

HARDEE COUNTY, FLORIDA
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2022



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INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Hardee County, Florida

Report on the Audit of the Financial Statements

Opinions

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 (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of 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, 2022, 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.

We did not audit the financial statements of the Hardee County Industrial Development Authority (the Authority), which represent 100% percent, of the assets, net position, and revenues of the discretely presented component unit as of September 30, 2022. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective October 1, 2021, the County adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and a corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 is the responsibility of management and, 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 GAAS, 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.

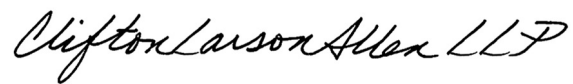
Supplementary Information

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 and 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 Government Entity Audits*, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Board of County Commissioners
Hardee County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023, 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 County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Sebring, Florida
September 15, 2023

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

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, 2022. This report provides comparative data for fiscal years 2022 and 2021.

Financial Highlights

Significant financial highlights for fiscal year 2022 are as follows:

- Total assets and deferred outflows of resources of the County exceeded total liabilities and deferred inflows of resources by \$76.84 million. Of this amount, \$66.17 million was invested in capital assets, net of related debt; \$15.77 million was restricted for various purposes; and unrestricted net deficit was \$5.10 million.
- The total net position was \$5.54 million more than the previous years' net position.
- The County's total liabilities increased by \$12.49 million or 43.7% from the previous year.
- As of September 30, 2022, the combined total governmental funds' fund balance reflected a balance of \$34.09 million, an increase of 14.9% from the previous year.
- The County's total unassigned fund balance was \$18.70 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, 2022**

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 are listed in the table of contents.

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 are listed in the table of contents.

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 are listed in the table of contents.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

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 are listed in the table of contents.

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 are listed in the table of contents.

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 \$76.84 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 (86.12%) reflects its investment in capital assets, (e.g., land, buildings and improvements, machinery and equipment, infrastructure, and right-to-use leased equipment) 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 \$5.54 million.

Hardee County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Current and Other Assets	\$ 36,932,314	\$ 40,579,970	\$ 5,953,541	\$ 5,403,125	\$ 42,885,855	\$ 45,983,095
Capital Assets	49,872,273	49,781,158	20,255,168	19,416,017	70,127,441	69,197,175
Total Assets	86,804,587	90,361,128	26,208,709	24,819,142	113,013,296	115,180,270
Deferred Outflows of Resources	5,690,122	6,578,826	163,036	188,377	5,853,158	6,767,203
Current Liabilities	5,892,002	3,244,168	1,256,166	427,488	7,148,168	3,671,656
Noncurrent Liabilities	13,303,134	28,841,236	8,137,576	8,565,558	21,440,710	37,406,794
Total Liabilities	19,195,136	32,085,404	9,393,742	8,993,046	28,588,878	41,078,450
Deferred Inflows of Resources	18,477,056	3,891,230	502,249	140,415	18,979,305	4,031,645
Net Position:						
Net Investment in						
Capital Assets	48,964,559	49,190,280	16,613,488	16,983,243	65,578,047	66,173,523
Restricted	17,158,427	15,770,499	-	-	17,158,427	15,770,499
Unrestricted	(11,300,469)	(3,997,459)	(137,734)	(1,109,185)	(11,438,203)	(5,106,644)
Total Net Position	\$ 54,822,517	\$ 60,963,320	\$ 16,475,754	\$ 15,874,058	\$ 71,298,271	\$ 76,837,378

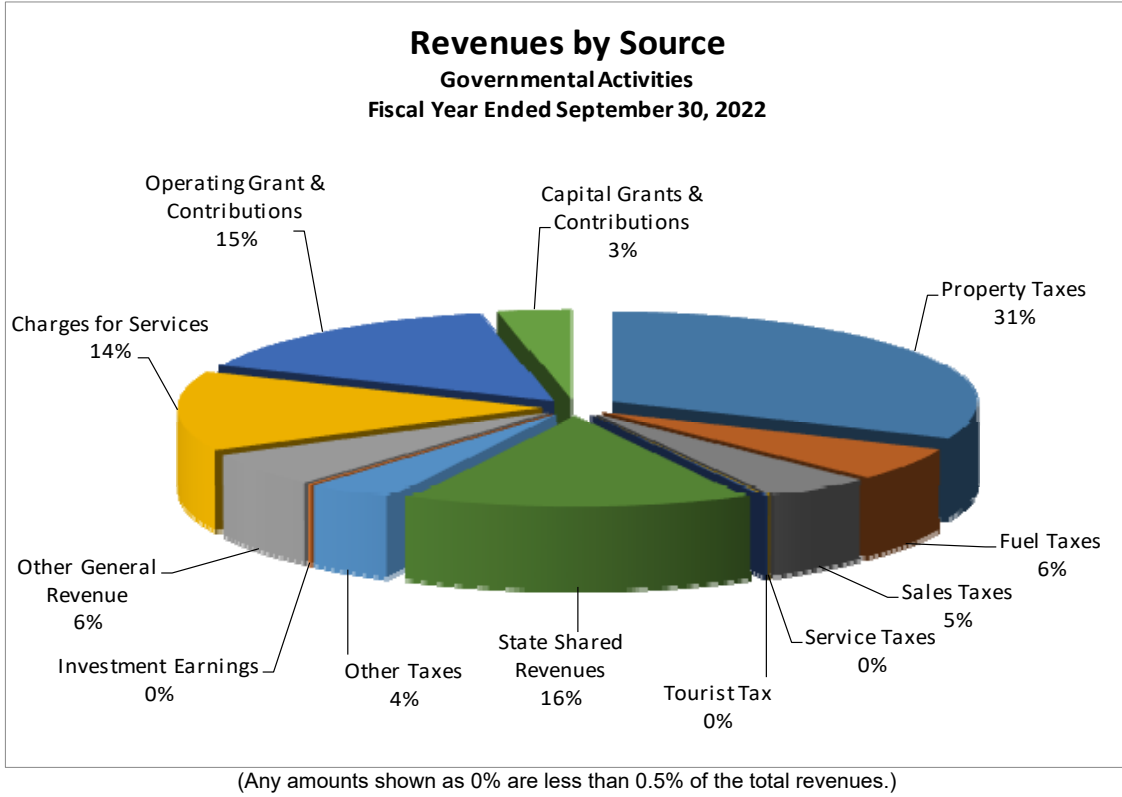
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Hardee County's Changes in Net Position

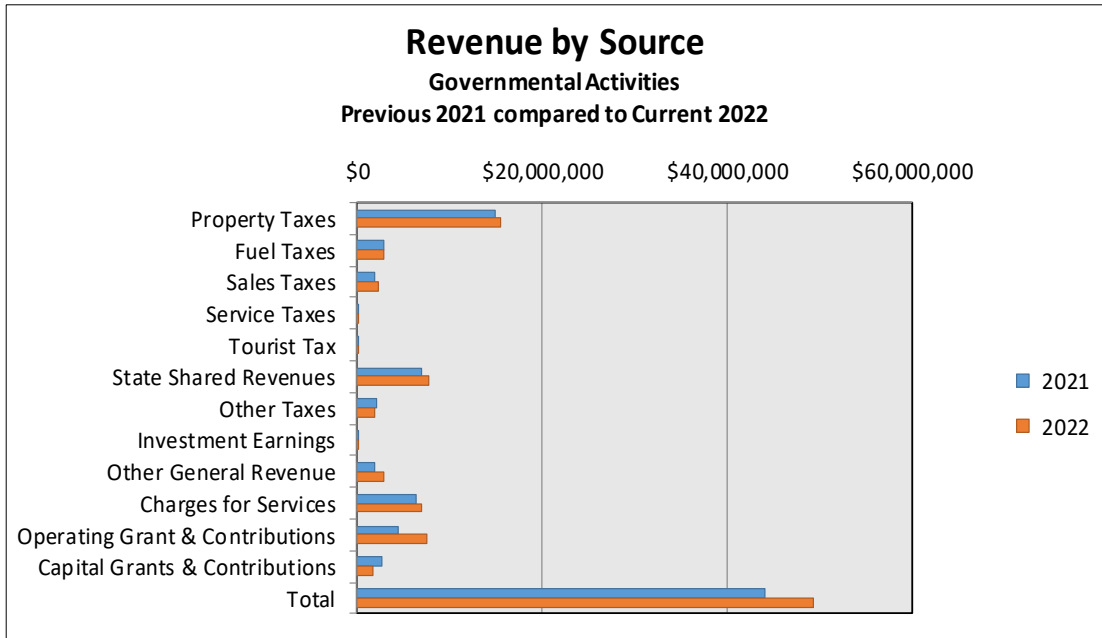
	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 6,372,603	\$ 6,878,800	\$ 3,108,983	\$ 3,364,423	\$ 9,481,586	\$ 10,243,223
Operating Grants and Contributions	4,394,481	7,534,562	111,831	109,108	4,506,312	7,643,670
Capital Grants and Contributions	2,638,761	1,621,513	1,031,363	360,037	3,670,124	1,981,550
General Revenues:						
Property Taxes	14,985,703	15,557,804	-	-	14,985,703	15,557,804
Other Taxes	6,868,649	7,149,687	-	-	6,868,649	7,149,687
State Shared Revenue	6,978,331	7,693,951	-	-	6,978,331	7,693,951
Other	1,890,219	2,977,978	19,642	92,626	1,909,861	3,070,604
Total Revenues	44,128,747	49,414,295	4,271,819	3,926,194	48,400,566	53,340,489
EXPENSES						
General Government	9,061,223	10,376,851	-	-	9,061,223	10,376,851
Public Safety	17,308,616	18,838,848	-	-	17,308,616	18,838,848
Physical Environment	330,703	324,925	-	-	330,703	324,925
Transportation	6,610,388	6,658,588	-	-	6,610,388	6,658,588
Economic Environment	4,085,823	4,508,247	-	-	4,085,823	4,508,247
Human Services	1,557,221	1,007,365	-	-	1,557,221	1,007,365
Culture and Recreation	1,345,775	1,581,443	-	-	1,345,775	1,581,443
Debt Service:						
Interest on Long-Term Debt	26,350	25,426	-	-	26,350	25,426
Solid Waste	-	-	2,143,041	2,570,459	2,143,041	2,570,459
Wauchula Hills Wastewater	-	-	1,789,595	1,776,155	1,789,595	1,776,155
Vandolah Wastewater	-	-	110,663	133,075	110,663	133,075
Total Expenses	40,326,099	43,321,693	4,043,299	4,479,689	44,369,398	47,801,382
Change in Net Position						
Before Transfers	3,802,648	6,092,602	228,520	(553,495)	4,031,168	5,539,107
Transfers	154,257	48,201	(154,257)	(48,201)	-	-
Change in Net Position	3,956,905	6,140,803	74,263	(601,696)	4,031,168	5,539,107
Net Position - Beginning of Year, as Previously Reported						
	50,855,257	54,822,517	16,401,491	16,475,754	67,256,748	71,298,271
Restatement	10,355	-	-	-	10,355	-
Net Position - Beginning of Year, as Restated	50,865,612	54,822,517	16,401,491	16,475,754	67,267,103	71,298,271
Net Position - End of Year	\$ 54,822,517	\$ 60,963,320	\$ 16,475,754	\$ 15,874,058	\$ 71,298,271	\$ 76,837,378

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

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

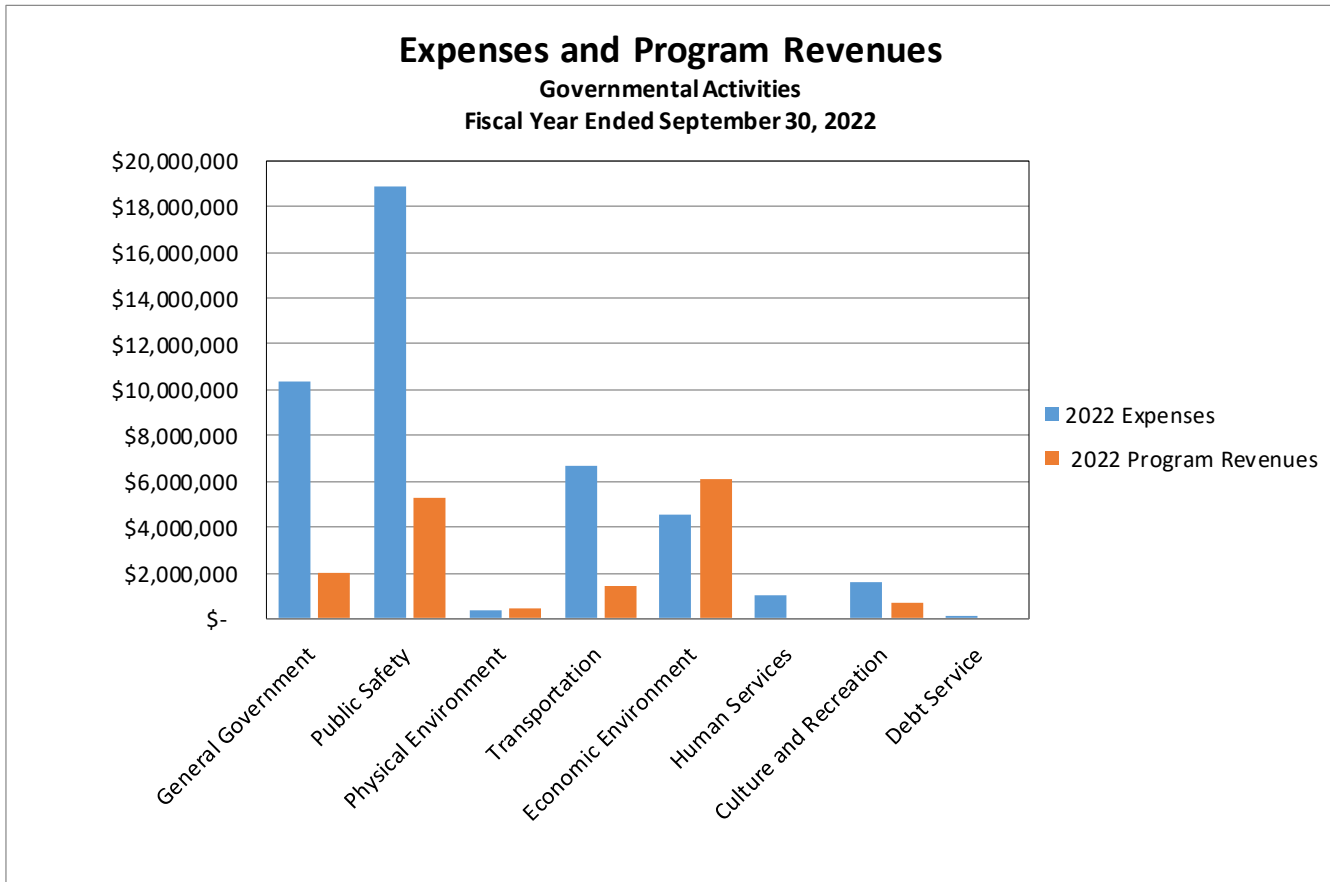


The following chart depicts the major revenue sources as a comparison of fiscal year revenues.



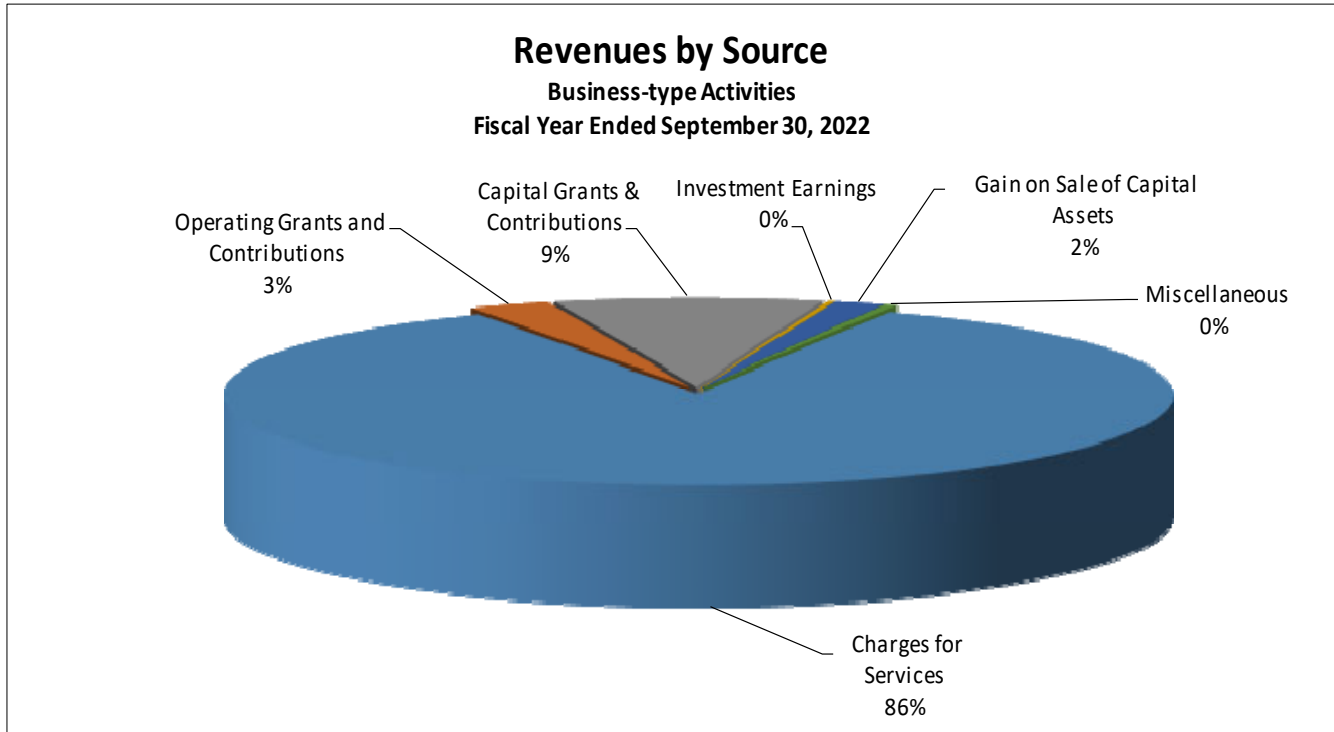
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

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.).



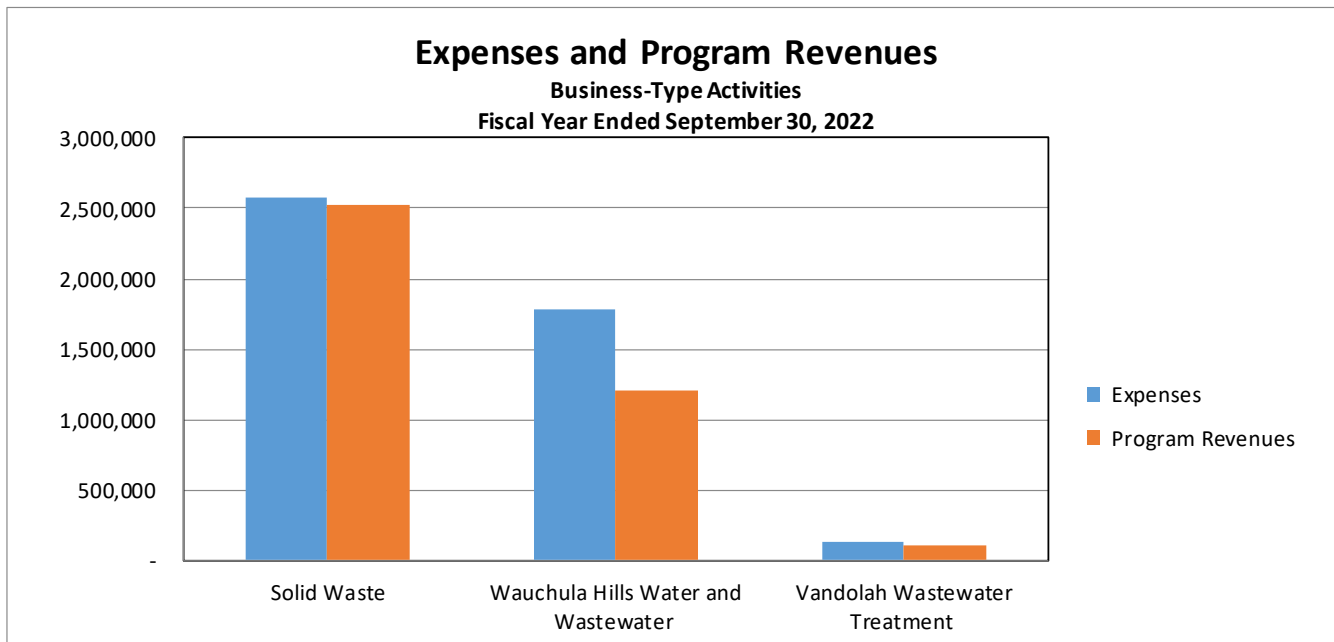
**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

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, 2022**

An analysis of the County's "Changes in Net Position" reflects that the overall revenues have increased by \$4.94 million. Further analysis shows that the overall increase is attributed to a \$346 thousand decrease in business-type activities offset by a \$5.29 million increase in governmental type activities. Major factors contributing to the increased revenues in the government type activities are as follows:

- A \$3.14 million increase in operating grants and contributions primarily related funding provided in response to the coronavirus pandemic.
- A \$716 thousand increase in state shared revenues as a result of the economic improvement and other changes over the previous year.
- A \$1.02 million decrease in capital grants and contributions related to transportation grant funded projects.
- A \$572 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 \$671 thousand decrease in capital grants and contributions primarily related to water and wastewater projects.

County expenses illustrate an overall increase of \$3.43 million. The overall increase was due to an increase in governmental activities of \$3.00 million and an increase in the business-type activities of \$436 thousand. The increase of the government type activities expenses is due to the following activities below:

- A \$1.53 million increase in public safety due to a \$1.5 million net effect of pension related changes.
- A \$1.32 million increase general government due to a \$685 thousand personnel and day to day operating costs and a \$550 thousand net effect of pension related changes.
- A \$550 thousand decrease in human services due to EDA's contribution to a permanent endowment for scholarships within Hardee County of \$562 thousand in fiscal year 2021 compared to none in fiscal year 2022.
- A \$422 thousand increase in economic environment primarily due to the EDA's increase in grant awards for economic development projects.

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

- A \$427 thousand increase in Solid Waste due to increases in general and administrative costs, depreciation expense, and the closure and post-closure recognized costs.

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, 2022**

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 \$34.09 million. Approximately \$2.04 million of the fund balance is restricted within the Transportation Fund, \$305 thousand within the Grants Fund, \$9.23 million within the Economic Development Authority Fund, and \$1.74 million is restricted within the nonmajor governmental funds. Committed fund balances were \$1.52 million within the Fire Control Fund and \$159 thousand within the nonmajor governmental funds. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$18.01 million, which represents 53% of the total fund balance for all 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 69% 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. Net position of the Solid Waste Fund decreased by \$68 thousand and Wauchula Hills Water/Wastewater Treatment Fund decreased by \$507 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 \$463 thousand increase and included the following:

- The most significant impact to the changes in the budget was an increase in capital outlay of \$360 thousand for the Sheriff.
- Public Safety also increased by \$244 thousand related to law enforcement activities.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Total revenues exceeded final budget by \$9.27 million. This was primarily due recognition of revenues received from the U.S. Treasury in response to the COVID-19 pandemic; and various other intergovernmental revenues exceeding budget.

Total expenditures were \$1.63 million under budget, not including the \$2.95 million of reserves that is included in the total expenditures final budget amount. This was primarily due to law enforcement personnel and general government expenditures being under budget.

Capital Assets

The County's investments in capital assets for its governmental and business-type activities as of September 30, 2022 were \$69.20 million (net of accumulated depreciation).

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

CAPITAL ASSETS	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Land	\$ 3,691,552	\$ 3,691,552	\$ 962,625	\$ 962,625	\$ 4,654,177	\$ 4,654,177
Construction in Progress	3,612,689	1,997,151	3,847,473	1,854,430	7,460,162	3,851,581
Buildings and Improvements	12,813,679	12,298,005	7,401,140	7,315,141	20,214,819	19,613,146
Machinery and Equipment	6,693,784	7,152,284	1,989,915	1,893,558	8,683,699	9,045,842
Infrastructure	23,060,569	24,551,111	6,054,015	7,387,535	29,114,584	31,938,646
Right-to-Use Leased Equipment ¹	141,552	91,055	4,909	2,728	146,461	93,783
Total Capital Assets	<u>\$ 50,013,825</u>	<u>\$ 49,781,158</u>	<u>\$ 20,260,077</u>	<u>\$ 19,416,017</u>	<u>\$ 70,273,902</u>	<u>\$ 69,197,175</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, 2022, the County had total long-term liabilities outstanding of \$37.41 million. Of this amount, \$2.43 million is notes payable, \$408 thousand is financed purchases, \$88 thousand is leases payable, \$1.16 million is compensated absences, \$5.41 million is landfill closure and post closure obligations, \$25.85 million is net pension liability, and other postemployment benefits (OPEB) obligations consisted of \$2.06 million.

Hardee County's Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Notes Payable	\$ -	\$ -	\$ 2,780,000	\$ 2,430,000	\$ 2,780,000	\$ 2,430,000
Finance Purchases	551,267	407,962	-	-	551,267	407,962
Lease Payables	141,552	84,734	4,909	2,774	146,461	87,508
Compensated Absences	1,008,502	1,157,797	5,287	5,287	1,013,789	1,163,084
Landfill Closure/Post Closure	-	-	5,038,774	5,413,436	5,038,774	5,413,436
Net Pension Liability	9,725,684	25,226,689	221,975	619,791	9,947,659	25,846,480
OPEB Obligations	2,017,681	1,964,054	91,540	94,270	2,109,221	2,058,324
Total	<u>\$ 13,444,686</u>	<u>\$ 28,841,236</u>	<u>\$ 8,142,485</u>	<u>\$ 8,565,558</u>	<u>\$ 21,587,171</u>	<u>\$ 37,406,794</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, 2022**

Economic Factors and Next Year's Budgets and Rates

Local, national, and international economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, and state revenue sharing, as well as state and federal grants. Economic growth may be measured by a variety of indicators such as employment growth, employment diversity, unemployment rate, new construction and assessed values, diversity of the property tax base, and Enterprise Fund revenue and net position growth.

The following factors were considered when next year's budget was prepared:

- Taxable property values in Hardee County increased from fiscal year 2022 at \$1,850,309,923 to \$2,027,767,381 for fiscal year 2023. This was an increase in taxable assessed values of over 9 percent, resulting in an estimated \$1.5 million in additional revenue.
- The property tax millage rate will remain 8.8000 mills in 2023.
- Hardee County had a 4.6 percent unemployment rate as reported by the Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research and CareerSource Heartland.
- During fiscal year 2022, the County conducted a salary study to determine competitive employee compensation. This, as well as increased costs in employee benefits, resulted in a 10 percent personnel increase in the County's fiscal year 2022-2023 budget.
- The County received approximately \$5,000,000 from the American Rescue Plan Act of 2021 to support public health efforts, address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer, and broadband infrastructure.
- While timing did not allow consideration during the initial budget preparation, Hurricane Ian, a strong category 4 hurricane, impacted Hardee County on September 28, 2022, thus impacting the fiscal year 2023 budget. The County expects substantial reimbursement from federal and state agencies for expenditures related to Hurricane Ian.

With the previous factors considered, Hardee County's budgeted revenue and expenditures for fiscal year ending September 30, 2023 are \$74,141,640. The total budget for the prior fiscal year was \$64,248,656.

**HARDEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

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

**HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
ASSETS				
Cash and Cash Equivalents	\$ 35,087,359	\$ 3,405,480	\$ 38,492,839	\$ 17,858,924
Investments	-	-	-	6,129,572
Deposits Held by Others	10,068	3,596	13,664	-
Accounts Receivable, Net	869,308	179,624	1,048,932	10,266,503
Note Receivable	-	-	-	170,863
Lease Receivable	54,428	-	54,428	-
Internal Balances	(743)	743	-	-
Due from Other Governmental Agencies	4,210,412	57,081	4,267,493	298,443
Prepaid Items	25,526	38,062	63,588	116,621
Inventory - Supplies	323,612	-	323,612	-
Inventory - Property Held for Resale	-	-	-	533,076
Restricted Assets:				
Cash and Cash Equivalents	-	1,718,539	1,718,539	-
Capital Assets, Not Being Depreciated/Amortized	5,688,703	2,817,055	8,505,758	8,349,812
Capital Assets, Net of Accumulated Depreciation/Amortization	44,092,455	16,598,962	60,691,417	11,161,234
Total Assets	90,361,128	24,819,142	115,180,270	54,885,048
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	6,407,656	180,161	6,587,817	-
Other Postemployment Benefits Related Items	171,170	8,216	179,386	-
Total Deferred Outflows of Resources	6,578,826	188,377	6,767,203	-
LIABILITIES				
Accounts Payable and Accrued Liabilities	2,063,359	323,602	2,386,961	473,295
Due to Other Governmental Agencies	1,179,418	8,092	1,187,510	-
Deposits	-	59,225	59,225	-
Unearned Revenue	1,391	36,569	37,960	92,250
Noncurrent Liabilities:				
Due within One Year	1,273,596	530,605	1,804,201	-
Due in More than One Year	376,897	7,320,892	7,697,789	-
Net Pension Liability	25,226,689	619,791	25,846,480	-
Total Other Postemployment Benefits Liability	1,964,054	94,270	2,058,324	-
Total Liabilities	32,085,404	8,993,046	41,078,450	565,545
DEFERRED INFLOWS OF RESOURCES				
Lease Related Items	53,524	-	53,524	9,781,574
Pension Related Items	3,056,495	102,918	3,159,413	-
Other Postemployment Benefits Related Items	781,211	37,497	818,708	-
Total Deferred Inflows of Resources	3,891,230	140,415	4,031,645	9,781,574
NET POSITION				
Net Investment in Capital Assets	49,190,280	16,983,243	66,173,523	19,511,046
Restricted for:				
Court Innovations	485,493	-	485,493	-
Court Technology	20,772	-	20,772	-
E-911	598,152	-	598,152	-
Economic Development	9,225,148	-	9,225,148	22,308,359
Grants	809,609	-	809,609	-
Inmate Welfare	106,992	-	106,992	-
Law Enforcement Education	37,697	-	37,697	-
Law Enforcement Trust	72,568	-	72,568	-
Law Enforcement - Other	10,182	-	10,182	-
Official Records	158,706	-	158,706	-
Tourist Development	315,621	-	315,621	-
Transportation	3,929,559	-	3,929,559	-
Total Restricted Net Position	15,770,499	-	15,770,499	22,308,359
Unrestricted (Deficit)	(3,997,459)	(1,109,185)	(5,106,644)	2,718,524
Total Net Position	\$ 60,963,320	\$ 15,874,058	\$ 76,837,378	\$ 44,537,929

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

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	Total	Industrial Development Authority
Primary Government								
Governmental Activities:								
General Government	\$ 10,376,851	\$ 1,461,144	\$ 535,463	\$ -	\$ (8,380,244)	\$ -	\$ (8,380,244)	\$ -
Public Safety	18,838,848	4,510,946	740,937	49,295	(13,537,670)	-	(13,537,670)	-
Physical Environment	324,925	362,865	108,327	-	146,267	-	146,267	-
Transportation	6,658,588	70,462	-	1,398,892	(5,189,234)	-	(5,189,234)	-
Economic Environment	4,508,247	-	6,107,499	-	1,599,252	-	1,599,252	-
Human Services	1,007,365	-	-	-	(1,007,365)	-	(1,007,365)	-
Culture and Recreation	1,581,443	473,383	42,336	173,326	(892,398)	-	(892,398)	-
Debt Service:								
Interest and Fiscal Charges	25,426	-	-	-	(25,426)	-	(25,426)	-
Total Governmental Activities	43,321,693	6,878,800	7,534,562	1,621,513	(27,286,818)	-	(27,286,818)	-
Business-Type Activities:								
Solid Waste	2,570,459	2,353,937	109,108	56,339	-	(51,075)	(51,075)	-
Wauchula Hills Water and Wastewater	1,776,155	903,385	-	303,698	-	(569,072)	(569,072)	-
Vandolah Wastewater Treatment	133,075	107,101	-	-	-	(25,974)	(25,974)	-
Total Business-Type Activities	4,479,689	3,364,423	109,108	360,037	-	(646,121)	(646,121)	-
Total Primary Government	\$ 47,801,382	\$ 10,243,223	\$ 7,643,670	\$ 1,981,550	(27,286,818)	(646,121)	(27,932,939)	-
Component Unit:								
Industrial Development Authority	\$ 2,859,604	\$ 906,382	\$ 135,000	\$ 1,781,209	-	-	-	(37,013)
GENERAL REVENUES								
Taxes:								
					15,557,804	-	15,557,804	-
					2,817,075	-	2,817,075	-
					2,307,165	-	2,307,165	-
					45,223	-	45,223	-
					70,938	-	70,938	-
					1,909,286	-	1,909,286	-
					7,693,951	-	7,693,951	-
					-	-	-	7,200,476
					66,337	9,082	75,419	411,327
					-	66,625	66,625	-
					2,911,641	16,919	2,928,560	2,060
					48,201	(48,201)	-	-
					33,427,621	44,425	33,472,046	7,613,863
CHANGE IN NET POSITION					6,140,803	(601,696)	5,539,107	7,576,850
Net Position - Beginning of Year					54,822,517	16,475,754	71,298,271	36,961,079
NET POSITION - END OF YEAR					\$ 60,963,320	\$ 15,874,058	\$ 76,837,378	\$ 44,537,929

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
BALANCE SHEET — GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Major					Nonmajor	Total Governmental Funds
	General Fund	Transportation Trust Fund	Fire Control Fund	Grants Fund	Emergency Disaster	Economic Development Authority Fund	
ASSETS							
Cash and Cash Equivalents	\$ 17,427,544	\$ 1,918,726	\$ 1,617,926	\$ 1,006,581	\$ 264	\$ 10,901,478	\$ 35,087,359
Deposits	5,753	4,315	-	-	-	-	10,068
Accounts Receivable, Net	827,067	-	38	-	-	42,203	869,308
Lease Receivable	54,428	-	-	-	-	-	54,428
Due from Other Funds	559,562	102	-	263	-	153,409	713,336
Due from Other Governments	1,268,479	2,269,087	87,818	462,736	-	122,292	4,210,412
Prepaid Items	23,909	-	-	-	-	1,617	25,526
Inventory of Supplies, at Cost	323,612	-	-	-	-	-	323,612
Total Assets	<u>\$ 20,490,354</u>	<u>\$ 4,192,230</u>	<u>\$ 1,705,782</u>	<u>\$ 1,469,580</u>	<u>\$ 264</u>	<u>\$ 10,901,478</u>	<u>\$ 41,294,049</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
BALANCE SHEET — GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2022

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	\$ 1,265,848	\$ 276,410	\$ 103,355	\$ 188,714	\$ 133,923	\$ 17,498	\$ 77,611	\$ 2,063,359
Due to Other Funds	57,340	38,207	-	441,462	-	-	177,070	714,079
Due to Other Governments	49,055	2,797	3,027	71,843	-	774,653	278,043	1,179,418
Unearned Revenue	-	-	-	1,391	-	-	-	1,391
Total Liabilities	<u>1,372,243</u>	<u>317,414</u>	<u>106,382</u>	<u>703,410</u>	<u>133,923</u>	<u>792,151</u>	<u>532,724</u>	<u>3,958,247</u>
Deferred Inflows of Resources:								
Lease Related Items	53,524	-	-	-	-	-	-	53,524
Unavailable Revenue:								
Intergovernmental	-	1,830,057	83,527	460,740	-	-	106,717	2,481,041
Emergency Medical Services	711,164	-	-	-	-	-	-	711,164
Total Deferred Inflows of Resources	<u>764,688</u>	<u>1,830,057</u>	<u>83,527</u>	<u>460,740</u>	<u>-</u>	<u>-</u>	<u>106,717</u>	<u>3,245,729</u>
Fund Balances:								
Nonspendable	347,521	-	-	-	-	-	1,617	349,138
Restricted	-	2,044,759	-	305,430	-	9,225,148	1,735,010	13,310,347
Committed	-	-	1,515,873	-	-	-	159,115	1,674,988
Assigned	-	-	-	-	-	55,508	-	55,508
Unassigned	18,005,902	-	-	-	(133,659)	828,671	(822)	18,700,092
Total Fund Balances (Deficit)	<u>18,353,423</u>	<u>2,044,759</u>	<u>1,515,873</u>	<u>305,430</u>	<u>(133,659)</u>	<u>10,109,327</u>	<u>1,894,920</u>	<u>34,090,073</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 20,490,354</u>	<u>\$ 4,192,230</u>	<u>\$ 1,705,782</u>	<u>\$ 1,469,580</u>	<u>\$ 264</u>	<u>\$ 10,901,478</u>	<u>\$ 2,534,361</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.	49,781,158
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	3,192,205
Long-term liabilities, including financed purchases, leases payable, and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(1,650,493)
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.	(21,875,528)
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.	(2,574,095)
Net Position of Governmental Activities	<u>\$ 60,963,320</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, 2022

	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	\$ 17,910,192	\$ 1,521,103	\$ -	\$ -	\$ -	\$ -	\$ 70,938	\$ 19,502,233
Licenses and Permits	553,265	-	-	-	-	-	-	553,265
Intergovernmental	10,676,445	3,455,907	-	822,589	544,063	1,909,286	750,408	18,158,698
Charges for Services	2,774,343	70,462	16,172	-	-	-	920,892	3,781,869
Fines and Forfeitures	10,979	-	-	-	-	-	161,147	172,126
Assessments	-	-	2,222,024	-	-	-	-	2,222,024
Interest	25,634	3,311	3,237	1,356	7,031	20,044	3,508	64,121
Miscellaneous	2,505,320	305,505	25,727	238,781	-	-	67,389	3,142,722
Total Revenues	34,456,178	5,356,288	2,267,160	1,062,726	551,094	1,929,330	1,974,282	47,597,058
EXPENDITURES								
Current:								
General Government	7,845,242	-	-	-	-	-	1,644,429	9,489,671
Public Safety	15,078,052	-	2,272,332	229,345	-	-	201,026	17,780,755
Physical Environment	42,331	-	-	22,427	-	-	267,206	331,964
Transportation	-	3,947,886	-	8,941	-	-	-	3,956,827
Economic Environment	-	-	-	690,680	563,311	3,254,212	-	4,508,203
Human Services	914,327	-	-	71,842	-	-	-	986,169
Culture and Recreation	1,135,499	-	-	-	-	435,456	-	1,570,955
Capital Outlay	1,548,361	2,302,081	159,452	162,311	137,656	-	60,576	4,370,437
Debt Service:								
Principal Retirement	87,353	1,958	112,229	-	-	-	1,897	203,437
Interest	6,723	104	18,513	-	-	-	86	25,426
Total Expenditures	26,657,888	6,252,029	2,562,526	1,185,546	700,967	3,689,668	2,175,220	43,223,844
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,798,290	(895,741)	(295,366)	(122,820)	(149,873)	(1,760,338)	(200,938)	4,373,214
OTHER FINANCING SOURCES AND (USES)								
Transfers In	455,835	1,701	200,000	5,387	148,921	-	791,872	1,603,716
Transfers Out	(754,308)	-	(106,500)	(646)	(132,000)	-	(562,061)	(1,555,515)
Issuance of Debt	3,314	-	-	-	-	-	-	3,314
Total Other Financing Sources and (Uses)	(295,159)	1,701	93,500	4,741	16,921	-	229,811	51,515
NET CHANGE IN FUND BALANCES	7,503,131	(894,040)	(201,866)	(118,079)	(132,952)	(1,760,338)	28,873	4,424,729
Fund Balances - Beginning of Year	10,850,292	2,938,799	1,717,739	423,509	(707)	11,869,665	1,866,047	29,665,344
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 18,353,423	\$ 2,044,759	\$ 1,515,873	\$ 305,430	\$ (133,659)	\$ 10,109,327	\$ 1,894,920	\$ 34,090,073

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, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 4,424,729

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. (232,667)

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. 50,828

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. 1,817,237

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. 66,660

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. 14,016

Change in Net Position of Governmental Activities \$ 6,140,803

HARDEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL — GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 17,827,909	\$ 17,827,909	\$ 17,910,192	\$ 82,283
Licenses and Permits	314,075	314,075	553,265	239,190
Intergovernmental	4,524,897	4,602,444	10,676,445	6,074,001
Charges for Services	1,450,932	1,758,453	2,774,343	1,015,890
Fines and Forfeitures	2,450	2,450	10,979	8,529
Interest	48,150	48,749	25,634	(23,115)
Miscellaneous	552,370	634,928	2,505,320	1,870,392
Total Revenues	<u>24,720,783</u>	<u>25,189,008</u>	<u>34,456,178</u>	<u>9,267,170</u>
EXPENDITURES				
Current:				
General Government	8,752,996	8,547,995	7,845,242	702,753
Public Safety	15,872,239	16,116,304	15,078,052	1,038,252
Physical Environment	44,129	44,431	42,331	2,100
Human Services	930,617	994,144	914,327	79,817
Culture and Recreation	1,365,555	1,365,973	1,135,499	230,474
Capital Outlay	782,770	1,142,299	1,548,361	(406,062)
Debt Service:				
Principal Retirement	73,771	73,771	87,353	(13,582)
Interest	4,770	4,770	6,723	(1,953)
Other Expenditures	2,951,007	2,951,007	-	2,951,007
Total Expenditures	<u>30,777,854</u>	<u>31,240,694</u>	<u>26,657,888</u>	<u>4,582,806</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,057,071)	(6,051,686)	7,798,290	13,849,976
OTHER FINANCING SOURCES AND (USES)				
Transfers In	317,148	317,148	455,835	138,687
Transfers Out	(736,499)	(741,884)	(754,308)	(12,424)
Issuance of Debt	-	-	3,314	3,314
Total Other Financing Sources and (Uses)	<u>(419,351)</u>	<u>(424,736)</u>	<u>(295,159)</u>	<u>129,577</u>
NET CHANGE IN FUND BALANCES	(6,476,422)	(6,476,422)	7,503,131	13,979,553
Fund Balances - Beginning of Year	<u>6,476,422</u>	<u>6,476,422</u>	<u>10,850,292</u>	<u>4,373,870</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,353,423</u>	<u>\$ 18,353,423</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,340,160	\$ 1,340,160	\$ 1,521,103	\$ 180,943
Intergovernmental	7,039,967	9,659,254	3,455,907	(6,203,347)
Charges for Services	105,450	105,450	70,462	(34,988)
Interest	5,000	5,000	3,311	(1,689)
Miscellaneous	171,207	261,512	305,505	43,993
Total Revenues	<u>8,661,784</u>	<u>11,371,376</u>	<u>5,356,288</u>	<u>(6,015,088)</u>
EXPENDITURES				
Current:				
Transportation	5,141,874	5,137,290	3,947,886	1,189,404
Capital Outlay	5,128,297	8,098,655	2,302,081	5,796,574
Debt Service:				
Principal Retirement	-	-	1,958	(1,958)
Interest	-	-	104	(104)
Other Expenditures	1,008,187	1,008,187	-	1,008,187
Total Expenditures	<u>11,278,358</u>	<u>14,244,132</u>	<u>6,252,029</u>	<u>7,992,103</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,616,574)	(2,872,756)	(895,741)	1,977,015
OTHER FINANCING SOURCES				
Transfers In	41,700	41,700	1,701	(39,999)
NET CHANGE IN FUND BALANCES	(2,574,874)	(2,831,056)	(894,040)	1,937,016
Fund Balances - Beginning of Year	<u>2,574,874</u>	<u>2,831,056</u>	<u>2,938,799</u>	<u>107,743</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,044,759</u>	<u>\$ 2,044,759</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 96,743	\$ -	\$ (96,743)
Charges for Services	18,700	18,700	16,172	(2,528)
Assessments	2,200,000	2,200,000	2,222,024	22,024
Interest	1,100	1,100	3,237	2,137
Miscellaneous		-	25,727	25,727
Total Revenues	<u>2,219,800</u>	<u>2,316,543</u>	<u>2,267,160</u>	<u>(49,383)</u>
EXPENDITURES				
Current:				
Public Safety	2,627,501	2,737,590	2,272,332	465,258
Capital Outlay	93,893	206,956	159,452	47,504
Debt Service:				
Principal Retirement	149,587	146,655	112,229	34,426
Interest	16,762	19,694	18,513	1,181
Other Expenditures	415,243	288,834	-	288,834
Total Expenditures	<u>3,302,986</u>	<u>3,399,729</u>	<u>2,562,526</u>	<u>837,203</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,083,186)	(1,083,186)	(295,366)	787,820
OTHER FINANCING SOURCES AND (USES)				
Transfers In	200,000	200,000	200,000	-
Transfers Out	(106,500)	(106,500)	(106,500)	-
Total Other Financing Sources and (Uses)	<u>93,500</u>	<u>93,500</u>	<u>93,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(989,686)	(989,686)	(201,866)	787,820
Fund Balances - Beginning of Year	<u>989,686</u>	<u>989,686</u>	<u>1,717,739</u>	<u>728,053</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,515,873</u></u>	<u><u>\$ 1,515,873</u></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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,253,833	\$ 2,103,545	\$ 822,589	\$ (1,280,956)
Interest	1,000	1,400	1,356	(44)
Miscellaneous	-	274,939	238,781	(36,158)
Total Revenues	<u>1,254,833</u>	<u>2,379,884</u>	<u>1,062,726</u>	<u>(1,317,158)</u>
EXPENDITURES				
Current:				
Public Safety	159,400	386,717	229,345	157,372
Physical Environment	78,303	78,303	22,427	55,876
Transportation	-	18,394	8,941	9,453
Economic Environment	388,905	1,211,538	690,680	520,858
Human Services	-	71,842	71,842	-
Capital Outlay	630,000	879,050	162,311	716,739
Total Expenditures	<u>1,256,608</u>	<u>2,645,844</u>	<u>1,185,546</u>	<u>1,460,298</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,775)	(265,960)	(122,820)	143,140
OTHER FINANCING SOURCES AND (USES)				
Transfers In	-	5,387	5,387	-
Transfers Out	(2,348)	(21,105)	(646)	20,459
Total Other Financing Sources and (Uses)	<u>(2,348)</u>	<u>(15,718)</u>	<u>4,741</u>	<u>20,459</u>
NET CHANGE IN FUND BALANCES	(4,123)	(281,678)	(118,079)	163,599
Fund Balances - Beginning of Year	<u>4,123</u>	<u>281,678</u>	<u>423,509</u>	<u>141,831</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,430</u>	<u>\$ 305,430</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 570,000	\$ 544,063	\$ (25,937)
Interest	-	-	7,031	7,031
Total Revenues	-	570,000	551,094	(18,906)
EXPENDITURES				
Current:				
Economic Environment	-	1,440,552	563,311	877,241
Capital Outlay	-	1,063,459	137,656	925,803
Other Expenditures	2,586,000	-	-	-
Total Expenditures	2,586,000	2,504,011	700,967	1,803,044
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,586,000)	(1,934,011)	(149,873)	1,784,138
OTHER FINANCING SOURCES AND (USES)				
Transfers In	-	-	148,921	148,921
Transfers Out	-	(651,989)	(132,000)	519,989
Total Other Financing Sources and (Uses)	-	(651,989)	16,921	668,910
NET CHANGE IN FUND BALANCE	(2,586,000)	(2,586,000)	(132,952)	2,453,048
Fund Balance - Beginning of Year	2,586,000	2,586,000	(707)	(2,586,707)
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (133,659)</u>	<u>\$ (133,659)</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,000,000	\$ 1,909,286	\$ 1,909,286	\$ -
Interest	11,250	20,044	20,044	-
Total Revenues	<u>2,011,250</u>	<u>1,929,330</u>	<u>1,929,330</u>	<u>-</u>
EXPENDITURES				
Current:				
Economic Environment	8,945,772	11,127,316	3,254,212	7,873,104
Human Services	-	-	-	-
Recreation	2,138,146	2,269,723	435,456	1,834,267
Total Expenditures	<u>11,083,918</u>	<u>13,397,039</u>	<u>3,689,668</u>	<u>9,707,371</u>
NET CHANGE IN FUND BALANCES	(9,072,668)	(11,467,709)	(1,760,338)	9,707,371
Fund Balances - Beginning of Year	<u>11,715,967</u>	<u>11,866,785</u>	<u>11,869,665</u>	<u>2,880</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,643,299</u>	<u>\$ 399,076</u>	<u>\$ 10,109,327</u>	<u>\$ 9,710,251</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	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	\$ 2,261,820	\$ 1,002,307	\$ 141,353	\$ 3,405,480
Deposits	-	3,596	-	3,596
Accounts Receivable, Net	78,994	100,578	52	179,624
Due from Other Funds	-	748	-	748
Due from Other Governmental Agencies	3,254	53,827	-	57,081
Prepaid Items	38,062	-	-	38,062
Total Current Assets	<u>2,382,130</u>	<u>1,161,056</u>	<u>141,405</u>	<u>3,684,591</u>
NONCURRENT ASSETS				
Restricted Cash and Cash Equivalents	1,718,539	-	-	1,718,539
Capital Assets:				
Land	372,775	424,850	165,000	962,625
Construction in Progress	13,458	1,840,972	-	1,854,430
Buildings and Improvements	2,968,657	5,801,121	1,184,598	9,954,376
Equipment	3,454,361	612,022	8,961	4,075,344
Infrastructure	7,218,397	14,616,742	-	21,835,139
Right-To-Use Leased Equipment	2,519	2,103	287	4,909
Less: Accumulated Depreciation/Amortization	<u>(8,783,571)</u>	<u>(10,019,871)</u>	<u>(467,364)</u>	<u>(19,270,806)</u>
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	<u>5,246,596</u>	<u>13,277,939</u>	<u>891,482</u>	<u>19,416,017</u>
Total Noncurrent Assets	<u>6,965,135</u>	<u>13,277,939</u>	<u>891,482</u>	<u>21,134,556</u>
Total Assets	<u>9,347,265</u>	<u>14,438,995</u>	<u>1,032,887</u>	<u>24,819,147</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	72,517	94,461	13,183	180,161
Other Postemployment Benefits Related Items	3,283	4,341	592	8,216
Total Deferred Outflows of Resources	<u>75,800</u>	<u>98,802</u>	<u>13,775</u>	<u>188,377</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2022

	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	\$ 241,897	\$ 76,105	\$ 5,600	\$ 323,602
Due to Other Governmental Agencies	8,092	-	-	8,092
Due to Other Funds	5	-	-	5
Deposits	23,842	35,383	-	59,225
Unearned Revenue	-	36,569	-	36,569
Accrued Compensated Absences, Current Portion	1,856	-	-	1,856
Notes Payable, Current Portion	350,000	-	-	350,000
Landfill Closure and Postclosure Costs, Current Portion	176,541	-	-	176,541
Leases Payable	1,040	1,028	140	2,208
Total Current Liabilities	<u>803,273</u>	<u>149,085</u>	<u>5,740</u>	<u>958,098</u>
NONCURRENT LIABILITIES				
Accrued Compensated Absences	3,431	-	-	3,431
Net Pension Liability	287,737	281,547	50,507	619,791
Other Postemployment Benefits	37,667	49,811	6,792	94,270
Notes Payable, Less Current Portion	2,080,000	-	-	2,080,000
Landfill Closure and Post-closure Costs	5,236,895	-	-	5,236,895
Leases Payable	473	82	11	566
Total Noncurrent Liabilities	<u>7,646,203</u>	<u>331,440</u>	<u>57,310</u>	<u>8,034,953</u>
Total Liabilities	8,449,476	480,525	63,050	8,993,051
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	41,173	54,269	7,476	102,918
Other Postemployment Benefits Related Items	14,982	19,813	2,702	37,497
Total Deferred Inflows of Resources	<u>56,155</u>	<u>74,082</u>	<u>10,178</u>	<u>140,415</u>
NET POSITION				
Net Investment in Capital Assets	2,815,083	13,276,829	891,331	16,983,243
Unrestricted	<u>(1,897,649)</u>	<u>706,361</u>	<u>82,103</u>	<u>(1,109,185)</u>
Total Net Position	<u>\$ 917,434</u>	<u>\$ 13,983,190</u>	<u>\$ 973,434</u>	<u>\$ 15,874,058</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, 2022

	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	\$ 1,254,324	\$ 903,385	\$ 107,101	\$ 2,264,810
Special Assessments	1,099,613	-	-	1,099,613
Total Operating Revenues	<u>2,353,937</u>	<u>903,385</u>	<u>107,101</u>	<u>3,364,423</u>
OPERATING EXPENSES				
Personal Services	404,701	549,948	75,611	1,030,260
General and Administrative	1,645,151	554,713	33,705	2,233,569
Depreciation	472,881	671,441	23,752	1,168,074
Total Operating Expenses	<u>2,522,733</u>	<u>1,776,102</u>	<u>133,068</u>	<u>4,431,903</u>
OPERATING LOSS	(168,796)	(872,717)	(25,967)	(1,067,480)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	109,108	56,339	-	165,447
Interest Income	7,192	1,644	246	9,082
Interest Expense	(47,726)	(53)	(7)	(47,786)
Gain on Sale of Capital Assets	66,625	-	-	66,625
Miscellaneous Revenue	13,194	3,725	-	16,919
Total Nonoperating Revenues (Expenses), Net	<u>148,393</u>	<u>61,655</u>	<u>239</u>	<u>210,287</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(20,403)	(811,062)	(25,728)	(857,193)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	-	303,698	-	303,698
Transfers In	-	414	-	414
Transfers Out	(47,868)	(112)	(635)	(48,615)
Total Capital Contributions and Transfers	<u>(47,868)</u>	<u>304,000</u>	<u>(635)</u>	<u>255,497</u>
CHANGE IN NET POSITION	(68,271)	(507,062)	(26,363)	(601,696)
Net Position - Beginning of Year	<u>985,705</u>	<u>14,490,252</u>	<u>999,797</u>	<u>16,475,754</u>
NET POSITION - END OF YEAR	<u>\$ 917,434</u>	<u>\$ 13,983,190</u>	<u>\$ 973,434</u>	<u>\$ 15,874,058</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	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	\$ 2,340,386	\$ 911,662	\$ 107,127	\$ 3,359,175
Payments to Suppliers	(2,053,959)	(609,374)	(31,303)	(2,694,636)
Payments to Employees	(401,586)	(541,294)	(74,009)	(1,016,889)
Net Cash Provided (Used) by Operating Activities	(115,159)	(239,006)	1,815	(352,350)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental Grants	109,108	56,339	-	165,447
Other Nonoperating Revenue	14,673	3,725	-	18,398
Cash Received from Interfund Borrowings	5	-	-	5
Cash Paid on Interfund Borrowings	-	(19)	-	(19)
Transfers to Other Fund	(47,868)	302	(636)	(48,202)
Net Cash Provided (Used) by Noncapital Financing Activities	75,918	60,347	(636)	135,629
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants, State Shared Revenues, and Contributions	-	449,567	-	449,567
Acquisition and Construction of Capital Assets	(244,666)	(138,737)	-	(383,403)
Proceeds from Sale of Capital Assets	66,625	-	-	66,625
Principal Paid on Leases	(351,006)	(993)	(136)	(352,135)
Interest Paid	(47,726)	(53)	(7)	(47,786)
Net Cash Provided (Used) by Capital and Related Financing Activities	(576,773)	309,784	(143)	(267,132)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	7,192	1,644	246	9,082
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(608,822)	132,769	1,282	(474,771)
Cash and Cash Equivalents - Beginning of Year	4,589,181	869,538	140,071	5,598,790
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,980,359</u>	<u>\$ 1,002,307</u>	<u>\$ 141,353</u>	<u>\$ 5,124,019</u>
CLASSIFIED AS				
Cash	\$ 2,261,820	\$ 1,002,307	\$ 141,353	\$ 3,405,480
Restricted Cash and Cash Equivalents	1,718,539	-	-	1,718,539
Total	<u>\$ 3,980,359</u>	<u>\$ 1,002,307</u>	<u>\$ 141,353</u>	<u>\$ 5,124,019</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Wauchula Hills Water/ Wastewater Treatment Fund	Vandolah Wastewater Treatment (Nonmajor Fund)	Total Enterprise Funds
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Loss	\$ (168,796)	\$ (872,717)	\$ (25,967)	\$ (1,067,480)
Adjustments to Reconcile Operating Loss to Net Cash				
Provided (Used) by Operating Activities:				
Depreciation/Amortization	472,881	671,441	23,752	1,168,074
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(13,551)	(20,101)	26	(33,626)
(Increase) Decrease in Prepaid Items	(38,062)	-	-	(38,062)
(Increase) Decrease In Deferred Outflows - Pensions	(8,836)	(13,028)	(1,928)	(23,792)
(Increase) Decrease In Deferred Outflows - OPEB	(579)	(854)	(116)	(1,549)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(753,500)	(54,661)	2,402	(805,759)
Increase (Decrease) in Due to Other Government Agencies	8,092	-	-	8,092
Increase (Decrease) in Deposits	-	150	-	150
Increase (Decrease) in Unearned Revenue	-	28,228	-	28,228
Increase (Decrease) in Net Pension Liability	159,482	209,464	28,870	397,816
Increase (Decrease) in Total OPEB Liability	545	1,932	253	2,730
Increase (Decrease) in Landfill Closure and Postclosure Costs	374,662	-	-	374,662
Increase (Decrease) In Deferred Inflows - Pensions	(149,280)	(191,650)	(25,854)	(366,784)
Increase (Decrease) In Deferred Inflows - OPEB	1,783	2,790	377	4,950
Net Cash Provided (Used) by Operating Activities	<u>\$ (115,159)</u>	<u>\$ (239,006)</u>	<u>\$ 1,815</u>	<u>\$ (352,350)</u>

See accompanying Notes to Financial Statements.

HARDEE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash	<u>\$ 830,936</u>
LIABILITIES	
Due to Individuals	46,283
Due to Other Governments	248,529
Deposit - Installment Taxes	<u>270,305</u>
Total Liabilities	<u>565,117</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u>265,819</u>
Total Net Position	<u>\$ 265,819</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Custodial Funds</u>
ADDITIONS	
Collections from Individuals	\$ 306,272
Property Tax Collections for Other Governments	14,161,129
Evidence Collected	2,278
Collections for Court Related Activities	1,278,523
Licenses, Taxes, and Fees Collected for Other Governments	<u>6,647,980</u>
Total Additions	22,396,182
DEDUCTIONS	
Medical, Dental, and Life Insurance	41,975
Payments to Individuals	125,555
Payments of Court Related Funds	1,121,750
Payments to Other Entities	83,470
Payments to Other Governments	<u>20,980,133</u>
Total Deductions	<u>22,352,883</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	43,299
Fiduciary Net Position - Beginning of Year	<u>222,520</u>
FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ 265,819</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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 Emergency Disaster 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 and equipment maintenance departments.

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, 2022**

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 other funding agencies.

Emergency Disaster Fund – The Emergency Disaster Fund, a special revenue fund, accounts for FEMA and Covid-19 funding 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, 2022**

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, 2022**

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, right-to-use lease assets, 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. 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. 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.

Depreciation/amortization on capital assets is charged as an expense against operations which is closed to net position. Accumulated depreciation/amortization is reported on the proprietary funds statement of new position. Depreciation/amortization 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, 2022 was 8.8000 mills.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, 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, 2022**

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.

Leases – Lessee and Lessor

The County is a lessee for noncancellable leases of equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The County recognizes lease liabilities with an initial, individual value of \$1,500 or more.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases – Lessee and Lessor (Continued)

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

The County is a lessor for noncancellable leases of buildings. The County recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases – Lessee and Lessor (Continued)

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policy (Continued)

- 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 assets 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 lease related items, 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.

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 assets 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 lease related items, 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

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, \$34,090,073, differs from “net position” of governmental activities, \$60,963,320, 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	\$ 152,789,523
Accumulated Depreciation/Amortization	<u>(103,008,365)</u>
Total	<u><u>\$ 49,781,158</u></u>

Receivable Transactions

Certain receivables are not available to pay current period expenditures, and therefore are reported as deferred inflows of resources in the funds. Balances as of September 30, 2022 were:

Unavailable Revenue	<u><u>\$ 3,192,205</u></u>
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**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

**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)

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, 2022 were:

Leases Payable	\$ (84,734)
Financed Purchases	(407,962)
Compensated Absences	(1,157,797)
Total	<u>\$ (1,650,493)</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, 2022 were:

Net Pension Liability	\$ (25,226,689)
Deferred Outflows of Resources - Pension Related Items	6,407,656
Deferred Inflows of Resources - Pension Related Items	(3,056,495)
Total	<u>\$ (21,875,528)</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, 2022 were:

Total OPEB Liability	\$ (1,964,054)
Deferred Outflows of Resources - OPEB Related	171,170
Deferred Inflows of Resources - OPEB Related	(781,211)
Total	<u>\$ (2,574,095)</u>

Elimination of Interfund Receivables/Payables

Interfund receivables and payables in the amount of \$714,079 between governmental funds have been eliminated for the statement of net position.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

**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

The “net change in fund balances” for governmental funds, \$4,424,729 differs from the “change in net position” for governmental activities, \$6,140,803 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	\$ 4,354,840
Depreciation/Amortization Expense	<u>(4,587,507)</u>
Difference	<u><u>\$ (232,667)</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	\$ (149,295)
Issuance of Lease Payable	(3,314)
Principal Repayment - Lease Payables	60,132
Principal Repayment - Financed Purchases	<u>143,305</u>
Net Adjustment	<u><u>\$ 50,828</u></u>

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	1,703,626
Charges for Services	<u>118,264</u>
Total	<u><u>\$ 1,817,237</u></u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

**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)**

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	<u>\$ 66,660</u>
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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	<u>\$ 14,016</u>
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Reclassification and Eliminations

Transfers in and transfers out in the amount of \$1,555,515 between governmental funds are eliminated.

NOTE 3 CASH AND CASH EQUIVALENTS

At September 30, 2022, the bank balance of the County's deposits consisted of demand deposits of \$42,045,674.

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, 2022**

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	\$ 41,038,044
Petty Cash and Change Funds	4,270
Total	\$ 41,042,314
Statement of Net Position:	
Cash and Cash Equivalents	\$ 38,492,839
Cash and Cash Equivalents - Restricted	1,718,539
Statement of Fiduciary Net Position - Fiduciary Funds:	
Cash	830,936
Total	\$ 41,042,314

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at September 30, 2022 for the governmental funds individual major funds and nonmajor funds:

	General Fund	Fire Control Fund	Other Governmental Funds	Total Governmental Funds
Receivables:				
Emergency Medical Services	\$ 1,030,471	\$ -	\$ -	\$ 1,030,471
Miscellaneous	122,774	38	42,203	165,015
Accounts Receivable, Gross	1,153,245	38	42,203	1,195,486
Less: Allowance for Uncollectible Accounts	(326,178)	-	-	(326,178)
Accounts Receivable, Net	<u>\$ 827,067</u>	<u>\$ 38</u>	<u>\$ 42,203</u>	<u>\$ 869,308</u>

Accounts receivable consist of the following at September 30, 2022 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	\$ 78,994	\$ -	\$ -	\$ 78,994
Utility Charges	-	100,578	52	100,630
Accounts Receivable, Net	<u>\$ 78,994</u>	<u>\$ 100,578</u>	<u>\$ 52</u>	<u>\$ 179,624</u>

NOTE 5 LEASE RECEIVABLES

The County, acting as lessor, leases building space under two long-term, noncancelable lease agreements. One expires in 2023 and the other expires in 2025 and provides for renewal options in various terms. During the year ended September 30, 2022, the County recognized \$23,186 and \$2,214 in lease revenue and interest revenue, respectively, pursuant to these contracts.

The two leases don't provide for any increases in future minimum rental payments.

Total future minimum lease payments to be received under lease agreements are as follows:

	Governmental Activities	
	Principal	Interest
2023	\$ 23,989	\$ 1,411
2024	18,293	691
2025	12,146	121
Total Minimum Lease Payments	<u>\$ 54,428</u>	<u>\$ 2,223</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DETAIL OF CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2022 is as follows:

	Balance October 1, 2021	Additions	(Deletions)	Transfers/ Reclassification	Balance September 30, 2022
GOVERNMENT ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,691,552	\$ -	\$ -	\$ -	\$ 3,691,552
Construction in Progress	3,612,689	954,187	-	(2,569,725)	1,997,151
Total Capital Assets, Not Being Depreciated	7,304,241	954,187	-	(2,569,725)	5,688,703
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	26,329,725	64,596	-	-	26,394,321
Equipment	21,384,932	1,947,237	(518,778)	193,566	23,006,957
Infrastructure	93,613,037	1,392,658	-	2,548,981	97,554,676
Right-to-Use Leased Equipment ¹	141,552	3,314	-	-	144,866
Total Capital Assets, Being Depreciated/Amortized	141,469,246	3,407,805	(518,778)	2,742,547	147,100,820
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(13,516,046)	(580,270)	-	-	(14,096,316)
Equipment	(14,691,148)	(1,502,329)	511,626	(172,822)	(15,854,673)
Infrastructure	(70,552,468)	(2,451,097)	-	-	(73,003,565)
Right to Use Leased Assets	-	(53,811)	-	-	(53,811)
Total Accumulated Depreciation/Amortization	(98,759,662)	(4,587,507)	511,626	(172,822)	(103,008,365)
Total Capital Assets, Being Depreciated/Amortized, Net	42,709,584	(1,179,702)	(7,152)	2,569,725	44,092,455
Governmental Activities Capital Assets, Net	<u>\$ 50,013,825</u>	<u>\$ (225,515)</u>	<u>\$ (7,152)</u>	<u>\$ -</u>	<u>\$ 49,781,158</u>

¹ Restatement of capital assets as of October 1, 2021, is a result of implementing GASB Statement No. 87, *Leases* during the 2022 fiscal year.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DETAIL OF CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2021	Additions	(Deletions)	Transfers/ Reclassification	Balance September 30, 2022
BUSINESS-TYPE ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 962,625	\$ -	\$ -	\$ -	\$ 962,625
Construction in Progress	3,847,473	90,285	-	(2,083,328)	1,854,430
Total Capital Assets, Not Being Depreciated	4,810,098	90,285	-	(2,083,328)	2,817,055
Capital Assets, Being Depreciated/Amortized:					
Buildings and Improvements	9,954,376	-	-	-	9,954,376
Equipment	4,054,376	198,290	(4,500)	(172,822)	4,075,344
Infrastructure	19,716,372	35,439	-	2,083,328	21,835,139
Right-to-Use Leased Equipment ¹	4,909	-	-	-	4,909
Total Capital Assets, Being Depreciated/Amortized	33,730,033	233,729	(4,500)	1,910,506	35,869,768
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(2,553,236)	(85,999)	-	-	(2,639,235)
Equipment	(2,064,461)	(294,647)	4,500	172,822	(2,181,786)
Infrastructure	(13,662,357)	(785,247)	-	-	(14,447,604)
Right to Use Leased Assets	-	(2,181)	-	-	(2,181)
Total Accumulated Depreciation/Amortization	(18,280,054)	(1,168,074)	4,500	172,822	(19,270,806)
Total Capital Assets, Being Depreciated/Amortized, Net	15,449,979	(934,345)	-	2,083,328	16,598,962
Business-Type Activities Capital Assets, Net	<u>\$ 20,260,077</u>	<u>\$ (844,060)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,416,017</u>

¹ Restatement of capital assets as of October 1, 2021, is a result of implementing GASB Statement No. 87, *Leases* during the 2022 fiscal year.

Depreciation expense for the year ended September 30, 2022 was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 883,905
Public Safety	959,390
Physical Environment	6,131
Transportation	2,707,955
Human Services	21,196
Culture/Recreation	8,930
Total Depreciation/Amortization Expense	<u>\$ 4,587,507</u>

BUSINESS-TYPE ACTIVITIES

Solid Waste	\$ 472,881
Wauchula Hills Water/Wastewater Treatment	671,441
Vandolah Wastewater Treatment	23,752
Total Depreciation/Amortization Expense	<u>\$ 1,168,074</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended September 30, 2022 is as follows:

	Balance October 1, 2021	Additions	(Reductions)	Balance September 30, 2022	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Direct Borrowing:					
Financed Purchases	\$ 551,267	\$ -	\$ (143,305)	\$ 407,962	\$ 154,159
Leases Payable ¹	141,552	3,314	(60,132)	84,734	38,253
Compensated Absences	1,008,502	149,295	-	1,157,797	1,081,184
Total Governmental Activities	<u>\$ 1,701,321</u>	<u>\$ 152,609</u>	<u>\$ (203,437)</u>	<u>\$ 1,650,493</u>	<u>\$ 1,273,596</u>
BUSINESS-TYPE ACTIVITIES					
Direct Borrowing:					
FLGFC Note	\$ 2,780,000	\$ -	\$ (350,000)	\$ 2,430,000	\$ 350,000
Leases Payables ¹	4,909	-	(2,135)	2,774	2,208
Compensated Absences	5,287	-	-	5,287	1,856
Landfill Closure and Postclosure Costs	5,038,774	-	374,662	5,413,436	176,541
Total Business-Type Activities	<u>\$ 7,828,970</u>	<u>\$ -</u>	<u>\$ 22,527</u>	<u>\$ 7,851,497</u>	<u>\$ 530,605</u>

¹ Restatement of long term liabilities as of October 1, 2021, is a result of implementing GASB Statement No. 87, *Leases* during the 2022 fiscal year.

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 \$47,659 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowing – FLGFC Note (Continued)

Maturity is as follows:

<u>Year Ending September 30,</u>	Business-Type Activities	
	Florida Local Government Finance Commission	
	Principal	Interest
2023	\$ 350,000	\$ 32,853
2024	350,000	27,687
2025	350,000	22,521
2026	1,380,000	8,487
Total	\$ 2,430,000	\$ 91,548

Direct Borrowing - Financed Purchases

The County financed the purchase of a fire truck and an ambulance. Principal and interest is payable in annual instalments of \$100,776 beginning in January 2021 at 3.45% interest through January 2025 for the fire truck. Principal and interest is payable in annual instalments of \$64,302 beginning in February 2021 at 3.36% interest through February 2024 for the ambulance. In the event of default, the County agrees to return the equipment to the lessor.

Maturities are as follows:

<u>Year Ending September 30,</u>	Governmental Activities	
	Financed Purchases	
	Principal	Interest
2023	\$ 154,159	\$ 13,852
2024	156,385	8,693
2025	97,418	3,358
Total	\$ 407,962	\$ 25,903

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Lessee Arrangement

The County leases equipment under long-term, noncancelable lease agreements. The leases expire at various dates through 2027 and provide for renewal options in various terms.

Total future minimum lease payments under lease agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 38,253	\$ 2,159	\$ 2,208	\$ 54	\$ 42,674
2024	20,785	1,165	566	3	22,519
2025	18,582	533	-	-	19,115
2026	6,836	64	-	-	6,900
2027	278	1	-	-	279
Total Minimum Lease Payments	<u>\$ 84,734</u>	<u>\$ 3,922</u>	<u>\$ 2,774</u>	<u>\$ 57</u>	<u>\$ 91,487</u>

NOTE 8 DUE TO/DUE FROM OTHER FUNDS

The balance of due from other funds and due to other funds are as follows at September 30, 2022:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General Fund	\$ 559,562	\$ 57,340
Transportation Trust	102	38,207
Grants Fund	263	441,462
Wauchula Hills Water/Wastewater Treatment Fund	748	-
Solid Waste Fund	-	5
Nonmajor Governmental Funds	153,409	177,070
Total	<u>\$ 714,084</u>	<u>\$ 714,084</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, 2022**

NOTE 9 FUND BALANCES

The governmental funds are classified as follows:

Nonspendable			\$	349,138
Restricted:				
Court Innovations	\$	485,493		
Court Technology		19,788		
Economic Development Authority:				
Economic Development		7,370,828		
Recreation		1,854,320		
E-911		507,531		
Grants		305,430		
Inmate Welfare		106,992		
Law Enforcement Education		58,129		
Law Enforcement Trust		72,568		
Law Enforcement - Other		10,182		
Records Modernization		158,706		
Tourist Development		315,621		
Transportation		2,044,759		
Total Restricted		2,044,759		13,310,347
Committed:				
Clerk Related Functions		118,937		
Fire Control		1,515,873		
Mining		40,178		
Total Committed		1,674,988		1,674,988
Assigned				
County Operations		55,508		
Total Assigned		55,508		55,508
Unassigned				18,700,092
Total Fund Balances			\$	34,090,073

Fund Balance Deficit

The following funds had deficit fund balances at September 30, 2022:

Emergency Disaster Fund (\$133,659) – Funding will be evaluated in fiscal year 2023 to relieve any future deficits.

HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 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, 2022**

NOTE 10 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, 2022**

NOTE 10 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, 2021, were applied to employee salaries as follows: regular employees 9.10%, special risk 24.17%, county elected officials 49.70%, senior management 27.29%, and DROP participants 18.34%. The County's contributions to the FRS Plan were \$2,530,645 for the year ended September 30, 2022.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2022, the County reported a liability of \$21,380,056 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2022, the County's proportion was 0.0574608555%, which was a decrease of 0.002448260% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$2,529,608 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	\$ 1,015,434	\$ -
Changes in Actuarial Assumptions	2,633,043	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,411,722	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	228,876	(2,133,640)
County Contributions Subsequent to the Measurement Date	705,575	-
Total	<u>\$ 5,994,650</u>	<u>\$ (2,133,640)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$705,575 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, 2023. 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>
2023	\$ 711,107
2024	(27,125)
2025	(873,152)
2026	3,213,409
2027	131,196
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2022, 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	6.70%

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, 2022, 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, 2022**

NOTE 10 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 %	2.6 %	2.6 %	1.1 %
Fixed Income	19.8	4.4	4.4	3.2
Global Equity	54.0	8.8	7.3	17.8
Real Estate	10.3	7.4	6.3	15.7
Private Equity	11.1	12.0	8.9	26.3
Strategic Investments	3.8	6.2	5.9	7.8
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.3 %

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan, which was 0.10% decrease from the 6.80% rate as of June 30, 2021. 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	5.70%	6.70%	7.70%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 36,975,336	\$ 21,380,056	\$ 8,340,545

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 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, 2022, 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, 2022, 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 \$256,201 for the year ended September 30, 2022.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs

At September 30, 2022, the County reported a liability of \$4,466,424 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2021 through June 30, 2022, relative to the total employer contributions received from all participating employers. At June 30, 2022, the County's proportion was 0.042169504%, which was a decrease of 0.002033859% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$197,817 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	\$ 135,567	\$ (19,653)
Changes in Actuarial Assumptions	256,018	(690,953)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,466	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	127,034	(315,167)
County Contributions Subsequent to the Measurement Date	68,082	-
Total	<u>\$ 593,167</u>	<u>\$ (1,025,773)</u>

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

\$68,082 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>
2023	\$ (109,158)
2024	(79,176)
2025	(50,639)
2026	(72,298)
2027	(131,725)
Thereafter	(57,692)

Actuarial Assumptions

The total pension liability in the July 1, 2022, 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	3.54%

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 3.54% for the HIS Plan, which was a 1.38 decrease from the 2.16% rate as of June 30, 2021. 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, 2022**

NOTE 10 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	2.54%	3.54%	4.54%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 5,109,956	\$ 4,466,424	\$ 3,933,915

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	\$ 21,380,056	\$ 4,466,424	\$ 25,846,480
Deferred Outflows of Resources	5,994,650	593,167	6,587,817
Deferred Inflows of Resources	2,133,640	1,025,773	3,159,413
Pension Expense	2,529,608	197,817	2,727,425

NOTE 11 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, 2022**

NOTE 11 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, 2022, 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 \$407,355 for the year ended September 30, 2022. Employee contributions to the Investment Plan totaled \$71,576 for the year ended September 30, 2022.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12 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 \$2,058,324, OPEB related deferred outflows of resources was \$179,386, deferred inflows of resources was \$818,708 and OPEB expense was \$62,874.

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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	10
Active Plan Members	<u>328</u>
Total	<u><u>338</u></u>

Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2022 and was determined by an actuarial valuation as of September 30, 2022 with no adjustments to get to the September 30, 2022 measurement date. The following table shows the County's total OPEB liability for the year ended September 30, 2022.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

	Total OPEB Liability
Balances - October 1, 2021	\$ 2,109,221
Changes for the Year:	
Service Cost	138,220
Interest	53,758
Changes in Assumptions	(234,664)
Differences Between Expected and Actual Experience	62,547
Benefit Payments	(70,758)
Net Changes	(50,897)
Balances - September 30, 2022	\$ 2,058,324

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	3.77 %	4.77 %	5.77 %
Total OPEB Liability	\$ 2,201,125	\$ 2,058,324	\$ 1,918,713

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	\$ 1,840,453	\$ 2,058,324	\$ 2,313,825

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$62,874. 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	\$ 116,964	\$ (282,199)
Changes of Assumptions	62,422	(536,509)
Total	\$ 179,386	\$ (818,708)

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Continued)

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>
2023	\$ (129,104)
2024	(129,104)
2025	(129,104)
2026	(129,110)
2027	(122,900)

Actuarial Assumptions

The total OPEB liability as of September 30, 2022 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-2021 for special risk employees and SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 for all other employees.

The discount rate used to measure the total OPEB liability was 4.77%, 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, 2022 (measurement date). The prior measurement date used 2.43%.

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 4.77%. The prior measurement used 2.43%.
- The salary scale was updated for all mortality tables from scale MP-2019 to MP-2021.
- Health care trend rates were updated to an initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 13 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.

The Sheriff also participates 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.

**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 14 COMMITMENTS AND CONTINGENCIES

Contracts

The County has entered into various contracts for design, construction, and other services as of September 30, 2022.

<u>Project</u>	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Commitment</u>
County Road 663	\$ 547,255	\$ 287,998	\$ 259,257
Emergency Operation Center	150,476	68,104	82,372
Wauchula Hills Phase 7	330,710	85,007	245,703
College Hill	209,978	54,744	155,234
Center Hill	235,802	157,481	78,321
Polk Road	176,440	172,170	4,270
Professional Surveying	302,918	3,170	299,748
SHIP Replacements	21,878	-	21,878
HL SPLASH PAD	244,282	136,166	108,116

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, 2022**

NOTE 14 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, 2022, the County estimates that the cost of permanently closing and caring for the landfill in accordance with current regulations will be \$9,209,060. The landfill closure and post-closure care liability was \$5,413,436 at September 30, 2022; and represents the cumulative amount reported to date based on an average use of 58.78% of the total estimated capacity available as of September 30, 2022. The County will recognize the remaining \$3,795,624 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 \$374,662 as of September 30, 2022. 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, 2022. The County is in compliance with these requirements at September 30, 2022. At September 30, 2022, \$1,718,539 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, 2022, 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, 2022**

NOTE 15 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, 2022 consisted of the following:

Transfers to the General Fund from:

Fire Control Fund	\$ 106,500
Grants Fund	646
Emergency Disaster Fund	132,000
Nonmajor Governmental Funds	170,189
Solid Waste Fund	46,500
Total	<u>\$ 455,835</u>

Transfers to the Transportation Trust Fund from:

Solid Waste Fund	\$ 1,368
Wauchula Hills Water/Wastewater Treatment Fund	112
Nonmajor Enterprise Fund	221
Total	<u>\$ 1,701</u>

Transfers to the Fire Control Fund from:

General Fund	<u>\$ 200,000</u>
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Transfers to the Grants Fund from:

General Fund	<u>\$ 5,387</u>
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Transfers to the Emergency Disaster Fund from:

General Fund	<u>\$ 148,921</u>
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Transfers to the Nonmajor Governmental Funds from:

General Fund	\$ 400,000
Nonmajor Governmental Funds	391,872
Total	<u>\$ 791,872</u>

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

Nonmajor Enterprise Fund	<u>\$ 414</u>
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**HARDEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 16 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, 2022**

ASSETS	
Cash	\$ 810,570
Due from Other Governments	15
Total Assets	810,585
 LIABILITIES	
Due to Other Funds	40,575
 FUND BALANCE	
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 810,585

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended September 30, 2022**

REVENUES	
Intergovernmental	\$ 350,000
Interest	1,290
Miscellaneous	238,781
Total Revenues	590,071
 EXPENDITURES	
Economic Environment	436,094
 NET CHANGE IN FUND BALANCE	
	153,977
Fund Balances - Beginning of Year	616,033
 FUND BALANCES - END OF YEAR	
	\$ 770,010

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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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 138,220	\$ 134,279	\$ 191,082	\$ 161,402	\$ 167,907
Interest	53,758	49,740	101,430	100,833	85,298
Changes of Assumptions	(234,664)	(2,029)	(543,367)	112,359	-
Differences Between Expected and Actual Experience	62,547	26,776	(385,394)	84,588	(92,982)
Benefit Payments	<u>(70,758)</u>	<u>(58,020)</u>	<u>(94,016)</u>	<u>(76,725)</u>	<u>(71,042)</u>
Net Change in Total OPEB Liability	(50,897)	150,746	(730,265)	382,457	89,181
Total OPEB Liability - Beginning	<u>2,109,221</u>	<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>\$ 2,058,324</u></u>	<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	\$ 14,602,325	\$ 15,426,167	\$ 14,940,598	\$ 14,915,824	\$ 14,094,511
Total OPEB Liability as a percentage of the Covered Employee Payroll	14.10%	13.67%	13.11%	18.03%	16.36%

Notes to Schedule:

The OPEB plan is not administered through a trust.

For fiscal year ending September 30, 2022, a September 30, 2022 measurement date was used.

Change of assumptions:

Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale. The current full valuation uses a discount rate of 4.77% as of September 30, 2022 and 2.43% as of October 1, 2021.

The salary scale assumption has been updated based on the Florida Retirement System actuarial valuation as of July 1, 2021.

Mortality improvement scale has been updated for all mortality tables from scale MP-2019 to MP-2021.

Health care trend rates have been updated to an initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's Proportion of the Net Pension Liability	0.057460855%	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	\$ 21,380,056	\$ 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	\$ 15,595,174	\$ 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	137.09 %	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	82.89 %	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 2,530,645	\$ 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	(2,530,645)	(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)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 15,657,874	\$ 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	16.16 %	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's Proportion of the Net Pension Liability	0.042169504%	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	\$ 4,466,424	\$ 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	\$ 15,595,175	\$ 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	28.64 %	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	4.81 %	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 256,201	\$ 257,314	\$ 257,563	\$ 248,696	\$ 235,677	\$ 238,909	\$ 234,651	\$ 180,890	\$ 182,277
Contributions in Relation to the									
Contractually Required Contribution	(256,201)	(257,314)	(257,563)	(248,696)	(235,677)	(238,909)	(234,651)	(180,890)	(182,277)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 15,657,874	\$ 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	1.64%	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, 2022**

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, 2022**

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, 2022

	Special Revenue Funds					
	Fines and Forfeitures	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining	Tourist Development
ASSETS						
Cash and Cash Equivalents	\$ 508,259	\$ 70,775	\$ 259,065	\$ 421,813	\$ 153,496	\$ 311,183
Accounts Receivable, Net	150	-	-	-	42,053	-
Due from Other Funds	-	-	-	86,725	-	-
Due from Other Governments	16,294	1,793	11,188	69,182	-	7,205
Prepaid Items	-	-	633	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 524,703</u>	<u>\$ 72,568</u>	<u>\$ 270,886</u>	<u>\$ 577,720</u>	<u>\$ 195,549</u>	<u>\$ 318,388</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 20,449	\$ -	\$ 12,109	\$ -	\$ 38,527	\$ 2,767
Due to Other Funds	-	-	-	-	80,000	-
Due to Other Governments	18,950	-	258,777	-	316	-
Total Liabilities	<u>39,399</u>	<u>-</u>	<u>270,886</u>	<u>-</u>	<u>118,843</u>	<u>2,767</u>
Deferred Inflows of Resources:						
Unavailable Revenue - Intergovernmental	-	-	-	70,189	36,528	-
Fund Balances:						
Nonspendable	-	-	633	-	-	-
Restricted	485,493	72,568	-	507,531	-	315,621
Committed	-	-	-	-	40,178	-
Unassigned (Deficit)	(189)	-	(633)	-	-	-
Total Fund Balances	<u>485,304</u>	<u>72,568</u>	<u>-</u>	<u>507,531</u>	<u>40,178</u>	<u>315,621</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 524,703</u>	<u>\$ 72,568</u>	<u>\$ 270,886</u>	<u>\$ 577,720</u>	<u>\$ 195,549</u>	<u>\$ 318,388</u>

HARDEE COUNTY, FLORIDA
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2022

	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	\$ 140,795	\$ 86,915	\$ 107,359	\$ 37,697	\$ 107,157	\$ 7,990
Accounts Receivable, Net	-	-	-	-	-	-
Due from Other Funds	50,375	16,309	-	-	-	-
Due from Other Governments	-	16,630	-	-	-	-
Prepaid Items	984	-	-	-	-	-
Total Assets	<u>\$ 192,154</u>	<u>\$ 119,854</u>	<u>\$ 107,359</u>	<u>\$ 37,697</u>	<u>\$ 107,157</u>	<u>\$ 7,990</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 2,331	\$ 917	\$ 367	\$ -	\$ -	\$ -
Due to Other Funds	10,345	-	-	-	86,725	-
Due to Other Governments	-	-	-	-	-	-
Total Liabilities	<u>12,676</u>	<u>917</u>	<u>367</u>	<u>-</u>	<u>86,725</u>	<u>-</u>
Deferred Inflows of Resources:						
Unavailable Revenue - Intergovernmental	-	-	-	-	-	-
Fund Balances:						
Nonspendable	984	-	-	-	-	-
Restricted	178,494	-	106,992	37,697	20,432	7,990
Committed	-	118,937	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances	<u>179,478</u>	<u>118,937</u>	<u>106,992</u>	<u>37,697</u>	<u>20,432</u>	<u>7,990</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 192,154</u>	<u>\$ 119,854</u>	<u>\$ 107,359</u>	<u>\$ 37,697</u>	<u>\$ 107,157</u>	<u>\$ 7,990</u>

HARDEE COUNTY, FLORIDA
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2022

	Special Revenue Funds		
	Sheriff's Flower	Sheriff's Drug Task Force	Total Other Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,814	\$ 522	\$ 2,214,840
Accounts Receivable, Net	-	-	42,203
Due from Other Funds	-	-	153,409
Due from Other Governments	-	-	122,292
Prepaid Items	-	-	1,617
	<u>\$ 1,814</u>	<u>\$ 522</u>	<u>\$ 2,534,361</u>
Total Assets	<u>\$ 1,814</u>	<u>\$ 522</u>	<u>\$ 2,534,361</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 144	\$ -	\$ 77,611
Due to Other Funds	-	-	177,070
Due to Other Governments	-	-	278,043
Total Liabilities	<u>144</u>	<u>-</u>	<u>532,724</u>
Deferred Inflows of Resources:			
Unavailable Revenue - Intergovernmental	-	-	106,717
Fund Balances:			
Nonspendable	-	-	1,617
Restricted	1,670	522	1,735,010
Committed	-	-	159,115
Unassigned (Deficit)	-	-	(822)
Total Fund Balances	<u>1,670</u>	<u>522</u>	<u>1,894,920</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,814</u>	<u>\$ 522</u>	<u>\$ 2,534,361</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds					
	Fines and Forfeitures	Law Enforcement Trust	Clerk's Fine and Forfeiture	E-911	Mining	Tourist Development
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 451,584	\$ 214,945	\$ -	\$ -
Charges for Services	32,552	-	514,647	-	332,073	-
Fines and Forfeitures	157,761	-	-	-	-	-
Taxes	-	-	-	-	-	70,938
Interest	1,053	173	570	727	275	507
Miscellaneous	3,974	28,487	697	-	-	-
Total Revenues	<u>195,340</u>	<u>28,660</u>	<u>967,498</u>	<u>215,672</u>	<u>332,348</u>	<u>71,445</u>
EXPENDITURES						
Current:						
General Government	560,169	-	967,498	-	-	2,767
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	267,206	-
Capital Outlay	15,962	-	-	-	-	-
Debt Service:						
Principal Retirement	760	-	-	-	-	-
Interest	41	-	-	-	-	-
Total Expenditures	<u>576,932</u>	<u>-</u>	<u>967,498</u>	<u>-</u>	<u>267,206</u>	<u>2,767</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(381,592)	28,660	-	215,672	65,142	68,678
OTHER FINANCING SOURCES AND (USES)						
Transfers In	400,000	-	-	78,864	-	-
Transfers Out	-	(127,389)	-	(313,008)	(42,800)	-
Total Other Financing Sources and (Uses)	<u>400,000</u>	<u>(127,389)</u>	<u>-</u>	<u>(234,144)</u>	<u>(42,800)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	18,408	(98,729)	-	(18,472)	22,342	68,678
Fund Balances - Beginning of Year	466,896	171,297	-	526,003	17,836	246,943
FUND BALANCES - END OF YEAR	<u>\$ 485,304</u>	<u>\$ 72,568</u>	<u>\$ -</u>	<u>\$ 507,531</u>	<u>\$ 40,178</u>	<u>\$ 315,621</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022

	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	\$ -	\$ 83,879	\$ -	\$ -	\$ -	\$ -
Charges for Services	41,620	-	-	-	-	-
Fines and Forfeitures	-	-	-	3,386	-	-
Taxes	-	-	-	-	-	-
Interest	68	135	-	-	-	-
Miscellaneous	-	-	26,440	-	-	5,444
Total Revenues	<u>41,688</u>	<u>84,014</u>	<u>26,440</u>	<u>3,386</u>	<u>-</u>	<u>5,444</u>
EXPENDITURES						
Current:						
General Government	44,973	69,022	-	-	-	-
Public Safety	-	-	8,726	5,873	173,049	4,802
Physical Environment	-	-	-	-	-	-
Capital Outlay	3,951	-	-	-	40,663	-
Debt Service:						
Principal Retirement	-	-	1,137	-	-	-
Interest	-	-	45	-	-	-
Total Expenditures	<u>48,924</u>	<u>69,022</u>	<u>9,908</u>	<u>5,873</u>	<u>213,712</u>	<u>4,802</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,236)	14,992	16,532	(2,487)	(213,712)	642
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	313,008	-
Transfers Out	-	-	-	-	(78,864)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,144</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(7,236)	14,992	16,532	(2,487)	20,432	642
Fund Balances - Beginning of Year	186,714	103,945	90,460	40,184	-	7,348
FUND BALANCES - END OF YEAR	<u>\$ 179,478</u>	<u>\$ 118,937</u>	<u>\$ 106,992</u>	<u>\$ 37,697</u>	<u>\$ 20,432</u>	<u>\$ 7,990</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds		Total Other Nonmajor Governmental Funds
	Sheriff's Flower	Sheriff's Drug Task Force	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 750,408
Charges for Services	-	-	920,892
Fines and Forfeitures	-	-	161,147
Taxes	-	-	70,938
Interest	-	-	3,508
Miscellaneous	2,346	1	67,389
Total Revenues	2,346	1	1,974,282
EXPENDITURES			
Current:			
General Government	-	-	1,644,429
Public Safety	1,541	7,035	201,026
Physical Environment	-	-	267,206
Capital Outlay	-	-	60,576
Debt Service:			
Principal Retirement	-	-	1,897
Interest	-	-	86
Total Expenditures	1,541	7,035	2,175,220
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	805	(7,034)	(200,938)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	791,872
Transfers Out	-	-	(562,061)
Total Other Financing Sources (Uses)	-	-	229,811
NET CHANGE IN FUND BALANCES	805	(7,034)	28,873
Fund Balances - Beginning of Year	865	7,556	1,866,047
FUND BALANCES - END OF YEAR	\$ 1,670	\$ 522	\$ 1,894,920

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES — BUDGET AND ACTUAL — FINES AND FORFEITURES FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 25,000	\$ 25,000	\$ 32,552	\$ 7,552
Fines and Forfeitures	146,700	146,700	157,761	11,061
Interest	400	400	1,053	653
Miscellaneous	-	-	3,974	3,974
Total Revenues	<u>172,100</u>	<u>172,100</u>	<u>195,340</u>	<u>23,240</u>
EXPENDITURES				
Current:				
General Government	951,015	957,160	560,169	396,991
Public Safety	6,500	6,500	-	6,500
Capital Outlay	88,179	84,034	15,962	68,072
Debt Services:				
Principal Retirement	-	-	760	(760)
Interest and Fiscal Charges	-	-	41	(41)
Other Expense	50,000	48,000	-	48,000
Total Expenditures	<u>1,095,694</u>	<u>1,095,694</u>	<u>576,932</u>	<u>518,762</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(923,594)	(923,594)	(381,592)	542,002
OTHER FINANCING SOURCES				
Transfers In	536,499	536,499	400,000	(136,499)
NET CHANGE IN FUND BALANCE	(387,095)	(387,095)	18,408	405,503
Fund Balance - Beginning of Year	<u>387,095</u>	<u>387,095</u>	<u>466,896</u>	<u>79,801</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,304</u>	<u>\$ 485,304</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 200	\$ 200	\$ 173	\$ (27)
Miscellaneous	30,000	30,000	28,487	(1,513)
Total Revenues	<u>30,200</u>	<u>30,200</u>	<u>28,660</u>	<u>(1,540)</u>
EXPENDITURES				
Other Expense	<u>158,427</u>	<u>31,038</u>	<u>-</u>	<u>31,038</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(128,227)	(838)	28,660	29,498
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>(127,389)</u>	<u>(127,389)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(128,227)	(128,227)	(98,729)	29,498
Fund Balance - Beginning of Year	<u>128,227</u>	<u>128,227</u>	<u>171,297</u>	<u>43,070</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,568</u>	<u>\$ 72,568</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 428,156	\$ 451,584	\$ 451,584	\$ -
Charges for Services	523,276	514,647	514,647	-
Interest Income	-	570	570	-
Miscellaneous	-	697	697	-
Total Revenues	<u>951,432</u>	<u>967,498</u>	<u>967,498</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government:	<u>951,432</u>	<u>967,498</u>	<u>967,498</u>	<u>-</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>	<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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 120,500	\$ 120,500	\$ 214,945	\$ 94,445
Interest	1,500	1,500	727	(773)
Total Revenues	<u>122,000</u>	<u>122,000</u>	<u>215,672</u>	<u>93,672</u>
EXPENDITURES				
Current:				
Other Expense	<u>46,965</u>	<u>46,965</u>	<u>-</u>	<u>46,965</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	75,035	75,035	215,672	140,637
OTHER FINANCING SOURCES AND (USES)				
Transfers In	-	-	78,864	78,864
Transfers Out	(400,000)	(400,000)	(313,008)	(86,992)
Total Other Financing Sources and (Uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(234,144)</u>	<u>(8,128)</u>
NET CHANGE IN FUND BALANCE	(324,965)	(324,965)	(18,472)	306,493
Fund Balance - Beginning of Year	<u>324,965</u>	<u>324,965</u>	<u>526,003</u>	<u>201,038</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,531</u>	<u>\$ 507,531</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL — MINING FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 368,226	\$ 403,226	\$ 332,073	\$ (71,153)
Interest	250	250	275	25
Total Revenues	<u>368,476</u>	<u>403,476</u>	<u>332,348</u>	<u>(71,128)</u>
EXPENDITURES				
Current:				
Physical Environment	273,813	308,813	267,206	41,607
Other Expense	139,763	139,763	-	139,763
Total Expenditures	<u>413,576</u>	<u>448,576</u>	<u>267,206</u>	<u>181,370</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(45,100)	(45,100)	65,142	110,242
OTHER FINANCING USES				
Transfers Out	(42,800)	(42,800)	(42,800)	-
NET CHANGE IN FUND BALANCE	(87,900)	(87,900)	22,342	110,242
Fund Balance (Deficit) - Beginning of Year	<u>87,900</u>	<u>87,900</u>	<u>17,836</u>	<u>(70,064)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,178</u>	<u>\$ 40,178</u>

HARDEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — TOURIST DEVELOPMENT FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 54,500	\$ 54,500	\$ 70,938	\$ 16,438
Interest	1,000	1,000	507	(493)
Total Revenues	<u>55,500</u>	<u>55,500</u>	<u>71,445</u>	<u>15,945</u>
EXPENDITURES				
Current:				
General Government	-	23,250	2,767	20,483
Other Expense	273,970	250,720	-	250,720
Total Expenditures	<u>273,970</u>	<u>273,970</u>	<u>2,767</u>	<u>271,203</u>
NET CHANGE IN FUND BALANCE	(218,470)	(218,470)	68,678	287,148
Fund Balance - Beginning of Year	<u>218,470</u>	<u>218,470</u>	<u>246,943</u>	<u>28,473</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,621</u>	<u>\$ 315,621</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 32,000	\$ 32,000	\$ 41,620	\$ 9,620
Interest Income	-	-	68	68
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>41,688</u>	<u>9,688</u>
EXPENDITURES				
Current:				
General Government:	190,290	183,758	44,973	138,785
Capital Outlay	10,000	34,951	3,951	31,000
Total Expenditures	<u>200,290</u>	<u>218,709</u>	<u>48,924</u>	<u>169,785</u>
NET CHANGE IN FUND BALANCES	(168,290)	(186,709)	(7,236)	179,473
Fund Balances - Beginning of Year	<u>168,290</u>	<u>186,709</u>	<u>186,714</u>	<u>5</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 179,478</u></u>	<u><u>\$ 179,478</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 83,879	\$ 33,879
Interest	-	-	135	135
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>84,014</u>	<u>34,014</u>
EXPENDITURES				
Current:				
General Government:	152,163	153,941	69,022	84,919
NET CHANGE IN FUND BALANCES	(102,163)	(103,941)	14,992	118,933
Fund Balances - Beginning of Year	<u>102,163</u>	<u>103,941</u>	<u>103,945</u>	<u>4</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,937</u>	<u>\$ 118,937</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS – CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	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	<u>\$ 258,326</u>	<u>\$ 913</u>	<u>\$ 57,106</u>	<u>\$ 442</u>	<u>\$ 14,650</u>	<u>\$ -</u>
LIABILITIES						
Due to Individuals	21,664	-	-	5	1,650	-
Due to Other Governments	86,559	913	-	-	-	-
Deposit - Installment Taxes	-	-	-	-	-	-
Total Liabilities	<u>108,223</u>	<u>913</u>	<u>-</u>	<u>5</u>	<u>1,650</u>	<u>-</u>
NET POSITION						
Restricted for Individuals, Organizations, and Other Governments	150,103	-	57,106	437	13,000	-
Total Net Position	<u>\$ 150,103</u>	<u>\$ -</u>	<u>\$ 57,106</u>	<u>\$ 437</u>	<u>\$ 13,000</u>	<u>\$ -</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS — CUSTODIAL FUNDS (CONTINUED)
SEPTEMBER 30, 2022

	Custodial Funds					Total
	Tax Collector Fund	Tax Collector Motor Vehicle Fund	Sheriff's Suspense Fund	Sheriff's Evidence Fund	Sheriff's Inmate Fund	
ASSETS						
Cash	\$ 284,187	\$ 155,596	\$ 14,543	\$ 30,181	\$ 14,992	\$ 830,936
LIABILITIES						
Due to Individuals	8,421	-	14,543	-	-	46,283
Due to Other Governments	5,461	155,596	-	-	-	248,529
Deposit - Installment Taxes	270,305	-	-	-	-	270,305
Total Liabilities	<u>284,187</u>	<u>155,596</u>	<u>14,543</u>	<u>-</u>	<u>-</u>	<u>565,117</u>
NET POSITION						
Restricted for Individuals, Organizations, and Other Governments	-	-	-	30,181	14,992	265,819
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,181</u>	<u>\$ 14,992</u>	<u>\$ 265,819</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	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	\$ 156,505	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax Collections for Other Governments	-	-	-	-	-	-
Evidence Collected	-	-	-	-	-	-
Collections for Court Related Activities	611,649	5,244	426,396	-	69,107	166,127
Licenses, Taxes, and Fees Collected for Other Governments	2,495,678	-	-	-	-	-
Total Additions	<u>3,263,832</u>	<u>5,244</u>	<u>426,396</u>	<u>-</u>	<u>69,107</u>	<u>166,127</u>
DEDUCTIONS						
Medical, Dental, and Life Insurance	-	-	-	-	-	-
Payments to Individuals	98,328	-	-	-	-	-
Payments of Court Related Funds	586,999	5,244	438,142	8	91,357	-
Payments to Other Entities	-	-	-	-	-	-
Payments to Other Governments	2,495,678	-	-	-	-	170,489
Total Deductions	<u>3,181,005</u>	<u>5,244</u>	<u>438,142</u>	<u>8</u>	<u>91,357</u>	<u>170,489</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	82,827	-	(11,746)	(8)	(22,250)	(4,362)
Fiduciary Net Position - Beginning of Year	<u>67,276</u>	<u>-</u>	<u>68,852</u>	<u>445</u>	<u>35,250</u>	<u>4,362</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 150,103</u>	<u>\$ -</u>	<u>\$ 57,106</u>	<u>\$ 437</u>	<u>\$ 13,000</u>	<u>\$ -</u>

HARDEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS – CUSTODIAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022

	Custodial Funds					Total
	Tax Collector Fund	Tax Collector Motor Vehicle Fund	Sheriff's Suspense Fund	Sheriff's Evidence Fund	Sheriff's Inmate Fund	
ADDITIONS						
Collections from Individuals	\$ -	\$ -	\$ 41,975	\$ -	\$ 107,792	\$ 306,272
Property Tax Collections for Other Governments	14,161,129	-	-	-	-	14,161,129
Evidence Collected	-	-	-	2,278	-	2,278
Collections for Court Related Activities	-	-	-	-	-	1,278,523
Licenses, Taxes, and Fees Collected for Other Governments	-	4,106,734	45,568	-	-	6,647,980
Total Additions	<u>14,161,129</u>	<u>4,106,734</u>	<u>87,543</u>	<u>2,278</u>	<u>107,792</u>	<u>22,396,182</u>
DEDUCTIONS						
Medical, Dental, and Life Insurance	-	-	41,975	-	-	41,975
Payments to Individuals	-	-	-	-	27,227	125,555
Payments of Court Related Funds	-	-	-	-	-	1,121,750
Payments to Other Entities	-	-	-	-	83,470	83,470
Payments to Other Governments	14,161,129	4,106,734	45,568	535	-	20,980,133
Total Deductions	<u>14,161,129</u>	<u>4,106,734</u>	<u>87,543</u>	<u>535</u>	<u>110,697</u>	<u>22,352,883</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	-	-	1,743	(2,905)	43,299
Fiduciary Net Position - Beginning of Year	-	-	-	28,438	17,897	222,520
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,181</u>	<u>\$ 14,992</u>	<u>\$ 265,819</u>

SUPPLEMENTAL INFORMATION

**HARDEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2022**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal ALN 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	G0285	\$ 26,255	\$ -
COVID-19 Emergency Management Performance Grants	97.042	G0293	2,907	-
Total Emergency Management Performance Grants			<u>29,162</u>	-
Hazard Mitigation Grant	97.039	20-HM-4337-25-BF-H0449	41,257	-
Hazard Mitigation Grant	97.039	20-HM-4337-25-BF-H0448	32,736	-
Total Hazard Mitigation Grants			<u>73,993</u>	-
Total U.S. Department of Homeland Security			<u>103,155</u>	-
U.S. Department of Justice				
Direct Programs				
State Criminal Alien Assistance Program	16.606		24,048	-
Pass-through from Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-HARD-1-3B-050	34,432	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-HARD-2-Y5-179	35,044	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2022-JAGD-HARD-2-4B-052	2,367	-
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>71,843</u>	-
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	2021-CESF-HARD-2-C9-153	62,201	-
Total U.S. Department of Justice			<u>158,092</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	202,112	-
US Department of Rural Development				
Rural Housing Preservation Grants	10.433		52,474	-
U.S. Department of Health and Human Services				
Pass-through U.S. Agency for Children and Families and Office of				
Child Support Enforcement, Florida Department of Revenue				
Child Support Enforcement	93.563	COC25	83,879	-
U.S. Department of the Treasury				
Direct programs				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		5,201,517	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,801,229</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, 2022

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	A0174	\$ 69,420	\$ -
Emergency Management Programs	31.063	A0296	34,396	-
Total Emergency Management Programs			<u>103,816</u>	-
Local Emergency Management and Mitigation Initiatives	31.064	F0024	83,462	-
Total Florida Executive Office of the Governor			<u>187,278</u>	-
Florida Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC213	93,750	-
Cooperative Collection Center Grant	37.007	HW202	15,358	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0170	85,007	-
Small Community Wastewater Facility Grant	37.075	SG062	56,339	-
Total Florida Department of Environmental Protection			<u>250,454</u>	-
Florida Department of State and Secretary of State				
State Aid to Libraries Grant	45.030	22-ST-15	42,336	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	28445	38,025	-
Total Department of Agriculture and Consumer Services			<u>38,025</u>	-
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	436,095	-
Florida Department of Transportation				
Small County Outreach Program (SCOP)	55.009	G1H11	1,458,893	-
Small County Road Assistance Program (SCRAP)	55.016	G1U86	91,996	-
Small County Road Assistance Program (SCRAP)	55.016	G2674	68,053	-
Total Small County Road Assistance Program			<u>160,048</u>	-
Total Florida Department of Transportation			<u>1,618,941</u>	-
Florida Department of Health				
County Grant Awards	64.005	C0025	6,095	-
Fish and Wildlife Conservation Commission				
Florida Boating Improvement Program	77.006	19028	11,015	-
Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	21-10-07	44,359	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	N/A	3,568	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	N/A	2,000	-
Total Wireless 911 Emergency Telephone System Rural County Grant Program			<u>49,927</u>	-
E911 State Grant Program	72.002	S20-21-12-05	22,679	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S21-22-05-12	17,984	-
Total Florida Department of Management Services			<u>90,590</u>	-
Florida Department of Law Enforcement				
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	7G027	68,750	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 2,749,579</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, 2022

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, 2022. 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. 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 (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 15, 2023. 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 on 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.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Report on 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*.

Hardee County, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
September 15, 2023



**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

Opinion on Each Major Federal Program and State Project

We have audited Hardee County, Florida's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements as subject to audit 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, 2022. 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.

In our opinion, the County complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
September 15, 2023

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2022**

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? X yes no
 - Significant deficiency(ies) identified? X yes none reported
3. Noncompliance material to financial statements noted? yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(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
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

- 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, 2022**

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)

55.016

Name of Federal Program or Cluster

Small County Outreach Program (SCOP)

Dollar threshold used to distinguish between Type A and Type B state projects

\$ 750,000

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Section II – Financial Statement Findings

2022-001 – Financial Statement Adjustments

Type of Finding:

- Significant Deficiency in Internal Control Over Financial Reporting

Condition: As part of the audit, we proposed adjustments to correct the following errors in the County's financial statements:

- Assets and revenues were understated for the Transportation Trust Fund and governmental activities related to fuel tax revenues that were not accrued as of fiscal year-end.
- Assets and liabilities were understated in the Wauchula Hills Water/Wastewater Treatment Fund and business-type activities related to an error in posting journal entries.

Criteria or specific requirement: The County'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:

Effect: Assets, liabilities, and revenues were misstated.

Cause: Reconciliation and review processes did not detect errors in account balances.

Repeat Finding: No.

Recommendation: The County should update fiscal year-end and monthly closing checklists to ensure that the impacted accounts are reconciled and reviewed.

Views of responsible officials and planned corrective actions: We concur with the auditor's finding and will take action to strengthen procedures. Staff will implement a more in-depth review policy for all end of year audit adjustments, as well as additional review to reconcile the entries posted to the trial balance.

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Section II – Financial Statement Findings (Continued)

2022-002 - Schedule of Expenditures of Federal Awards and State Financial Assistance

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: Our audit procedures identified the following errors in the Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule):

- Expenditures for seven state financial assistance grants were incorrectly reported resulting in a net understatement of total state financial assistance.
- Expenditures for four federal awards grants were incorrectly reported resulting in a net understatement of total of federal awards.

Criteria or specific requirement: 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, require auditees to prepare a Schedule. The County's management is responsible for establishing and maintaining internal controls to ensure that Schedule is properly reported.

Context: Testing of amounts reported in the Schedule identified the misstatements.

Effect: The Schedule is used by grantor agencies and auditors to monitor compliance with federal and state requirements. Errors in reporting expenditures on the Schedule may lead to improper testing and therefore, noncompliance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Cause: The process for preparing the Schedule did not accurately identify the expenditures of certain grants.

Repeat Finding: No.

Recommendation: We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported in accordance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Views of responsible officials and planned corrective actions: We concur with the auditor's finding and new procedures will be implemented that create an additional level of review to ensure that federal and state expenditures are reported accurately.

**HARDEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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, 2022, and have issued our report thereon dated September 15, 2023.

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 September 15, 2023, 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 and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

Pursuant to 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.

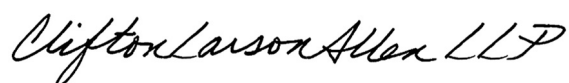
As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)(6), Rules of the Auditor General, the Hardee County Economic Development Authority and Hardee County Industrial Development Authority reported their required information in their respective audit reports.

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. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Sebring, Florida
September 15, 2023



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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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

September 15, 2023

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VICTORIA L. ROGERS

HARDEE COUNTY, CLERK OF THE CIRCUIT COURT AND COMPTROLLER

WAUCHULA, FL 33873
PHONE : (863) 773-4174
WEBSITE : WWW.HARDEECLERK.COM

417 WEST MAIN STREET, ROOM 214
WAUCHULA, FL 33873
FAX : (863) 773-4422

CORRECTIVE ACTION PLAN YEAR ENDED SEPTEMBER 30, 2022

Hardee County respectfully submits the following corrective action plan for the year ended September 30, 2022.

Audit period: October 1, 2021 through September 30, 2022

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2022-001 Financial Statement Adjustments
Recommendation: The County should update the fiscal year-end and monthly closing checklists to ensure that the impacted accounts are reconciled and reviewed.
Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
Action planned in response to finding: Staff will implement a more in-depth review policy for all end of year audit adjustments, as well as additional review to reconcile the entries posted to the trial balance.
Name(s) of the contact person(s) responsible for corrective action: Victoria Rogers, Clerk of Courts, Lindsey Barwick, Accounting Manager
Planned completion date for corrective action plan: September 30, 2023

MATERIAL WEAKNESS

2022-002 Schedule of Expenditures of Federal Awards and State Financial Assistance
Recommendation: We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported in accordance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.
Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
Action taken in response to finding: new procedures will be implemented that create an additional level of review to ensure that federal and state expenditures are reported accurately.
Name(s) of the contact person(s) responsible for corrective action: Sandee Braxton, Assistant County Manager/Director of Management & Budget
Planned completion date for corrective action plan: September 30, 2023



VICTORIA L. ROGERS
HARDEE COUNTY, CLERK OF THE CIRCUIT COURT AND COMPTROLLER

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WAUCHULA, FL 33873
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If there are any questions regarding this plan, please call
Hardee County Office of Management & Budget
Sandee Braxton, Assistant County Manager/Director of Budget & Finance
(863) 773-3199
Or
Lindsey Barwick, Accounting Manager Hardee County Clerk of Courts
(863)773-4174

HARDEE COUNTY CLERK OF THE CIRCUIT COURT
FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS
YEAR ENDED SEPTEMBER 30, 2022



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**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
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YEAR ENDED SEPTEMBER 30, 2022**

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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 Audit of the Financial Statements

Opinions

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 (the Clerk) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Clerk 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 financial statements are intended to present the financial position and changes in financial position of only that portion of each major fund and the aggregate remaining fund information of Hardee County, Florida that is attributable to the transactions of the Clerk. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the 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 opinions on the basic financial statements are not affected by this missing information.


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

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2023 , 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

Sebring, Florida
August 22, 2023

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Major Funds				Total Governmental Funds
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	
ASSETS					
Cash	\$ 71,178	\$ 259,065	\$ 140,795	\$ 86,915	\$ 557,953
Due from Other Funds	5	-	50,375	16,309	66,689
Due from Other Governments	3,335	11,188	-	16,630	31,153
Prepaid Items	2,147	633	984	-	3,764
Total Assets	<u>\$ 76,665</u>	<u>\$ 270,886</u>	<u>\$ 192,154</u>	<u>\$ 119,854</u>	<u>\$ 659,559</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 20,321	\$ 12,109	\$ 2,331	\$ 917	\$ 35,678
Due to Other Funds	56,344	-	10,345	-	66,689
Due to Other Governments	-	258,777	-	-	258,777
Total Liabilities	<u>76,665</u>	<u>270,886</u>	<u>12,676</u>	<u>917</u>	<u>361,144</u>
FUND BALANCES					
Nonspendable	2,147	633	984	-	3,764
Restricted - Official Records	-	-	158,706	-	158,706
Restricted - Court Technology	-	-	19,788	-	19,788
Committed - Clerk Related Functions	-	-	-	118,937	118,937
Unassigned	(2,147)	(633)	-	-	(2,780)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>179,478</u>	<u>118,937</u>	<u>298,415</u>
Total Liabilities and Fund Balances	<u>\$ 76,665</u>	<u>\$ 270,886</u>	<u>\$ 192,154</u>	<u>\$ 119,854</u>	<u>\$ 659,559</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, 2022**

	Major Funds				Total Governmental Funds
	General	Fine and Forfeiture	Public Records Modernization Trust	Child Support IV-D	
REVENUES					
Appropriations from Board of County Commissioners	\$ 702,230	\$ -	\$ -	\$ -	\$ 702,230
Intergovernmental	-	451,584	-	83,879	535,463
Charges for Services	118,657	514,647	41,620	-	674,924
Interest Income	436	570	68	135	1,209
Miscellaneous	176	697	-	-	873
Total Revenues	<u>821,499</u>	<u>967,498</u>	<u>41,688</u>	<u>84,014</u>	<u>1,914,699</u>
EXPENDITURES					
Current:					
General Government:					
Salaries and Benefits	657,400	751,663	4,214	69,022	1,482,299
Operating Expenditures	128,703	29,772	40,759	-	199,234
Capital Outlay	35,396	-	3,951	-	39,347
Total Expenditures	<u>821,499</u>	<u>781,435</u>	<u>48,924</u>	<u>69,022</u>	<u>1,720,880</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	186,063	(7,236)	14,992	193,819
OTHER FINANCING USES					
Distribution of Excess Revenues:					
State of Florida	-	(186,063)	-	-	(186,063)
NET CHANGE IN FUND BALANCES	-	-	(7,236)	14,992	7,756
Fund Balances - Beginning of Year	-	-	186,714	103,945	290,659
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,478</u>	<u>\$ 118,937</u>	<u>\$ 298,415</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
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Appropriations from Board of County Commissioners	\$ 702,230	\$ 702,230	\$ 702,230	\$ -
Charges for Services	93,280	118,657	118,657	-
Interest Income	-	436	436	-
Miscellaneous	1,720	176	176	-
Total Revenues	<u>797,230</u>	<u>821,499</u>	<u>821,499</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	680,376	657,400	657,400	-
Operating Expenditures	116,854	128,703	128,703	-
Capital Outlay	-	35,396	35,396	-
Total Expenditures	<u>797,230</u>	<u>821,499</u>	<u>821,499</u>	<u>-</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>	<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, 2022**

	Budgeted Amounts		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 428,156	\$ 451,584	\$ 451,584	\$ -
Charges for Services	523,276	514,647	514,647	-
Interest Income	-	570	570	-
Miscellaneous	-	697	697	-
Total Revenues	<u>951,432</u>	<u>967,498</u>	<u>967,498</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	882,760	751,663	751,663	-
Operating Expenditures	68,672	29,772	29,772	-
Total Expenditures	<u>951,432</u>	<u>781,435</u>	<u>781,435</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>186,063</u>	<u>186,063</u>	<u>-</u>
OTHER FINANCING USES				
Distribution of Excess Revenues:				
State of Florida	-	(186,063)	(186,063)	-
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
PUBLIC RECORDS MODERNIZATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 32,000	\$ 32,000	\$ 41,620	\$ 9,620
Interest Income	-	-	68	68
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>41,688</u>	<u>9,688</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	26,375	4,214	4,214	-
Operating Expenditures	163,915	179,544	40,759	138,785
Capital Outlay	10,000	34,951	3,951	31,000
Total Expenditures	<u>200,290</u>	<u>218,709</u>	<u>48,924</u>	<u>169,785</u>
NET CHANGE IN FUND BALANCE	(168,290)	(186,709)	(7,236)	179,473
Fund Balance - Beginning of Year	<u>168,290</u>	<u>186,709</u>	<u>186,714</u>	<u>5</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 179,478</u></u>	<u><u>\$ 179,478</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 83,879	\$ 33,879
Interest Income	-	-	135	135
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>84,014</u>	<u>34,014</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	53,460	69,431	69,022	409
Operating Expenditures	98,703	84,510	-	84,510
Total Expenditures	<u>152,163</u>	<u>153,941</u>	<u>69,022</u>	<u>84,919</u>
NET CHANGE IN FUND BALANCE	(102,163)	(103,941)	14,992	118,933
Fund Balance - Beginning of Year	<u>102,163</u>	<u>103,941</u>	<u>103,945</u>	<u>4</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 118,937</u></u>	<u><u>\$ 118,937</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	Custodial Funds
ASSETS	
Cash	\$ 331,437
LIABILITIES	
Due to Individuals	23,319
Due to Other Governments	87,472
Total Liabilities	110,791
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	\$ 220,646

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	Custodial Funds
ADDITIONS	
Collections for Court Related Activities	\$ 1,278,523
Taxes and Fees Collected for Other Governments	2,495,678
Collections from Individuals	156,505
Total Additions	3,930,706
DEDUCTIONS	
Payment of Court Related Funds	1,121,750
Payments to Other Governments	2,666,167
Payments to Individuals	98,328
Total Deductions	3,886,245
NET INCREASE IN FIDUCIARY NET POSITION	44,461
Fiduciary Net Position - Beginning of Year	176,185
FIDUCIARY NET POSITION - END OF YEAR	\$ 220,646

See accompanying Notes to Financial Statements.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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, 2022**

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 fees restricted to 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, 2022, 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, 2022**

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.

Net Position

Restricted net position in the custodial funds as of September 30, 2022 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, 2022**

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.

Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Clerk adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption. Implementation of this standard did not have an impact on the Clerk's financial statements.

NOTE 2 CASH

At September 30, 2022, the Clerk's bank balance was \$931,731. 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.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 CASH (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 to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits	\$	888,865
Petty Cash and Change Funds		525
		<u>889,390</u>
Balance Sheet:		
Cash	\$	557,953
Statement of Fiduciary Net Position:		
Cash		331,437
Total Cash	\$	<u>889,390</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, 2022.

	Balance October 1, 2021	Additions	Disposals	Balance September 30, 2022
Machinery and Equipment	\$ 595,245	\$ 39,347	\$ (886)	\$ 633,706
Less: Accumulated Depreciation	(494,320)	(29,374)	886	(522,808)
Total Capital Assets, Net	<u>\$ 100,925</u>	<u>\$ 9,973</u>	<u>\$ -</u>	<u>\$ 110,898</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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. An annual comprehensive 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, 2022**

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, 2022**

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, 2022, 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 Annual Comprehensive 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, 2022**

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, 2022, 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, 2022, 2021, and 2020 were \$159,489, \$142,669, and \$131,104, 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, 2022**

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, 2022:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 5	\$ 56,344
Public Records Modernization Trust Fund	50,375	10,345
Child Support IV-D Fund	16,309	-
Total	\$ 66,689	\$ 66,689

Amounts due to and from other funds arise from timing differences as a result of transactions.

NOTE 6 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2022:

	Balance October 1, 2021	Net Change	Balance September 30, 2022
Accrued Compensated Absences	\$ 101,844	\$ (13,932)	\$ 87,912

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, 2022 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 \$702,230 for the year ended September 30, 2022.

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, 2022 amounted to \$241,367.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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.

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF FIDUCIARY
 NET POSITION – FIDUCIARY FUNDS – CUSTODIAL FUNDS
 SEPTEMBER 30, 2022**

	Custodial Funds						Total
	Special Trust	Support	Court Registry	County Witness	Cash Bond	Condemnation Right-of-Way	
ASSETS							
Cash	\$ 258,326	\$ 913	\$ 57,106	\$ 442	\$ 14,650	\$ -	\$ 331,437
LIABILITIES							
Due to Individuals	21,664	-	-	5	1,650	-	23,319
Due to Other Governments	86,559	913	-	-	-	-	87,472
Total Liabilities	<u>108,223</u>	<u>913</u>	<u>-</u>	<u>5</u>	<u>1,650</u>	<u>-</u>	<u>110,791</u>
NET POSITION							
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 150,103</u>	<u>\$ -</u>	<u>\$ 57,106</u>	<u>\$ 437</u>	<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ 220,646</u>

**HARDEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY
 NET POSITION – FIDUCIARY FUNDS – CUSTODIAL FUNDS
 SEPTEMBER 30, 2022**

	Custodial Funds						Total
	Special Trust	Support	Court Registry	County Witness	Cash Bond	Condemnation Right-of-Way	
ADDITIONS							
Collections for Court Related Activities	\$ 611,649	\$ 5,244	\$ 426,396	\$ -	\$ 69,107	166,127	\$ 1,278,523
Taxes and Fees Collected for Other Governments	2,495,678	-	-	-	-	-	2,495,678
Collections from Individuals	156,505	-	-	-	-	-	156,505
Total Additions	<u>3,263,832</u>	<u>5,244</u>	<u>426,396</u>	<u>-</u>	<u>69,107</u>	<u>166,127</u>	<u>3,930,706</u>
DEDUCTIONS							
Payment of Court Related Funds	586,999	5,244	438,142	8	91,357	-	1,121,750
Payments to Other Governments	2,495,678	-	-	-	-	170,489	2,666,167
Payments to Individuals	98,328	-	-	-	-	-	98,328
Total Deductions	<u>3,181,005</u>	<u>5,244</u>	<u>438,142</u>	<u>8</u>	<u>91,357</u>	<u>170,489</u>	<u>3,886,245</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	82,827	-	(11,746)	(8)	(22,250)	(4,362)	44,461
Fiduciary Net Position - Beginning of Year	<u>67,276</u>	<u>-</u>	<u>68,852</u>	<u>445</u>	<u>35,250</u>	<u>4,362</u>	<u>176,185</u>
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 150,103</u>	<u>\$ -</u>	<u>\$ 57,106</u>	<u>\$ 437</u>	<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ 220,646</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 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 Hardee County Clerk of the Circuit Court, (the Clerk), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated August 22, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

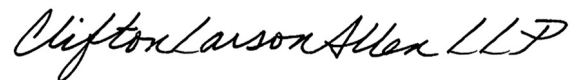
The Honorable Victoria L. Rogers
Hardee County Clerk of the Circuit Court

Report on 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

Sebring, Florida
August 22, 2023



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, 2022 and have issued our report thereon dated August 22, 2023.

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 August 22, 2023, 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

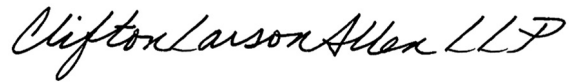
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

Sebring, Florida
August 22, 2023

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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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

Sebring, Florida
August 22, 2023

HARDEE COUNTY PROPERTY APPRAISER

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2022



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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 Audit of the Financial Statements

Opinion

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund of the Property Appraiser of Hardee County, as of September 30, 2022, and the changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser of Hardee County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Property Appraiser of Hardee County 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 financial statements are intended to present the financial position and the changes in financial position of only that portion of the General Fund of Hardee County that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Property Appraiser's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The Honorable Kathy Crawford
Hardee County Property Appraiser

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2023, 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
January 19, 2023

**HARDEE COUNTY PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash	\$ 55,552
Prepaid Items	<u>3,000</u>
Total Assets	<u><u>\$ 58,552</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 9,598
Due to Board of County Commissioners	47,123
Due to Other Governments	<u>1,831</u>
Total Liabilities	<u>58,552</u>

FUND BALANCE

Total Liabilities and Fund Balance	<u><u>\$ 58,552</u></u>
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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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services:				
Board of County Commissioners	\$ 799,416	\$ 800,941	\$ 800,941	\$ -
Other Governments	31,060	31,119	31,119	-
Interest Income	-	-	52	52
Miscellaneous	-	-	1,454	1,454
Total Revenues	<u>830,476</u>	<u>832,060</u>	<u>833,566</u>	<u>1,506</u>
EXPENDITURES				
Current:				
General Government:				
Personal Services	640,389	605,172	585,992	19,180
Operating Expenditures	190,087	223,332	195,064	28,268
Capital Outlay	-	3,556	3,556	-
Total Expenditures	<u>830,476</u>	<u>832,060</u>	<u>784,612</u>	<u>47,448</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	48,954	48,954
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	-	-	(47,123)	(47,123)
Other Governments	-	-	(1,831)	(1,831)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(48,954)</u>	<u>(48,954)</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, 2022**

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, 2022**

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, 2022**

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, 2022, 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 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, 2022**

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.

Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Property Appraiser adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption. Implementation of this standard did not have an impact on the Property Appraiser's financial statements.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 CASH

At September 30, 2022, the Property Appraiser's bank balance was \$82,164 consisting entirely of demand deposits. Cash per the balance sheet consisted of \$55,512 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.

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.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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 acquisition. 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, 2021	Additions	Disposals	Balance September 30, 2022
Machinery and Equipment	\$ 372,426	\$ 3,556	\$ -	\$ 375,982
Less: Accumulated Depreciation	(157,365)	(54,206)	-	(211,571)
Total Capital Assets, Net	<u>\$ 215,061</u>	<u>\$ (50,650)</u>	<u>\$ -</u>	<u>\$ 164,411</u>

NOTE 4 PENSION PLANS

Background

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

Essentially all regular employees of the Property Appraiser are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A annual comprehensive 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 PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2022, 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 PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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 (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the state of Florida Annual Comprehensive Financial Report.

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

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

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, 2022, 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, 2022**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (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, 2022, 2021, and 2020 were \$90,012, \$85,577, and \$75,921, 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, 2022:

	Balance October 1, 2021	Net Change	Balance September 30, 2022
Accrued Compensated Absences	\$ 16,730	\$ 1,080	\$ 17,810

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, 2022 were as follows:

Budget Appropriation – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$800,941 for the year ended September 30, 2022. At September 30, 2022, \$47,123 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, 2022 amounted to \$91,482.

**HARDEE COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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.



**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 the Hardee County Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2022, 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 January 19, 2023.

Report on 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 opinion 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 or significant deficiencies may exist that were not identified.

The Honorable Kathy Crawford
Hardee County Property Appraiser

Report on 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
January 19, 2023



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, 2022, and have issued our report thereon dated January 19, 2023.

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 19, 2023, 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. See item 2022-001 in the accompanying schedule of findings and responses.

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
January 19, 2023

**HARDEE COUNTY PROPERTY APPRAISER
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2022**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2022-001 – Payroll

Type of Finding:

- Deficiency in Internal Control

Condition: The Property Appraiser overpaid one employee for approximately 8 months of the fiscal year.

Criteria: The Property Appraiser's management is responsible for establishing and maintaining effective internal controls over payroll transactions.

Context: The Property Appraiser detected the error during the fiscal year-end close and after excess fees were calculated.

Effect: Expenditures and amounts due to the taxing entities are overstated, while excess fees and receivables for the overpayment are understated.

Cause: The Property Appraiser's internal controls over payroll for each transaction cycle did not detect the error.

Recommendation: Management should improve the effectiveness of the monthly payroll review to include a complete analysis and recalculation of pay rates to the supporting documentation.

Views of responsible officials and planned corrective actions: The Hardee County Property Appraiser agrees with the finding of an identified deficiency in internal control over payroll. Our office enlisted the services of a professional CPA Firm to handle our payroll and bookkeeping beginning in fiscal year '22. Some of our bookkeeping processes and procedures were modified and there was insufficient oversight to ensure that any payroll adjustments made were accurate. We are no longer contracting our bookkeeping services and will be handling payroll in house. We have corrected this issue and have procedures in place to prevent any future deficiencies in internal control over bookkeeping.



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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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
January 19, 2023

HARDEE COUNTY SHERIFF
FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS
YEAR ENDED SEPTEMBER 30, 2022



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**HARDEE COUNTY SHERIFF
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INDEPENDENT AUDITORS' REPORT

The Honorable Vincent Crawford
Hardee County Sheriff
Hardee County, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff of Hardee County, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Sheriff of Hardee County, Florida 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 financial statements are intended to present the financial position and changes in financial position of only that portion of each major fund and the aggregate remaining fund information of Hardee County, Florida that is attributable to the transactions of the Sheriff. They do not purport to, and do not, present fairly the financial position of Hardee County, Florida as of September 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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.

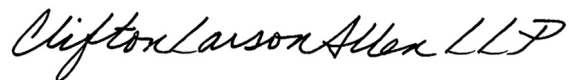
The Honorable Vincent Crawford
Hardee County Sheriff

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining statements 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 January 19, 2023, 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.



CliftonLarsonAllen LLP

Sebring, Florida
January 19, 2023

**HARDEE COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General Fund	E-911 Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 1,564,215	\$ 107,157	\$ 155,382	\$ 1,826,754
Due from Other Governments	96,821	-	-	96,821
Total Assets	<u>\$ 1,661,036</u>	<u>\$ 107,157</u>	<u>\$ 155,382</u>	<u>\$ 1,923,575</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 73,877	\$ -	\$ 511	\$ 74,388
Accrued Liabilities	720,556	-	-	720,556
Due to the Board of County Commissioners	866,603	86,725	-	953,328
Total Liabilities	1,661,036	86,725	511	1,748,272
 FUND BALANCES				
Restricted	-	20,432	154,871	175,303
Total Liabilities and Fund Balances	<u>\$ 1,661,036</u>	<u>\$ 107,157</u>	<u>\$ 155,382</u>	<u>\$ 1,923,575</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	General Fund	E-911 Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Appropriations from Board of County Commissioners	\$ 11,909,784	\$ 313,008	\$ -	\$ 12,222,792
Intergovernmental	105,121	-	-	105,121
Charges for Services	708,507	-	-	708,507
Fines and Forfeitures	-	-	3,386	3,386
Interest	3,455	-	-	3,455
Miscellaneous	139,400	-	34,231	173,631
Total Revenues	<u>12,866,267</u>	<u>313,008</u>	<u>37,617</u>	<u>13,216,892</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries and Benefits	8,653,350	-	-	8,653,350
Operating Expenditures	2,255,118	173,049	27,977	2,456,144
Capital Outlay	1,171,798	40,663	-	1,212,461
Debt Service:				
Principal Retirement	1,137	-	1,137	2,274
Interest and Fiscal Charges	46	-	45	91
Total Expenditures	<u>12,081,449</u>	<u>213,712</u>	<u>29,159</u>	<u>12,324,320</u>
EXCESS OF REVENUES OVER EXPENDITURES	784,818	99,296	8,458	892,572
OTHER FINANCING USES				
Transfers to Board of County Commissioners	<u>(784,818)</u>	<u>(78,864)</u>	<u>-</u>	<u>(863,682)</u>
NET CHANGE IN FUND BALANCES	-	20,432	8,458	28,890
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>146,413</u>	<u>146,413</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 20,432</u>	<u>\$ 154,871</u>	<u>\$ 175,303</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriations from Board of County Commissioners	\$ 11,650,395	\$ 11,650,395	\$ 11,909,784	\$ 259,389
Intergovernmental	-	36,371	105,121	68,750
Charges for Services	-	231,406	708,507	477,101
Interest	-	163	3,455	3,292
Miscellaneous	-	71,432	139,400	67,968
Total Revenues	<u>11,650,395</u>	<u>11,989,767</u>	<u>12,866,267</u>	<u>876,500</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries and Benefits	9,652,754	9,652,754	8,653,350	999,404
Operating Expenditures	1,953,225	2,010,935	2,255,118	(244,183)
Capital Outlay	44,416	326,078	1,171,798	(845,720)
Debt Service:				
Principal	-	-	1,137	(1,137)
Interest	-	-	46	(46)
Total Expenditures	<u>11,650,395</u>	<u>11,989,767</u>	<u>12,081,449</u>	<u>(91,682)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	784,818	784,818
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(784,818)	(784,818)
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, 2022**

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 59,716
LIABILITIES	
Due to Others	<u>14,543</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	45,173
Total Net Position	<u><u>\$ 45,173</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	Custodial Funds
ADDITIONS	
Collections from Individuals	\$ 149,767
Evidence Collected	2,278
Fees Collected for Other Governments	45,568
Total Additions	197,613
DEDUCTIONS	
Medical, Dental, and Life Insurance	41,975
Payments to Individuals	27,227
Payments to Other Entities	83,470
Payments to Other Governments	46,103
Total Deductions	198,775
NET DECREASE IN FIDUCIARY NET POSITION	(1,162)
Fiduciary Net Position - Beginning of Year	46,335
FIDUCIARY NET POSITION - END OF YEAR	\$ 45,173

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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 E-911 Fund, Commissary Fund, Education Fund, Youth Fund, Flower Fund, or Drug Task Force 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.

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.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, there was no fund balance in the General Fund. The remaining fund balances in the E911 Fund, Commissary Fund, Education Fund, Youth Fund, Flower Fund, and Drug Task Force Fund are appropriately classified as restricted. E911 Fund is restricted for emergency 911 activities while the other restrictions are disclosed on the combining balance sheet – nonmajor governmental funds. 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, 2022**

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, 2022 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 160 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, 2022**

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.

Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

NOTE 2 CASH

At September 30, 2022, the Sheriff's total bank balance was \$2,352,125. 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.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 CASH (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 to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits	<u>\$ 1,886,470</u>
Balance Sheet:	
Cash	\$ 1,826,754
Statement of Fiduciary Net Position:	
Cash	59,716
Total Cash	<u>\$ 1,886,470</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, 2022:

	<u>Balance October 1, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance September 30, 2022</u>
Capital Assets, Being Depreciated and Amortized:				
Machinery and Equipment	\$ 4,922,065	\$ 1,204,016	\$ (276,587)	\$ 5,849,494
Right-to-Use Lease Assets	3,899	-	-	3,899
Less: Accumulated Depreciation				
Machinery and Equipment	(3,589,435)	(617,568)	271,760	(3,935,243)
Right-to-Use Lease Assets	-	(2,301)	-	(2,301)
Total Capital Assets, Net	<u>\$ 1,336,529</u>	<u>\$ 584,147</u>	<u>\$ (4,827)</u>	<u>\$ 1,915,849</u>

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLANS

Background

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

Essentially all regular employees of the Sheriff are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive 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 SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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 SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continue)

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.

Benefits Provided

For the fiscal year ended June 30, 2022, 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 Annual Comprehensive Financial Report.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 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, 2022, 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, 2022, 2021, and 2020 were \$1,266,988, \$1,162,414, and \$1,188,005, 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 SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the year ended September 30, 2022:

	Balance October 1, 2021	Net (Decrease)	Balance September 30, 2022	Due Within One Year
Accrued Compensated Absences	\$ 382,272	\$ 68,864	\$ 451,136	\$ -

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 LEASES

The Sheriff leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Sheriff's leases can be found in the Hardee County county-wide financial statements.

Leases entered into by the Sheriff are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Sheriff's payments of principal and interest on leases totaled \$2,365.

NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2022 were as follows:

Budget Appropriation – The General Fund received revenue from the Board of County Commissioners in the amount of \$11,909,784 for the year ended September 30, 2022. At September 30, 2022, \$866,603 was due to the Board from the General Fund. The E911 Fund received revenue from the Board of County Commissioners in the amount of \$313,008. At September 30, 2022, \$86,725 was due to the Board from the E911 Fund.

**HARDEE COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 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.

NOTE 9 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.

**HARDEE COUNTY SHERIFF
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<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	<u>\$ 107,359</u>	<u>\$ 37,697</u>	<u>\$ 7,990</u>	<u>\$ 1,814</u>	<u>\$ 522</u>	<u>\$ 155,382</u>
LIABILITIES						
Accounts Payable	\$ 367	\$ -	\$ -	\$ 144	\$ -	\$ 511
FUND BALANCES						
Restricted for:						
Education	-	37,697	-	-	-	37,697
Inmate Welfare	106,992	-	-	-	-	106,992
Law Enforcement	-	-	-	1,670	522	2,192
Youth Programs	-	-	7,990	-	-	7,990
Total Fund Balances	<u>106,992</u>	<u>37,697</u>	<u>7,990</u>	<u>1,670</u>	<u>522</u>	<u>154,871</u>
Total Liabilities and Fund Balances	<u>\$ 107,359</u>	<u>\$ 37,697</u>	<u>\$ 7,990</u>	<u>\$ 1,814</u>	<u>\$ 522</u>	<u>\$ 155,382</u>

**HARDEE COUNTY SHERIFF
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2022**

	Commissary Fund	Education Fund	Youth Fund	Flower Fund	Drug Task Force Fund	Total Nonmajor Governmental Funds
REVENUES						
Fines and Forfeitures	\$ -	\$ 3,386	\$ -	\$ -	\$ -	\$ 3,386
Miscellaneous	26,440	-	5,444	2,346	1	34,231
Total Revenues	<u>26,440</u>	<u>3,386</u>	<u>5,444</u>	<u>2,346</u>	<u>1</u>	<u>37,617</u>
EXPENDITURES						
Current:						
Public Safety:						
Operating Expenditures	8,726	5,873	4,802	1,541	7,035	27,977
Debt Service:						
Principal	1,137	-	-	-	-	1,137
Interest	45	-	-	-	-	45
Total Expenditures	<u>9,908</u>	<u>5,873</u>	<u>4,802</u>	<u>1,541</u>	<u>7,035</u>	<u>29,159</u>
NET CHANGE IN FUND BALANCES	16,532	(2,487)	642	805	(7,034)	8,458
Fund Balances - Beginning 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>
FUND BALANCES - END OF YEAR	<u>\$ 106,992</u>	<u>\$ 37,697</u>	<u>\$ 7,990</u>	<u>\$ 1,670</u>	<u>\$ 522</u>	<u>\$ 154,871</u>

**HARDEE COUNTY SHERIFF
 COMBINING STATEMENT OF FIDUCIARY NET POSITION –
 FIDUCIARY FUNDS – CUSTODIAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds			Total
	Suspense Fund	Evidence Fund	Inmate Fund	
ASSETS				
Cash	\$ 14,543	\$ 30,181	\$ 14,992	\$ 59,716
LIABILITIES				
Due to Others	<u>14,543</u>	<u>-</u>	<u>-</u>	<u>14,543</u>
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	-	30,181	14,992	45,173
Total Net Position	<u>\$ -</u>	<u>\$ 30,181</u>	<u>\$ 14,992</u>	<u>\$ 45,173</u>

**HARDEE COUNTY SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds			Total
	Suspense Fund	Evidence Fund	Inmate Fund	
ADDITIONS				
Collections from Individuals	\$ 41,975	\$ -	\$ 107,792	149,767
Evidence Collected		2,278	-	2,278
Fees Collected for Other Governments	45,568	-	-	45,568
Total Additions	<u>87,543</u>	<u>2,278</u>	<u>107,792</u>	<u>197,613</u>
DEDUCTIONS				
Medical, Dental, and Life Insurance	41,975	-	-	41,975
Payments to Individuals	-	-	27,227	27,227
Payments to Other Entities	-	-	83,470	83,470
Payments to Other Governments	45,568	535	-	46,103
Total Deductions	<u>87,543</u>	<u>535</u>	<u>110,697</u>	<u>198,775</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	1,743	(2,905)	(1,162)
Fiduciary Net Position - Beginning of Year	<u>-</u>	<u>28,438</u>	<u>17,897</u>	<u>46,335</u>
FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 30,181</u></u>	<u><u>\$ 14,992</u></u>	<u><u>\$ 45,173</u></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 Hardee County Sheriff (Sheriff), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated January 19, 2023.

Report on 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be material weaknesses.

The Honorable Vincent Crawford
Hardee County Sheriff

Report on 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 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*.

Hardee County Sheriff's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Sheriff's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Sheriff's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 19, 2023



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, 2022, and have issued our report thereon dated January 19, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 19, 2023, 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 and recommendations made in the preceding financial audit report except as noted in 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 Vincent Crawford
Hardee County Sheriff

Financial Management

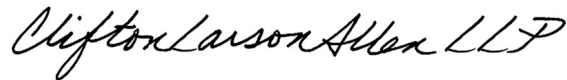
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 item 2022-003 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
January 19, 2023

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2022**

PRIOR YEAR

Prior Years Findings		Current Year Status			Current Year Finding #	2020-2021 Year Finding #	2019-2020 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
2021-001 - Audit Adjustments and Account Reconciliations	Material Weakness			X	2022-001	2021-001	2020-001
2021-002 - Bank Reconciliations	Material Weakness			X	2022-002	2021-002	2020-002
2021-003 - Budgets	Compliance			X	2022-003	2021-003	2020-003
2021-004 - Employee Bonuses	Compliance	X			N/A	N/A	N/A

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2022-001 – Audit Adjustments and Account Reconciliations (Previously Identified as Finding 2021-001)

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 at fiscal year-end. Accounts including receivables, prepaid items, accrued liabilities, and liabilities to other governments 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, liabilities to other governments, 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, 2022**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2022-001 – Audit Adjustments and Account Reconciliations (Previously Identified as Finding 2021-001) (Continued)

Views of Responsible Officials: Following our discussions with the CLA staff, the Finance Office has implemented a monthly account reconciliation comparing the bank reconciles with the trial balance to identify any errors or omissions during the month. The reconciles will be placed in a separate folder for CLA to review during future audits. This process will be adjusted, as needed, as the Finance Office continues throughout the following months.

2022-002 – Bank Reconciliations (Previously Identified as Finding 2021-002)

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 related to a fiscal year 2021 audit adjustment posted to cash rather than a liability, a payroll accrual entry in the beginning of the fiscal year which reduced cash, and a duplicated payroll tax payment in the general ledger.

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.

Views of Responsible Officials: The Finance Office will continue working with American Data Group (ADG) to resolve all general ledger issues during the fiscal year. The Finance Office has implemented a reconciliation process outside of ADG to identify any issues with our accounting practices. Additionally, the Finance Office is directed to consult with CLA to resolve any problems with adjusting journal entries for the year that may negatively impact the bank reconciliations.

**HARDEE COUNTY SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
SEPTEMBER 30, 2022**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2022-003 – Budgets (Previously Identified as Finding 2021-003)

Type of Finding:

- Compliance

Condition: For the year ended September 30, 2022, 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 2022-001, resulted in an increase in total expenditures. Also, the budget was not amended for certain expenditures funded by specific charges for services and intergovernmental revenues. 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: I, as the Sheriff, have directed the Finance Office to monitor the receipts and disbursements more strictly to prevent errors from occurring. Additionally, I have directed the Finance Office to prepare budget amendments for all revenues collected at the end of each quarter to prepare for presentation to the Hardee County Board of County Commissioners for their approval, if needed.



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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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
January 19, 2023

HARDEE COUNTY SUPERVISOR OF ELECTIONS

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2022



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**HARDEE COUNTY SUPERVISOR OF ELECTIONS
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinion

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, 2022, 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.

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 of Hardee County, as of September 30, 2022, and the changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections of Hardee County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Supervisor of Elections of Hardee County 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 financial statements are intended to present the financial position and the changes in financial position of only that portion the General Fund of Hardee County that is attributable to the transactions of the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hardee County as of September 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.


The Honorable Diane Smith
Hardee County Supervisor of Elections

Required Supplementary Information

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, 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 30, 2023

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash	\$	32,671
Prepaid Items		<u>18,762</u>
Total Assets		<u><u>\$ 51,433</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued Liabilities	\$	6,262
Due to Board of County Commissioners		<u>45,171</u>
Total Liabilities		51,433

FUND BALANCE

Nonspendable		18,762
Unassigned		<u>(18,762)</u>
Total Fund Balance		<u>-</u>
Total Liabilities and Fund Balance		<u><u>\$ 51,433</u></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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriation from Board of County Commissioners	\$ 539,843	\$ 539,843	\$ 539,843	\$ -
Interest Income	-	-	19	19
Miscellaneous	-	-	742	742
Total Revenues	<u>539,843</u>	<u>539,843</u>	<u>540,604</u>	<u>761</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	300,895	300,895	313,924	(13,029)
Operating Expenditures	184,448	184,448	155,140	29,308
Capital Outlay	54,500	54,500	24,180	30,320
Debt Service:				
Principal Retirement	-	-	1,883	(1,883)
Interest and Fiscal Charges	-	-	306	(306)
Total Expenditures	<u>539,843</u>	<u>539,843</u>	<u>495,433</u>	<u>46,599</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	45,171	45,171
OTHER FINANCING USES				
Transfer to the Board of County Commissioners	-	-	(45,171)	(45,171)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(45,171)</u>	<u>(45,171)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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 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, 2022**

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, 2022**

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, 2022, 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, 2022**

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.

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

NOTE 2 CASH

At September 30, 2022, the Supervisor of Elections' deposits were \$52,319 and the Supervisor of Elections' book balance was \$32,671, 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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 CASH (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.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2021	Additions	Disposals	Balance September 30, 2022
Capital Assets, Being Depreciated and Amortized:				
Machinery and Equipment	\$ 224,537	\$ -	\$ -	\$ 224,537
Right-to-Use Lease Assets	10,028	-	-	10,028
Less: Accumulated Depreciation and Amortization:				
Machinery and Equipment	(201,891)	(5,830)	-	(207,721)
Right-to-Use Lease Assets	-	(2,017)	-	(2,017)
Total Capital Assets, Net	<u>\$ 32,674</u>	<u>\$ (7,847)</u>	<u>\$ -</u>	<u>\$ 24,827</u>

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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. An annual comprehensive 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 (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.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLAN (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 SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLAN (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, 2022, 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 (the Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLAN (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. 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, 2022, 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, 2022**

NOTE 4 PENSION PLAN (CONTINUED)

FRS Investment Plan (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, 2022, 2021, and 2020 were \$65,000, \$60,531, and \$56,388, respectively, equal to the actuarially determined required 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 obligations for the year ended September 30, 2022:

	Balance October 1, 2021	Net Change	Balance September 30, 2022
Accrued Compensated Absences	\$ 336	\$ (336)	\$ -

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 LEASES

The Supervisor of Elections leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Supervisor of Elections' leases can be found in the Hardee County county-wide financial statements.

Leases entered into by the Supervisor of Elections are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Supervisor of Elections payments of principal and interest on leases totaled \$2,189.

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with the Board for the year ended September 30, 2022 were as follows:

Budget Appropriation – The General Fund of the Supervisor of Elections received revenue from the Board in the amount of \$539,843 for the fiscal year ended September 30, 2022. The General Fund paid \$35,963 to the Board for health insurance. In addition, \$45,171 was due to the Board at September 30, 2022.

NOTE 8 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 9 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, 2022, 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 30, 2023.

Report on 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

The Honorable Diane Smith
Hardee County Supervisor of Elections

Report on Compliance and Other Matters

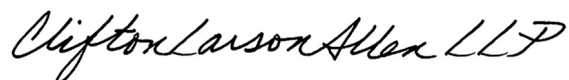
As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Government Auditing Standards requires the auditor to perform limited procedures on the Supervisor of Elections' response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Supervisor of Elections' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 30, 2023



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, 2022, and have issued our report thereon dated January 30, 2023.

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 30, 2023, 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.

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

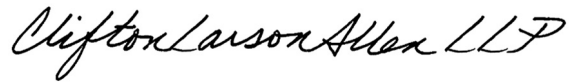
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 LLP

Sebring, Florida
January 30, 2023

**HARDEE COUNTY SUPERVISOR OF ELECTIONS
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2022**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2022-001 – Capital Outlay and Capital Assets

Type of Finding:

- Material Weakness

Condition: A material audit adjustment to correct the Supervisor of Elections' financial statements was identified during the audit.

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).

Context: Testing of expenditures identified the deficiency.

Effect: Capital assets were understated. Capital outlay expenditures were understated while operating expenditures were overstated.

Cause: Management did not accurately classify equipment expenditures, which met the capitalization threshold. And those costs were not identified as needing to be capitalized.

Recommendation: We recommend that the Supervisor or Elections establish controls to ensure that costs which qualify for capitalization according to the policy are properly classified as capital outlay and are capitalized for disclosure in the notes to the financial statements.

Views of responsible officials and planned corrective actions: I, Diane Smith, Hardee County Supervisor of Elections, do agree with the finding as indicated in the audit report. Our office will make every effort to correct the issues as indicated in the report.



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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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 30, 2023

HARDEE COUNTY TAX COLLECTOR

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2022



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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 Audit of the Financial Statements

Opinions

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, 2022, 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.

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 of Hardee County as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector of Hardee County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Tax Collector of Hardee County 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 financial statements are intended to present the financial position and the changes in financial position of only that portion of the General Fund and the aggregate remaining fund information of Hardee County that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position of Hardee County, as of September 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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.

The Honorable April Lambert
Hardee County Tax Collector

Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2023, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
January 19, 2023

**HARDEE COUNTY TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash	\$ 157,676
Accounts Receivable	<u>22,411</u>
Total Assets	<u><u>\$ 180,087</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 8,568
Due to the Board of County Commissioners	167,334
Due to Other Governments	<u>4,185</u>
Total Liabilities	180,087

FUND BALANCE

	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 180,087</u></u>

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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 927,050	\$ 927,050	\$ 1,005,664	\$ 78,614
Interest	150	150	78	(72)
Miscellaneous	800	800	-	(800)
Total Revenues	<u>928,000</u>	<u>928,000</u>	<u>1,005,742</u>	<u>77,742</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	795,179	795,179	717,001	78,178
Operating Expenditures	120,271	126,271	113,512	12,759
Capital Outlay	6,000	-	-	-
Debt Service:				
Principal Retirement	-	-	3,576	(3,576)
Interest and Fiscal Charges	-	-	134	(134)
Total Expenditures	<u>921,450</u>	<u>921,450</u>	<u>834,223</u>	<u>87,227</u>
EXCESS OF REVENUES OVER EXPENDITURES	6,550	6,550	171,519	164,969
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	(6,550)	(6,550)	(167,334)	(160,784)
Indigent Health Care Special District	-	-	(703)	(703)
Other Governments	-	-	(3,482)	(3,482)
Total Other Financing Uses	<u>(6,550)</u>	<u>(6,550)</u>	<u>(171,519)</u>	<u>(164,969)</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, 2022**

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 439,783
LIABILITIES	
Due to Individuals	8,421
Due to Board of County Commissioners	5,185
Due to Other Governments	155,872
Deposit - Installment Taxes	<u>270,305</u>
Total Liabilities	<u>439,783</u>
NET POSITION	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**HARDEE COUNTY TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds
ADDITIONS	
Property Tax Collections for Other Governments	\$ 14,161,129
License and Fees Collected for State Agencies	4,106,734
Total Additions	18,267,863
DEDUCTIONS	
Payments of Property Tax to Other Governments	14,148,210
Payments to State Agencies	4,119,653
Total Deductions	18,267,863
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, 2022**

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, 2022**

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, 2022**

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, 2022, 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, 2022, 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, 2022**

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.

Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Tax Collector's liability and right-to-use asset are reported in the financial statements of the County.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 CUSTODIAL CREDIT RISK

At September 30, 2022, the Tax Collector’s bank balance was \$615,830, 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 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	\$	596,009
Petty Cash and Change Funds		1,450
Total	\$	<u>597,459</u>
Balance Sheet:		
Cash	\$	157,676
Statement of Fiduciary Net Position - Fiduciary Funds:		
Cash		439,783
Total Cash	\$	<u>597,459</u>

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3 CAPITAL ASSETS

Capital asset activity for the fiscal year is as follows:

	Balance October 1, 2021	Additions	Disposals	Balance September 30, 2022
Capital Assets, Being Depreciated and Amortized:				
Machinery and Equipment	\$ 131,801	\$ -	\$ -	\$ 131,801
Right-to-Use Lease Assets	6,002	-	-	6,002
Less: Accumulated Depreciation				
Machinery and Equipment	(104,046)	(11,073)	-	(115,119)
Right-to-Use Lease Assets		(3,617)		(3,617)
Total Capital Assets, Net	<u>\$ 33,757</u>	<u>\$ (14,690)</u>	<u>\$ -</u>	<u>\$ 19,067</u>

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 annual comprehensive 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 TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under 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 TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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, 2022, 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 TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

FRS Investment Plan

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

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, 2022, 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.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2022, 2021, and 2020 were \$108,524, \$98,827, and \$94,623, 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, 2022:

	Balance October 1, 2021	Net Change	Balance September 30, 2022
Accrued Compensated Absences	\$ 22,022	\$ (110)	\$ 21,912

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 LEASES

The Tax Collector leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87, *Leases*. Detailed information about the Tax Collector's leases can be found in the Hardee County county-wide financial statements.

Leases entered into by the Tax Collector are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Tax Collector's payments of principal and interest on leases totaled \$3,710.

**HARDEE COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with the Hardee County Board of County Commissioners for the year ended September 30, 2022 were as follows:

Budget Appropriation – The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$597,486 for the year ended September 30, 2022. The General Fund of the Tax Collector paid \$108,430 to the Board of County Commissioners for Health Insurance. In addition, \$167,334 and \$5,185 was due to the Board of County Commissioners at September 30, 2022 from the General Fund and Agency Funds, respectively.

NOTE 8 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 9 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, 2022**

	Custodial Funds		Total Custodial Funds
	Tax Collector	Motor Vehicle	
ASSETS			
Cash	\$ 284,187	\$ 155,596	\$ 439,783
LIABILITIES			
Due to Individuals	8,421	-	8,421
Due to Board of County Commissioners	3,761	1,424	5,185
Due to Other Governments	1,700	154,172	155,872
Deposit - Installment Taxes	270,305	-	270,305
Total Liabilities	284,187	155,596	439,783
NET POSITION	\$ -	\$ -	\$ -

**HARDEE COUNTY TAX COLLECTOR
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS – CUSTODIAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds		Total Custodial Funds
	Tax Collector	Motor Vehicle	
ADDITIONS			
Property Tax Collections for Other Governments	\$ 14,161,129	\$ -	\$ 14,161,129
License and Fees Collected for State Agencies	-	4,106,734	4,106,734
Total Additions	14,161,129	4,106,734	18,267,863
DEDUCTIONS			
Payments of Property Tax to Other Governments	14,148,210	-	14,148,210
Payments to State Agencies	12,919	4,106,734	4,119,653
Total Deductions	14,161,129	4,106,734	18,267,863
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
FIDUCIARY NET POSITION - END OF YEAR	\$ -	\$ -	\$ -



**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, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated January 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

The Honorable April Lambert
Hardee County Tax Collector

Report on 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

Government Auditing Standards requires the auditor to perform limited procedures on the Tax Collector's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Tax Collector's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
January 19, 2023



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, 2022, and have issued our report thereon dated January 19, 2023.

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 19, 2023, 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 and recommendations made in the preceding audit report except 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 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

CliftonLarsonAllen LLP

Sebring, Florida
January 19, 2023

**HARDEE COUNTY TAX COLLECTOR
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2022**

STATUS OF PRIOR YEAR FINDINGS

Prior Years Findings		Current Year Finding #	2020-2021 Year Finding #	2019-2020 Year Finding #
Segregation of Duties	Significant Deficiency	2022-001	2021-001	N/A

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2022-001 – Segregation of Duties

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Duties within disbursement of expenditures may not be 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: Test of control effectiveness identified the deficiency.

Effect: Error and fraud risks are less manageable when there is inadequate segregation of duties.

Cause: While the internal control of segregating preparation of disbursements from check signing is designed adequately, in response to the prior year finding, evidence to identify the preparer being different from the check signer was not present.

Recommendation: We recommend that the Tax Collector develop a procedure where the preparer is specifically noted on each disbursement to document the segregation from the check signer.

Views of responsible officials: In response to the findings on the Hardee County Tax Collector’s audit for the year ending September 30, 2022, management felt that the segregation of duties had been being performed. However, management is now putting on each invoice who prepared the invoice and who reviewed the invoice.



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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

This report is intended solely for the information and use of the Tax Collector and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
January 19, 2023