes, and Fees Collected for Other Governments	6,038,517
Total Additions	21,595,993
DEDUCTIONS	
Medical, Dental, and Life Insurance	46,153
Payments to Individuals	80,207
Payments of Court Related Funds	959,764
Payments to Other Entities	93,343
Payments to Other Governments	20,508,631
Total Deductions	21,688,098
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(92,105)
Fiduciary Net Position - Beginning of Year, as Previously Reported	-
Restatement (See Note 16)	314,625
Fiduciary Net Position - Beginning of Year, as Restated	314,625
FIDUCIARY NET POSITION - END OF YEAR	\$ 222,520

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hardee County (County) is a Non-charter County established under the Constitution and 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 Circuit Court (Clerk), Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections.

The Board, as the legislative body for the County, budgets and provides the funding used by the separate constitutional officers with the exception of fees collected by the Tax Collector, Property Appraiser, and Clerk. The Clerk 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 officer have been combined in these financial statements.

Accounting principles generally accepted in the United States require that each unit of government define a governmental reporting entity. The accompanying financial statements present the financial position and results of operations of the applicable funds of the County.

Accounting principles generally accepted in the United States require that these financial statements include all entities for which the County is considered to be financially accountable (component unit). The County is financially accountable if it 1) holds a majority equity interest and it doesn't meet the definition of an investment; or 2) appoints a voting majority of the organization's governing body and (a) is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. If a component unit is, in substance, part of the government's operations, it should be reported as a blended component unit. Otherwise, a component unit should be discretely presented. Based on the criteria, the County management determined that the County has one discretely presented component unit and one blended component unit.

Discretely Presented Component Unit

The Hardee County Industrial Development Authority (Authority), as authorized by Chapter 159.44-159.53 of the Florida Statutes, was created for the purpose of financing and refinancing projects for the public purposes in the manner provided by the Florida Industrial Development Financing Act and by Chapter 159.44-159.53 of the Florida Statutes and for the purpose of fostering economic development of Hardee County.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Unit (Continued)

The Authority is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The County entered into an agreement with a private entity which otherwise assumed to provide financial support to the Authority. Separate audited financial statements for the Hardee County Industrial Development Authority are available upon request at 107 East Main Street, Wauchula, Florida 33873.

Blended Component Unit

The Hardee County Economic Development Authority (EDA), established in accordance with Section 211.3103 of the Florida Statutes, was created to solicit, rank, and fund projects that provide economic development opportunities and infrastructure within the geographic boundaries of Hardee County and to otherwise maximize the use of federal, local, and private resources. The Board represents the majority of the voting members on the EDA. The Clerk maintains the accounting system for the EDA. The EDA is reported as a special revenue fund and as a major fund of the County. Separate audited financial statements for the EDA are available upon request at 412 West Orange Street, Room 103, Wauchula, Florida 33873.

Basis of Presentation, Basis of Accounting, and Measurement Focus

The accounting principles of the County conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant accounting principles and policies used in the preparation of these financial statements.

Fund Accounting

The accounts of the County are organized on the basis of 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 balances or net position, 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 and proprietary 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 custodial funds. The custodial funds of the County are used to account for assets associated with activities which benefit other governments.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities 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.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. 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 expenditures.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid a "doubling-up" effect.

The County's fiduciary funds presented in the fund financial statements include custodial funds. These funds are not incorporated into the government-wide statements.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are certain tax revenues, intergovernmental revenues, ambulance fees, and investment earnings. Major revenue sources not susceptible to accrual include charges for services (other than ambulance fees), fines and forfeitures, and miscellaneous revenue. 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. All other revenue items are considered to be measurable only when cash is received by the County. 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.

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 fund expenditures or fund liabilities.

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

Proprietary Funds

The County's enterprise 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, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Proprietary fund's operating statements present increases (revenues) and decreases (expenses) in total net position.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as grants, investment earnings and miscellaneous other revenues result from nonexchange transactions or ancillary activities.

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

Custodial Funds

The custodial funds use the economic resources measurement focus and the accrual basis of accounting. Ending net position is restricted for individuals, organizations, and other governments.

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 each fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB Statement No. 34 minimum criteria for major fund determination. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The County considers the Fire Control Fund and the Grants Fund important to financial statement users because of the public interest and is, therefore, reporting those governmental funds as major 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.

Transportation Trust Fund – The Transportation Trust Fund, a special revenue fund, accounts for the proceeds of local, state, and federal gas taxes, which are restricted for use in the operation of the County's road and bridge department and equipment maintenance department.

Fire Control Fund – The Fire Control Fund, a special revenue fund, accounts for assessments committed to providing countywide fire protection services.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Major Funds (Continued)

Grants Fund – The Grants Fund, a special revenue fund, was established to account for all community development enhancement projects that are funded through various restricted State, Federal, and Volunteer funding agencies.

Emergency Disaster Fund – The Emergency Disaster Fund, a special revenue fund, accounts for FEMA and Coronavirus Relief Fund resources which are restricted to the use of recovering from declared local disasters and pandemics, respectively.

Economic Development Authority Fund – The Economic Development Authority Fund, a special revenue fund, was established to solicit, rank, and fund projects that provide economic development opportunities and infrastructure within the geographic boundaries of Hardee County.

Proprietary Major Funds

Solid Waste Fund – The Solid Waste Fund accounts for the fees imposed on users of the Hardee County Landfill; and for the closure and post-closure liability along with the restricted cash required by the Environmental Protection Agency.

Wauchula Hills Water/Wastewater Treatment Fund – The Wauchula Hills Water/Wastewater Treatment fund accounts for the operations of the Wauchula Hills Water and Wastewater utilities.

Fiduciary Funds

Custodial Funds – Custodial Funds are fiduciary in nature and used to account for assets associated with various activities, which benefit individuals and other governments.

Budgets and Budgetary Accounting

The County follows the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements.

Budgets are prepared, public hearings are held, and original budgets are adopted annually for governmental funds in accordance with procedures and time intervals prescribed by law.

Budgets are prepared for the governmental funds on a basis consistent with accounting principles generally accepted in the United States of America and are based upon the final amended amounts.

Appropriations lapse at year-end to the extent that they have not been expended. Budget appropriations may not be legally exceeded on a fund basis, which is the legal level of control.

Final budget amounts reported are based upon the final amended budget.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

Formal budgetary integration is employed as a management control device during the year for all governmental funds and proprietary funds except for Sheriff's Commissary Fund, Sheriff's Education Fund, Sheriff's E-911 Fund, Sheriff's Youth Fund, Sheriff's Flower Fund, and Sheriff's Drug Task Force Fund.

Accounts Receivable

Accounts receivable is shown at its net realizable value and reduced by an allowance for uncollectible accounts.

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.

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 fund Net position. As of fiscal year-end, any unpaid amounts related to these transactions are reported as due from/to other funds on the balance sheet. 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.

Inventory of Supplies

Inventory shown in the General Fund consists of expendable supplies held for consumption and road materials valued at cost. Inventories are valued at the lower of cost (first-in, first-out) or market. Inventory is accounted for using the consumption method.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are expensed during the periods benefited.

Unearned Revenues

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

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenues (Continued)

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.

Capital Assets

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

Capital assets are defined by the County as real or personal property that have a value equal to or greater than the capitalization threshold for their respective asset class and have an estimated useful life greater than of one year. The cost of improvements and replacements which extend the useful lives and/or increase the capacity or efficiency of the asset are capitalized. Repairs and maintenance costs which do not improve or extend the useful life of the respective assets are charged to expense when incurred.

Capital assets are recorded as expenditures in the general and special revenue funds at the time of purchase. Machinery and equipment is recorded at historical cost or estimated historical cost if actual historical cost is not available. Land, buildings, improvements, and equipment are valued at historical cost or at estimated acquisition value for those assets contributed.

The Board holds legal title for the capital assets used in the operations of the Board, Clerk, Property Appraiser, Supervisor of Elections, and Tax Collector, and is accountable for them under Florida Law. Capital assets used by the governmental funds are reported in the financial statements of the County. Capital assets of the enterprise funds are reported in the Proprietary Funds financial statements.

The Sheriff is accountable for, and thus maintains, capital assets records pertaining only to equipment used in their operations. These assets have been combined with the Board's governmental activities' capital assets in the statement of net position.

Depreciation on capital assets is charged as an expense against operations which is closed to net position. Accumulated depreciation is reported on the proprietary funds statement of new position. Depreciation has been provided over the estimated useful lives using the straight-line method.

Property Taxes

Under the laws of the state of Florida, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The tax levy rate for general operations of the County for the year ended September 30, 2021 was 8.8038 mills.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

The tax levy of the County is established by the Board prior to October 1 of each year and the Property Appraiser incorporates the County millage rate into the total tax levy, which includes the various municipalities, the County School Board, and other taxing authorities.

All property is assessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1 following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the tax certificate holder after a period of two years. Unsold tax certificates are held by the County.

The County does not accrue its portion of the County held tax certificates because such amounts are not measurable and available as of the balance sheet date.

Accumulated Unpaid Vacation and Sick Pay

The policies of the various County agencies allow employees to accumulate annual leave and sick leave. Various amounts of accumulated annual leave and sick leave may be paid upon separation or retirement. The County accrues annual and sick leave based on current employee compensation levels and the number of years of service in accordance with Generally Accepted Accounting Principles (GAAP).

In governmental funds, the cost of accumulated sick and annual leave is recognized when payments are made to employees. As accumulated sick and annual leave would not be liquidated with expendable available resources, a long-term liability of accrued sick and annual leave has been recorded in the government-wide statement of net position at September 30, 2021, representing the Board's commitment to fund such costs from future operations.

In enterprise funds, expense for compensated absences is recorded when earned by the employee. A long-term liability of accrued sick and annual leave has been recorded in the enterprise funds.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is, at present, not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Landfill Closure and Post-Closure Costs

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities, 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 (OPEB)

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

Pensions

In the government-wide and proprietary funds statements 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policy

In accordance with GASB Statement No. 54, *Fund Balance Reporting, and Governmental Fund Type Definitions*, the Board classified fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – amounts that can be spent for specific purposes because of charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to grant funds awarded and passed by the Board, the County's highest level of decision-making authority.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the County's adopted policy, only the Board may assign amounts for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. Unassigned may also include deficit fund balance amounts within other governmental funds.

The Board has not formally adopted fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. When a fund expenditure is incurred, for which restricted, committed, assigned, or unassigned amounts are available to be used, the Board will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

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) until then. The County can have 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, changes in the 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 FRS Pension Plan, the HIS Program, and the County's OPEB Plan.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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 can have 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 FRS Pension Plan, the HIS Program, and the County's 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 emergency medical services. The amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

NOTE 2 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, \$29,665,344, differs from "net position" of governmental activities, \$54,822,517, 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.

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 included those capital assets among the assets of the County as a whole.

Cost of Capital Assets	\$ 148,631,935
Accumulated Depreciation/Amortization	<u>(98,759,662)</u>
Total	<u>\$ 49,872,273</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

**NOTE 2 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)**

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, 2021 were:

Unavailable Revenue	<u>\$ 1,374,968</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, 2021 were:

Capital Lease Payable	\$ (551,267)
Compensated Absences	<u>(1,008,502)</u>
Total	<u>\$ (1,559,769)</u>

Pension Related Items

Net pension liability is not due and payable in the current period, therefore, the liabilities and related deferred outflows and inflows of resources are not reported in the funds. Balances as of September 30, 2021 were:

Net Pension Liability	\$ (9,725,684)
Deferred Outflows of Resources - Pension Related Items	5,543,179
Deferred Inflows of Resources - Pension Related Items	<u>(17,759,683)</u>
Total	<u>\$ (21,942,188)</u>

Other Postemployment Benefits Related Items

Total OPEB liability is not due and payable in the current period, therefore, the liabilities and the related deferred outflows and inflows of resources are not report in the funds. Balances as of September 30, 2021 were:

Total OPEB Liability	\$ (2,017,681)
Deferred Outflows of Resources - OPEB Related	146,943
Deferred Inflows of Resources - OPEB Related	<u>(717,373)</u>
Total	<u>\$ (2,588,111)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

**Explanation of Differences Between the Governmental Statement of Revenues,
Expenditures, and Changes in Fund Balances to Changes in Net Position on the
Statement of Activities**

Elimination of Interfund Receivables/Payables

Interfund receivables and payables in the amount of \$896,129 between governmental funds have been eliminated for the statement of net position.

The “net change in fund balances” for governmental funds, \$202,503 differs from the “change in net position” for governmental activities, \$3,956,905 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 effects of the differences are 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	\$ 5,156,445
Depreciation/Amortization Expense	<u>(4,476,889)</u>
Difference	<u><u>\$ 679,556</u></u>

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.

Net Change in Compensated Absences	\$ 86,462
Principal Repayment - Note Payable	<u>218,533</u>
Net Adjustment	<u><u>\$ 304,995</u></u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

Explanation of Differences Between the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to Changes in Net Position on 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 revenues in governmental funds.

Licenses and Permits	\$ 4,653
Intergovernmental Revenues	345,748
Charges for Services	75,057
Total	\$ 425,458

Pension Related Items

Changes in net pension liability and related pension amounts 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	\$ 2,367,524
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Other Postemployment Benefits Related Items

Changes in total OPEB liability and related OPEB amounts 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	\$ (23,131)
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Reclassification and Eliminations

Transfers in and transfers out in the amount of \$1,457,594 between governmental funds are eliminated.

NOTE 3 CASH AND CASH EQUIVALENTS

At September 30, 2021, the bank balance of the County's deposits consisted of demand deposits of \$39,385,307.

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. Other than the preceding, the County has no policy on custodial credit risk.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND CASH EQUIVALENTS (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.

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

Deposits	\$ 37,882,166
Petty Cash and Change Funds	<u>3,970</u>
Total	<u><u>\$ 37,886,136</u></u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 35,482,039
Cash and Cash Equivalents - Restricted	1,615,698
Statement of Fiduciary Net Position - Fiduciary Funds:	
Cash	<u>788,399</u>
Total	<u><u>\$ 37,886,136</u></u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at September 30, 2021 for the governmental funds individual major funds and nonmajor funds:

	General Fund	Trans- portation Trust Fund	Fire Control Fund	Other Governmental Funds	Total Governmental Funds
Receivables:					
Emergency Medical Services	\$ 1,085,356	\$ -	\$ -	\$ -	\$ 1,085,356
Miscellaneous	65,387	250	39	5,737	71,413
Accounts Receivable, Gross	<u>1,150,743</u>	<u>250</u>	<u>39</u>	<u>5,737</u>	<u>1,156,769</u>
Less: Allowance for					
Uncollectible Accounts	(371,152)	-	-	-	(371,152)
Accounts Receivable, Net	<u>\$ 779,591</u>	<u>\$ 250</u>	<u>\$ 39</u>	<u>\$ 5,737</u>	<u>\$ 785,617</u>

Accounts receivable consist of the following at September 30, 2021 for the enterprise funds individual major funds and nonmajor fund:

	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment Fund (Nonmajor Fund)	Total Enterprise Funds
Receivables:				
Landfill Charges	\$ 65,443	\$ -	\$ -	\$ 65,443
Utility Charges	-	80,477	78	80,555
Accounts Receivable, Net	<u>\$ 65,443</u>	<u>\$ 80,477</u>	<u>\$ 78</u>	<u>\$ 145,998</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 DETAIL OF CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2021 is as follows:

	Balance October 1, 2020	Additions	(Deletions)	Transfers/ Reclassi- fication	Balance September 30, 2021
GOVERNMENT ACTIVITIES					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 3,691,552	\$ -	\$ -	\$ -	\$ 3,691,552
Construction in Progress	923,280	2,902,981	-	(213,572)	3,612,689
Total Capital Assets, Not Being Depreciated	4,614,832	2,902,981	-	(213,572)	7,304,241
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	25,996,162	333,073	(2,163)	2,653	26,329,725
Equipment	20,913,140	1,702,109	(1,775,717)	545,400	21,384,932
Infrastructure	93,078,331	534,706	-	-	93,613,037
Total Capital Assets, Being Depreciated	139,987,633	2,569,888	(1,777,880)	548,053	141,327,694
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(12,931,264)	(584,782)	-	-	(13,516,046)
Equipment	(14,360,178)	(1,452,112)	1,450,275	(329,133)	(14,691,148)
Infrastructure	(68,118,306)	(2,439,995)	5,833	-	(70,552,468)
Total Accumulated Depreciation/Amortization	(95,409,748)	(4,476,889)	1,456,108	(329,133)	(98,759,662)
Total Capital Assets, Being Depreciated, Net	44,577,885	(1,907,001)	(321,772)	218,920	42,568,032
Governmental Activities Capital Assets, Net	<u>\$ 49,192,717</u>	<u>\$ 995,980</u>	<u>\$ (321,772)</u>	<u>\$ 5,348</u>	<u>\$ 49,872,273</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 DETAIL OF CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2020	Additions	(Deletions)	Transfers/ Reclassi- fication	Balance September 30, 2021
BUSINESS-TYPE ACTIVITIES					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 962,625	\$ -	\$ -	\$ -	\$ 962,625
Construction in Progress	3,256,412	511,572	-	79,489	3,847,473
Total Capital Assets, Not Being Depreciated	4,219,037	511,572	-	79,489	4,810,098
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	9,950,513	3,863	-	-	9,954,376
Equipment	3,584,127	804,730	-	(334,481)	4,054,376
Infrastructure	19,767,395	28,466	-	(79,489)	19,716,372
Total Capital Assets, Being Depreciated	33,302,035	837,059	-	(413,970)	33,725,124
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(2,378,703)	(174,533)	-	-	(2,553,236)
Equipment	(2,307,627)	(85,967)	-	329,133	(2,064,461)
Infrastructure	(12,864,646)	(797,711)	-	-	(13,662,357)
Total Accumulated Depreciation/Amortization	(17,550,976)	(1,058,211)	-	329,133	(18,280,054)
Total Capital Assets, Being Depreciated, Net	15,751,059	(221,152)	-	(84,837)	15,445,070
Business-Type Activities Capital Assets, Net	<u>\$ 19,970,096</u>	<u>\$ 290,420</u>	<u>\$ -</u>	<u>\$ (5,348)</u>	<u>\$ 20,255,168</u>

Depreciation expense for the year ended September 30, 2021 was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 801,833
Public Safety	974,550
Physical Environment	7,061
Transportation	2,658,589
Human Services	22,797
Culture/Recreation	12,059
Total Depreciation/Amortization Expense	<u>\$ 4,476,889</u>

BUSINESS-TYPE ACTIVITIES

Solid Waste	\$ 357,800
Wauchula Hills Water/Wastewater Treatment	676,797
Vandolah Wastewater Treatment	23,614
Total Depreciation/Amortization Expense	<u>\$ 1,058,211</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended September 30, 2021 is as follows:

	Balance October 1, 2020	Additions	(Reductions)	Balance September 30, 2021	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Capital Lease	\$ 769,800	\$ -	\$ (218,533)	\$ 551,267	\$ 146,238
Compensated Absences	1,094,964	-	(86,462)	1,008,502	964,373
Total Governmental Activities	<u>\$ 1,864,764</u>	<u>\$ -</u>	<u>\$ (304,995)</u>	<u>\$ 1,559,769</u>	<u>\$ 1,110,611</u>
BUSINESS-TYPE ACTIVITIES					
Direct Borrowing:					
FLGFC Note	\$ 3,130,000	\$ 2,780,000	\$ (3,130,000)	\$ 2,780,000	\$ 350,000
Compensated Absences	5,287	-	-	5,287	1,856
Landfill Closure and Postclosure Costs	4,810,763	-	228,011	5,038,774	169,588
Total Business-Type Activities	<u>\$ 7,946,050</u>	<u>\$ 2,780,000</u>	<u>\$ (2,901,989)</u>	<u>\$ 7,824,061</u>	<u>\$ 521,444</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. The liability for compensated absences is liquidated with resources of the General Fund, Transportation Trust Fund, Fire Control Fund, Grants Fund, Solid Waste Fund, Wauchula Hills Water/Wastewater Fund, and nonmajor governmental and enterprise funds.

Direct Borrowing – FLGFC Note

The Board issued a note payable to the Florida Local Government Finance Commission (FLGFC) for \$2,780,000 during fiscal year 2021 for the purposes of providing the Board with sufficient funds to refinance an existing loan previously made to the County by FLGFC. Principal payments are due annually, beginning March 1, 2022. Interest payments are due monthly, based on the market rate of commercial paper. The note is payable from and secured by designated revenues of the Board. During the year, \$350,000 of principal and \$40,782 in interest and related fees were paid. The note contains a provision that in an event of default, all payments may become due and payable.

Maturity is as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Florida Local Government Finance Commission</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 350,000	\$ 38,407
2023	350,000	32,853
2024	350,000	27,687
2025	350,000	22,521
2026	1,380,000	8,487
Total	<u>\$ 2,780,000</u>	<u>\$ 129,955</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Capital Leases

The County has entered into several lease agreements as lessee for financing the acquisition of vehicles and radios for the County. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments, as of the inception date.

The capital assets acquired through capital leases are as follows:

Capital Assets	Governmental
Equipment	Activities
Less: Accumulated Depreciation	\$ 813,681
Total	<u>(43,888)</u>
	<u>\$ 769,793</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	Amount
2022	\$ 165,078
2023	165,078
2024	165,078
2024	100,776
Total Minimum Lease Payments	<u>596,010</u>
Less: Amount Representing Interest	<u>(44,743)</u>
Present Value of Minimum Lease Payments	<u>\$ 551,267</u>

NOTE 7 DUE TO/DUE FROM OTHER FUNDS

The balance of due from other funds and due to other funds are as follows at September 30, 2021:

	Due from	Due to
	Other Funds	Other Funds
Major Funds:		
General Fund	\$ 518,730	\$ 57,756
Transportation Trust	75,000	39,060
Grants Fund	-	474,669
Wauchula Hills Water/Wastewater Treatment Fund	729	-
Nonmajor Governmental Funds	301,671	324,644
Nonmajor Enterprise Fund	-	1
Total	<u>\$ 896,130</u>	<u>\$ 896,130</u>

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

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 FUND BALANCES

The governmental funds are classified as follows:

Nonspendable			\$	328,370
Restricted:				
Court Innovations	\$	473,922		
Court Technology		160,246		
Economic Development Authority:				
Economic Development		8,683,743		
Recreation		2,285,967		
E-911		526,003		
Grants		423,509		
Inmate Welfare		90,460		
Law Enforcement Education		40,184		
Law Enforcement Trust		171,297		
Law Enforcement - Other		15,769		
Records Modernization		26,468		
Tourist Development		246,943		
Transportation		2,938,799		
Total Restricted				16,083,310
Committed:				
Clerk Related Functions		103,945		
Fire Control		1,717,739		
Mining		17,836		
Total Committed				1,839,520
Assigned				
Economic Development		844,449		
Recreation		55,506		
Total Assigned				899,955
Unassigned				10,514,189
Total Fund Balances			\$	29,665,344

Fund Balance Deficit

The following funds had deficit fund balances at September 30, 2021:

Emergency Disaster Fund (\$707) – Funding will be evaluated in fiscal year 2022 to relieve any future deficits.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS

Florida Retirement System Pension Plan

Background

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

Essentially all regular employees of the 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).

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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 DEFINED BENEFIT 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 30 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

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

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2020, were applied to employee salaries as follows: regular employees 8.28%, special risk 22.73%, county elected officials 47.46%, senior management 25.57%, and DROP participants 16.98%. The County's contributions to the FRS Plan were \$2,294,475 for the year ended September 30, 2021.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2021, the County reported a liability of \$4,525,453 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2021, the County's proportion was 0.059909115%, which was a decrease of 0.006776327% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of (\$293,180) 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 Economic Experience	\$ 775,670	\$ -
Changes in Actuarial Assumptions	3,096,540	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(15,788,169)
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	366,793	(2,072,357)
County Contributions Subsequent to the Measurement Date	626,890	-
Total	<u>\$ 4,865,893</u>	<u>\$ (17,860,526)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$626,890 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 fiscal year ended September 30, 2022. 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 Ending September 30,</u>	<u>Amount</u>
2022	\$ (2,449,236)
2023	(2,837,737)
2024	(3,608,434)
2025	(4,491,744)
2026	(234,372)
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

FRS Actuarial Assumptions

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, 2021, 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0 %	2.1 %	2.1 %	1.1 %
Fixed Income	20.0	3.8	3.7	3.3
Global Equity	54.2	8.2	6.7	17.8
Real Estate	10.3	7.1	6.2	13.8
Private Equity	10.8	11.7	8.5	26.4
Strategic Investments	3.7	5.7	5.4	8.4
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.2 %

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the FRS Plan, which was no change from the 6.80% rate as of June 30, 2020. 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:

<u>Description</u>	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	5.80%	6.80%	7.80%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 20,238,128	\$ 4,525,452	\$ (8,068,582)

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 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 plan fiscal year ended September 30, 2021, 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 plan fiscal year ended June 30, 2021, 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 \$257,314 for the year ended September 30, 2021.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs

At September 30, 2021, the County reported a liability of \$5,422,207 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and update procedures were used to determine liabilities as of July 1, 2021. The County's proportion of the net pension liability was based on the County's contributions received by HIS during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all participating employers. At June 30, 2021, the County's proportion was 0.044203363%, which was an increase of 0.000460423% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$393,630 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 181,441	\$ (2,271)
Changes in Actuarial Assumptions	426,064	(223,409)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,653	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	153,454	(143,179)
County Contributions Subsequent to the Measurement Date	67,043	-
Total	<u>\$ 833,655</u>	<u>\$ (368,859)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

\$67,043 reported as deferred outflows of resources related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. 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 Ending September 30,</u>	<u>Amount</u>
2022	\$ 109,673
2023	35,889
2024	67,534
2025	97,128
2026	74,389
Thereafter	13,140

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

HIS Actuarial Assumptions

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.16%

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.

Discount Rate

The discount rate used to measure the total pension liability was 2.16% for the HIS Plan, which was a 0.05 decrease from the 2.21% rate as of June 30, 2020. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liability Sensitivity

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	1.16%	2.16%	3.16%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 6,268,597	\$ 5,422,207	\$ 4,728,780

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

	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 4,525,452	\$ 5,422,207	\$ 9,947,659
Deferred Outflows of Resources	4,865,893	833,655	5,699,548
Deferred Inflows of Resources	17,860,526	368,859	18,229,385
Pension Expense	(293,180)	393,630	100,450

NOTE 10 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 DEFINED CONTRIBUTION PLAN (CONTINUED)

FRS Investment Plan (Continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. 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 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 plan fiscal year ended June 30, 2021, 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 \$327,433 for the year ended September 30, 2021. Employee contributions to the Investment Plan totaled \$60,968 for the year ended September 30, 2021.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County administers a single-employer defined benefit healthcare plan entitled County Group Health Plan. 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 Group Health Plan on the same basis (i.e., single or family coverage) that they were covered immediately before their retirement provided they make a satisfactory agreement for payment and pay 100% of the premium before the beginning of each month of coverage. The County subsidizes the premium rates paid by retirees by allowing them to participate in the plan at a reduced or blended group (implicitly subsidized) premium rate 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. The plan does not issue a publicly available report.

The County's total OPEB liability was \$2,109,221, OPEB related deferred outflows of resources was \$153,610, deferred inflows of resources was \$749,920, and OPEB expense was \$83,601.

Funding Policy

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 fund has been established for the plan

Employees Covered by Benefit Terms

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Active Plan Members	<u>339</u>
Total	<u><u>348</u></u>

Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of October 1, 2020 with results actuarially projected on a "no gain/no loss" basis to get to the September 30, 2021 measurement date. The following table shows the County's total OPEB liability for the year ended September 30, 2021.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

	Total OPEB Liability
Balances - October 1, 2020	\$ 1,958,475
Changes for the Year:	
Service Cost	134,279
Interest	49,740
Changes in Assumptions	(2,029)
Differences Between Expected and Actual Experience	26,776
Benefit Payments	(58,020)
Net Changes	150,746
Balances - September 30, 2021	\$ 2,109,221

Discount Rate Sensitivity

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

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	1.43 %	2.43 %	3.43 %
Total OPEB Liability	\$ 2,205,488	\$ 2,109,221	\$ 2,003,544

Healthcare Trend Rate Sensitivity

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

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Health Care Cost Rate	6.50 %	7.50 %	8.50 %
Total OPEB Liability	\$ 1,839,109	\$ 2,109,221	\$ 2,432,928

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$187,969. In addition, the County reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 78,703	\$ (340,704)
Changes of Assumptions	74,907	(409,216)
Total	\$ 153,610	\$ (749,920)

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

<u>Year Ending September 30.</u>	<u>Amount</u>
2022	\$ (100,418)
2023	(100,418)
2024	(100,418)
2025	(100,418)
2026	(100,424)
Thereafter	(94,214)

Actuarial Assumptions

The total OPEB liability as of September 30, 2021 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate used was 2.60%.

The current health care trend rate starts at an initial rate of 7.5% decreasing to an ultimate rate of 4.50%.

The actuarial cost method used was Entry Age Normal Level % of Salary.

Mortality rates were based on the SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019 for special risk employees and SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 for all other employees.

The discount rate used to measure the total OPEB liability was 2.43%, based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of September 30, 2021 (measurement date). The prior measurement date used 2.41%.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

For Sheriff's office retirees that are receiving an explicit subsidy, retiree contributions are assumed to increase by 1.00% per year. For all other retirees, retiree contributions are assumed to increase according to health care trend rates.

Since the most recent GASB 75 valuation, the following changes have been made:

- The discount rate as of the measurement date is 2.43%. The prior measurement used 2.41%.

NOTE 12 RISK MANAGEMENT

The County 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, with the exception of the Sheriff, is a member of Public Risk Management of Florida (PRM), a local government risk management pool. The PRM program is structured under a self-insured retention insurance program, whereby PRM pays claims up to a specified amount annually for property and general liability, public officials' liability, automobile liability and workers' compensation. PRM purchases excess insurance or stop loss insurance from commercial carriers to cover losses above the self-insured retention amounts.

PRM assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. PRM requires a one-year advance notice for nonrenewal.

The Sheriff participates in the Florida Sheriffs Risk Management Fund (FSRMF) which is a public entity risk pool that permits the Sheriff to cover the following types of risk:

- Law Enforcement Liability
- Public Officials' Liability
- Automobile Physical Damage and Liability
- And others

The funding agreements provide that the self-insurance funds will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Those funds and program absorb losses up to a specified amount annually and purchases excess coverage from third-party carriers. Each member is assessed his/her pro rata share of the estimated amount required to meet current year losses and operating expenses. Losses, if any, in excess of the fund or program ability to assess its members would revert back to the member that incurred the loss.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12 RISK MANAGEMENT (CONTINUED)

The Sheriff also participants in FSRMF for workers' compensation coverage.

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 prior three fiscal years.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Contracts

The County has entered into various contracts for design, construction, and other services as of September 30, 2021.

<u>Project</u>	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Commitment</u>
County Road 663	\$ 3,638,862	\$ 2,100,258	\$ 1,538,604
Emergency Operation Center	40,600	23,087	17,513
Wauchula Hills Phase 5	2,429,927	2,059,316	370,611
College Hill	19,920	-	19,920
Center Hill	205,965	64,900	141,065
Polk Road	176,440	78,639	97,801
SHIP Replacements	210,568	10,920	199,648
CDBG Replacements	107,345	-	107,345
Pioneer Park Pavillion	1,170	375	795
Modilzation Materials	14,230	-	14,230

Landfill Closure Commitments

Hardee County has completed two approximate 6-acre expansions (Phase II) of their original 12.3 acre Class I Landfill (Phase I). This brings the total footprint up to 24.8 acres. Phase I was at capacity in 2010 and received a partial final closure in January of 2012. Phase II is separated into two sections (Sections I and II). Section I became operational in May 2008 and last received waste in November 2019. Section II became operational in May 2019 and has an expected life of 25 years.

To minimize the threat to public health and the environment, Solid Waste Financial Assurance requirement were adopted by the state in 1984 to secure the proper closing of solid waste management facilities operating in the state of Florida. When demonstrating proof of financial assurance, Hardee County uses a secured escrow account to deposit annual prorated amounts for the total cost of final closure. These estimates are tied directly to a set of approved cost closure and long-term care estimates that are prepared by professional engineers every two years and updated with an inflation factor every two years. These estimates are approved by the State of Florida's Department of Environmental Protections and audited annually by independent auditors. Long-term care is for the post-closure care cost for the landfill site for 30 years after closure and the County is not required to escrow those estimated amounts.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Landfill Closure Commitments (Continued)

Although closure and post-closure care costs are 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. At September 30, 2021, the County estimates that the cost of permanently closing and caring for the landfill in accordance with current regulations will be \$8,846,359. The landfill closure and post-closure care liability was \$5,038,774 at September 30, 2021; and represents the cumulative amount reported to date based on an average use of 56.96% of the total estimated capacity available as of September 30, 2021. The County will recognize the remaining \$3,807,585 will be recognized as the remaining estimated capacity is filled. There was an increase in the liability due to the decrease in available capacity and current year inflation. The increase in the liability caused the general and administrative expenses to be increased by \$228,011 as of September 30, 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulation to make annual contributions to a landfill management escrow account to finance only the closure portion of the estimates. That portion was \$100,000 at September 30, 2021. The County is in compliance with these requirements at September 30, 2021. At September 30, 2021, \$1,615,698 is held in a separate cash account to fund the estimated closure costs of the regional landfill, materials recovery facility, and waste tire facility. The County expects that future inflation costs will be paid from future contributions and interest earnings on these contributions. In the event closure escrow and interest earnings prove inadequate due to higher than expected inflation changes in technology or changes in laws and regulations, these costs may need to be financed by future landfill uses or future tax revenue. The County intends to fund these costs annually through its solid waste special assessment.

Contingencies

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of Hardee County, Florida.

The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2021, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 TRANSFERS

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

Transfers during the year ended September 30, 2021 consisted of the following:

Transfers to the General Fund from:

Grants Fund	\$ 1,514
Emergency Disaster Fund	20,102
Nonmajor Governmental Funds	41,197
Solid Waste Fund	41,232
Wauchula Hills Water/Wastewater Treatment Fund	74,000
Nonmajor Enterprise Fund	11,000
Total	<u>\$ 189,045</u>

Transfers to the Transportation Trust Fund from:

Emergency Disaster Fund	\$ 10,097
Solid Waste Fund	26,792
Wauchula Hills Water/Wastewater Treatment Fund	1,233
Total	<u>\$ 38,122</u>

Transfers to the Fire Control Fund from:

General Fund	<u>\$ 313,310</u>
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Transfers to the Grants Fund from:

General Fund	<u>\$ 5,385</u>
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Transfers to the Nonmajor Governmental Funds from:

General Fund	\$ 438,921
Nonmajor Governmental Funds	627,068
Total	<u>\$ 1,065,989</u>

Transfers to the Wauchula Hills Water/Wastewater Treatment Fund from:

Nonmajor Enterprise Fund	<u>\$ 1,710</u>
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**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 15 STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP)

The State Housing Initiative Program Trust Fund (SHIP) is included in the Grants fund. Separate financial information for this program is reported below

**Balance Sheet
September 30, 2021**

ASSETS	
Cash	<u>\$ 633,477</u>
 LIABILITIES	
Accounts Payable and Accrued Liabilities	\$ 17,444
 FUND BALANCE	
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 616,033</u> <u>\$ 633,477</u>

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended September 30, 2021**

REVENUES	
Intergovernmental	\$ 350,000
Interest	476
Miscellaneous	132,589
Total Revenues	<u>483,065</u>
 EXPENDITURES	
Economic Environment	<u>236,143</u>
 NET CHANGE IN FUND BALANCE	
	246,922
Fund Balances - Beginning of Year	<u>369,111</u>
 FUND BALANCES - END OF YEAR	
	<u>\$ 616,033</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 16 CHANGE IN ACCOUNTING PRICIPLE

During the year ended September 30, 2021, the County adopted GASB Statement No. 84, Fiduciary Activities. This change requires the restatement of the September 30, 2020 fund balance, fiduciary net position, and governmental activities net position as follows:

	Nonmajor Governmental Funds
Fund Balance - Beginning of Year, as Previously Reported	\$ 1,522,956
Cumulative Effect of the Application of GASB Statement No. 84	10,355
Fund Balance - Beginning of Year, as Restated	\$ 1,533,311
	Custodial Funds
Fiduciary Net Position - Beginning of Year, as Previously Reported	\$ -
Cumulative Effect of the Application of GASB Statement No. 84	314,625
Fiduciary Net Position - Beginning of Year, as Restated	\$ 314,625
	Governmental Activities
Net Position - Beginning of Year, as Previously Reported	\$ 50,855,257
Cumulative Effect of the Application of GASB Statement No. 84	10,355
Net Position - Beginning of Year as Restated	\$ 50,865,612

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REQUIRED SUPPLEMENTARY INFORMATION

HARDEE COUNTY, FLORIDA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS — COUNTY GROUP HEALTH PLAN LAST
TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 134,279	\$ 191,082	\$ 161,402	\$ 167,907
Interest	49,740	101,430	100,833	85,298
Changes of Assumptions	(2,029)	(543,367)	112,359	-
Differences Between Expected and Actual Experience	26,776	(385,394)	84,588	(92,982)
Benefit Payments	<u>(58,020)</u>	<u>(94,016)</u>	<u>(76,725)</u>	<u>(71,042)</u>
Net Change in Total OPEB Liability	150,746	(730,265)	382,457	89,181
Total OPEB Liability - Beginning	<u>1,958,475</u>	<u>2,688,740</u>	<u>2,306,283</u>	<u>2,217,102</u>
Total OPEB Liability - Ending	<u><u>\$ 2,109,221</u></u>	<u><u>\$ 1,958,475</u></u>	<u><u>\$ 2,688,740</u></u>	<u><u>\$ 2,306,283</u></u>
Covered Employee Payroll	\$ 15,426,167	\$ 14,940,598	\$ 14,915,824	\$ 14,094,511
Total OPEB Liability as a percentage of the Covered Employee Payroll	13.67%	13.11%	18.03%	16.36%

Notes to Schedule:

The OPEB plan is not administered through a trust.

Interim year valuation results have been projected from the prior year's valuation, with adjustments for actual premium and contribution changes from FY 2020/21 to FY 2021/22. The impact of these changes was an increase in liabilities.

Change of assumptions:

Updated the discount rate assumption based on the yield for 20-year tax-exempt general obligation municipal bond as of September 30, 2021 (measurement date). The discount rate is 2.43% as of September 30, 2021 and 2.41% as of 'October 2, 2020.

¹ 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

HARDEE COUNTY, FLORIDA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY — FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
LAST TEN MEASUREMENT PERIODS

	2021	2020	2019	2018	2017	2016	2015	2014
County's Proportion of the Net Pension Liability	0.059909115%	0.066685442%	0.065592527%	0.066277420%	0.068142507%	0.067373223%	0.064108020%	0.061994926%
County's Proportionate Share of the Net Pension Liability	\$ 4,525,452	\$ 28,902,453	\$ 22,589,162	\$ 19,963,112	\$ 20,156,103	\$ 17,011,793	\$ 8,280,411	\$ 3,782,602
County's Covered Payroll	\$ 15,598,669	\$ 15,351,492	\$ 14,621,730	\$ 14,194,202	\$ 14,224,013	\$ 13,473,315	\$ 14,257,015	\$ 13,402,755
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	29.01 %	188.27 %	154.49 %	140.64 %	141.70 %	126.26 %	58.08 %	28.22 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40 %	78.85 %	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

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

¹ 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.

HARDEE COUNTY, FLORIDA
SCHEDULE OF THE COUNTY CONTRIBUTIONS — FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 2,294,475	\$ 2,223,991	\$ 2,097,771	\$ 1,914,809	\$ 1,790,358	\$ 1,764,185	\$ 1,575,522	\$ 1,695,399
Contributions in Relation to the Contractually Required Contribution	(2,294,475)	(2,223,991)	(2,097,771)	(1,914,809)	(1,790,358)	(1,764,185)	(1,575,522)	(1,695,399)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 15,479,688	\$ 15,423,083	\$ 14,915,824	\$ 14,097,511	\$ 14,288,767	\$ 14,029,458	\$ 14,257,015	\$ 13,402,755
Contributions as a Percentage of Covered Payroll	14.82 %	14.42 %	14.06 %	13.58 %	12.53 %	12.57 %	11.05 %	12.65 %

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

¹ 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.

HARDEE COUNTY, FLORIDA
SCHEDULE OF THE COUNTY PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY — HEALTH INSURANCE SUBSIDIARY PENSION PLAN¹
LAST TEN MEASUREMENT PERIODS

	2021	2020	2019	2018	2017	2016	2015	2014
County's Proportion of the Net Pension Liability	0.044203363%	0.044663786%	0.043825156%	0.043720469%	0.044410650%	0.043992580%	0.044020471%	0.043481289%
County's Proportionate Share of the Net Pension Liability	\$ 5,422,207	\$ 5,453,376	\$ 4,903,596	\$ 4,627,423	\$ 4,748,636	\$ 5,127,153	\$ 4,489,399	\$ 4,065,607
County's Covered Payroll	\$ 15,598,669	\$ 15,351,492	\$ 14,621,730	\$ 14,194,202	\$ 14,224,013	\$ 13,473,315	\$ 14,257,015	\$ 13,402,755
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	34.76 %	35.52 %	33.54 %	32.60 %	33.38 %	38.05 %	31.49 %	30.33 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.56 %	3.00 %	2.63 %	2.15 %	1.64 %	0.97 %	0.50 %	0.99 %

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

¹ 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.

HARDEE COUNTY, FLORIDA
SCHEDULE OF THE COUNTY CONTRIBUTIONS — HEALTH INSURANCE SUBSIDIARY PENSION PLAN¹
LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 257,314	\$ 257,563	\$ 248,696	\$ 235,677	\$ 238,909	\$ 234,651	\$ 180,890	\$ 182,277
Contributions in Relation to the Contractually Required Contribution	(257,314)	(257,563)	(248,696)	(235,677)	(238,909)	(234,651)	(180,890)	(182,277)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 15,479,688	\$ 15,423,083	\$ 14,915,824	\$ 14,097,511	\$ 14,288,767	\$ 14,029,458	\$ 14,257,015	\$ 13,402,755
Contributions as a Percentage of Covered Payroll	1.66%	1.67%	1.67%	1.67%	1.67%	1.67%	1.27%	1.36%

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

¹ 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.

**HARDEE COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION
YEAR ENDED SEPTEMBER 30, 2021**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Following are descriptions of each special revenue fund.

Fines and Forfeitures Fund – Pursuant to Florida Statute 142.01, the Fines and Forfeiture Fund accounts for all fines and forfeitures collected in the County under the penal laws of the state. The fund is used to pay for criminal expenses, fees, and costs where the crime was committed in the County and to support the administrative operations of the Clerk and the Sheriff.

Law Enforcement Trust Fund – The Law Enforcement Trust Fund accounts for proceeds received pursuant to Florida Statute 932.7055 and are used for law enforcement related purposes as defined in the statute.

Clerk's Fine and Forfeiture Fund – The Clerk's Fine and Forfeiture Fund is established in accordance with Sections 28.35 and 28.37, Florida Statutes. It is used to account for court fines, fees, service charges, liabilities, and costs.

E-911 Fund – The E-911 Fund accounts for proceeds received from 911 fees and grants related to providing E-911 services within the County.

Mining Fund – The Mining Fund accounts for mining fees and mining reimbursements related to mining activities within the County.

Tourist Development Fund – The Tourist Development Fund is a special revenue fund that accounts for the restricted dollars generated from the tourist development tax to be used for items listed and approved by the tourist development board and in accordance with Florida Statute 125.0104.

Clerk's Public Records Modernization Trust Fund – The Clerk's Records Modernization Fund is established in accordance with Florida Statutes. It is used to account for court technology and public records modernization pursuant to Section 28.24, Florida Statutes.

Clerk's Child Support IV-D Fund – The Clerk's Child Support IV-D Fund is used to account for the child support enforcement grant and related expenditures. In addition, amounts that exceed operating costs of running the child support depository program are to be used for Clerk related functions as directed by the Board.

Sheriff's Commissary Fund – The Sheriff's Commissary fund accounts for commissions earned by providing goods and services to the inmates. These resources are restricted by Section 951.23, Florida Statutes.

Sheriff's Education Fund – The Sheriff's Education Fund accounts for an assessment added to certain fines under Section 938.15, Florida Statutes. These monies are restricted for criminal justice education degree programs and training courses.

**HARDEE COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

SPECIAL REVENUE FUNDS (CONTINUED)

Sheriff's E-911 Fund – The Sheriff's E-911 Fund accounts for E-911 fees under Sections 365.171 and 365.172, Florida Statutes, and E-911 grants related to providing E-911 services within the County. These monies are restricted for maintenance and upgrade of the E-911 system.

Sheriff's Youth Fund – The Sheriff's Youth Fund accounts for donations received from individuals which are restricted for youth programs

Sheriff's Flower Fund – The Sheriff's Flower Fund accounts for contributions received from employees which are restricted for employee events.

Sheriff's Drug Task Force Fund – The Sheriff's Drug Task Force Fund accounts for forfeitures received under Section 932.7055 Florida Statutes. These monies are restricted for specific law enforcement purposes.

HARDEE COUNTY, FLORIDA
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue Funds					
	Fines and Forfeitures	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining	Tourist Development
ASSETS						
Cash and Cash Equivalents	\$ 478,189	\$ 171,297	\$ 159,432	\$ 278,957	\$ 103,232	\$ 237,015
Accounts Receivable, Net	-	-	1	-	5,736	-
Due from Other Funds	-	-	6	234,292	-	-
Due from Other Governments	13,661	-	6,680	42,643	-	9,928
Prepaid Items	-	-	2,105	-	-	-
Total Assets	<u>\$ 491,850</u>	<u>\$ 171,297</u>	<u>\$ 168,224</u>	<u>\$ 555,892</u>	<u>\$ 108,968</u>	<u>\$ 246,943</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 16,716	\$ -	\$ 18,880	\$ -	\$ 5,171	\$ -
Due to Other Funds	-	-	7	-	80,000	-
Due to Other Governments	8,238	-	149,337	-	225	-
Unearned Revenue	-	-	-	-	-	-
Total Liabilities	<u>24,954</u>	<u>-</u>	<u>168,224</u>	<u>-</u>	<u>85,396</u>	<u>-</u>
Deferred Inflows of Resources:						
Unavailable Revenue - Intergovernmental	-	-	-	29,889	5,736	-
Fund Balances:						
Nonspendable	-	-	2,105	-	-	-
Restricted	473,922	171,297	-	526,003	-	246,943
Committed	-	-	-	-	17,836	-
Unassigned (Deficit)	(7,026)	-	(2,105)	-	-	-
Total Fund Balances	<u>466,896</u>	<u>171,297</u>	<u>-</u>	<u>526,003</u>	<u>17,836</u>	<u>246,943</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 491,850</u>	<u>\$ 171,297</u>	<u>\$ 168,224</u>	<u>\$ 555,892</u>	<u>\$ 108,968</u>	<u>\$ 246,943</u>

HARDEE COUNTY, FLORIDA
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021

	Special Revenue Funds					
	Clerk's Public Records Modernization Trust	Clerk's Child Support IV-D	Sheriff's Commissary	Sheriff's Education	Sheriff's E-911	Sheriff's Youth
ASSETS						
Cash and Cash Equivalents	\$ 168,572	\$ 78,871	\$ 90,489	\$ 40,184	\$ 234,292	\$ 7,348
Accounts Receivable, Net	-	-	-	-	-	-
Due from Other Funds	50,580	16,793	-	-	-	-
Due from Other Governments	-	10,260	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	\$ 219,152	\$ 105,924	\$ 90,489	\$ 40,184	\$ 234,292	\$ 7,348
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 22,093	\$ 1,979	\$ 29	\$ -	\$ -	\$ -
Due to Other Funds	10,345	-	-	-	234,292	-
Due to Other Governments	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Total Liabilities	32,438	1,979	29	-	234,292	-
Deferred Inflows of Resources:						
Unavailable Revenue - Intergovernmental	-	-	-	-	-	-
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	186,714	-	90,460	40,184	-	7,348
Committed	-	103,945	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances	186,714	103,945	90,460	40,184	-	7,348
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 219,152	\$ 105,924	\$ 90,489	\$ 40,184	\$ 234,292	\$ 7,348

HARDEE COUNTY, FLORIDA
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021

	Special Revenue Funds		
	Sheriff's Flower	Sheriff's Drug Task Force	Total Other Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 865	\$ 7,556	\$ 2,056,299
Accounts Receivable, Net	-	-	5,737
Due from Other Funds	-	-	301,671
Due from Other Governments	-	-	83,172
Prepaid Items	-	-	2,105
	<u>\$ 865</u>	<u>\$ 7,556</u>	<u>\$ 2,448,984</u>
Total Assets	<u>\$ 865</u>	<u>\$ 7,556</u>	<u>\$ 2,448,984</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 64,868
Due to Other Funds	-	-	324,644
Due to Other Governments	-	-	157,800
Unearned Revenue	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>547,312</u>
Deferred Inflows of Resources:			
Unavailable Revenue - Intergovernmental	-	-	35,625
Fund Balances:			
Nonspendable	-	-	2,105
Restricted	865	7,556	1,751,292
Committed	-	-	121,781
Unassigned (Deficit)	-	-	(9,131)
Total Fund Balances	<u>865</u>	<u>7,556</u>	<u>1,866,047</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 865</u>	<u>\$ 7,556</u>	<u>\$ 2,448,984</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds					
	Fines and Forfeitures	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining	Tourist Development
REVENUES						
Intergovernmental	\$ 83	\$ -	\$ 354,250	\$ 202,396	\$ -	\$ -
Charges for Services	30,039	-	522,539	-	326,436	-
Fines and Forfeitures	168,203	-	-	-	-	-
Taxes	-	-	-	-	-	66,923
Interest	280	151	275	439	216	235
Miscellaneous	-	69,221	1,868	-	-	-
Total Revenues	<u>198,605</u>	<u>69,372</u>	<u>878,932</u>	<u>202,835</u>	<u>326,652</u>	<u>67,158</u>
EXPENDITURES						
Current:						
General Government	520,438	-	878,932	-	-	-
Public Safety	-	36,416	-	-	-	-
Physical Environment	-	-	-	-	241,947	-
Capital Outlay	18,691	-	-	-	-	-
Total Expenditures	<u>539,129</u>	<u>36,416</u>	<u>878,932</u>	<u>-</u>	<u>241,947</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(340,524)	32,956	-	202,835	84,705	67,158
OTHER FINANCING SOURCES (USES)						
Transfers In	438,921	-	-	227,386	-	-
Transfers Out	-	-	-	(399,682)	(41,197)	-
Total Other Financing Sources (Uses)	<u>438,921</u>	<u>-</u>	<u>-</u>	<u>(172,296)</u>	<u>(41,197)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	98,397	32,956	-	30,539	43,508	67,158
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	368,499	138,341	-	495,464	(25,672)	179,785
Restatement (See Note 16)	-	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>368,499</u>	<u>138,341</u>	<u>-</u>	<u>495,464</u>	<u>(25,672)</u>	<u>179,785</u>
FUND BALANCES - END OF YEAR	<u>\$ 466,896</u>	<u>\$ 171,297</u>	<u>\$ -</u>	<u>\$ 526,003</u>	<u>\$ 17,836</u>	<u>\$ 246,943</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds					
	Clerk's Public Records Modernization Trust	Clerk's Child Support IV-D	Sheriff's Commissary	Sheriff's Education	Sheriff's E-911	Sheriff's Youth
REVENUES						
Intergovernmental	\$ -	\$ 62,951	\$ -	\$ -	\$ -	\$ -
Charges for Services	38,692	-	-	-	-	-
Fines and Forfeitures	-	-	-	9,176	-	-
Taxes	-	-	-	-	-	-
Interest	-	97	-	-	-	-
Miscellaneous	179	1,462	37,026	-	-	3,361
Total Revenues	<u>38,871</u>	<u>64,510</u>	<u>37,026</u>	<u>9,176</u>	<u>-</u>	<u>3,361</u>
EXPENDITURES						
Current:						
General Government	20,451	62,731	-	-	-	-
Public Safety	-	-	11,637	-	172,296	1,882
Physical Environment	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>20,451</u>	<u>62,731</u>	<u>11,637</u>	<u>-</u>	<u>172,296</u>	<u>1,882</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	18,420	1,779	25,389	9,176	(172,296)	1,479
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	399,682	-
Transfers Out	-	-	-	-	(227,386)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,296</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	18,420	1,779	25,389	9,176	-	1,479
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	168,294	102,166	65,071	31,008	-	-
Restatement (See Note 16)	-	-	-	-	-	5,869
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>168,294</u>	<u>102,166</u>	<u>65,071</u>	<u>31,008</u>	<u>-</u>	<u>5,869</u>
FUND BALANCES - END OF YEAR	<u>\$ 186,714</u>	<u>\$ 103,945</u>	<u>\$ 90,460</u>	<u>\$ 40,184</u>	<u>\$ -</u>	<u>\$ 7,348</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds		Total Other Nonmajor Governmental Funds
	Sheriff's Flower	Sheriff's Drug Task Force	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 619,680
Charges for Services	-	-	917,706
Fines and Forfeitures	-	12,606	189,985
Taxes	-	-	66,923
Interest	-	-	1,693
Miscellaneous	2,009	-	115,126
Total Revenues	2,009	12,606	1,911,113
EXPENDITURES			
Current:			
General Government	-	-	1,482,552
Public Safety	5,630	5,050	232,911
Physical Environment	-	-	241,947
Capital Outlay	-	-	18,691
Total Expenditures	5,630	5,050	1,976,101
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,621)	7,556	(64,988)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	1,065,989
Transfers Out	-	-	(668,265)
Total Other Financing Sources (Uses)	-	-	397,724
NET CHANGE IN FUND BALANCES	(3,621)	7,556	332,736
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	-	-	1,522,956
Restatement (See Note 16)	4,486	-	10,355
Fund Balances (Deficits) - Beginning of Year, as Restated	4,486	-	1,533,311
FUND BALANCES - END OF YEAR	\$ 865	\$ 7,556	\$ 1,866,047

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES — BUDGET AND ACTUAL — FINES AND FORFEITURES FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 83	\$ 83
Charges for Services	23,000	23,000	30,039	7,039
Fines and Forfeitures	169,350	169,350	168,203	(1,147)
Interest	2,100	2,100	280	(1,820)
Total Revenues	194,450	194,450	198,605	4,155
EXPENDITURES				
Current:				
General Government	887,706	892,287	520,438	371,849
Public Safety	8,000	8,000	-	8,000
Capital Outlay	37,555	32,974	18,691	14,283
Other Expense	15,000	15,000	-	15,000
Total Expenditures	948,261	948,261	539,129	409,132
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(753,811)	(753,811)	(340,524)	413,287
OTHER FINANCING SOURCES				
Transfers In	438,921	438,921	438,921	-
NET CHANGE IN FUND BALANCE	(314,890)	(314,890)	98,397	413,287
Fund Balance - Beginning of Year	314,890	314,890	368,499	53,609
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,896</u>	<u>\$ 466,896</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 1,500	\$ 1,500	\$ 151	\$ (1,349)
Miscellaneous	45,000	45,000	69,221	24,221
Total Revenues	<u>46,500</u>	<u>46,500</u>	<u>69,372</u>	<u>22,872</u>
EXPENDITURES				
Current:				
Public Safety	-	36,416	36,416	-
Other Expense	175,600	139,184	-	139,184
Total Expenditures	<u>175,600</u>	<u>175,600</u>	<u>36,416</u>	<u>139,184</u>
NET CHANGE IN FUND BALANCE	(129,100)	(129,100)	32,956	162,056
Fund Balance - Beginning of Year	<u>129,100</u>	<u>129,100</u>	<u>138,341</u>	<u>9,241</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,297</u>	<u>\$ 171,297</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — CLERK'S FINE AND FORFEITURE FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 340,739	\$ 355,527	\$ 354,250	\$ (1,277)
Charges for Services	554,074	535,067	522,539	(12,528)
Interest Income	-	-	275	275
Miscellaneous	-	-	1,868	1,868
Total Revenues	<u>894,813</u>	<u>890,594</u>	<u>878,932</u>	<u>(11,662)</u>
EXPENDITURES				
Current:				
General Government	<u>894,813</u>	<u>890,594</u>	<u>878,932</u>	<u>11,662</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL — E-911 FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 179,670	\$ 179,670	\$ 202,396	\$ 22,726
Interest	2,272	2,272	439	(1,833)
Total Revenues	<u>181,942</u>	<u>181,942</u>	<u>202,835</u>	<u>20,893</u>
EXPENDITURES				
Current:				
Other Expense	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	171,942	171,942	202,835	30,893
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	227,386	227,386
Transfers Out	<u>(399,682)</u>	<u>(399,682)</u>	<u>(399,682)</u>	<u>-</u>
Total Other Financing Uses	<u>(399,682)</u>	<u>(399,682)</u>	<u>(172,296)</u>	<u>227,386</u>
NET CHANGE IN FUND BALANCE	(227,740)	(227,740)	30,539	258,279
Fund Balance - Beginning of Year	<u>227,740</u>	<u>227,740</u>	<u>495,464</u>	<u>267,724</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 526,003</u>	<u>\$ 526,003</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL — MINING FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 439,529	\$ 439,529	\$ 326,436	\$ (113,093)
Interest	800	800	216	(584)
Total Revenues	<u>440,329</u>	<u>440,329</u>	<u>326,652</u>	<u>(113,677)</u>
EXPENDITURES				
Current:				
Physical Environment	374,181	374,181	241,947	132,234
Other Expense	85,500	85,500	-	85,500
Total Expenditures	<u>459,681</u>	<u>459,681</u>	<u>241,947</u>	<u>217,734</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,352)	(19,352)	84,705	104,057
OTHER FINANCING USES				
Transfers Out	<u>(72,500)</u>	<u>(72,500)</u>	<u>(41,197)</u>	<u>31,303</u>
NET CHANGE IN FUND BALANCE	(91,852)	(91,852)	43,508	135,360
Fund Balance (Deficit) - Beginning of Year	<u>91,852</u>	<u>91,852</u>	<u>(25,672)</u>	<u>(117,524)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,836</u>	<u>\$ 17,836</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — TOURIST DEVELOPMENT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 45,775	\$ 45,775	\$ 66,923	\$ 21,148
Interest	1,500	1,500	235	(1,265)
Total Revenues	<u>47,275</u>	<u>47,275</u>	<u>67,158</u>	<u>19,883</u>
EXPENDITURES				
Other Expense	<u>221,027</u>	<u>221,027</u>	<u>-</u>	<u>221,027</u>
NET CHANGE IN FUND BALANCE	(173,752)	(173,752)	67,158	240,910
Fund Balance - Beginning of Year	<u>173,752</u>	<u>173,752</u>	<u>179,785</u>	<u>6,033</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,943</u>	<u>\$ 246,943</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — CLERK’S PUBLIC RECORDS MODERNIZATION TRUST
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 32,000	\$ 32,000	\$ 38,692	\$ 6,692
Miscellaneous	-	-	179	179
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>38,871</u>	<u>6,871</u>
EXPENDITURES				
Current:				
General Government	171,429	190,290	20,451	169,839
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	<u>181,429</u>	<u>200,290</u>	<u>20,451</u>	<u>179,839</u>
NET CHANGE IN FUND BALANCES	(149,429)	(168,290)	18,420	186,710
Fund Balances - Beginning of Year	<u>149,429</u>	<u>168,290</u>	<u>168,294</u>	<u>4</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 186,714</u></u>	<u><u>\$ 186,714</u></u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — CLERK'S CHILD SUPPORT IV-D FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 62,951	\$ 12,951
Interest	-	-	97	97
Miscellaneous	-	-	1,462	1,462
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>64,510</u>	<u>14,510</u>
EXPENDITURES				
Current:				
General Government	<u>183,667</u>	<u>152,163</u>	<u>62,731</u>	<u>89,432</u>
NET CHANGE IN FUND BALANCES	(133,667)	(102,163)	1,779	103,942
Fund Balances - Beginning of Year	<u>133,667</u>	<u>102,163</u>	<u>102,166</u>	<u>3</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,945</u>	<u>\$ 103,945</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS – CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Custodial Funds					
	Clerk's Special Trust	Clerk's Support	Clerk's Court Registry	Clerk's County Witness	Clerk's Cash Bond	Clerk's Condemnation Right-of Way
ASSETS						
Cash	\$ 184,291	\$ 901	\$ 68,852	\$ 445	\$ 36,989	\$ 4,362
LIABILITIES						
Due to Individuals	24,934	-	-	-	1,739	-
Due to Other Governments	92,081	901	-	-	-	-
Due to Indigent Health Care Special District	-	-	-	-	-	-
Deposit - Installment Taxes	-	-	-	-	-	-
Total Liabilities	<u>117,015</u>	<u>901</u>	<u>-</u>	<u>-</u>	<u>1,739</u>	<u>-</u>
NET POSITION						
Restricted for Individuals, Organizations, and Other Governments	67,276	-	68,852	445	35,250	4,362
Total Net Position	<u>\$ 67,276</u>	<u>\$ -</u>	<u>\$ 68,852</u>	<u>\$ 445</u>	<u>\$ 35,250</u>	<u>\$ 4,362</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS — CUSTODIAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021

	Custodial Funds						Total
	Tax Collector Fund	Tax Collector Motor Vehicle Fund	Sheriff's Suspense Fund	Sheriff's Collections Fund	Sheriff's Evidence Fund	Sheriff's Inmate Fund	
ASSETS							
Cash	\$ 347,399	\$ 91,825	\$ 6,990	\$ 10	\$ 28,438	\$ 17,897	\$ 788,399
LIABILITIES							
Due to Individuals	40,205	-	6,990	10	-	-	73,878
Due to Other Governments	6,347	91,825	-	-	-	-	191,154
Due to Indigent Health Care Special District	91	-	-	-	-	-	91
Deposit - Installment Taxes	300,756	-	-	-	-	-	300,756
Total Liabilities	<u>347,399</u>	<u>91,825</u>	<u>6,990</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>565,879</u>
NET POSITION							
Restricted for Individuals, Organizations, and Other Governments	-	-	-	-	28,438	17,897	222,520
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,438</u>	<u>\$ 17,897</u>	<u>\$ 222,520</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds					
	Clerk's Special Trust	Clerk's Support	Clerk's Court Registry	Clerk's County Witness	Clerk's Cash Bond	Clerk's Condemnation Right-of Way
ADDITIONS						
Collections from Individuals	\$ 47,352	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax Collections for Other Governments	-	-	-	-	-	-
Evidence Collected	-	-	-	-	-	-
Collections for Court Related Activities	559,387	5,929	240,615	-	78,675	-
Licenses, Taxes, and Fees Collected for Other Governments	1,622,807	-	-	-	-	-
Total Additions	<u>2,229,546</u>	<u>5,929</u>	<u>240,615</u>	<u>-</u>	<u>78,675</u>	<u>-</u>
DEDUCTIONS						
Medical, Dental, and Life Insurance	-	-	-	-	-	-
Payments to Individuals	49,273	-	-	-	-	-
Payments of Court Related Funds	555,337	5,929	308,285	38	90,175	-
Payments to Other Entities	-	-	-	-	-	-
Payments to Other Governments	1,622,807	-	-	-	-	-
Total Deductions	<u>2,227,417</u>	<u>5,929</u>	<u>308,285</u>	<u>38</u>	<u>90,175</u>	<u>-</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	2,129	-	(67,670)	(38)	(11,500)	-
Fiduciary Net Position - Beginning of Year, as Previously Reported	-	-	-	-	-	-
Restatement (See Note 16)	65,147	-	136,522	483	46,750	4,362
Fiduciary Net Position - Beginning of Year, as Restated	<u>65,147</u>	<u>-</u>	<u>136,522</u>	<u>483</u>	<u>46,750</u>	<u>4,362</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 67,276</u>	<u>\$ -</u>	<u>\$ 68,852</u>	<u>\$ 445</u>	<u>\$ 35,250</u>	<u>\$ 4,362</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds						Total
	Tax Collector Fund	Tax Collector Motor Vehicle Fund	Sheriff's Suspense Fund	Sheriff's Collections Fund	Sheriff's Evidence Fund	Sheriff's Inmate Fund	
ADDITIONS							
Collections from Individuals	\$ -	\$ -	\$ 46,153	\$ -	\$ -	\$ 125,978	\$ 219,483
Property Tax Collections for Other Governments	14,430,883	-	-	-	-	-	14,430,883
Evidence Collected	-	-	-	-	22,504	-	22,504
Collections for Court Related Activities	-	-	-	-	-	-	884,606
Licenses, Taxes, and Fees Collected for Other Governments	-	4,386,096	29,614	-	-	-	6,038,517
Total Additions	14,430,883	4,386,096	75,767	-	22,504	125,978	21,595,993
DEDUCTIONS							
Medical, Dental, and Life Insurance	-	-	46,153	-	-	-	46,153
Payments to Individuals	-	-	-	-	-	30,934	80,207
Payments of Court Related Funds	-	-	-	-	-	-	959,764
Payments to Other Entities	-	-	-	-	-	93,343	93,343
Payments to Other Governments	14,430,883	4,386,096	29,614	-	39,231	-	20,508,631
Total Deductions	14,430,883	4,386,096	75,767	-	39,231	124,277	21,688,098
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	-	-	-	(16,727)	1,701	(92,105)
Fiduciary Net Position - Beginning of Year, as Previously Reported	-	-	-	-	-	-	-
Restatement (See Note 16)	-	-	-	-	45,165	16,196	314,625
Fiduciary Net Position - Beginning of Year, as Restated	-	-	-	-	45,165	16,196	314,625
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,438</u>	<u>\$ 17,897</u>	<u>\$ 222,520</u>

SUPPLEMENTAL INFORMATION

HARDEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of Homeland Security				
Pass-through from Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.042	G0108	\$ 16,793	\$ -
Emergency Management Performance Grants	97.042	G0285	20,228	-
COVID-19 Emergency Management Performance Grants	97.042	G0084	2,067	-
Total Emergency Management Performance Grants			<u>39,088</u>	-
Hazard Mitigation Grant	97.039	DEM-20-HM-4337-25-BF-H0449	7,311	-
Total U.S. Department of Homeland Security			<u>46,399</u>	-
U.S. Department of Justice				
Pass-through from Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-HARD-2-5R-155	40,638	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGD-HARD-1-4R-018	2,752	-
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>43,390</u>	-
Total U.S. Department of Justice			<u>43,390</u>	-
U.S. Department of Housing and Urban Development				
Pass-through from Florida Department of Economic Opportunity				
Community Development Block Grant	14.228	19-DB-ON-07-35-01-H08	195,676	-
U.S. Department of Health and Human Services				
Direct programs				
COVID-19 Provider Relief Fund	93.498		12,807	
Pass-through U.S. Agency for Children and Families and Office of Child Support Enforcement, Florida Department of Revenue				
Child Support Enforcement	93.563	COC325	62,951	-
Total U.S. Department of Health and Human Services			<u>75,758</u>	-
U.S. Department of the Treasury				
Direct programs				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		30,679	
Pass-through from Florida Division of Emergency Management				
COVID-19 Coronavirus Relief Fund	21.019	Y2299	2,504,068	-
Pass-through from Florida Housing Finance Corporation				
COVID-19 Coronavirus Relief Fund	21.019	058-2020	173,926	-
Total COVID-19 Coronavirus Relief Fund			<u>2,677,994</u>	-
Total U.S. Department of the Treasury			<u>2,708,673</u>	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,069,896</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**HARDEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

State Grantor/Pass through Grantor/ Project Title	State CSFA Number	Grant Contract Number/ Pass-Through Entity Identifying Number	State Expenditures	Passed Through to Subrecipients
STATE FINANCIAL ASSISTANCE				
Florida Executive Office of the Governor				
Division of Emergency Management				
Emergency Management Programs	31.063	A0150	\$ 69,393	\$ -
Emergency Management Programs	31.063	A0174	36,386	-
Total Emergency Management Programs			<u>105,779</u>	-
Local Emergency Management and Mitigation Initiatives	31.064	F0024	34,167	-
Total Florida Executive Office of the Governor			<u>139,946</u>	-
Florida Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC113	93,750	-
Cooperative Collection Center Grant	37.007	HW102	16,195	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP25022	205,420	-
Total Florida Department of Environmental Protection			<u>315,365</u>	-
Florida Department of State and Secretary of State				
State Aid to Libraries Grant	45.030	20-ST-15	30,609	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	27527	36,498	-
Mosquito Control	42.003	B75889	10,054	-
Total Mosquito Control			<u>46,552</u>	-
Total Department of Agriculture and Consumer Services			<u>46,552</u>	-
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	236,144	-
Florida Department of Transportation				
Small County Outreach Program (SCOP)	55.009	G1H11	2,100,258	-
Small County Road Assistance Program (SCRAP)	55.016	G1U86	78,639	-
Total Florida Department of Transportation			<u>2,178,897</u>	-
Florida Department of Health				
County Grant Awards	64.005	C9025	7,856	-
Fish and Wildlife Conservation Commission				
Florida Boating Improvement Program	77.006	19028	148,985	-
Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	20-11-08	43,167	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	N/A	13,494	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	N/A	1,000	-
Total Wireless 911 Emergency Telephone System Rural County Grant Program			<u>57,661</u>	-
Total Florida Department of Management Services			<u>57,661</u>	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 3,162,015</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HARDEE COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) includes the federal award and state financial assistance activity of Hardee County, Florida (County) under programs of the federal government and projects of the state of Florida for the year ended September 30, 2021. 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 operation 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 received in governmental funds and the accrual basis of accounting for financial assistance received 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 contained in the Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement, with the exception of CFDA 21.019, which follows criteria determined by the U.S. Department of the Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Any negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The County had not elected to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.



**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 Board of County Commissioners
Hardee 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hardee County, Florida (County), as of and for the year ended September 30, 2021, 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 23, 2022. Our report includes a reference to other auditors who audited the financial statements of the Hardee County Industrial Development Authority as described in our report in the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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.

Honorable Board of County Commissioners
Hardee County, Florida

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
March 23, 2022



**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**

Honorable Board of County Commissioners
Hardee County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Hardee 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, 2021. 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 financial assistance 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; 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, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state 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, 2021.

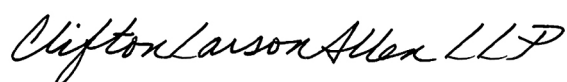
Report on Internal Control Over Compliance

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 or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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



CliftonLarsonAllen LLP

Sebring, Florida
March 23, 2022

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

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)	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

4. Internal control over state projects:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

5. Type of auditors’ report issued on compliance for major state projects: Unmodified

6. 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:

CFSA Number(s)	Name of Federal Program or Cluster
55.016	Small County Outreach Program (SCOP)

Dollar threshold used to distinguish between Type A and Type B state projects \$ 750,000

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).

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

Honorable Board of County Commissioners
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of Hardee County, Florida (County), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 23, 2022.

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 for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida 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 23, 2022, 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. See the accompanying schedule of findings and responses for the current status of prior year audit findings.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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


As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)(6), Rules of the Auditor General, the Hardee County Economic Development Authority and Hardee County Industrial Development Authority reported their required information in their respective audit reports.

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. See item 2021-001 in the accompanying schedule of findings and responses.

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 23, 2022

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

Prior Year

Prior Year Findings		Current Year Status			Current Year Finding #	2019-2020 Year Finding #	2018-2019 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
2020-001 Capital Lease Recognition	Material Weakness in Internal Control over Financial Reporting	X			NA	2020-001	NA
2020-002 Schedule of Expenditures of Federal Awards and State Financial Assistance	Significant Deficiency in Internal Control over Financial Reporting	X			N/A	2020-002	2019-003
2020-003 Coronavirus Relief Fund - Allowable Costs	Noncompliance	X			N/A	2020-003	NA

Current Year

2021-001 – Budgets

Type of Finding:

- Compliance

Condition: For the year ended September 30, 2021, expenditures in the Fire Control Fund exceeded the final appropriated budget.

Criteria or specific requirement: Section 129.06, Florida Statutes, sets forth the requirement of the County's budget.

Context: Testing of compliance with budgetary requirements identified the deficiency.

Effect: The County is not in compliance with the budgetary requirements of Florida Statutes.

Cause: The budget was not amended for a capital outlay expenditure incurred in the current fiscal year. That expenditure was financed by a capital lease which was recognized in the previous fiscal year.

Recommendation: Budgets should be monitored and amended when needed, within the time period allowed by Statute, to ensure that the County does not incur expenditures in excess of budgeted amounts.

Views of responsible officials: Management agrees with recommendation and will monitor and amend when needed.

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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Board of County Commissioners and the Florida Auditor General
Hardee County, Florida

We have examined Hardee County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; and Sections 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E-911 system fund during the year ended September 30, 2021. 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 Sections 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E-911 system fund during the year ended September 30, 2021.

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 23, 2022



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HARDEE COUNTY CLERK OF THE CIRCUIT COURT

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
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YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court
Hardee 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 Hardee County Clerk of the Circuit Court (Clerk) as of and for the year ended September 30, 2021, 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.

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 for the Clerk as of September 30, 2021, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Fine and Forfeiture Fund, Public Records Modernization Trust Fund, and Child Support IV–D 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 Hardee County that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

During fiscal year ended September 30, 2021, the Clerk adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the Clerk reported a restatement for the change in accounting principle (see Note 10.) Our auditors’ opinion was not modified with respect to the restatement.

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.

Supplementary 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 Victoria L. Rogers
Hardee County Clerk of the Circuit Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2022 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 the Clerk's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
March 8, 2022

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Major Funds				Total Governmental Funds
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	
ASSETS					
Cash	\$ 118,186	\$ 159,432	\$ 168,572	\$ 78,871	\$ 525,061
Due from Individuals	20	1	-	-	21
Due from Other Funds	-	6	50,580	16,793	67,379
Due from Other Governments	4,642	6,680	-	10,260	21,582
Prepaid Expense	2,359	2,105	-	-	4,464
Total Assets	<u>\$ 125,207</u>	<u>\$ 168,224</u>	<u>\$ 219,152</u>	<u>\$ 105,924</u>	<u>\$ 618,507</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 61,562	\$ 18,880	\$ 22,093	\$ 1,979	\$ 104,514
Due to Board of County Commissioners	6,618	-	-	-	6,618
Due to Other Funds	57,027	7	10,345	-	67,379
Due to Other Governments	-	149,337	-	-	149,337
Total Liabilities	<u>125,207</u>	<u>168,224</u>	<u>32,438</u>	<u>1,979</u>	<u>327,848</u>
FUND BALANCES					
Nonspendable	2,359	2,105	-	-	4,464
Restricted - Official Records	-	-	160,246	-	160,246
Restricted - Court Technology	-	-	26,468	-	26,468
Committed - Clerk Related Functions	-	-	-	103,945	103,945
Unassigned	(2,359)	(2,105)	-	-	(4,464)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>186,714</u>	<u>103,945</u>	<u>290,659</u>
Total Liabilities and Fund Balances	<u>\$ 125,207</u>	<u>\$ 168,224</u>	<u>\$ 219,152</u>	<u>\$ 105,924</u>	<u>\$ 618,507</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Major Funds				Total Governmental Funds
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	
REVENUES					
Appropriations from Board of County Commissioners	\$ 661,870	\$ -	\$ -	\$ -	\$ 661,870
Intergovernmental	-	354,250	-	62,951	417,201
Charges for Services	105,148	522,539	38,692	-	666,379
Interest Income	216	275	179	97	767
Miscellaneous	1,007	1,868	-	1,462	4,337
Total Revenues	768,241	878,932	38,871	64,510	1,750,554
EXPENDITURES					
Current:					
General Government:					
Salaries and Benefits	574,472	739,158	4,331	62,731	1,380,692
Operating Expenditures	131,006	32,323	16,120	-	179,449
Capital Outlay	56,145	-	-	-	56,145
Total Expenditures	761,623	771,481	20,451	62,731	1,616,286
EXCESS OF REVENUES OVER EXPENDITURES	6,618	107,451	18,420	1,779	134,268
OTHER FINANCING USES					
Distribution of Excess Revenues:					
Board of County Commissioners	(6,618)	-	-	-	(6,618)
State of Florida	-	(107,451)	-	-	(107,451)
Total Other Financing Uses	(6,618)	(107,451)	-	-	(114,069)
NET CHANGE IN FUND BALANCES	-	-	18,420	1,779	20,199
Fund Balances - Beginning of Year	-	-	168,294	102,166	270,460
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 186,714	\$ 103,945	\$ 290,659

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriations from Board of County Commissioners	\$ 639,240	\$ 661,870	\$ 661,870	\$ -
Charges for Services	93,280	105,148	105,148	-
Interest Income	-	216	216	-
Miscellaneous	1,720	1,007	1,007	-
Total Revenues	<u>734,240</u>	<u>768,241</u>	<u>768,241</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	633,310	574,472	574,472	-
Operating Expenditures	92,330	131,006	131,006	-
Capital Outlay	8,600	56,145	56,145	-
Total Expenditures	<u>734,240</u>	<u>761,623</u>	<u>761,623</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	6,618	6,618	-
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	-	(6,618)	(6,618)	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FINE AND FORFEITURE FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 340,739	\$ 355,527	\$ 354,250	\$ (1,277)
Charges for Services	554,074	535,067	522,539	(12,528)
Interest Income	-	-	275	275
Miscellaneous	-	-	1,868	1,868
Total Revenues	<u>894,813</u>	<u>890,594</u>	<u>878,932</u>	<u>(11,662)</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	835,918	769,149	739,158	29,991
Operating Expenditures	58,895	44,323	32,323	12,000
Total Expenditures	<u>894,813</u>	<u>813,472</u>	<u>771,481</u>	<u>41,991</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>77,122</u>	<u>107,451</u>	<u>30,329</u>
OTHER FINANCING USES				
Distribution of Excess Revenues:				
State of Florida	-	(77,122)	(107,451)	(30,329)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 32,000	\$ 32,000	\$ 38,692	\$ 6,692
Interest Income	-	-	179	179
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>38,871</u>	<u>6,871</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	26,375	15,156	4,331	10,825
Operating Expenditures	145,054	175,134	16,120	159,014
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>181,429</u>	<u>200,290</u>	<u>20,451</u>	<u>179,839</u>
NET CHANGE IN FUND BALANCE	(149,429)	(168,290)	18,420	186,710
Fund Balance - Beginning of Year	<u>149,429</u>	<u>168,290</u>	<u>168,294</u>	<u>4</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 186,714</u></u>	<u><u>\$ 186,714</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CHILD SUPPORT IV–D FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 62,951	\$ 12,951
Interest Income	-	-	97	97
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>64,510</u>	<u>14,510</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	54,360	63,839	62,731	1,108
Operating Expenditures	<u>129,307</u>	<u>88,324</u>	<u>-</u>	<u>88,324</u>
Total Expenditures	<u>183,667</u>	<u>152,163</u>	<u>62,731</u>	<u>89,432</u>
NET CHANGE IN FUND BALANCE	(133,667)	(102,163)	1,779	103,942
Fund Balance - Beginning of Year	<u>133,667</u>	<u>102,163</u>	<u>102,166</u>	<u>3</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 103,945</u></u>	<u><u>\$ 103,945</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds
ASSETS	
Cash	\$ 295,840
LIABILITIES	
Due to Individuals	26,673
Due to Other Governments	92,982
Total Liabilities	119,655
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	\$ 176,185

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	<u>Custodial Funds</u>
ADDITIONS	
Collections for Court Related Activities	\$ 884,606
Taxes and Fees Collected for Other Governments	1,622,807
Collections from Individuals	<u>47,352</u>
Total Additions	2,554,765
DEDUCTIONS	
Payment of Court Related Funds	959,764
Payments to Other Governments	1,622,807
Payments to Individuals	<u>49,273</u>
Total Deductions	2,631,844
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(77,079)
Fiduciary Net Position - Beginning of Year, as Previously Reported	-
Restatement (See Note 10)	<u>253,264</u>
Fiduciary Net Position - Beginning of Year, as Restated	<u>253,264</u>
FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ 176,185</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Clerk of Circuit Court (Clerk) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

Hardee County, Florida (County) is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Clerk is an elected official of Hardee County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Clerk is part of the primary government of Hardee County, Florida. The Clerk is responsible for the administration and operation of the Clerk's office. 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 considered to be financially accountable.

The Clerk funds operations as a fee officer and a Budget Officer pursuant to Florida Statutes Chapters 28, 218, and 129, respectively. As a fee officer, the Clerk collects fees and commissions from court related matters. As a budget officer, the operations as Clerk to the Board are approved and funded by the Board. The budgeted receipts from the Board are recorded as revenue on the Clerk's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures as Clerk to the Board are remitted to the Board at year-end.

Court related fees collected by the Clerk in carrying out duties are used to fund the court functions of the Clerk.

Basis of Presentation, Basis of Accounting, and Measurement Focus

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 requires the Clerk to present only fund financial statements. These financial statements present only the portion of the funds of the Hardee County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of the Hardee County, Florida in conformity with GAAP.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting, and Measurement Focus (Continued)

All governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. 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 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 when a liability is incurred as under accrual accounting. However, expenditures related to accumulated compensated absences, and claims and judgments are recorded only when payments are due.

The custodial funds use the economic resources measurement focus and the accrual basis of accounting.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the General Fund, Fine and Forfeiture Fund, Public Records Modernization Trust Fund, and Child Support IV-D Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on a basis consistent with GAAP.

The Clerk's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

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, 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.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purposes of the Clerk's funds are as follows:

Governmental Funds

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

Fine and Forfeiture Fund – The Fine and Forfeiture Fund is established in accordance with Sections 28.35 and 28.37, Florida Statutes. It is used to account for court fines, fees, service charges, liabilities, and costs.

Public Records Modernization Trust Fund – The Public Records Modernization Trust Fund is established in accordance with Florida Statutes. It is used to account for court technology and public records modernization pursuant to Section 28.24, Florida Statutes.

Child Support IV-D Fund – The Child Support IV-D fund is used to account for the child support enforcement grant and related expenditures. In addition, amounts that exceed operating costs of running the child support depository program are to be used for Clerk related functions as directed by the Board.

Fiduciary Funds

Custodial Funds – Custodial funds are fiduciary in nature and used to account for assets associated with court-related, official records, and other activities, which benefit other governments, entities, and individuals.

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2021, there was no total fund balance in the General Fund or Fine and Forfeitures Fund, the remaining fund balances in the Public Records Modernization Trust Fund and Child Support IV-D Fund are appropriately classified as restricted and committed, respectively.

As the Clerk is an elected official responsible for the activities of the Clerk's office, the Clerk is the highest level of decision-making authority and any official order from the Clerk would be required to authorize commitment of fund balance. Also, the accounting manager has been given the authority to assign fund balance for a specific purpose, when identified.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies (Continued)

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

Position

Restricted net position as of September 30, 2021 consists of amounts held awaiting outcomes of court proceedings and tax deed process. There are no unrestricted amounts.

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost. Donated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for these capital assets.

Capital assets are defined by the Clerk as assets with an initial, individual cost of \$1,500 or more and an estimated useful of life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accumulated Unpaid Vacation and Sick Pay

It is the Clerk's policy to allow employees to accumulate vacation and sick leave.

Employees shall be paid for accumulated and unused vacation leave. The maximum permissible accumulation of annual leave on a calendar year basis is as follows.

<u>Length of Service</u>	<u>Maximum Number of Hours</u>
0-10 Years	120
11-20 Years	160
21 Years and Over	200

Any accumulation in excess of the maximum number of hours during the calendar year is permissible and is eligible to be paid out at time of separation of employment.

Employees shall be paid for accumulated and unused sick leave. There is no limit to the number of hours of sick leave that an employee may accumulate. Sick leave is paid out in varying percentages based on the number of years of service:

<u>Length of Service</u>	<u>Percent of Sick Leave</u>
0-20 Years	0.0%
21-24 Years	25.0%
25-29 Years	37.5%
30 Years and Over	50.0%

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements is in conformity with accounting principles prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligation

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

At September 30, 2021, the Clerk's bank balance \$811,112. 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. Other than the preceding, the Clerk 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.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH (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.

A reconciliation to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits	\$	820,376	
Petty Cash and Change Funds		525	
		<u>820,901</u>	
Balance Sheet:			
Cash	\$	525,061	
Statement of Fiduciary Net Position:			
Cash		295,840	
Total Cash	\$	<u>820,901</u>	

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets for which the Clerk is custodian for the year ended September 30, 2021.

	Balance October 1, 2020	Additions	Disposals	Balance September 30, 2021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Machinery and Equipment	\$ 558,340	\$ 56,145	\$ (19,240)	\$ 595,245
Less: Accumulated Depreciation	(493,353)	(20,207)	19,240	(494,320)
Total Capital Assets, Net	<u>\$ 64,987</u>	<u>\$ 35,938</u>	<u>\$ -</u>	<u>\$ 100,925</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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).

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.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

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.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

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

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

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

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.

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, 2021, 2020, and 2019 were \$142,669, \$131,104, and \$125,908, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 DUE FROM AND DUE TO OTHER FUNDS

The balances of due from and due to other funds were as follows at September 30, 2021:

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 57,027
Fine and Forfeiture Fund	6	7
Public Records Modernization Trust Fund	50,580	10,345
Child Support IV-D Fund	16,793	-
Total	\$ 67,379	\$ 67,379

NOTE 6 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2021:

	Balance October 1, 2020	Net Additions	Balance September 30, 2021
Accrued Compensated Absences	\$ 87,055	\$ 14,789	\$ 101,844

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Clerk's compensated absences policy.

NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2021 were as follows:

Budget Appropriation – The General Fund of the Clerk received payments from the Board of County Commissioners for non-court related and accounting services in the amount of \$661,870 for the year ended September 30, 2021. Excess revenues payable to the Board at September 30, 2021 were \$6,618. Distribution of excess revenues to the Board was \$6,618 for the year ended September 30, 2020.

Health Insurance – The Board of County Commissioners provides health insurance to the Clerk employees. The reimbursement for these benefits for the fiscal year ended September 30, 2021 amounted to \$222,617.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 RISK MANAGEMENT

The Clerk participates in the risk management program through the Board under a local government risk management pool. The following types of risk are provided for under the risk management pool:

- Property and General Liability
- Automobile Liability
- Public Officials' Liability
- Workers' Compensation

The risk pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss.

NOTE 9 COMMITMENTS AND CONTINGENCIES

The Clerk is currently receiving, and has received in the past, a grant which is 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 Clerk. 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.

NOTE 10 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2021, the Clerk adopted GASB Statement No. 84, Fiduciary Activities. This change requires the restatement of the September 30, 2020 fiduciary net position as follows:

	Custodial Funds
Fiduciary Net Position, September 30, 2020, as Previously Reported	\$ -
Cumulative Effect of Application of GASB Statement No. 84	253,264
Fiduciary Net Position, September 30, 2020, as Restated	\$ 253,264

HARDEE COUNTY CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF FIDUCIARY
NET POSITION – FIDUCIARY FUNDS – CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Custodial Funds						Total
	Special Trust	Support	Court Registry	County Witness	Cash Bond	Condemnation Right-of-Way	
ASSETS							
Cash	\$ 184,291	\$ 901	\$ 68,852	\$ 445	\$ 36,989	\$ 4,362	\$ 295,840
LIABILITIES							
Due to Individuals	24,934	-	-	-	1,739	-	26,673
Due to Other Governments	92,081	901	-	-	-	-	92,982
Total Liabilities	117,015	901	-	-	1,739	-	119,655
NET POSITION							
Restricted for Individuals, Organizations, and Other Governments	\$ 67,276	\$ -	\$ 68,852	\$ 445	\$ 35,250	\$ 4,362	\$ 176,185

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION – FIDUCIARY FUNDS – CUSTODIAL FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds						Total
	Special Trust	Support	Court Registry	County Witness	Cash Bond	Condemnation Right-of-Way	
ADDITIONS							
Collections for Court Related Activities	\$ 559,387	\$ 5,929	\$ 240,615	\$ -	\$ 78,675	\$ -	\$ 884,606
Taxes and Fees Collected for Other Governments	1,622,807	-	-	-	-	-	1,622,807
Collections from Individuals	47,352	-	-	-	-	-	47,352
Total Additions	2,229,546	5,929	240,615	-	78,675	-	2,554,765
DEDUCTIONS							
Payment of Court Related Funds	555,337	5,929	308,285	38	90,175	-	959,764
Payments to Other Governments	1,622,807	-	-	-	-	-	1,622,807
Payments to Individuals	49,273	-	-	-	-	-	49,273
Total Deductions	2,227,417	5,929	308,285	38	90,175	-	2,631,844
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	2,129	-	(67,670)	(38)	(11,500)	-	(77,079)
Fiduciary Net Position - Beginning of Year, as Previously Reported	-	-	-	-	-	-	-
Restatement (See Note 10)	65,147	-	136,522	483	46,750	4,362	253,264
Fiduciary Net Position - Beginning of Year, as Restated	65,147	-	136,522	483	46,750	4,362	253,264
FIDUCIARY NET POSITION - END OF YEAR	\$ 67,276	\$ -	\$ 68,852	\$ 445	\$ 35,250	\$ 4,362	\$ 176,185

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court
Hardee 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 Hardee County Clerk of the Circuit Court (Clerk), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated March 8, 2022.

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) 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 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 Victoria L. Rogers
Hardee County Clerk of the Circuit Court

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 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

CliftonLarsonAllen LLP

Sebring, Florida
March 8, 2022



MANAGEMENT LETTER

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Clerk of the Circuit Court (Clerk) as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated March 8, 2022.

Auditors' Responsibility

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, 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 the 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 March 8, 2022, 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 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 in the notes to the financial statements.

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court

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 of the Circuit Court, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
March 8, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court
Hardee County, Florida

We have examined the Hardee County Clerk of the Circuit Court's (Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets, during the year ended September 30, 2021. 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 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 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 year ended September 30, 2021.

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
March 8, 2022

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HARDEE COUNTY PROPERTY APPRAISER

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**HARDEE COUNTY PROPERTY APPRAISER
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INDEPENDENT AUDITORS' REPORT

The Honorable Kathy Crawford
Hardee County Property Appraiser
Wauchula, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the General Fund of the Hardee County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2021, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund of the Property Appraiser as of September 30, 2021, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major funds, of Hardee County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements 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 3, 2021, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 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 3, 2021

**HARDEE COUNTY PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS		
Cash		<u>\$ 68,542</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Board of County Commissioners		\$ 65,910
Due to Other Governments		<u>2,632</u>
Total Liabilities		<u>68,542</u>
FUND BALANCE		
		<u>-</u>
Total Liabilities and Fund Balance		<u>\$ 68,542</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services:				
Board of County Commissioners	\$ 829,474	\$ 836,162	\$ 836,162	\$ -
Other Governments	33,124	33,391	33,391	-
Interest Income	-	-	131	131
Miscellaneous	-	-	8,076	8,076
Total Revenues	<u>862,598</u>	<u>869,553</u>	<u>877,760</u>	<u>8,207</u>
EXPENDITURES				
Current:				
General Government:				
Personal Services	619,844	633,811	628,433	5,378
Operating Expenditures	237,754	213,068	158,112	54,956
Capital Outlay	5,000	22,674	22,674	-
Total Expenditures	<u>862,598</u>	<u>869,553</u>	<u>809,219</u>	<u>60,334</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	68,541	68,541
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	-	-	(65,910)	(65,910)
Other Governments	-	-	(2,631)	(2,631)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(68,541)</u>	<u>(68,541)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Property Appraiser (Property Appraiser) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

Hardee County, Florida (County) is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Property Appraiser is an elected official of Hardee County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is part of the primary government of Hardee County, Florida. Although the Board and the Florida Department of Revenue approve the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and the operation of the Property Appraiser's office. 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 considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

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 Hardee County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Hardee County, Florida in conformity with GAAP.

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser. It is presented as a major governmental fund, which uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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. However, expenditures related to accumulated compensated absences, and claims and judgments are recorded only when payments are due.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting, and Measurement Focus (Continued)

Fees earned by the Property Appraiser (equal to the amount of the amended budget) are billed quarterly to the Board and other governmental agencies in proportion to prior year taxes levied. By statute, municipalities and school boards are exempt. These fees are recorded as charges for services revenue.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida statutes.

A budget is legally adopted for the General Fund and is on the modified accrual basis of accounting. Budgetary control is at the expenditure classification level (personal services, operating expenditures, capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Property Appraiser. Amendments between expenditure classifications must be submitted to the state of Florida Department of Revenue for approval. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

Refund of “excess fees” – Florida Statutes provide that the excess of the Property Appraiser’s fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and other special taxing districts.

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 balance, revenues, and expenditures as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The purpose of the Property Appraiser’s fund is as follows:

Governmental Fund

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

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2021, there was no fund balance in the General Fund and no classification for fund balance is necessary.

As the Property Appraiser is an elected official responsible for the activities of the Property Appraiser's office, the Appraiser is the highest level of decision-making authority and any official order from the Property Appraiser would be required to authorize commitment of fund balance.

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

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost. Donated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Property Appraiser maintains custodial responsibility for these capital assets.

Capital assets are defined by the Property Appraiser as assets with an initial, individual cost of \$1,500 or more and an estimated useful of life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accumulated Unpaid Vacation and Sick Pay

It is the Property Appraiser's policy to allow employees to accumulate vacation and sick leave. After one year of service, employees are vested and shall be paid for accumulated and unused vacation leave up to a maximum of 160 hours. As an additional incentive, all employees who have been employed 20 years or more are eligible to be paid for accumulated sick leave at varying percentages, ranging from 25% to 50%, based on the number of years of employment.

The Property Appraiser's liability for compensated absences is reported as noncurrent liabilities in the records of Hardee County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the fund financial statements is in conformity with GAAP, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial 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 a portion of the premium cost applicable to an active employee based on years of service and other factors. 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

At September 30, 2021, the Property Appraiser's bank balance was \$119,798 consisting entirely of demand deposits. Cash per the balance sheet consisted of \$68,502 in demand deposits and \$40 in petty cash. 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, 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.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH (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.

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Property Appraiser's operations is recorded as an expenditure in the general fund of the Property Appraiser at the time of purchase. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County. The Property Appraiser maintains custodial responsibility for these capital assets.

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2020	Additions	Disposals	Balance September 30, 2021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Government Activities:				
Capital Assets, Not Being				
Depreciated:				
Software in Progress	\$ 204,076	\$ -	\$ (204,076)	\$ -
Capital Assets, Being Depreciated:				
Machinery and Equipment	165,602	226,749	(19,925)	372,426
Less: Accumulated Depreciation for:				
Machinery and Equipment	<u>(118,214)</u>	<u>(45,128)</u>	<u>5,977</u>	<u>(157,365)</u>
Total Capital Assets, Being Depreciated, Net	<u>47,388</u>	<u>181,621</u>	<u>(13,948)</u>	<u>215,061</u>
 Government Activities:				
Capital Assets, Net	<u>\$ 251,464</u>	<u>\$ 181,621</u>	<u>\$ (218,024)</u>	<u>\$ 215,061</u>

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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).

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.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% 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, 2021, 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

Plan Description

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.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

Plan Description (Continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. 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.

Benefits Provided

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, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

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

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$85,577, \$75,921, and \$73,346, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 5 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2021:

	Balance October 1, 2020	Net Change	Balance September 30, 2021
Accrued Compensated Absences	\$ 12,093	\$ 4,637	\$ 16,730

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Property Appraiser's compensated absences policy.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2021 were as follows:

Budget Appropriation – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$836,162 for the year ended September 30, 2021. At September 30, 2021, \$65,910 was due to the Board of County Commissioners.

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, 2021 amounted to \$77,417.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 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 Property Appraiser participates in the risk management program through the Hardee County Board of County Commissioners under a local government risk management pool. The following types of risk are provided for under the risk management pool:

- Property and General Liability
- Automobile Liability
- Public Officials' Liability
- Workers' Compensation

There have been no decreases in coverage nor have there been any settlements in excess of coverage in any of the three prior years.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Kathy Crawford
Hardee County Property Appraiser
Wauchula, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the General Fund of Hardee County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2021, 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 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) 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 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.

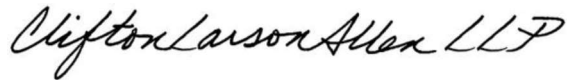
The Honorable Kathy Crawford
Hardee County Property Appraiser

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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
December 3, 2021



MANAGEMENT LETTER

The Honorable Kathy Crawford
Hardee County Property Appraiser
Wauchula, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Property Appraiser (Property Appraiser), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated December 3, 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 December 3, 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 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 in the notes to the financial statements.

The Honorable Kathy Crawford
Hardee County Property Appraiser

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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 3, 2021



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Kathy Crawford
Hardee County Property Appraiser
and the Florida Auditor General
Wauchula, Florida

We have examined the Hardee County Property Appraiser's (Property Appraiser) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Property Appraiser complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

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 3, 2021



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HARDEE COUNTY SHERIFF
FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS
YEAR ENDED SEPTEMBER 30, 2021



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**HARDEE COUNTY SHERIFF
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YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

The Honorable Vincent Crawford
Hardee County Sheriff
Hardee 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 Hardee County Sheriff (Sheriff) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff, as of September 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

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 each major fund and the aggregate remaining fund information, of Hardee County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

During fiscal year ended September 30, 2021, the Sheriff adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the Sheriff reported a restatement for the change in accounting principle (see Note 9.) Our auditors' opinion was not modified with respect to the restatement.

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 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 Vincent Crawford
Hardee County Sheriff

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, 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 results 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
December 29, 2021

**HARDEE COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	General Fund	E-911 Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 1,814,260	\$ 234,292	\$ 146,442	\$ 2,194,994
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 47,473	\$ -	\$ 29	\$ 47,502
Accrued Liabilities	393,061	-	-	393,061
Due to the Board of County Commissioners	1,373,726	234,292	-	1,608,018
Total Liabilities	1,814,260	234,292	29	2,048,581
FUND BALANCES				
Restricted	-	-	146,413	146,413
Total Liabilities and Fund Balances	\$ 1,814,260	\$ 234,292	\$ 146,442	\$ 2,194,994

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	E-911 Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Appropriations from Board of County Commissioners	\$ 11,115,000	\$ 399,682	\$ -	\$ 11,514,682
Intergovernmental	2,752	-	-	2,752
Charges for Services	572,761	-	-	572,761
Fines and Forfeitures	-	-	21,782	21,782
Interest	548	-	-	548
Miscellaneous	314,157	-	42,396	356,553
Total Revenues	<u>12,005,218</u>	<u>399,682</u>	<u>64,178</u>	<u>12,469,078</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries and Benefits	9,616,717	-	-	9,616,717
Operating Expenditures	1,656,878	172,296	24,199	1,853,373
Capital Outlay	18,889	-	-	18,889
Total Expenditures	<u>11,292,484</u>	<u>172,296</u>	<u>24,199</u>	<u>11,488,979</u>
EXCESS OF REVENUES OVER EXPENDITURES	712,734	227,386	39,979	980,099
OTHER FINANCING USES				
Transfers to Board of County Commissioners	<u>(712,734)</u>	<u>(227,386)</u>	<u>-</u>	<u>(940,120)</u>
NET CHANGE IN FUND BALANCES	-	-	39,979	39,979
Fund Balances - Beginning of Year, as Previously Reported	-	-	96,079	96,079
Restatement (See Note 9)	-	-	10,355	10,355
Fund Balances - Beginning of Year, as Restated	<u>-</u>	<u>-</u>	<u>106,434</u>	<u>106,434</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,413</u>	<u>\$ 146,413</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriations from Board of County Commissioners	\$ 11,115,000	\$ 11,115,000	\$ 11,115,000	\$ -
Intergovernmental	-	-	2,752	2,752
Charges for Services	-	-	572,761	572,761
Interest	-	-	548	548
Miscellaneous	-	-	314,157	314,157
Total Revenues	<u>11,115,000</u>	<u>11,115,000</u>	<u>12,005,218</u>	<u>890,218</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries and Benefits	9,407,388	9,407,388	9,616,717	(209,329)
Operating Expenditures	1,707,612	1,707,612	1,656,878	50,734
Capital Outlay	-	-	18,889	(18,889)
Total Expenditures	<u>11,115,000</u>	<u>11,115,000</u>	<u>11,292,484</u>	<u>(177,484)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	712,734	712,734
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(712,734)	(712,734)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 53,335
LIABILITIES	
Due to Others	<u>7,000</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	46,335
Total Net Position	<u><u>\$ 46,335</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds
ADDITIONS	
Collections from Individuals	\$ 172,131
Evidence Collected	22,504
Fees Collected for Other Governments	29,614
Total Additions	224,249
DEDUCTIONS	
Medical, Dental, and Life Insurance	46,153
Payments to Individuals	30,934
Payments to Other Entities	93,343
Payments to Other Governments	68,845
Total Deductions	239,275
NET DECREASE IN FIDUCIARY NET POSITION	(15,026)
Fiduciary Net Position - Beginning of Year, as Previously Reported	-
Restatement (See Note 9)	61,361
Fiduciary Net Position - Beginning of Year, as Restated	61,361
FIDUCIARY NET POSITION - END OF YEAR	\$ 46,335

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these statements.

Reporting Entity

Hardee County, Florida (County) is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Sheriff is an elected official of Hardee County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Sheriff is part of the primary government of Hardee County, Florida. The Sheriff is responsible for the administration and operation of the Sheriff's office. 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 considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

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 only present fund financial statements. These financial statements present only the portion of the funds of Hardee County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Hardee County, Florida in conformity with GAAP.

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. 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.

The custodial funds use the economic resources measurement focus and the accrual basis of accounting.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting, and Measurement Focus (Continued)

The County funds the majority of the operating budget of the Sheriff. The payments by the County to fund the operations of the Sheriff are recorded as expenditures for salaries and benefits, operating expenditures, capital outlay, and debt service in governmental type funds in the financial statements of the County, and as appropriations revenues in the basic financial statements of the Sheriff.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the General Fund and is on the modified accrual basis of accounting. The Sheriff is not legally required to adopt a budget for the Education Fund, E911 Fund, or Commissary Fund. Therefore, budget comparison information is not included in the Sheriff's financial statements. Budgetary control is at the expenditure classification level (salaries and benefits, operating expenditures, and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Sheriff. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

Refund of "Excess Fees" – Florida Statutes provide that the excess of the Sheriff's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of the undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners.

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 balances, revenues, and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Sheriff's funds are as follows:

Major Governmental Funds

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

E911 Fund – The E911 Fund is a special revenue fund that accounts for E911 fees under Sections 365.171 and 365.172, Florida Statutes, and E911 grants related to providing E911 services within the County. These monies are restricted for maintenance and upgrade of the E911 system. Any excess of revenues over expenditures are remitted back to the Board at fiscal year-end as the amounts are appropriated from the Board.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Nonmajor Governmental Funds

Commissary Fund – The Commissary Fund is a special revenue fund used to account for commissions earned by providing goods and services to the inmates. These resources are restricted by Section 951.23, Florida Statutes, for inmate welfare.

Education Fund – The Education Fund is a special revenue fund which accounts for an assessment added to certain fines under Section 938.15, Florida Statutes. These monies are restricted for criminal justice education degree programs and training courses.

Youth Fund – The Youth Fund is a special revenue fund used to account for donations received from individuals which are restricted for youth programs.

Flower Fund – The Flower Fund is a special revenue fund used to account for contributions received from employees which are restricted for employee events.

Drug Task Force Fund – The Drug Task Force Fund is a special revenue fund used account for forfeitures received under Section 932.7055 Florida Statutes. These monies are restricted for specified law enforcement purposes.

Fiduciary Funds

Custodial Funds – Custodial funds are fiduciary in nature and used to account for assets associated with law enforcement and detention activities, which benefit other governments, entities, and individuals.

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2021, there was no fund balance in the General Fund and E911 Fund. The remaining fund balances in the Commissary Fund, Education Fund, Youth Fund, Flower Fund, and Drug Task Force Fund are appropriately classified as restricted. Any nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

As the Sheriff is an elected official responsible for the activities of the Sheriff's office, he is the highest level of decision-making authority and any official order from the Sheriff would be required to authorize commitment of fund balance.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies (Continued)

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

Net Position

Restricted net position as of September 30, 2021 consists of amounts held as cash evidence, awaiting a court disposition, and inmate account balances. There are no unrestricted amounts.

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost. Donated and confiscated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Sheriff maintains custodial responsibility for these capital assets.

Capital assets are defined by the Sheriff as assets with an initial, individual cost of \$1,500 or more and an estimated useful of life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accrued Compensated Absences

It is the Sheriff's policy to allow employees to accumulate annual and sick leave. Employees can accumulate and carry over 120 hours of annual leave and an unlimited amount of sick leave. Annual leave is paid out at separation of service for the hours accumulated to that date. Sick leave is paid out upon retirement in varying amounts based on their length of service as follows.

<u>Length of Service</u>	<u>Percentage of Sick Leave</u>
10 to 14 Years	25%
15 to 19 Years	35%
20 Years Plus	50%

The Sheriff's liability for compensated absences is reported as noncurrent liabilities in the records of the County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the fund financial statements is in conformity with accounting principles generally prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

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

At September 30, 2021, the Sheriff's total bank balance was \$3,030,957. 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.

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.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH (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.

A reconciliation to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits		<u>\$ 2,248,329</u>
Balance Sheet:		
Cash	\$	2,194,994
Statement of Fiduciary Net Position:		
Cash		53,335
Total Cash	\$	<u>2,248,329</u>

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets for which the Sheriff is custodian for the year ended September 30, 2021:

	Balance October 1, 2020	Additions	Disposals	Balance September 30, 2021
Machinery and Equipment	\$ 5,318,780	\$ 23,564	\$ (420,279)	\$ 4,922,065
Less: Accumulated Depreciation	(3,307,374)	(640,001)	357,940	(3,589,435)
Total Capital Assets, Net	<u>\$ 2,011,406</u>	<u>\$ (616,437)</u>	<u>\$ (62,339)</u>	<u>\$ 1,332,630</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.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Background (Continued)

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.

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.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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.

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 multiemployer 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.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided

For the fiscal year ended June 30, 2021, 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. Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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, 2021, 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, 2021, 2020, and 2019 were \$1,162,414, \$1,188,005, and \$1,108,413, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 5 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2021:

	Balance October 1, 2020	Net (Decrease)	Balance September 30, 2021	Due Within One Year
Accrued Compensated Absences	<u>\$ 508,069</u>	<u>\$ (125,797)</u>	<u>\$ 382,272</u>	<u>\$ -</u>

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 COMPENSATED ABSENCES (CONTINUED)

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Sheriff's compensated absences policy. The long-term liabilities are not reported in the financial statements of the Sheriff since they are not payable from spendable resources. They are reported in the financial statements of the County.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2021 were as follows:

Budget Appropriation – The General Fund received revenue from the Board of County Commissioners in the amount of \$11,115,000 for the year ended September 30, 2021. At September 30, 2021, \$1,373,726 was due to the Board from the General Fund. The E911 Fund received revenue from the Board of County Commissioners in the amount of \$399,682. At September 30, 2021, \$234,292 was due to the Board from the E911 Fund.

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. There are no significant reductions in insurance coverage from the prior year.

The Sheriff participates in the Florida Sheriffs Risk Management Fund (FSRMF) which is a public entity risk pool that permits the Sheriff to cover the following types of risks:

- Law Enforcement Liability
- Public Officials' Liability
- Automobile Physical Damage and Liability
- And others

The funding agreements provide that the self-insurance funds will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Those funds and program absorb losses up to a specified amount annually and purchases excess coverage from third-party carriers. Each member is assessed his/her pro rata share of the estimated amount required to meet current year losses and operating expenses. Losses, if any, in excess of the fund or program ability to assess its members would revert back to the member that incurred the loss.

The Sheriff also participants in FSRMF for workers' compensation coverage.

There have been no claim settlements in excess of coverage during the past three years.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 COMMITMENTS AND CONTINGENCIES

The Sheriff 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 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 contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of management, the ultimate disposition of these lawsuits and claims should not have a material adverse effect on the financial position of the Sheriff.

NOTE 9 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2021, the Sheriff adopted GASB Statement No. 84, Fiduciary Activities. This change requires the restatement of the September 30, 2020 fund balance and net position as follows:

	Nonmajor Governmental Funds
Fund Balance, September 30, 2020, as Previously Reported	\$ 96,079
Cumulative Effect of Application of GASB Statement No. 84	10,355
Fund Balance, September 30, 2020, as Restated	\$ 106,434
	Custodial Funds
Fiduciary Net Position, September 30, 2020, as Previously Reported	\$ -
Cumulative Effect of Application of GASB Statement No. 84	61,361
Fiduciary Net Position, September 30, 2020, as Restated	\$ 61,361

**HARDEE COUNTY SHERIFF
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>Commissary Fund</u>	<u>Education Fund</u>	<u>Youth Fund</u>	<u>Flower Fund</u>	<u>Drug Task Force Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS						
Cash	\$ 90,489	\$ 40,184	\$ 7,348	\$ 865	\$ 7,556	\$ 146,442
	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ 29
LIABILITIES						
Accounts Payable						
FUND BALANCES						
Restricted for:						
Education	-	40,184	-	-	-	40,184
Inmate Welfare	90,460	-	-	-	-	90,460
Law Enforcement	-	-	-	865	7,556	8,421
Youth Programs	-	-	7,348	-	-	7,348
Total Fund Balances	<u>90,460</u>	<u>40,184</u>	<u>7,348</u>	<u>865</u>	<u>7,556</u>	<u>146,413</u>
Total Liabilities and Fund Balances	<u>\$ 90,489</u>	<u>\$ 40,184</u>	<u>\$ 7,348</u>	<u>\$ 865</u>	<u>\$ 7,556</u>	<u>\$ 146,442</u>

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Commissary Fund	Education Fund	Youth Fund	Flower Fund	Drug Task Force Fund	Total Nonmajor Governmental Funds
REVENUES						
Fines and Forfeitures	\$ -	\$ 9,176	\$ -	\$ -	\$ 12,606	\$ 21,782
Miscellaneous	37,026	-	3,361	2,009	-	42,396
Total Revenues	<u>37,026</u>	<u>9,176</u>	<u>3,361</u>	<u>2,009</u>	<u>12,606</u>	<u>64,178</u>
EXPENDITURES						
Current:						
Public Safety:						
Operating Expenditures	11,637	-	1,882	5,630	5,050	24,199
NET CHANGE IN FUND BALANCES	25,389	9,176	1,479	(3,621)	7,556	39,979
Fund Balances - Beginning of Year, as Previously Reported	65,071	31,008	-	-	-	96,079
Restatement (See Note 9)	-	-	5,869	4,486	-	10,355
Fund Balances - Beginning of Year, as Restated	<u>65,071</u>	<u>31,008</u>	<u>5,869</u>	<u>4,486</u>	<u>-</u>	<u>106,434</u>
FUND BALANCES - END OF YEAR	<u>\$ 90,460</u>	<u>\$ 40,184</u>	<u>\$ 7,348</u>	<u>\$ 865</u>	<u>\$ 7,556</u>	<u>\$ 146,413</u>

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Funds				
	Suspense Fund	Collections Fund	Evidence Fund	Inmate Fund	Total
ASSETS					
Cash	\$ 6,990	\$ 10	\$ 28,438	\$ 17,897	\$ 53,335
LIABILITIES					
Due to Others	6,990	10	-	-	7,000
NET POSITION					
Restricted for Individuals, Organizations, and Other Governments	-	-	28,438	17,897	46,335
Total Net Position	\$ -	\$ -	\$ 28,438	\$ 17,897	\$ 46,335

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Funds				Total
	Suspense Fund	Collections Fund	Evidence Fund	Inmate Fund	
ADDITIONS					
Collections from Individuals	\$ 46,153	-	-	\$ 125,978	172,131
Evidence Collected	-	-	22,504	-	22,504
Fees Collected for Other Governments	29,614	-	-	-	29,614
Total Additions	<u>75,767</u>	<u>-</u>	<u>22,504</u>	<u>125,978</u>	<u>224,249</u>
DEDUCTIONS					
Medical, Dental, and Life Insurance	46,153	-	-	-	46,153
Payments to Individuals	-	-	-	30,934	30,934
Payments to Other Entities	-	-	-	93,343	93,343
Payments to Other Governments	29,614	-	39,231	-	68,845
Total Deductions	<u>75,767</u>	<u>-</u>	<u>39,231</u>	<u>124,277</u>	<u>239,275</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	-	(16,727)	1,701	(15,026)
Fiduciary Net Position - Beginning of Year, as Previously Reported	-	-	-	-	-
Restatement (See Note 9)	-	-	45,165	16,196	61,361
Fiduciary Net Position - Beginning of Year, as Restated	<u>-</u>	<u>-</u>	<u>45,165</u>	<u>16,196</u>	<u>61,361</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,438</u>	<u>\$ 17,897</u>	<u>\$ 46,335</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 Vincent Crawford
Hardee County Sheriff
Hardee 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 Hardee County Sheriff (Sheriff) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated December 29, 2021.

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) 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 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002 that we consider to be material weaknesses.

The Honorable Vincent Crawford
Hardee County Sheriff

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

Hardee County Sheriff's Responses to Findings

The Sheriff's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Sheriff's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
December 29, 2021



MANAGEMENT LETTER

The Honorable Vincent Crawford
Hardee County Sheriff
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Sheriff (Sheriff) as of and for the fiscal year ended September 30, 2021, and we have issued our report thereon dated December 29, 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 December 29, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 Vincent Crawford
Hardee County Sheriff

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. See items 2021-003 and 2021-004 in the accompanying schedule of findings and responses.

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 29, 2021

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2021**

PRIOR YEAR

Prior Years Findings		Current Year Status			Current Year Finding #	2019-2020 Year Finding #	2018-2019 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
2020-001 - Audit Adjustments and Account Reconciliations	Material Weakness			X	2021-001	2020-001	2019-001
2020-002 Bank Reconciliations	Material Weakness			X	2021-002	2020-002	2019-002
2020-003 Budgets	Compliance			X	2021-003	2020-003	2019-003

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2021-001 – Audit Adjustments and Account Reconciliations (Previously Identified as Finding 2020-001)

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: In prior years, material audit adjustments to correct the Sheriff’s financial statements were identified during the audit. These types of errors were identified again in the current year and resulted in material adjustments to the Sheriff’s financial statements.

Our audit procedures also detected that several balance sheet accounts are not reconciled on a monthly basis, including fiscal year-end. Accounts including prepaid items, accounts payable, accrued liabilities, due to Board of County Commissioners, and fund balance did not reconcile to supporting documentation.

Criteria or specific requirement: The Sheriff’s management is responsible for establishing and maintaining internal controls to ensure that transactions are properly recorded and reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Context: Testing of account balances identified the deficiencies.

Effect: Assets, liabilities, revenues, expenditures, and other financing uses were misstated.

Cause: There is unfamiliarity with how to account and report for certain transactions. Account reconciliations were either not performed or were not completed in a manner that identified and resolved issues with account balances.

Recommendation: Account reconciliations should be prepared monthly, including at fiscal year-end, by one person and reviewed by another. Reconciliations should be performed for all balance sheet accounts including prepaid items, accounts payable, accrued liabilities, due to Board of County Commissioners, fund balance, and any other balances. Review of certain revenue and expenditure accounts should be performed as well to assist in identifying errors. Any discrepancies should be investigated and resolved. Trial balances should be reviewed to ensure that all accounts are reconciled and any related adjustments from a prior or current year are posted.

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
SEPTEMBER 30, 2021**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2021-001 – Audit Adjustments and Account Reconciliations (Previously Identified as Finding 2020-001) (Continued)

Views of responsible officials: After speaking with the Clerk of Courts, our finance department has contacted ADG to obtain quotes to assist in setting up the requisitions and purchase order module in ADG. The quote will also include training of our finance staff and any other staff necessary to create requisitions. By utilizing this function, monthly reports can be utilized to track expenses occurred during the month and the carry forward encumbrances along with all outstanding purchase order to help provide a better understanding of the financial standing of the Sheriff's Office. Finance will also continue further communications with CliftonLarsonAllen, LLP to obtain a better understanding of this finding so that we are better aware of the expectations of this audit standard.

2021-002 – Bank Reconciliations (Previously Identified as Finding 2020-002)

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: In prior years, the Sheriff's operating bank account was not completely reconciled to the general ledger and the reconciliation contained errors. These types of errors were identified again in the current year and resulted in material adjustments to the Sheriff's financial statements.

Criteria or specific requirement: The Sheriff's management is responsible for establishing and maintaining internal controls over cash transactions. Timely preparation and completion of accurate reconciliations is a key to maintaining adequate control over receipts, disbursements, and other transactions.

Context: Testing of internal controls over financial reporting and substantive testing of the bank reconciliations identified the deficiencies.

Effect: Not reconciling the cash accounts completely results in errors or other undetected problems remaining, including misstatement of cash and other general ledger accounts. Delays in reconciling accounts completely also results in inefficiency due to the additional time needed to research and resolve differences.

Cause: Cash errors identified during the audit included an unrecorded payroll tax payment, fiscal year-end accrual amounts posted to cash, and an entry which increased cash and accounts payable.

Recommendation: Management should improve on its bank reconciliation process including a final review of each month's bank reconciliation after posting all adjustments to the general ledger for a particular month.

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
SEPTEMBER 30, 2021**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2021-002 – Bank Reconciliations (Previously Identified as Finding 2020-002) (Continued)

Views of responsible officials: Since 2018, the operating account has carried a variance. It began in 2018 with the yearend audit journal entries for the payroll accrual. Every year since then, the yearend audit journal entries have added to the variance. Our finance department has been in communication with CliftonLarsonAllen, LLP to resolve the variance issue where the auditors discovered it was yearend journal entries causing the variance. ADG has been contacted to assist in a resolution to the bank reconciliation of the operating account.

2021-003 – Budgets (Previously Identified as Finding 2020-003)

Type of Finding:

- Compliance

Condition: For the year ended September 30, 2021, expenditures in the General Fund exceeded the final appropriated budget.

Criteria or specific requirement: Section 30.49, Florida Statutes, sets forth the requirements of the Sheriff's budget.

Context: Testing of compliance with budgetary requirements identified the deficiency.

Effect: The Sheriff is not in compliance with the budgetary requirements of Florida Statutes.

Cause: Errors in the accounting for various accounts, as communicated in finding 2021-001, resulted in an increase in total expenditures. The reported total expenditures exceeded the final budget.

Recommendation: Budgets should be monitored and amended when needed, within the time period allowed by Statute, to ensure that the Sheriff does not incur expenditures or transfers in excess of budgeted amounts. This should be done at least monthly utilizing accurate accounting software reports. The Sheriff should request amendments to their budget for any expenditures which are going to exceed the budget, provided the availability of funding.

Views of responsible officials: We will be submitting quarterly budget amendments for all revenues received and will explore options of adding expected revenues to the 2022/2023 budget during the budget hearings held in June 2022.

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
SEPTEMBER 30, 2021**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2021-004 – Employee Bonuses

Type of Finding:

- Compliance

Condition: The Sheriff's office paid out lump-sum amounts to employees in the absence of a preexisting employment contract making such bonuses a part of their salary or a lump-sum bonus payment program.

Criteria or specific requirement: Section 215.425, Florida Statutes, prohibits extra compensation to any employee after the service has been rendered. It also establishes provisions for extra compensation programs including items that must be included in any policy, ordinance, rule, or resolution prior to the period in which it would apply.

Context: Testing of payroll identified the noncompliance

Effect: The Sheriff is not in compliance Section 215.425, Florida Statutes.

Cause: Management was unfamiliar with requirements of Section 215.425, Florida Statutes.

Recommendation: We recommend that the Sheriff comply with provisions of Section 215.425, Florida Statutes, regarding the payment of bonuses. This includes adoption for a formal lump sum payment program if the Sheriff is going to pay bonuses in the future.

Views of responsible officials: On December 20, 2021, policy 300.01 - Performance Appraisal System was updated and added to PowerDMS, our policy maintenance and storage system for all employees to review and electronically sign. Page 5 item C of policy 300.01 states "Any member rated below a "3-Meets Expectations" will not be eligible for a merit increase. Members rated "3" or higher will be eligible for a merit increase." No merit increases were in effect prior to this policy update. Merit increases did not begin until January 3, 2021. The increases are reflected on an Employment Status Report and can be provided upon request.



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Vincent Crawford, Hardee County Sheriff
and the Florida Auditor General
Hardee County, Florida

We have examined the Hardee County Sheriff's (Sheriff) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. 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, 2021.

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 29, 2021

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HARDEE COUNTY SUPERVISOR OF ELECTIONS

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**HARDEE COUNTY SUPERVISOR OF ELECTIONS
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YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

The Honorable Diane Smith
Hardee County Supervisor of Elections
Hardee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the General Fund of the Hardee County Supervisor of Elections (Supervisor of Elections), as of and for the year ended September 30, 2021, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

The Honorable Diane Smith
Hardee County Supervisor of Elections

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund of the Supervisor of Elections as of September 30, 2021, and the respective change in its financial position and the respective 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 change in financial position of the General Fund, only for that portion of the General Fund of Hardee County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2021, 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 a report dated January 14, 2022, 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 14, 2022

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS

Cash	\$ 59,749
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 18,895
Accrued Liabilities	7,091
Due to Board of County Commissioners	33,763
Total Liabilities	<u>59,749</u>

FUND BALANCE

	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 59,749</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriation from Board of County Commissioners	\$ 491,947	\$ 491,947	\$ 491,947	\$ -
Interest Income	-	-	26	26
Miscellaneous	-	-	128	128
Total Revenues	<u>491,947</u>	<u>491,947</u>	<u>492,101</u>	<u>154</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	304,997	304,997	298,198	6,799
Operating Expenditures	168,950	168,950	160,140	8,810
Capital Outlay	18,000	18,000	-	18,000
Total Expenditures	<u>491,947</u>	<u>491,947</u>	<u>458,338</u>	<u>33,609</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	33,763	33,763
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	<u>(33,763)</u>	<u>(33,763)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Supervisor of Elections (Supervisor of Elections) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

Hardee County, Florida (County) is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Supervisor of Elections is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Supervisor of Elections is part of the primary government of the County. The Board approves the Supervisor of Elections' total operating budget. The Supervisor of Elections is responsible for the administration and the operation of the Supervisor of Elections' office and the 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 considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

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 Hardee 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 Hardee County, Florida in conformity with U.S. GAAP.

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. It is presented as a major governmental fund, which uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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. However, expenditures related to accumulated compensated absences, and claims and judgments are recorded only when payments are due.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting, and Measurement Focus (Continued)

The County funds the majority of the operating budget of the Supervisor of Elections. The payments by the County to fund the operations of the Supervisor of Elections are recorded as expenditures for salaries and benefits, operating expenditures, and capital outlay in governmental fund types in the financial statements of the County, and as appropriations revenues on the basic financial statements of the Supervisor of Elections. Any excess of revenues over expenditures are remitted to the Board and recorded as other financing uses.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the General Fund and is on a basis consistent with GAAP. Budgetary control is at the expenditure classification level (salaries and benefits, operating expenditures, capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Supervisor of Elections. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level.

Refund of "Excess Fees" – Florida Statutes provide that the excess of the Supervisor of Elections' fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board.

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 balance, revenues, and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The purpose of the Supervisor of Elections' fund is as follows:

Governmental Fund

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

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2021, there was no fund balance in the General Fund and no classification for fund balance is necessary.

As the Supervisor of Elections is an elected official responsible for the activities of the Supervisor of Elections' office, the Supervisor of Elections is the highest level of decision-making authority and any official order from the Supervisor of Elections would be required to authorize commitment of fund balance.

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

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost. Donated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Supervisor of Elections maintains custodial responsibility for these capital assets.

Capital assets are defined by the Supervisor of Elections as assets with an initial, individual cost of \$1,500 or more and an estimated useful of life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accumulated Annual Leave

It is the Supervisor of Elections' policy to allow employees to accumulate vacation leave. At one year of service, employees are vested and shall be paid for accumulated an unused vacation leave up to a maximum of 200 hours.

The Supervisor of Elections' liability for compensated absences is reported as noncurrent liabilities in the records of Hardee County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the fund financial statements is in conformity with U.S. GAAP, as applicable to government entities 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 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 a certain portion of the premium cost applicable to an active employee based on years of service and other factors. 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 Pension*, are reported in the financial statements of the County.

NOTE 2 CASH

At September 30, 2021, the Supervisor of Elections' deposits were \$82,519 and the Supervisor of Elections' book balance was \$59,749, consisting entirely of demand deposits. 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 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. 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH (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.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2020	Additions	Disposals	Balance September 30, 2021
Machinery and Equipment	\$ 224,537	\$ -	\$ -	\$ 224,537
Less: Accumulated Depreciation	(195,856)	(6,035)	-	(201,891)
Total Capital Assets, Net	<u>\$ 28,681</u>	<u>\$ (6,035)</u>	<u>\$ -</u>	<u>\$ 22,646</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 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, multiemployer, 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).

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

Employees enrolled in the FRS Plan prior to July 1, 2011 vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011 vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLAN (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, 2021, 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

Plan Description

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (the 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.

Benefits Provided

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, 2021, 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Supervisor of Elections' contributions made during the years ended September 30, 2021, 2020, and 2019 were \$60,531, \$56,388, and \$56,210, respectively, equal to the actuarially determined required contribution requirements for each year.

Additional information about pension plans can be found in the County comprehensive annual financial report.

NOTE 5 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences obligations for the year ended September 30, 2021:

	Balance October 1, 2020	Net Change	Balance September 30, 2021
Accrued Compensated Absences	<u>\$ 1,587</u>	<u>\$ (1,251)</u>	<u>\$ 336</u>

Accrued compensated absences represent the vested portion of accrued annual leave. See Note 1 for a summary of the Supervisor of Elections' compensated absences policy.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Board for the year ended September 30, 2021 were as follows:

Budget Appropriation – The General Fund of the Supervisor of Elections received revenue from the Board in the amount of \$491,947 for the fiscal year ended September 30, 2021. The General Fund paid \$28,927 to the Board for health insurance. In addition, \$33,763 was due to the Board at September 30, 2021.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 RISK MANAGEMENT

The Supervisor of Elections participates in the risk management program through the Hardee County Board of County Commissioners under a local government risk pool. The following types of risk are provided for under the risk management pool:

- Property and General Liability
- Automobile Liability
- Public Officials' Liability
- Workers' Compensation

The risk pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss.

NOTE 8 CONTINGENCIES

The Supervisor of Elections has received 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 Supervisor of Elections. 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.



**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 Diane Smith
Hardee County Supervisor of Elections
Hardee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the General Fund of the Hardee County Supervisor of Elections (Supervisor of Elections), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Supervisor of Elections' basic financial statements, and have issued our report thereon dated January 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' 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 opinion 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

The Honorable Diane Smith
Hardee County Supervisor of Elections

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 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*.

Supervisor of Elections' Response to Finding

The Supervisor of Elections' response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Supervisor of Elections' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Sebring, Florida
January 14, 2022



MANAGEMENT LETTER

The Honorable Diane Smith
Hardee County Supervisor of Elections
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Supervisor of Elections (Supervisor of Elections), Florida as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 14, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 14, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 Diane Smith
Hardee County Supervisor of Elections

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 LLPs

Sebring, Florida
January 14, 2022

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2021**

PRIOR YEAR

Prior Years Findings		Current Year Status			Current Year Finding #	2019-2020 Year Finding #	2018-2019 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
Employee Bonuses	Compliance	X			N/A	2020-001	2019-001

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2021-001 – Held Check

Type of Finding:

- Material Weakness

Condition: Our audit procedures detected one check, which was written as of fiscal year-end and not released until after the financial statement date, was not accounted for correctly.

Criteria or specific requirement: The Supervisor of Elections management is responsible for establishing and maintaining internal controls to ensure that transactions are properly recorded and reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This includes internal controls to ensure proper cut-off of the financial statements.

Context: Testing of cash and accounts payable identified the deficiency.

Effect: Cash and accounts payable were understated and prepaid items were overstated.

Cause: Management held a check written on the financial statement date until after the financial statement date.

Recommendation: We recommend that the Supervisor or Elections establish controls to ensure that checks are disbursed timely after processing.

Views of responsible officials and planned corrective actions: I, Diane Smith as Hardee County Supervisor of Elections, do agree with your findings of outstanding checks.

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INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Diane Smith, Hardee County Supervisor of Elections
and the Florida Auditor General
Hardee County Supervisor of Elections
Hardee County, Florida

We have examined the Hardee County Supervisor of Elections (Supervisor of Elections), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. 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, 2021.

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 14, 2022

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HARDEE COUNTY TAX COLLECTOR

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**HARDEE COUNTY TAX COLLECTOR
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INDEPENDENT AUDITORS' REPORT

The Honorable April Lambert
Hardee County Tax Collector
Hardee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the General Fund and the aggregate remaining fund information of the Hardee County Tax Collector (Tax Collector), as of and for the year ended September 30, 2021, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund, and the aggregate remaining fund information, only for that portion of the General Fund, and the aggregate remaining fund information, of Hardee County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2021, 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 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 financial statements as a whole.

The Honorable April Lambert
Hardee County Tax Collector

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 18, 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
November 18, 2021

**HARDEE COUNTY TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS

Cash	\$ 166,400
Accounts Receivable	<u>25,786</u>
Total Assets	<u><u>\$ 192,186</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 2,654
Due to the Board of County Commissioners	183,751
Due to Other Governments	<u>5,781</u>
Total Liabilities	192,186

FUND BALANCE

Total Liabilities and Fund Balance	<u><u>\$ 192,186</u></u>
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See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 914,030	\$ 914,030	\$ 1,011,415	\$ 97,385
Interest	150	150	107	(43)
Miscellaneous	6,573	6,573	11,917	5,344
Total Revenues	<u>920,753</u>	<u>920,753</u>	<u>1,023,439</u>	<u>102,686</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	788,451	788,451	717,125	71,326
Operating Expenditures	127,802	132,302	116,782	15,520
Capital Outlay	4,500	-	-	-
Total Expenditures	<u>920,753</u>	<u>920,753</u>	<u>833,907</u>	<u>86,846</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	189,532	189,532
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	-	-	(183,751)	(183,751)
Indigent Health Care Special District	-	-	(2,009)	(2,009)
Other Governments	-	-	(3,772)	(3,772)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(189,532)</u>	<u>(189,532)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds
ASSETS	
Cash	\$ 439,224
LIABILITIES	
Due to Individuals	40,205
Due to Board of County Commissioners	7,119
Due to Other Governments	91,053
Due to Indigent Health Care Special District	91
Deposit - Installment Taxes	300,756
Total Liabilities	439,224
NET POSITION	\$ -

See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Funds
ADDITIONS	
Property Tax Collections for Other Governments	\$ 32,662,703
License and Fees Collected for State Agencies	4,405,343
Total Additions	37,068,046
DEDUCTIONS	
Payments of Property Tax to Other Governments	32,651,768
Payments to State Agencies	4,416,278
Total Deductions	37,068,046
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-
Fiduciary Net Position - Beginning of Year	-
FIDUCIARY NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Tax Collector (Tax Collector) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

Hardee County, Florida, is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Tax Collector is an elected official of Hardee County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Tax Collector is part of the primary government of Hardee County, Florida. Although the Board and the Florida Department of Revenue approve the Tax Collector's operating budget, the Tax Collector is responsible for the administration and the operation of the Tax Collector's office. The Tax Collector's financial statements include only the funds of the Tax Collector's office. There are no separate legal entities (component units) for which the Tax Collector is considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

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 only present fund financial statements. These financial statements present only the portion of the funds of Hardee County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Hardee County, Florida, in conformity with GAAP.

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector. It is presented as a major governmental fund, which uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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. However, expenditures related to accumulated compensated absences, and claims and judgments are recorded only when payments are due.

The custodial funds use the economic resources measurement focus and the accrual basis of accounting.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting, and Measurement Focus (Continued)

Charges for services on the collection of property taxes are recognized as revenue in the fiscal year for which taxes are levied, provided they are collected within 60 days after the end of the fiscal year. Those fees are earned pursuant to Florida Statute Chapter 192.091(2) as a Fee Officer. Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Investment revenues are recorded as earned.

Any excess revenues received over expenditures made are remitted to the Board and the other taxing districts and recorded as other financing uses.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the General Fund and is on a basis consistent with GAAP. Budgetary control is at the expenditure classification level (personal services, operating expenditures, capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Tax Collector. Amendments between expenditure classifications must be submitted to the State of Florida Department of Revenue for approval. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

Property Tax Collection – Chapter 197, Florida Statutes, governs property tax collection.

Current Taxes – All property taxes become due and payable on November 1 and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes – Sale of Tax Certificates – The Tax Collector advertises, as required by Florida Statutes, and then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds – The owner of a tax certificate may file an application for tax deed sale two years after the taxes have been delinquent (after April 1). The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder of the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Refund of "Excess Fees" – Florida Statutes provide that the excess of the Tax Collector's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of the undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and other taxing districts.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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 balance, revenues, and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Tax Collector's funds are as follows:

Governmental Fund

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

Fiduciary Funds

Custodial Funds – Custodial funds are fiduciary in nature and used to account for assets associated with property tax and motor vehicle activities, which benefit other governments.

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. As of September 30, 2021, there was no fund balance in the General Fund and no classification for fund balance is necessary.

As the Tax Collector is an elected official responsible for the activities of the Tax Collector's office, the Tax Collector is the highest level of decision-making authority and any official order from the Tax Collector would be required to authorize commitment of fund balance.

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

Net Position

As of September 30, 2021, there was no net position in the Fiduciary Funds and no classification for net position is necessary.

Capital Assets

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost. Donated assets are recorded at acquisition value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Tax Collector maintains custodial responsibility for these capital assets.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets Continued

Capital assets are defined by the Tax Collector as assets with an initial, individual cost of \$1,500 or more and an estimated useful of life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Accumulated Unpaid Vacation and Sick Pay

It is the Tax Collector's policy to allow employees to accumulate vacation and sick leave. After one year of service, employees are vested and shall be paid for accumulated and unused vacation leave up to a maximum of 120 hours. As an additional incentive, all employees who have been employed 20 years or more are eligible to be paid for accumulated sick leave at varying percentages based on the number of years of employment ranging from 25% to 50% of their accumulated leave.

The Tax Collector's liability for compensated absences is reported as noncurrent liabilities in the records of Hardee County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Use of Estimates

The preparation of the fund financial statements is in conformity with GAAP, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial 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 a certain portion of the premium cost applicable to an active employee based on years of service and other factors. 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 Pension*, are reported in the financial statements of the County.

NOTE 2 CUSTODIAL CREDIT RISK

At September 30, 2021, the Tax Collector's bank balance was \$570,474, consisting entirely of demand deposits. 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

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CUSTODIAL CREDIT RISK (CONTINUED)

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. 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.

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

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

A reconciliation to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits	\$	604,174
Petty Cash and Change Funds		1,450
Total	<u>\$</u>	<u>605,624</u>
Balance Sheet:		
Cash	\$	166,400
Statement of Fiduciary Net Position - Fiduciary Funds:		
Cash		<u>439,224</u>
Total Cash	<u>\$</u>	<u>605,624</u>

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2020	Additions	Disposals	Balance September 30, 2021
Machinery and Equipment	\$ 111,876	\$ 19,925	\$ -	\$ 131,801
Less: Accumulated Depreciation	(86,751)	(17,295)	-	(104,046)
Total Capital Assets, Net	<u>\$ 25,125</u>	<u>\$ 2,630</u>	<u>\$ -</u>	<u>\$ 27,755</u>

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 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 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).

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.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 DEFINED BENEFIT 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.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 DEFINED BENEFIT 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, 2021, 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. Tax Collector 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.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

Benefits Provided

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, 2021, 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.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The County's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$98,827, \$94,623, and \$89,694, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the Hardee County's comprehensive annual financial report.

NOTE 5 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2021:

	Balance October 1, 2020	Net Change	Balance September 30, 2021
Accrued Compensated Absences	<u>\$ 27,222</u>	<u>\$ (5,200)</u>	<u>\$ 22,022</u>

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 COMPENSATED ABSENCES (CONTINUED)

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Tax Collector's compensated absences policy. The long-term liabilities are not reported in the financial statements of the Tax Collector since they are not payable from spendable resources. They are reported in the financial statements of Hardee County.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2021 were as follows:

Budget Appropriation – The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$581,986 for the year ended September 30, 2021. The General Fund of the Tax Collector paid \$109,556 to the Board of County Commissioners for Health Insurance. In addition, \$183,751 and \$7,119 was due to the Board of County Commissioners at September 30, 2021 from the General Fund and Agency Funds, respectively.

NOTE 7 RISK MANAGEMENT

The Tax Collector participates in the risk management program through the Hardee County Board of County Commissioners under a local government risk pool. The following types of risk are provided for under the risk management pool:

- Professional Liability
- Automobile Liability
- Public Officials' Liability
- Workers' Compensation

The risk pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss.

NOTE 8 CONTINGENCIES

The Tax Collector is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of management, the ultimate disposition of these lawsuits and claims should not have a material adverse effect on the financial position of the Tax Collector.

**HARDEE COUNTY TAX COLLECTOR
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS – CUSTODIAL FUNDS
 SEPTEMBER 30, 2021**

	Custodial Funds		Total Custodial Funds
	Tax Collector	Motor Vehicle	
ASSETS			
Cash	\$ 347,399	\$ 91,825	\$ 439,224
LIABILITIES			
Due to Individuals	40,205	-	40,205
Due to Board of County Commissioners	5,395	1,724	7,119
Due to Other Governments	952	90,101	91,053
Due to Indigent Health Care Special District	91	-	91
Deposit - Installment Taxes	300,756	-	300,756
Total Liabilities	<u>347,399</u>	<u>91,825</u>	<u>439,224</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HARDEE COUNTY TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Funds		Total Custodial Funds
	Tax Collector	Motor Vehicle	
ADDITIONS			
Property Tax Collections for Other Governments	\$ 32,662,703	\$ -	\$ 32,662,703
License and Fees Collected for State Agencies	-	4,405,343	4,405,343
Total Additions	<u>32,662,703</u>	<u>4,405,343</u>	<u>37,068,046</u>
DEDUCTIONS			
Payments of Property Tax to Other Governments	32,651,768	-	32,651,768
Payments to State Agencies	10,935	4,405,343	4,416,278
Total Deductions	<u>32,662,703</u>	<u>4,405,343</u>	<u>37,068,046</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	-	-
Fiduciary Net Position - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable April Lambert
Hardee County Tax Collector
Hardee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the General Fund and the aggregate remaining fund information of the Hardee County Tax Collector (Tax Collector), as of and for the year ended September 30, 2021, 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 November 18, 2021.

Internal Controls 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) 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

The Honorable April Lambert
Hardee County Tax Collector

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 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*.

Tax Collector's Response to Findings

The Tax Collector's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Tax Collector's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Sebring, Florida
November 18, 2021



MANAGEMENT LETTER

The Honorable April Lambert
Hardee County Tax Collector
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Tax Collector, Florida, (Tax Collector) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated November 18, 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 November 18, 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 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 in the notes to the financial statements.

The Honorable April Lambert
Hardee County Tax Collector

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
November 18, 2021

**HARDEE COUNTY TAX COLLECTOR
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2021**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2021-001 – Segregation of Duties

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Duties within disbursement of expenditures are not adequately segregated so that one person is not responsible for more than one critical function.

Criteria or specific requirement: The Tax Collector's management is responsible for establishing and maintaining internal controls, including segregation of duties, to manage fraud and error risks.

Context: Procedures over the design and implementation of internal controls identified the deficiency.

Effect: Error and fraud risks are less manageable when there is inadequate segregation of duties.

Cause: The Tax Collector's office operates with a limited number of individuals and during the fiscal year a change in personnel occurred further limiting their options for segregating duties.

Recommendation: We recommend that the Tax Collector consider options to either segregate the general ledger processing duties for disbursements from the availability to sign checks or incorporate additional mitigating controls.

Views of responsible officials: In response to the current year findings and recommendations for the audit ending September 30,2021. We understand that we need to segregate the duties within disbursement of expenditures. We have already started the process of separating these duties. There will be one employee who does payroll and pays the bills and then I will check these and sign the checks. We will continue to work on finding the best way to approach this.

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INDEPENDENT ACCOUNTANTS' REPORT

The Honorable April Lambert, Hardee County Tax Collector
and the Florida Auditor General
Hardee County Tax Collector
Hardee County, Florida

We have examined the Hardee County Tax Collector's (Tax Collector) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. 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 our opinion.

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

In our opinion, the Tax Collector complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

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
November 18, 2021

