



ANNUAL FINANCIAL REPORT



ROGER D. EATON

Clerk of the Circuit Court and County Comptroller



FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018

CHARLOTTE COUNTY, FLORIDA

**CHARLOTTE COUNTY
FLORIDA**

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018**

PREPARED BY:

**ROGER D. EATON
CLERK OF THE CIRCUIT COURT
& COUNTY COMPTROLLER**

**KIM WILDER
FINANCE DIRECTOR**

MESSAGE FROM YOUR CLERK AND COUNTY COMPTROLLER



TO THE CITIZENS OF CHARLOTTE COUNTY:

Not resting on our laurels from my first year in office in 2017, your Clerk's Office continued looking for ways to provide efficient services to our local taxpayers while simultaneously reducing our operating budget. I am happy to report 2018 was another successful year.

Following up on the success of our Jury Services app developed and launched by our in-house IT team in 2017, we introduced a new and unique Marriage Scheduling app for both the iPhone and Android devices. With our new online marriage scheduling system, couples can complete an online marriage application and schedule a block of time for their wedding ceremony to be held in our newly designed marriage room in the Charlotte County Justice Center. This state of the art system allows for follow up text messaging and appointment notifications. Since instituting this system, over 200 couples have married in our office. The positive response by couples who have used this new system and ceremony room have been a highlight of 2018.

Your Clerk's Office provided a convenient solution to our citizens wanting to pay their fines and fees with

cash without them having to personally come into the Justice Center during business hours to make their payment. We partnered with nCourt and PayNearMe, financial services technology companies, to create the ability for Charlotte County citizens to pay their fines and fees in cash using a convenient barcode scan at participating merchants such as CVS, 7 Eleven and Dollar General. The new program is convenient, guaranteed, and confidential. This helps working people, as they can now pay after regular working hours. We are the first Clerk's Office in the State of Florida to offer this payment option.

As our office is always looking for excellent staff, we implemented a new internet-based system from NeoGov for job postings and online submission. This highly advanced online system allows us to quickly respond to the office's needs for highly talented candidates in our diverse departments.

Your Clerk's Office for the second year in a row lowered our citizen's tax burden by reducing our budget by 2% and returned \$368,305.00 to the Charlotte County Board of County Commissioners, despite health care

costs rising by over 5% and rising Florida Retirement System (FRS) rates. I am happy to report we have been able to accomplish this in both of my first two years serving as your Clerk of Court. I attribute this to an excellent staff and the implementation of cutting edge software systems which make our office incredibly efficient.

Many citizens do not realize that the Comptroller side of the Clerk's Office directs investment of millions of dollars of Charlotte County funds. Our team continually analyzes the current structure of investments, with a primary focus on providing security, safety, and liquidity of the County's investments. Taking advantage of rising interest rates, we shifted a sizable portion of County funds into US Government agency securities and instruments, which earned a substantially higher yield. In 2018, over \$7.9 million was earned on investments controlled by your Clerk's Office, as compared to \$4.9 million earned in 2017, an increase of 61%.

For the second straight year continuing a 32 consecutive year tradition for Charlotte County, your Clerk's Office has been awarded The Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the year ended September 30, 2017. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government agency and its management.

Not only does our office serve the community, but we strive to be an active supporter of our tight-knit community. We are extremely proud that the Clerk's Office staff raised \$4,800.78 for The Center for Abuse

and Rape Emergencies (CARE) and \$2,530.90 for the Animal Welfare League in 2018, through car washes, bake sales, and other fund raising team events.

My office will continue developing new and innovative ways to provide a better service experience for local citizens, while always being mindful of reducing the burden to local taxpayers. As promised a year ago in my 2017 year in review, our office will never rest on its accomplishments. We will always strive to find better, more cost efficient ways to provide our services to the public. By combining excellent staff and the implementation of advanced technologies, our goal is to provide you with more services for less cost. I look forward to reporting to you this time next year on our 2019 calendar year advancements.

For more information about our office and to access all of our new features, please visit us at CharlotteClerk.com.

Sincerely,



Honorable, Roger D. Eaton
Clerk of the Circuit Court and County Comptroller

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SECTION I

COMBINED FINANCIAL STATEMENTS

Including

Board of County Commissioners,

Constitutional Officers,

and Component Units

COMMUNITY REDEVELOPMENT AGENCIES

Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Charlotte County, Florida (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency (collectively the "Community Redevelopment Agencies"), which are presented as supplementary information in the accompanying combining and individual fund financial statements, as of and for the year ended September 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector (collectively, the "Officers"), whose statements reflect 2% of the assets, 1% of the net position, and 7% of the revenues of the County's governmental activities, 17% of the assets, 0% of the fund balance, and 23% of the revenues of the General Fund, and 8% of the assets, 3% of the fund balance, and 3% of the revenues of the aggregate remaining fund information. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Officers, is based solely on the reports of the other auditor. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audits and the reports of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the County as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Charlotte Public Safety Fund, and the Street and Drainage Districts Maintenance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1(r) to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017. Also, as discussed in Note 1(r) to the financial statements, the County early adopted the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective October 1, 2017. Our opinions are not modified with respect to these matters.

Other Matters

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

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements and the financial statements of the Community Redevelopment Agencies. The introductory section, combining and individual fund statements (with the exception of the Community Redevelopment Agencies), the combining schedules, the statistical section, the schedule of state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements (with the exception of the Community Redevelopment Agencies), the combining schedules, the schedule of expenditures of federal awards, the schedule of state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditor, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. Also in our opinion, the schedule of expenditures of federal awards, the schedule of state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Orlando, Florida
March 15, 2019

Charlotte County, Florida

MANAGEMENT DISCUSSION AND ANALYSIS

This discussion and analysis of the Charlotte County (the County) financial statements is designed to present the basic financial statements and provide an analytical summary of the financial activities of the County for the fiscal year ended September 30, 2018. The basic financial statements are comprised of the government-wide financial statements, fund financial statements and footnotes. In this Management Discussion and Analysis (MD&A), all amounts in financial charts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

At the close of business September 30, 2018, net position of the County was \$1,291.1 million. Governmental and business-type net positions were \$1,009.2 million and \$281.9 million, respectively.

Total net position of the County increased \$73.9 million or 6.1%, as compared with the prior year.

Governmental activities revenues increased by \$31.1 million to \$368.5 million, which was an increase of 9.2%. Governmental activities expenses decreased by \$0.5 million to \$330.0 million, a decrease of 0.2%. The impact on net position of the excess of revenues over expenses was an increase of \$39.1 million.

Business-type activity revenues increased by \$3.2 million to \$107.7 million which was an increase of 3.1%. Business-type activity expenses increased by \$4.4 million to \$84.2 million which was an increase of 5.5%. The excess of revenues over expenses resulted in an increase in net position of \$23.0 million.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages I-19 - I-23) provide information about the activities of the County as a whole. The fund financial statements provide information on the various types of services provided by different revenue sources, as well as the dollars remaining in those funds at the end of the year. These fund statements, which provide information about significant funds of the County, report operations in greater detail than government-wide statements.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Designed to be more like the financial statements of a private entity, the government-wide financial statements present the bottom line of the County as a whole. The Statement of Net Position (pages I-19 - I-21) combines and consolidates the assets of both governmental and business-type activities into a single, governmental unit, and also takes into account both current and long-term liabilities to present the overall financial health of the government as total net position. The full accrual method is used in compiling the Government-Wide financial statements. The Statement of Activities (pages I-22 - I-23) provides a picture of revenues versus expenses for governmental activities and business-type activities, showing the increases or decreases in net position as a result. Over time, increases or decreases in the County's net positions are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Activities, the County is divided into two types of activities:

- Governmental Activities – This is where most of County activities are reported. All expenses and revenues related to administration, parks and recreation, libraries, public safety, transportation, and capital outlay, for example, are included in this section. Services and capital projects are funded primarily through property tax, franchise fees, communication service fees, state shared revenues, sales tax and impact fees.
- Business-type Activities – This is where our water and sewer operations, and solid waste collection and disposal are reported.
- Component Units – The Charlotte Industrial Development Authority finances and refinances projects for a public purpose and to foster the economic development of the County.

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 and demonstrate compliance with finance related legal requirements. All of the funds can be divided into four categories: governmental funds; proprietary funds; fiduciary funds; and agency funds.

Governmental Fund Financial Statements

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term outflows of expendable resources as well as on balances of expendable resources available at the end of the fiscal year.

The analysis of the major funds of the County begins on page I-24. The fund financial statements are designed to provide the reader with useful information on the major funds, rather than the government as a whole. There are 56 governmental funds. However, only four are classified as major funds in 2018. The County is unique in that it has many Municipal Services Benefit Units/Taxing Units (MSBU/TU's) that provide street and drainage maintenance and certain capital improvements to its property owners payable by assessments. Although accounted for separately, these are grouped together as a major fund in 2018 as Street and Drainage Districts on the fund financial statements presented on pages I-24 - I-25 and I-27 - I-28. Also grouped together in the County's financial statements although accounted for separately are Grant funds, Waterway Maintenance MSBU's, Clerk special revenue funds and Sheriff special revenue funds. These are presented on the fund financial statements presented on pages I-111 through I-130.

Proprietary Fund Financial Statements

Proprietary funds differ from governmental funds primarily in that the revenues are derived from the operations of the proprietary fund. There are two types of proprietary funds: enterprise and internal service. The County maintains enterprise funds for one sanitation district, the landfill operation, and the utility system which provides water and sewer services. These funds are presented on pages I-35 - I-39.

There are five internal service type funds: health insurance trust, self-insurance, accrued compensated absences, vehicle maintenance, and Clerk of the Court. Internal service funds differ from enterprise funds in that the revenues supporting these funds are derived from a fee for the services performed or being provided to departments within the governmental entity. Over time these funds will perform at a break-even level, although in some years a slight profit or loss may be realized. These funds are presented on pages I-137 - I-140.

Fiduciary Fund Financial Statements

Fiduciary funds are used to account for resources held for the benefit of parties outside of county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of these funds are not available to support County programs. The accounting used is much like that of proprietary funds. These funds are presented on pages I-141 - I-143 of this report.

GOVERNMENT – WIDE FINANCIAL ANALYSIS

The following is a condensed summary of net position for the primary government for fiscal years 2018 and 2017:

Charlotte County, Florida
Summary of Net Position
September 30, 2018 and 2017
(\$000's)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 500,399	\$ 473,004	\$ 127,353	\$ 118,690	\$ 627,752	\$ 591,694
Capital Assets	841,337	805,609	347,395	324,751	1,188,732	1,130,360
Total Assets	<u>1,341,736</u>	<u>1,278,613</u>	<u>474,748</u>	<u>443,441</u>	<u>1,816,484</u>	<u>1,722,054</u>
Deferred Outflows						
Deferred Charge on Refunding	1,008	1,064	6,644	8,145	7,652	9,209
OPEB Related	515	-	110	-	625	-
Pension Related	68,320	70,179	4,669	4,533	72,989	74,712
Total Deferred Outflows	<u>69,843</u>	<u>71,243</u>	<u>11,423</u>	<u>12,678</u>	<u>81,266</u>	<u>83,921</u>
Current Liabilities	69,020	65,882	32,533	29,387	101,553	95,269
Non-Current Liabilities	315,116	315,645	170,533	167,274	485,649	482,919
Total Liabilities	<u>384,136</u>	<u>381,527</u>	<u>203,066</u>	<u>196,661</u>	<u>587,202</u>	<u>578,188</u>
Deferred Inflows - Pension						
Related	16,916	9,877	1,122	664	18,038	10,541
OPEB Related	1,337	-	38	-	1,375	-
Total Deferred Inflows	<u>18,253</u>	<u>9,877</u>	<u>1,160</u>	<u>664</u>	<u>19,413</u>	<u>10,541</u>
Net Position						
Net Investment in Capital						
Assets	785,083	740,738	212,865	197,286	997,948	938,024
Restricted for Debt Service	-	-	3,286	3,315	3,286	3,315
Restricted for Contractual						
Obligations	-	-	32,923	25,447	32,923	25,447
Restricted for Special Purpose	182,883	179,781	-	-	182,883	179,781
Unrestricted	41,225	37,934	32,871	32,747	74,096	70,681
Total Net Position	<u>\$ 1,009,191</u>	<u>\$ 958,453</u>	<u>\$ 281,945</u>	<u>\$ 258,795</u>	<u>\$ 1,291,136</u>	<u>\$ 1,217,248</u>

Note - Total net position as of September 30, 2018 includes a restated beginning net position due to the implementation of GASB 75; However, the prior year's beginning net position was not required to be restated.

Total assets for Governmental Activities increased \$63.1 million, or 4.9%. Capital assets, net of depreciation, represented 62.7% of total assets at September 30, 2018, and 63.0% of total assets at September 30, 2017. Capital assets represent land, buildings, improvements, equipment, furniture, vehicles, heavy equipment and infrastructure, net of depreciation. A portion of the \$35.7 million increase in capital assets is additions spent on road infrastructure CIP, including the Midway Expansion to Kings Highway project of \$4 million, the CR775 Rotonda West to Cape Haze widening project of \$4 million, the Piper Road North project of \$6 million, Gulf Cove sidewalk improvements of \$1.5 million, the Tom Adams Bridge rehabilitation project of an additional \$2 million and various pipe installations of \$1.4 million. The remaining increase in capital assets is building additions totaling approximately \$11 million for the jail expansion and \$1.5 million for the fleet maintenance building improvements, Phase 2. The majority of Current and Other Assets represent Cash and Investments at fair value, the value of which increased by \$16.2 million and Murdock Village land held for resale, the value of which decreased by \$6.4 million in FY 2018 due to the pending contract for sale of a portion of the property acreage at a reduced value from the previous appraisal.

Total assets for Business-type Activities increased \$31.3 million, or 7.1% compared to September 30, 2017. Capital Assets in Business Activities increased \$37.4 million, \$6 million of which was spent on the Loveland Grandmaster Liftstation project; \$6 million on the East West Spring Lake sewer project; \$5.9 million on US 41 utility installations; \$1.8 million on Harbor Boulevard water/sewer improvements and \$1 million on Parkside water/sewer improvements. Offsetting this \$37.4 million capital asset increase is a \$14.8 million increase in accumulated depreciation resulting in a net capital asset increase of \$22.6 million. The increase in Current and Other Assets of \$8.7 million is mainly due to an increase in cash and investments attributable to a conservative spending approach to replenish a portion of the reserves spent down in the prior year.

Deferred Outflows and Inflows - Pension related net outflows and inflows of \$54.9 million is a decrease of \$9.3 million resulting from differences between expected and actual investment earnings, experiences, assumptions and proportional share. OPEB related net outflows and inflows of (\$750) thousand is an increase of \$750 thousand resulting from the implementation of GASB 75 as a result of changes of assumptions and other inputs and amounts paid by the County for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017. More information on changes to deferred outflows/inflows can be found in Note 19 of the financial statements. These pension and OPEB related outflows will be recognized over time through amortization, and reflected in pension expense for each of the governmental and enterprise entities. The largest portion of this decrease in deferred inflows related to differences between projected and actual pension plan investment performance.

Total liabilities for Governmental Activities increased \$2.6 million. Current Liabilities increased by \$3.1 million and non-current liabilities decreased by \$0.5 million. The majority of the increase in current liabilities relates to an increase in vouchers payable at year end of which \$1.3 million relates to paving in the Greater Port Charlotte area and \$1.7 million relates to the Harborwalk Phase 1B project in the Charlotte Harbor Redevelopment area. Long-term liabilities for Governmental activities decreased by \$.5 million, of which special assessment loans payable increased \$15 million due to the addition of new general government State Revolving Fund loans, loans payable decreased \$1.5 million, bonds payable decreased \$4 million and the total OPEB Liability decreased \$10 million due to the implementation of GASB 75.

Total liabilities for Business-type Activities increased \$6.4 million, of which bonds payable decreased by \$13 million, loans and assessments payable increased by \$19 million, OPEB and pension liability increased \$1 million and landfill closure costs decreased approximately \$.5 million.

Unrestricted Net Position for Governmental Activities increased \$3.3 million. This is due in part to the decrease in the total OPEB liability in the amount of \$9.6 million due to the implementation of GASB 75. Unrestricted net position for Business-type activities decreased \$124 thousand. The effect of changes in pension related liabilities and deferrals on unrestricted net position was negative \$11.5 million for Governmental Activities, and negative \$700 thousand on Business-type Activities.

The restricted net positions are those provided for by resolution of the Board for the issuance of bonds that are restricted by law or that may not be spent otherwise if collected for a specific purpose. County sales tax extension fund balances are examples of specific purpose funds only expendable on previously established sales tax projects, without action by the Board of County Commissioners. With most special revenue funds, the same restriction is true.

The unrestricted balance represents assets that are available for spending at the discretion of the Board of County Commissioners. The unrestricted net position balance of \$74.1 million represents 5.7% of total net position.

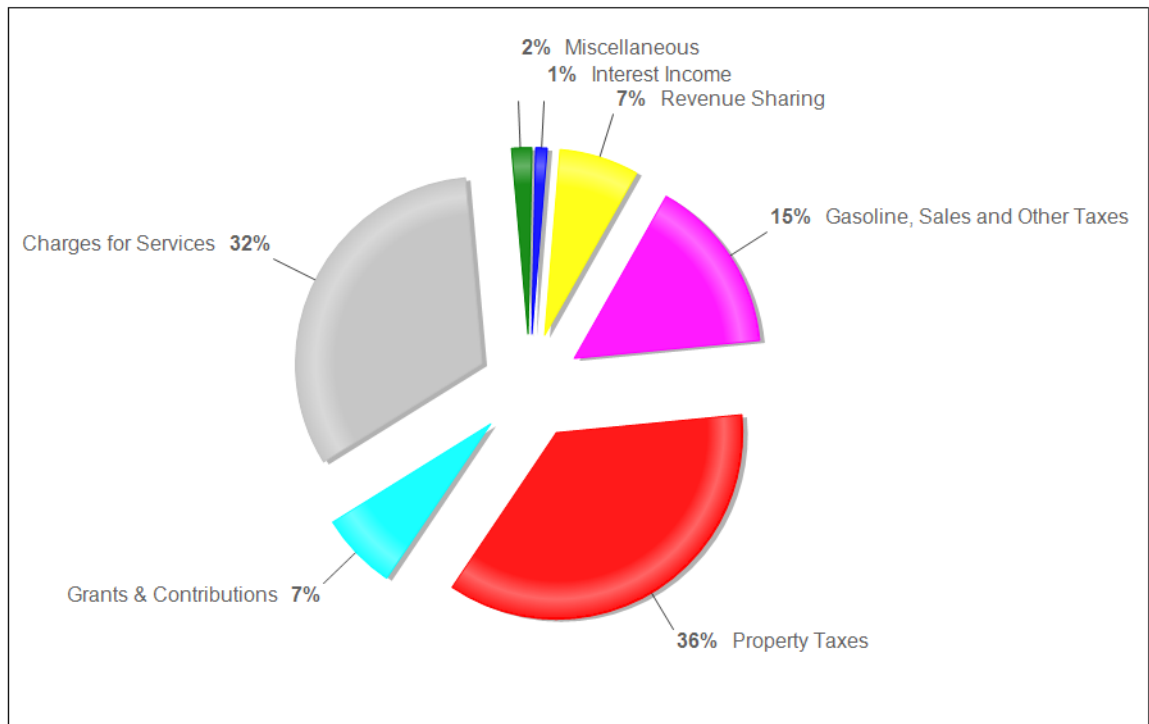
The schedule on the next page compares the revenues and expenses for the primary government for the current and previous fiscal years.

Charlotte County, Florida
Summary of Revenues and Expenses
Fiscal Years ended September 30, 2018 and 2017
(\$000's)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES:						
Program Revenues:						
Charges for Services	\$ 119,739	\$ 109,533	\$ 90,180	\$ 88,062	\$ 209,919	\$ 197,595
Operating Grants and Contributions	14,705	14,671	-	555	14,705	15,226
Capital Grants and Contributions	10,153	5,271	10,164	9,105	20,317	14,376
Total Program Revenues	144,597	129,475	100,344	97,722	244,941	227,197
General Revenues:						
Taxes:						
Property	132,023	121,724	-	-	132,023	121,724
Gasoline	10,192	10,025	-	-	10,192	10,025
Tourist dev	4,160	3,899	-	-	4,160	3,899
Communication services	4,892	5,404	-	-	4,892	5,404
Sales tax	27,009	25,646	-	-	27,009	25,646
Franchise taxes	9,447	9,212	-	-	9,447	9,212
Other	431	466	-	-	431	466
Revenue Sharing	25,441	24,258	-	-	25,441	24,258
Interest income	3,872	3,458	1,117	957	4,989	4,415
Miscellaneous	6,461	3,896	6,237	5,866	12,698	9,762
Total General Revenues	223,928	207,988	7,354	6,823	231,282	214,811
Total Revenues	368,525	337,463	107,698	104,545	476,223	442,008
EXPENSES:						
Program Activities:						
General Government	47,053	63,989	-	-	47,053	63,989
Public safety	139,560	134,939	-	-	139,560	134,939
Physical environment	17,595	14,589	-	-	17,595	14,589
Transportation	71,521	66,956	-	-	71,521	66,956
Economic environment	3,478	3,370	-	-	3,478	3,370
Human services	15,916	16,836	-	-	15,916	16,836
Culture and recreation	31,431	26,623	-	-	31,431	26,623
Interest on long-term debt	3,400	3,114	-	-	3,400	3,114
Business-type Activities:						
Water and Sewer	-	-	63,322	59,683	63,322	59,683
Solid Waste Collection and Disposal	-	-	20,831	20,045	20,831	20,045
Total Expenses	329,954	330,416	84,153	79,728	414,107	410,144
Change in Net Position Before						
Transfers	38,571	7,047	23,545	24,817	62,116	31,864
Transfers	510	508	(510)	(508)	-	-
Changes in Net Position	39,081	7,555	23,035	24,309	62,116	31,864
Net Position October 1	958,453	950,898	258,795	234,486	1,217,248	1,185,384
Restatement of Net Position	11,657	-	115	-	11,772	-
Net Position October 1, as restated	976,013	-	258,910	-	1,234,923	-
Net Position September 30	\$ 1,009,191	\$ 958,453	\$ 281,945	\$ 258,795	\$ 1,291,136	\$ 1,217,248

Governmental Activities

Revenue by Source



	<u>Revenues</u>	<u>Percent of Total Revenue</u>
Charges for Services	\$ 119,739	32 %
Grants and Contributions	24,858	7 %
Property taxes	132,023	36 %
Gasoline, Sales, and Other Taxes	56,131	15 %
Revenue Sharing	25,441	7 %
Interest income	3,872	1 %
Miscellaneous	6,461	2 %
Totals	<u>\$ 368,525</u>	<u>100 %</u>

Revenues

Total revenues amounted to \$368.5 million. Ad valorem property taxes of \$132.0 million make up 36% of the total revenues. Ad valorem property taxes increased by \$10.3 million, which represents an increase of 8.5% when compared to 2017. Charlotte County experienced a \$1.2 billion increase in property values, an 8.6% increase from 2017. This increase results in an increase in ad valorem revenues of \$10.3 million. Millage rates remained flat with prior year, with the exception of Don Pedro/knight Island Street and Drainage District, which had a millage reduction of .3602 and resulted in a revenue decrease of \$120 thousand from fiscal year 2017.

Charges for Services were \$119.7 million, which represented 32.0% of total revenues and were \$10.2 million higher than 2017. Included in Charges for Services category are fees related to recreational programs, building permit fees, animal control, ambulance fees, court related fines fees and court costs and charges for street and drainage maintenance work to the various municipal service benefit units (MSBU's) within the County. The majority of the increase is in the area of Public Safety, where increased assessment and charges for services were higher than the prior year, and in the area of Physical Environment, under which the new Manasota Key and Don Pedro/Knight Island special assessment fees were collected.

Grants and Contributions were \$24.9 million, which represented 7% of total revenues and were \$4.9 million higher than 2017. Capital grants increased by \$4.8 million due to a new FDOT capital grant award in 2017 of \$4.1 million for the Charlotte Harbor US 41 Gateway Boardwalk project.

Gasoline, sales, and other taxes were \$56.1 million which represented 15% of total revenues and were \$1.5 million higher than 2017 due to improving economic conditions throughout the State. Included in this category are local option fuel taxes, tourist development tax, communication services tax, Florida Power and Light (FPL) franchise fees, and a one cent local option sales tax on Infrastructure, which represents the majority of the positive variance. The County's one cent infrastructure surcharge generated \$27 million in FY 2018 vs \$25.6 million in FY 2017. The current infrastructure sales tax was renewed by voter referendum in November, 2014 and expires on December 31, 2020.

Revenue Sharing was \$25.4 million which represented 7% of total revenues and is \$1.2 million higher than FY 2017. Revenue sharing includes the money sent to local governments from the State sales tax, State gas tax, and the State Housing Initiatives Partnership Program (SHIP) fund and funding for court related operations by the Clerk of Courts. The majority of the increase is related to the local government half cent sales tax distribution from the State, which increased by \$900 thousand.

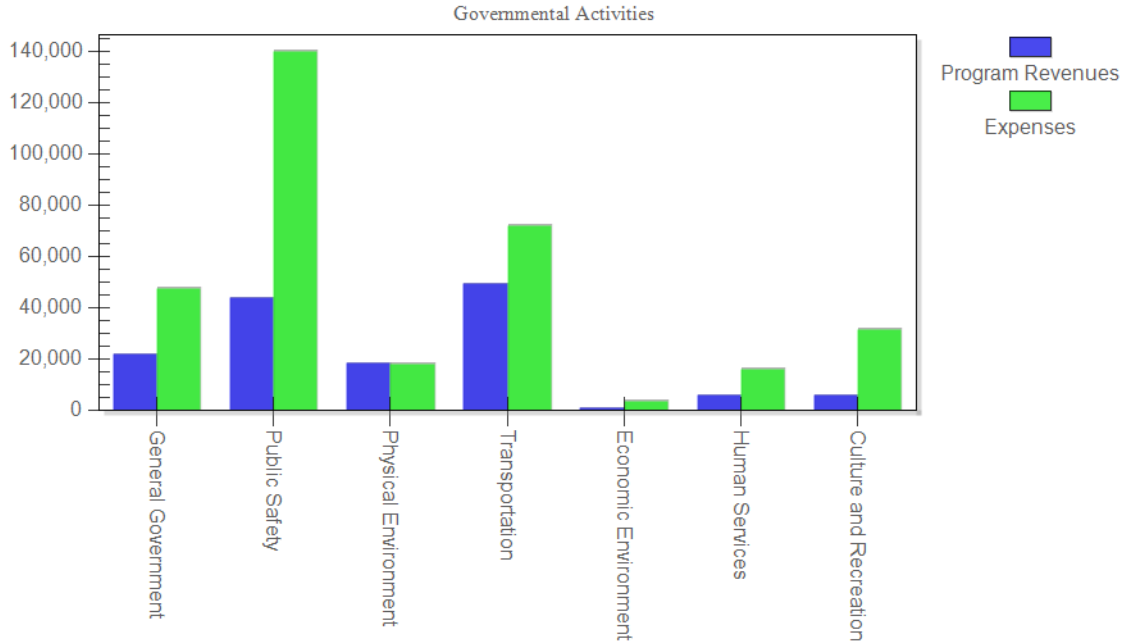
Interest Income was \$3.9 million, which represents 1% of total revenues and increased \$0.4 million, or 12.0% from FY 2017. This increase is primarily the result of favorable interest rates offset by a decrease in fair market value of investments at year-end. There was a negative FMV adjustment of \$3.5 million in FY 2018 vs. a negative FMV adjustment of \$1 million in FY 2017, which was due to the rising interest rate environment in 2018.

Miscellaneous revenue totaling \$6.5 million is \$2.6 million or 66.7% higher than FY 2017; \$900 thousand of this increase was due to an FDOT reimbursement on the US 41 Utility relocation project. The remainder of the increase was due to an approximate \$1 million increase in the inmate medical stop loss revenue in the Public Safety Fund.

Expenses:

Total expenses of \$330.0 million are \$0.5 million or 0.2% lower than the prior year. The following table shows program revenues relative to expenses, excluding \$3.4 million in interest on long-term debt.

Expenses and Program Revenues



	Program Revenues	Expenses
General Government	\$ 21,803	\$ 47,053
Public Safety	43,569	139,560
Physical Environment	18,013	17,595
Transportation	49,166	71,521
Economic Environment	649	3,478
Human Services	5,854	15,916
Culture and Recreation	5,544	31,431
Totals	<u><u>\$ 144,597</u></u>	<u><u>\$ 326,554</u></u>

General government expenses of \$47.1 million have decreased by \$16.9 million at the entity wide level, 26.4% less than the prior year. General government expenses include the costs of all the administrative and executive departments, the cost of providing legal counsel, and the cost of the comprehensive planning departments, which include planning, zoning and development. In FY 2017, a pending contract for the purchase of 452 acres within the Murdock Village area resulted in a writedown of \$13.7 million at the entity wide level, which caused increased expenditures in 2017 over 2018. Also in FY 2018, a pending contract for the purchase of 156 acres within the Murdock Village area resulted in a further writedown of \$6.4 million at the entity wide level. Board of County Commissioners expenditures increased \$2.7 million, \$450 thousand of which related to salaries and benefits, \$200 thousand related to tax collector fees, \$900 thousand related to repair and maintenance of buildings and improvements post Hurricane Irma and \$450 thousand related to small equipment purchases. Sheriff expenditures in this category increased \$158 thousand and Tax Collector expenditures increased \$900 thousand. The impact of pension related adjustments for General Government expenses was an increase of \$106 thousand. The impact of OPEB expense was a decrease of \$150 thousand due to the implementation of GASB 75.

Public safety expenses increased \$4.6 million or 3.4%. Public safety expenses include fire protection, law enforcement, emergency medical services, emergency management and the medical examiner. The year to year decrease in pension expense is \$32 thousand. Salaries and benefits for Sheriff employees increased by \$108 thousand. Fire & EMS and other BCC-related public safety departments personal services increased by \$1.9 million. In addition, the Sheriff's OPEB expense decreased \$2.9 million over the prior year as a result of the implementation of GASB 75.

Culture and Recreation expenses increased \$4.8 million or 18.0% compared to the prior year. These expenses include Parks and Recreation, Libraries, Tourism department and the Historical center. Salaries and benefits increased \$500 thousand, purchased services in general increased \$2 million, with \$1.5 million of that in the repairs and maintenance area. The impact of pension expense increases for Culture and Recreation activities was an increase of \$25 thousand. The impact of OPEB expense was a decrease of \$2 thousand.

Economic Environment expenses increased \$0.1 million or 3.0%. This increase occurred in the Economic Development Office of the BOCC in the area of purchased services pertaining to expenses incurred for county owned SHIP properties .

Physical Environment expenses increased \$3.0 million or 20.6% as compared to the prior year. This increase is primarily due to the transfer of an asset of \$3.2 million that was donated/contributed in the prior year but was then transferred in 2018 from Transportation to Physical Environment.

Human Services expenses decreased \$0.9 million or 5.3% below prior year. Contract and Purchased services related to transit programs increased \$290 thousand.

Transportation expenses are \$4.6 million higher than FY 2017. Transportation programs involve bridge, paving and drainage projects and are viewed as significant on-going programs over multiple years. Offsetting this variance is an increase of \$9 million in contract services, which mainly consists of paving expenses among the various MSBU's, a \$900 thousand increase in salaries and benefits and a \$1 million increase in purchased services in the area of public works operating fees.

Interest on long-term debt increased \$286 thousand or 9.2%. This is the result of paydown of debt according to scheduled amortization.

Business-type Activities

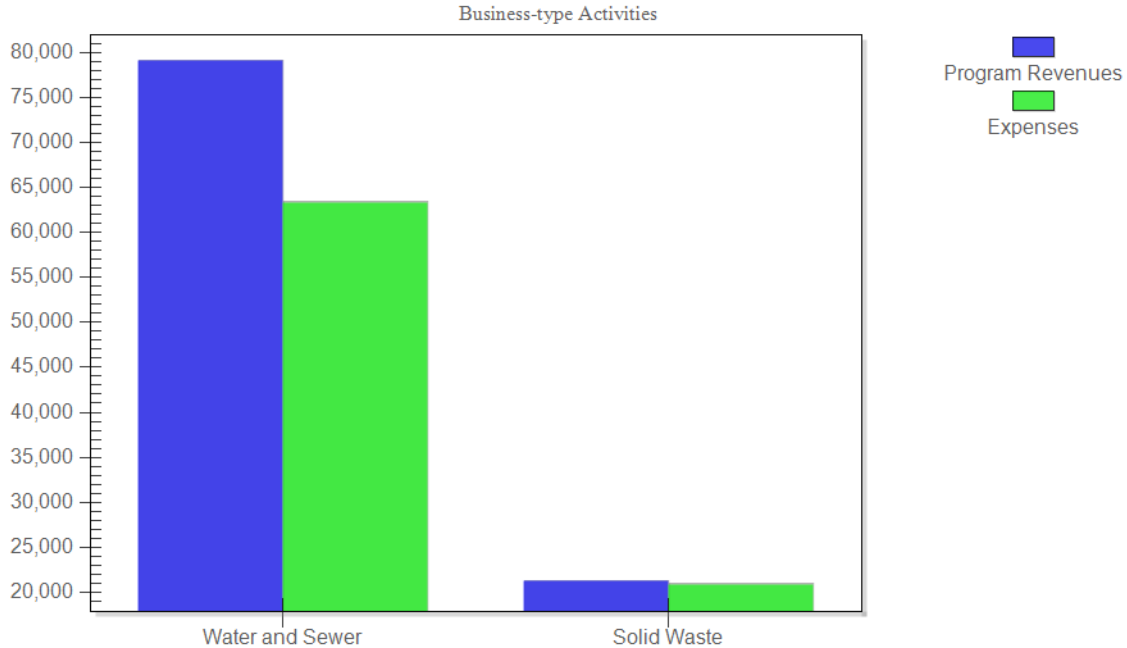
Revenues

Revenues from business-type activities increased \$3.2 million or 3.1% compared to the prior year. Program Revenues were 93.2% of revenues, \$2.6 million higher than FY 2017.

In the area of solid waste, Charlotte Sanitation District charges for services of \$21.2 million increased by \$1.5 million or 8% over the prior year due to growth, as rates remained consistent.

Water and sewer charges for services of \$69.0 million increased \$700 thousand or 3% from prior year. The number of gallons sold for Water and Sewer combined increased by 3%; the number of water connections increased by 3,951 and the number of sewer customers increased by 3,154. There were no rate increases for water and sewer during FY 2018. Capital Grants and contributions of \$10.2 million were \$1 million higher than 2017, which was due to increased grants in the Spring Lake assessment area.

Expenses and Program Revenue



	<u>Program Revenue</u>	<u>Expenses</u>
Water and Sewer	\$ 79,116	\$ 63,322
Solid Waste	21,228	20,831
Totals	<u>\$ 100,344</u>	<u>\$ 84,153</u>

Expenses in business-type activities increased by \$4.4 million or 5.5%. Water and Sewer Operating expenses were \$3.6 million or 6.1% higher than 2017, while Solid Waste expenses were \$0.8 million or 3.9% higher than FY 2017.

Water and Sewer expenses of \$63.3 million are \$3.6 million higher than FY 2017. Depreciation expense increased \$1.7 million, central and direct costs increased \$1.5 million and interest expense increased \$1.8 million, primarily as a result of the County no longer capitalizing interest due to implementation of GASB 89. The impacts of pension expense adjustments is a \$650 thousand increase. OPEB expense increased \$28 thousand due to the implementation of GASB 75 and salaries and fringe benefits for the utility increased by \$500 thousand.

Solid waste collection and disposal expenses of \$20.8 million increased by \$0.8 million or 4%. Landfill expenses were \$66 thousand lower than FY 2017. There was no additional Landfill closure cost expense in 2018 due to the updated closure costs estimates being on target. Charlotte Sanitation District expenses increased by \$800 thousand due to a small increase of about \$200 thousand in fees paid to the landfill over the prior year.

Financial Analysis of Governmental Funds

As of September 30, 2018, County governmental funds reported combined ending fund balances of \$392.8 million, an increase of \$10.7 million, or 2.8% compared to the previous year. Of the total fund balance, \$187.3 million represents special revenue funds for which balances must be used for the purpose the revenues were collected. \$137.2 million of the fund balance represents capital project fund balances.

The fund balance of the General Fund decreased \$1.3 million, to \$67.9 million, during the year ending September 30, 2018. General fund revenues increased by \$5.7 million. Ad Valorem taxes increased by \$2.3 million, primarily due to increased valuations as discussed earlier. Miscellaneous revenues increased \$900 thousand, due to increased interest earnings and proceeds from the sale of land. Total General Fund expenditures increased by \$1.3 million. Of that, general government

expenditures decreased \$3.2 million, or 9.2%, \$600 thousand of which was for computer maintenance systems, \$500 thousand in buildings and \$400 thousand of which was decrease in repair and maintenance costs. Public Safety expenditures in the General fund increased by \$2.3 million, of which \$1.1 million was related to Sheriff salaries and wages and \$750 thousand was an increase in the Sheriff's capital expenses. Net Transfers In to the General Fund increased by \$5.3 million. In addition, the beginning fund balance was \$2.1 million lower than the prior year beginning fund balance.

The fund balance of the Public Safety Fund increased by \$0.2 million to \$1.6 million. Expenditures in the Public Safety fund only include those pertaining to the Sheriff's operations, including the corrections facility, court related security and law enforcement. Approximately 65% of the Sheriff's operating budget funds law enforcement operations, 32% funds the correctional facility, and 3% funds the Sheriff's court operations. Ad Valorem taxes increased by \$5.8 million in the Public Safety fund due to valuation increases. The County's direct costs for the Sheriff & County Correctional facility increased by \$700 thousand. Net Transfers Out to the Sheriff to fund all of his operations increased by \$3 million. Year to year beginning fund balances decreased by \$3.7 million. Sheriff excess fees, by approval of the Board of County Commissioners, are now being transferred to a capital projects fund dedicated to Law Enforcement-related infrastructure and are no longer left to accumulate in the Public Safety Fund. In FY 2018, 2.7 million was transferred for that purpose.

Street and Drainage Maintenance combined fund balances increased \$4.9 million to \$73.1 million. There are 36 individual street and drainage units that comprise this fund balance. Assessment Revenue increased by \$700 thousand. Timing of expenditures of paving programs cause year to year fluctuations in fund balance. Expenditures increased by \$11.4 million, mainly due to extensive paving programs in the Deep Creek, Greater Port Charlotte, Gulf Cove, NW Port Charlotte, Peace River Shores, Punta Gorda North, Rotonda Heights and Rotonda Meadows MSBUs. New commercial paper borrowings for paving programs increased fund balance by \$16.2 million. Year to year beginning fund balances increased by \$5.9 million.

General Fund Budgetary Highlights

The budgetary comparison schedule is found on pages I-30 - I-32. During the year the original budget for General Fund revenues and beginning fund balances was amended as follows:

The Revenue amendments in the General Fund totaled a positive \$935 thousand. The amendments consist of intergovernmental grant revenue for emergency management and Transit related grants. Adjustments to the General Fund expenditures budget was \$9.1 million, mainly in the general fund area where a \$6.8 million budget adjustment was made for the Hurricane Irma related expenses in the Hurricane Fund which are pending FEMA reimbursement.

The General Fund balance for FY 2018 was \$6.7 million higher than the final amended budget. Revenues were \$8.3 million higher than budgeted, mostly in the area of Charges for Services. Total expenditures were \$6.6 million lower than budgeted; \$765 thousand lower in Human Services salaries and purchased services, \$800 thousand lower in Culture and Recreation salaries and purchased services, \$4 million in General Government.

Capital Asset and Debt Administration

At September 30, 2018, the County had \$1.2 billion invested in capital assets, including fire equipment, buildings, park facilities, roads, bridges and water and sewer lines.

Charlotte County, Florida
Capital Assets
September 30, 2018
(\$000's)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 181,875	\$ 25,288	\$ 207,163
Buildings	252,855	17,428	270,283
Improvement other than buildings	109,104	434,693	543,797
Equipment	117,929	25,463	143,392
Infrastructure	523,063	-	523,063
Construction in progress	53,803	73,172	126,975
Intangible assets	5,460	39,668	45,128
Less: Accumulated Depreciation and Amortization			
Buildings and improvements	(133,230)	(224,726)	(357,956)
Equipment	(85,323)	(14,513)	(99,836)
Infrastructure	(182,687)	-	(182,687)
Intangible assets	(1,512)	(29,078)	(30,590)
Totals	<u>\$ 841,337</u>	<u>\$ 347,395</u>	<u>\$ 1,188,732</u>

Additional information on the County's capital asset activity can be found in notes to the financial statements (Note 8, Capital Assets) found on pages I-63 - I-64 of this report.

Major projects completed during Fiscal 2018 include the following:

- Edgewater Corridor Phase 2 widening project, the road to be widened to four lanes divided from Harbor to Midway Boulevard to include sidewalks and bike facilities. This project was funded mainly through sales tax, gas tax and road impact fees. The total cost of this project is \$29.8 million.
- Midway Boulevard widening project, the road to be widened to four lanes divided from Sharpe Street to Kings Highway to include increasing the drainage capacity under US 41 at three locations,. This project was funded mainly through sales tax, gas tax and road impact fees. The total cost of this project is \$30.2 million.
- The Jail Expansion Phase I project to include the addition of a 128-bed medical wing to serve clinic, infirmary, mental health and dental needs of detainees and initiate Phase I of energy plant expansion to accommodate the new wing. This project was funded mainly through sales tax and ad valorem funds. The total cost of this project is \$11.4 million.
- CR 775 (Placida Road) widening project to be widened from Cape Haze Drive to Rotonda Boulevard West and also to design and construct several roadway safety improvements in the area. This project was funded mainly through sales tax, gas tax and road impact fees. The total cost of the project is \$12.7 million.

Debt

At September 30, 2018, the County had total bonded debt outstanding of \$0.1 million. This is a decrease of \$15.9 million compared to September 30, 2017 due to scheduled bond payments made throughout the year. Total County debt has increased \$10.1 million, which is attributable to combination of new debt issued in the amount of \$39.3 million offset by debt payments made throughout the year in the amount of \$29.2 million. The County issued new commercial paper loans of \$20.3 million for various paving projects and new state revolving fund loans for \$19 million for various Utility projects. A more detailed discussion of outstanding debt can be found in Note 9 of the financial statements, Long-Term Obligations, on page I-65 of this report and in Note 12, Defeased Debt, on page I-77.

	<u>2018 (\$000's)</u>	<u>2017 (\$000's)</u>	<u>Variance (\$000's)</u>
General Obligation Bonds	\$ 26,330	\$ 28,955	\$ (2,625)
Revenue & Special Assmt. Bonds	112,455	125,700	(13,245)
Notes and Loans Payable	31,163	34,377	(3,214)
Florida Local Government Finance Commission	52,342	41,591	10,751
State Revolving Fund	<u>40,980</u>	<u>22,588</u>	<u>18,392</u>
Total	<u>\$ 263,270</u>	<u>\$ 253,211</u>	<u>\$ 10,059</u>

The County has a current bond rating for its Utility revenue bonds of Aa3 from Moody's and AA- from Standard & Poor's. Charlotte County's Capital Improvement Revenue bonds have a current bond rating of Aa3 from Moody's.

The County's debt from general obligation bonds relates to the referendum passed in 2008, which allowed the County to issue debt for the purchase of environmentally sensitive lands. To date, the .2 mills levied for debt service annually has not produced enough revenue to pay the debt service. In FY 2012, this bond was refinanced and the interest rate was reduced from 4.18% to 2.11%. The net present value of savings from this significant interest rate reduction is \$5.9 million. The decision was made during FY 2012 to use the balance remaining of \$3.3 million from original bond proceeds to finance the debt and make up the shortfall in ad valorem revenues from inception. From inception, through 2018, the ad valorem shortfall totals \$7.4 million. Interest earnings of \$965 thousand, excess tax collector fees of \$320.4 thousand and related grant reimbursement revenues of \$1.1 million also helped to fund the shortfall through 2018. In addition, interfund transfers from the Capital Projects fund totaling \$1.9 million have been made. It is anticipated that there will no longer be a shortfall beginning in FY 2019 and there will no longer be a need for additional transfers from the Capital projects fund.

Revenue Bonds consist mostly of Charlotte County Utility debts which is financed through connection fees and utility operations revenues. Included in revenue bonds is the Series 2015 refinancing of the 2007 Capital Improvement Bonds, which were issued to finance the reconstruction of the Charlotte County Sports Park. The pledged revenue for these bonds is the communication sales tax; however, the County uses a 4th and 5th cent tourist tax, state grant dollars and annual capital contributions from the Rays to actually service the debt. Through September 30, 2018, the amount available for debt service from the 4th and 5th cent tourist tax exceeded the amount actually needed to service the debt and there remains at year end a balance in that fund of \$1.6 million. Other revenue sources used to service the debt in lieu of tourist tax include interest income of \$108.3 thousand and impact fees of \$701 thousand, which were used to service the debt when tourism taxes were not sufficient in prior years. In addition, there is a net present value savings realized from the 2015 refunding to date of \$333.7 thousand. The total estimated present value savings from the 2015 refinancing over the life of the debt is \$1.5 million.

Notes and Loans payable consists of the Murdock Village note payable to Bank of America, N.A.. In FY 2012, the County renewed the loan with Bank of America, N.A. for Murdock Village, with an interest rate reduction to 2.95% from 3.48%. The balance at Fiscal Year end 2018 is \$31.1 million. The debt reduction is accomplished through a series of interfund transfers from the County's capital projects fund budgeted and appropriated each year during the budget cycle.

The Florida Local Government Finance Commission issues pooled commercial paper to member counties to fund a variety of infrastructure projects at very affordable interest rates. Most of the borrowings in this category relate to paving projects within the various Municipal Services Benefit Units (MSBU's), and the repayment of the debt is made via special assessments within those benefiting units. In 2018, the County increased it's commercial paper borrowings by \$20.3 million to fund several road paving projects.

The State Revolving Fund debt consists mainly of loans relating to water and sewer projects throughout the County, also at very low interest rates, as to make these projects affordable. The repayment of the majority of the debt is made via special assessments within those benefiting units. The remaining loans that are not special assessment-related are repaid through Utilities operating and connection fee funds. In 2018, the County was approved for additional SRF loan funding in the amount of \$19 million to fund various Utility System projects. These loans are cost reimbursement based and repayments on these new loans will begin in 2019 and later. More information can be found on these timelines in Note 9 of the financial statements, Long- term Obligations, on page I-65 of this report.

During 2009, both a debt policy and a reserve policy were adopted by the Board of County Commissioners as a result of a voter referendum to amend the County's Charter. These policies are reviewed and approved by the Board annually during the budget process.

The Constitution of the State of Florida, Section 200.181 of the Florida Statutes, and Charlotte County set no legal debt limit. There is no legal debt limit for General Obligation debt in Charlotte County. Additional information on the long-term debt can be found in notes to the financial statements (Note 9) found on pages I-65 - I-75 of this report.

ECONOMIC FACTORS AND BUDGETS AND RATES FOR NEXT YEAR

County valuations have increased in the upcoming fiscal year by 8.6%, which is the fifth year of increase since the recession, the economy and building industry has turned around. That increase in valuation equates to a \$7.6 million increase in ad valorem revenues county-wide. Net new value has doubled from the previous year. The number of new construction permits issued increased from 1,140 in FY 2017 to 1,711 in FY 2018. Tourism revenues for Charlotte County are at an all time high, having increased 6.7% over the prior year; another signal of economic growth in Charlotte County.

The Board of County Commissioners, at their final budget public hearing held on September 25, 2018, adopted the budget and associated millage rates. The decision was made to hold millage rates flat with FY 2017 for all areas with the exception of the Don Pedro/Knight Island MSBU, which had a millage decrease.

The Board of County Commissioners' strategic goals are being addressed and reflected throughout the budget. At their workshop in January 2018, the Charlotte County Board of County Commissioners set the following priority outcomes:

1. Enhancing community life by clean air and water, conservation of wildlife and natural resources and provide community amenities.
2. Stabilize and maintain County-wide infrastructure.
3. Creating a business climate that promotes a diversified, growing economy consistent with established growth management plans and enhanced quality of life.
4. Ensure quality of natural water resources and provide a safe and reliable water supply.
5. Manage growth and change consistent with the County's comprehensive plan to maximize quality of life with emphasis on efficient processes that support positive business, neighborhood communities, and protect our environmental assets.
6. Maintain a safe and healthy community in which to live.
7. Pursue available funding sources to facilitate providing services to meet community needs.
8. Facilitate the County's capacity to govern and manage effectively in the rapidly changing and challenging environment.
9. Continue to increase the effectiveness of local government and maintain a strong financial condition.

More detail on the Board's Strategic plan can be found on the County's website at www.charlottecountyfl.gov. We are dedicated to ensuring that Charlotte County Government delivers the programs and services at the highest level as prioritized by the Board of County Commissioners and the community.

CONTACT INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Comptroller's Division, Charlotte County Clerk of the Circuit Court, 18500 Murdock Circle, Port Charlotte, Florida 33948. You may also reach the Comptroller's Division by calling 941-743-1413.

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 58,847,954	\$ 9,453,235	\$ 68,301,189	\$ 217,714
Restricted cash and cash equivalents	-	1,431,174	1,431,174	-
Investments	359,876,484	26,912,983	386,789,467	-
Restricted investments	-	13,776,545	13,776,545	-
Restricted investments with trustee	-	3,665,857	3,665,857	-
Accounts and assessments receivable - net	4,002,840	8,589,743	12,592,583	-
Interfund balances	8,806,440	(8,806,440)	-	-
Due from other governments	29,019,740	4,250,655	33,270,395	-
Inventory of supplies, at cost	1,008,586	593,291	1,601,877	-
Land held for resale	35,472,737	-	35,472,737	-
Other assets	3,114,248	887,850	4,002,098	-
Total current assets	<u>500,149,029</u>	<u>60,754,893</u>	<u>560,903,922</u>	<u>217,714</u>
Noncurrent assets:				
Restricted cash	-	4,272,658	4,272,658	-
Restricted investments	-	45,430,121	45,430,121	-
Special assessment receivable - net	-	16,535,635	16,535,635	-
Other assets-long term	250,000	360,084	610,084	-
Capital assets:				
Land	181,875,164	25,288,187	207,163,351	14,796
Buildings	252,854,970	17,428,618	270,283,588	-
Improvement other than buildings	109,103,695	434,693,306	543,797,001	-
Equipment	117,929,104	25,462,514	143,391,618	-
Infrastructure	523,063,166	-	523,063,166	-
Construction in progress	53,803,230	73,171,912	126,975,142	-
Intangible assets	5,459,906	39,667,717	45,127,623	-
Less accumulated depreciation and amortization	(402,751,968)	(268,316,747)	(671,068,715)	-
Total noncurrent assets	<u>841,587,267</u>	<u>413,994,005</u>	<u>1,255,581,272</u>	<u>14,796</u>
Total assets	<u>1,341,736,296</u>	<u>474,748,898</u>	<u>1,816,485,194</u>	<u>232,510</u>
Deferred outflows of resources:				
Deferred charge on refunding	1,008,421	6,644,481	7,652,902	-
Deferred outflow - OPEB related	514,894	110,152	625,046	-
Deferred outflow - Pension related	68,320,340	4,668,454	72,988,794	-
Total deferred outflows of resources	<u>\$ 69,843,655</u>	<u>\$ 11,423,087</u>	<u>\$ 81,266,742</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
LIABILITIES				
Current liabilities:				
Accounts and vouchers payable	\$ 19,364,835	\$ 5,550,572	\$ 24,915,407	\$ -
Contracts payable	6,729,642	2,090,107	8,819,749	-
Accrued liabilities	3,341,339	440,422	3,781,761	-
Due to other governmental agencies	2,266,851	-	2,266,851	-
Self-insurance claims payable	4,873,176	-	4,873,176	-
Unearned revenue	2,554,244	976,843	3,531,087	-
Deposits	1,692,880	5,155,468	6,848,348	-
Special assessments loans payable	4,935,600	1,798,689	6,734,289	-
Loans payable	8,004,698	2,032,565	10,037,263	-
Bonds payable	3,775,000	12,515,000	16,290,000	-
Capital lease payable	108,544	-	108,544	-
Accrued compensated absences	4,763,512	99,145	4,862,657	-
Net pension liability	724,864	166,071	890,935	-
Matured interest payable	659,306	1,692,130	2,351,436	-
Matured bonds payable	1,055,000	-	1,055,000	-
Other liabilities	4,170,095	16,272	4,186,367	-
Total current liabilities	<u>69,019,586</u>	<u>32,533,284</u>	<u>101,552,870</u>	<u>-</u>
Noncurrent liabilities:				
Special assessments loans payable	31,059,800	19,750,598	50,810,398	-
Loans payable	36,839,795	20,063,609	56,903,404	-
Bonds payable	41,389,560	85,014,058	126,403,618	-
Accrued compensated absences	9,234,913	986,154	10,221,067	-
Total OPEB liability	32,929,943	1,713,427	34,643,370	-
Net pension liability	160,408,483	11,829,732	172,238,215	-
Unearned revenue	-	20,639,921	20,639,921	-
Landfill closure costs	-	10,535,650	10,535,650	-
Self-insurance claims payable	3,254,000	-	3,254,000	-
Total noncurrent liabilities	<u>315,116,494</u>	<u>170,533,149</u>	<u>485,649,643</u>	<u>-</u>
Total liabilities	<u>384,136,080</u>	<u>203,066,433</u>	<u>587,202,513</u>	<u>-</u>
Deferred inflows of resources:				
Deferred inflow - OPEB related	1,336,616	37,596	1,374,212	-
Deferred inflow - Pension related	16,916,328	1,122,481	18,038,809	-
Total deferred inflow of resources	<u>18,252,944</u>	<u>1,160,077</u>	<u>19,413,021</u>	<u>-</u>

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
NET POSITION				
Net investment in capital assets	\$ 785,082,880	\$ 212,865,467	\$ 997,948,347	\$ 14,796
Restricted for:				
Debt service	-	3,286,139	3,286,139	-
Contractual obligations	-	32,922,471	32,922,471	-
General government	4,962,174	-	4,962,174	-
General government-court related	2,236,435	-	2,236,435	-
Public safety	13,670,759	-	13,670,759	-
Physical environment	35,212,832	-	35,212,832	-
Transportation	102,695,430	-	102,695,430	-
Human services	5,918,920	-	5,918,920	-
Culture and recreation	18,186,168	-	18,186,168	-
Unrestricted	41,225,329	32,871,398	74,096,727	217,714
Total net position	<u>\$ 1,009,190,927</u>	<u>\$ 281,945,475</u>	<u>\$ 1,291,136,402</u>	<u>\$ 232,510</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2018

	Program Revenues			
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 39,271,703	\$ 16,218,968	\$ 665,613	\$ 469,471
Court related	7,780,253	4,448,923	-	-
Public safety	139,560,034	42,781,388	145,074	642,285
Physical environment	17,595,320	11,002,491	6,735,649	274,726
Transportation	71,521,456	41,061,132	253,781	7,850,886
Economic environment	3,478,136	442,770	205,939	-
Human services	15,916,153	604,947	5,200,462	49,096
Culture and recreation	31,431,094	3,178,081	1,498,388	867,163
Interest on long-term debt	3,400,152	-	-	-
Total governmental activities	329,954,301	119,738,700	14,704,906	10,153,627
Business-type Activities:				
Water and sewer	63,321,356	68,951,139	-	10,164,416
Solid waste	20,831,302	21,228,711	-	-
Total business-type activities	84,152,658	90,179,850	-	10,164,416
Total primary government	\$ 414,106,959	\$ 209,918,550	\$ 14,704,906	\$ 20,318,043
Component Unit				
Charlotte County Industrial Development Authority	\$ 9,200	\$ -	\$ -	\$ -
Total component unit	\$ 9,200	\$ -	\$ -	\$ -

General revenues:

Taxes
Property
Gasoline
Communication services
Tourist development
Other
Sales tax
Franchise taxes
Revenue sharing
Restricted revenue sharing
Unrestricted state shared revenues
Unrestricted revenue sharing
Interest income
Miscellaneous
Transfers
Total general revenues and transfers
Changes in net position
Net position - beginning
Restatement of beginning net position
Net position - beginning, as restated
Net position - ending

Net (Expenses) Revenue and Changes in Net Positions

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>	<u>Industrial Development Authority</u>
\$ (21,917,651)	\$ -	\$ (21,917,651)	\$ -
(3,331,330)	-	(3,331,330)	-
(95,991,287)	-	(95,991,287)	-
417,546	-	417,546	-
(22,355,657)	-	(22,355,657)	-
(2,829,427)	-	(2,829,427)	-
(10,061,648)	-	(10,061,648)	-
(25,887,462)	-	(25,887,462)	-
(3,400,152)	-	(3,400,152)	-
<u>(185,357,068)</u>	<u>-</u>	<u>(185,357,068)</u>	<u>-</u>
-	15,794,199	15,794,199	-
-	397,409	397,409	-
-	16,191,608	16,191,608	-
<u>(185,357,068)</u>	<u>16,191,608</u>	<u>(169,165,460)</u>	<u>-</u>
			(9,200)
			<u>(9,200)</u>
132,022,596	-	132,022,596	-
10,192,336	-	10,192,336	-
4,892,323	-	4,892,323	-
4,159,690	-	4,159,690	-
430,911	-	430,911	-
27,009,032	-	27,009,032	-
9,447,366	-	9,447,366	-
4,938,034	-	4,938,034	-
20,503,101	-	20,503,101	-
3,871,821	1,116,832	4,988,653	183
6,461,019	6,237,080	12,698,099	55,720
510,033	(510,033)	-	-
<u>224,438,262</u>	<u>6,843,879</u>	<u>231,282,141</u>	<u>55,903</u>
<u>39,081,194</u>	<u>23,035,487</u>	<u>62,116,681</u>	<u>46,703</u>
958,452,790	258,794,513	1,217,247,303	185,807
11,656,943	115,475	11,772,418	-
<u>970,109,733</u>	<u>258,909,988</u>	<u>1,229,019,721</u>	<u>185,807</u>
<u>\$1,009,190,927</u>	<u>\$ 281,945,475</u>	<u>\$ 1,291,136,402</u>	<u>\$ 232,510</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	<u>General Fund</u>	<u>Charlotte Public Safety</u>
ASSETS		
Cash and cash equivalents	\$ 21,272,524	\$ 229,278
Investments	51,956,039	2,692,124
Accounts and assessments receivable, net	3,166,269	-
Due from other funds	1,897,193	608,688
Advances to other funds	2,595,955	-
Due from other governmental agencies	5,001,009	-
Inventory of supplies, at cost	-	-
Other assets	938,795	11,474
Total assets	<u>\$ 86,827,784</u>	<u>\$ 3,541,564</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and vouchers payable	\$ 2,497,037	\$ 1,809,515
Contracts payable	-	-
Accrued liabilities	3,900,515	9,351
Due to other funds	4,928,021	117,639
Due to other governmental agencies	2,229,215	-
Advances from other funds	-	-
Deposits	591,762	-
Unearned revenue	582,027	-
Matured interest payable	-	-
Matured bonds payable	-	-
Other liabilities	3,367,764	-
Total liabilities	<u>18,096,341</u>	<u>1,936,505</u>
Deferred Inflows of Resources		
Unavailable revenue	<u>850,424</u>	<u>-</u>
Fund Balance		
Nonspendable	645,541	2,960
Restricted	1,699,024	-
Committed	-	-
Assigned	5,220,528	1,602,099
Unassigned	60,315,926	-
Total fund balances	<u>67,881,019</u>	<u>1,605,059</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 86,827,784</u>	<u>\$ 3,541,564</u>

Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 6,183,287	\$ 2,737,329	\$ 23,953,629	\$ 54,376,047
71,949,702	32,076,998	183,148,552	341,823,415
-	-	776,753	3,943,022
423,278	970,517	6,746,988	10,646,664
-	14,416,940	-	17,012,895
-	-	23,995,919	28,996,928
-	-	842,010	842,010
231,280	100,474	1,429,567	2,711,590
<u>\$ 78,787,547</u>	<u>\$ 50,302,258</u>	<u>\$ 240,893,418</u>	<u>\$ 460,352,571</u>
\$ 3,340,657	\$ 1,277,833	\$ 9,877,319	\$ 18,802,361
2,301,635	307,178	4,056,589	6,665,402
-	-	992,162	4,902,028
-	-	5,510,162	10,555,822
-	-	37,636	2,266,851
-	-	8,597,190	8,597,190
4,952	-	1,096,166	1,692,880
-	-	-	582,027
-	-	383,178	383,178
-	-	1,055,000	1,055,000
-	-	795	3,368,559
<u>5,647,244</u>	<u>1,585,011</u>	<u>31,606,197</u>	<u>58,871,298</u>
-	-	7,854,623	8,705,047
-	-	1,407,765	2,056,266
58,377,494	-	122,806,200	182,882,718
-	19,832,639	8,631,096	28,463,735
14,762,809	28,884,608	71,485,073	121,955,117
-	-	(2,897,536)	57,418,390
<u>73,140,303</u>	<u>48,717,247</u>	<u>201,432,598</u>	<u>392,776,226</u>
<u>\$ 78,787,547</u>	<u>\$ 50,302,258</u>	<u>\$ 240,893,418</u>	<u>\$ 460,352,571</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2018

Fund balances - total governmental funds.	\$ 392,776,226
Capital assets, net of accumulated depreciation, and amortization used in governmental activities are not financial resources and are, therefore, not reported in the governmental funds.	839,441,065
Land held for resale in governmental activities is derived from capital assets, which are not financial resources, and is, therefore, not reported in the governmental funds.	35,472,737
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	8,705,047
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (See Note 2).	(281,455,546)
The assets and liabilities of Internal Service Funds, in addition to those otherwise allocated, are included in the governmental activities in the Statement of Net Position.	<u>14,251,398</u>
Total net position of governmental activities	<u>\$ 1,009,190,927</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2018

	<u>General Fund</u>	<u>Charlotte Public Safety</u>
Revenues:		
Taxes	\$ 31,002,859	\$ 73,142,358
Assessments levied	-	-
Licenses and permits	10,093,163	-
Intergovernmental	20,879,560	-
Charges for services	19,718,889	-
Fines and forfeitures	551,542	1,625
Impact fees	-	-
Miscellaneous	8,659,535	1,467,784
Total revenues	<u>90,905,548</u>	<u>74,611,767</u>
Expenditures:		
Current		
General government	31,729,833	673,224
Court related	1,566,805	-
Public safety	83,025,743	7,289,899
Physical environment	3,871,222	-
Transportation	975,832	-
Economic environment	2,532,113	-
Human services	8,448,749	-
Culture and recreation	15,604,281	-
Capital outlay	-	-
Debt service	108,543	-
Total expenditures	<u>147,863,121</u>	<u>7,963,123</u>
Excess of revenues over/(under) expenditures	<u>(56,957,573)</u>	<u>66,648,644</u>
Other financing sources (uses)		
Issuance of debt	-	-
Transfers in	75,371,050	996,863
Transfers out	<u>(19,671,031)</u>	<u>(67,480,861)</u>
Total other financing sources (uses):	<u>55,700,019</u>	<u>(66,483,998)</u>
Net change in fund balances	(1,257,554)	164,646
Fund balances, October 1, 2017	69,138,573	1,440,413
Restatement of beginning fund balance	-	-
Fund balances, October 1, 2017, as restated	<u>69,138,573</u>	<u>1,440,413</u>
Fund balances, September 30, 2018	<u>\$ 67,881,019</u>	<u>\$ 1,605,059</u>

Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 950,177	\$ 18,601,850	\$ 55,009,644	\$ 178,706,888
28,202,779	-	32,245,582	60,448,361
-	-	6,378,882	16,472,045
-	297,667	18,339,449	39,516,676
-	144,832	20,759,752	40,623,473
-	-	1,254,320	1,807,487
-	-	4,668,404	4,668,404
772,129	368,004	5,534,585	16,802,037
<u>29,925,085</u>	<u>19,412,353</u>	<u>144,190,618</u>	<u>359,045,371</u>
-	-	3,272,951	35,676,008
-	-	5,952,672	7,519,477
-	-	34,829,372	125,145,014
-	-	5,223,072	9,094,294
36,664,876	-	33,110,920	70,751,628
-	-	860,310	3,392,423
-	-	7,587,766	16,036,515
-	-	6,861,132	22,465,413
-	13,913,384	44,831,346	58,744,730
8,445,295	312,340	15,851,251	24,717,429
<u>45,110,171</u>	<u>14,225,724</u>	<u>158,380,792</u>	<u>373,542,931</u>
<u>(15,185,086)</u>	<u>5,186,629</u>	<u>(14,190,174)</u>	<u>(14,497,560)</u>
19,853,000	-	5,454,000	25,307,000
272,223	808,534	27,882,061	105,330,731
(3,000)	(5,897,918)	(12,420,114)	(105,472,924)
<u>20,122,223</u>	<u>(5,089,384)</u>	<u>20,915,947</u>	<u>25,164,807</u>
4,937,137	97,245	6,725,773	10,667,247
68,203,166	42,716,699	194,706,825	376,205,676
-	5,903,303	-	5,903,303
<u>68,203,166</u>	<u>48,620,002</u>	<u>194,706,825</u>	<u>382,108,979</u>
<u>\$ 73,140,303</u>	<u>\$ 48,717,247</u>	<u>\$ 201,432,598</u>	<u>\$ 392,776,226</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2018

Net change in fund balances - total governmental funds.	\$ 10,667,247
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Position.	74,390,749
Revaluation of land held for resale presented on the Statement of Activities.	(6,354,192)
Depreciation and amortization expense on governmental capital assets included in the Statement of Activities.	(33,376,134)
Issuance of debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position.	(25,307,000)
Bond, loan and note principal payments are presented as expenditures in governmental funds but not in governmental activities.	21,223,978
The net revenues (expenses) of internal service funds (funds to charge self-insurance, health insurance and vehicle maintenance) are reported with governmental activities.	6,793,125
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. In the statement of activities, however, revenues are reported regardless of when available.	5,124,433
In governmental funds expenditures for interest are recognized when paid; however, in the Statement of Activities, interest payable is reported when the liability is incurred.	28,318
The decrease in accrued compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	194,520
In governmental funds, bond premiums and bond refunding expenditures are recognized when paid; however, in the Statement of Activities these items are amortized.	60,000
The increase in other postemployment benefits, deferred outflows, and deferred inflows are reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(2,890,249)
The increase in pension liability, deferred outflows, and deferred inflows related to pensions are reported in the Statement of Activities, but do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds.	<u>(11,473,601)</u>
Change in net position of governmental activities	<u>\$ 39,081,194</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 32,022,510	\$ 32,022,510	\$ 31,002,859	\$ (1,019,651)
Licenses and permits	9,442,500	9,442,500	10,093,163	650,663
Intergovernmental	20,541,537	21,029,868	20,879,560	(150,308)
Charges for services	16,467,770	17,126,497	19,718,889	2,592,392
Fines and forfeitures	495,900	495,900	551,542	55,642
Miscellaneous	5,771,158	6,094,563	8,659,535	2,564,972
Less: Reserves	(3,624,496)	(3,624,496)	-	3,624,496
Total revenues	<u>81,116,879</u>	<u>82,587,342</u>	<u>90,905,548</u>	<u>8,318,206</u>
Expenditures:				
Current:				
General government				
Non-court related				
Personal services	25,243,588	25,247,780	23,462,105	1,785,675
Contract/Professional services	4,292,616	4,399,305	3,244,302	1,155,003
Purchased services	3,036,584	3,139,462	2,566,080	573,382
Materials/Supplies	1,503,941	1,752,863	1,822,225	(69,362)
Capital expenditures	861,808	1,081,967	635,121	446,846
Court related				
Personal services	1,276,714	1,131,910	1,127,825	4,085
Contract/Professional services	66,320	125,820	124,030	1,790
Purchased services	226,941	195,741	189,703	6,038
Materials/Supplies	38,935	106,909	102,382	4,527
Capital expenditures	68,623	44,623	22,865	21,758
Sub-total general government	<u>36,616,070</u>	<u>37,226,380</u>	<u>33,296,638</u>	<u>3,929,742</u>
Debt service	-	-	108,543	(108,543)
Total general government	<u>36,616,070</u>	<u>37,226,380</u>	<u>33,405,181</u>	<u>3,821,199</u>
Public safety				
Personal services	66,991,393	65,960,720	65,857,106	103,614
Contract/Professional services	3,023,269	3,040,452	2,895,478	144,974
Purchased services	11,136,556	11,108,882	10,498,752	610,130
Materials/Supplies	652,485	787,780	834,844	(47,064)
Capital expenditures	1,767,213	2,796,881	2,939,563	(142,682)
Total public safety	<u>83,570,916</u>	<u>83,694,715</u>	<u>83,025,743</u>	<u>668,972</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Physical environment				
Personal services	1,930,178	1,930,178	1,888,579	41,599
Contract/Professional services	1,195,952	1,529,657	971,435	558,222
Purchased services	457,686	457,686	630,976	(173,290)
Materials/Supplies	239,385	239,385	158,303	81,082
Capital expenditures	40,500	53,000	96,174	(43,174)
Grants & Aids	125,000	125,000	125,755	(755)
Total physical environment	<u>3,988,701</u>	<u>4,334,906</u>	<u>3,871,222</u>	<u>463,684</u>
Transportation				
Personal services	851,201	851,201	842,187	9,014
Contract/Professional services	17,176	17,176	17,176	-
Purchased services	38,039	38,039	45,475	(7,436)
Materials/Supplies	29,614	29,614	14,847	14,767
Capital expenditures	18,000	18,000	56,147	(38,147)
Total transportation	<u>954,030</u>	<u>954,030</u>	<u>975,832</u>	<u>(21,802)</u>
Economic environment				
Personal services	939,602	939,602	797,823	141,779
Contract/Professional services	265,362	265,362	282,774	(17,412)
Purchased services	299,110	299,110	288,543	10,567
Materials/Supplies	47,536	47,536	38,900	8,636
Grants & Aids	1,120,554	1,120,554	1,124,073	(3,519)
Total economic environment	<u>2,672,164</u>	<u>2,672,164</u>	<u>2,532,113</u>	<u>140,051</u>
Human service				
Personal services	2,043,231	2,063,507	1,776,472	287,035
Contract/Professional services	1,076,097	1,036,097	1,013,615	22,482
Purchased services	2,750,368	2,762,568	2,488,433	274,135
Materials/Supplies	725,047	700,129	665,939	34,190
Capital expenditures	310,755	352,755	268,626	84,129
Grants & Aids	2,299,676	2,299,676	2,235,664	64,012
Total human services	<u>9,205,174</u>	<u>9,214,732</u>	<u>8,448,749</u>	<u>765,983</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Culture and recreation				
Personal services	6,791,592	6,844,401	6,314,716	529,685
Contract/Professional services	4,571,372	4,572,447	4,249,153	323,294
Purchased services	2,501,477	2,590,502	2,637,256	(46,754)
Materials/Supplies	935,052	955,502	1,145,579	(190,077)
Capital expenditures	1,406,000	1,406,000	1,232,577	173,423
Grants & Aids	25,000	25,000	25,000	-
Total culture and recreation	<u>16,230,493</u>	<u>16,393,852</u>	<u>15,604,281</u>	<u>789,571</u>
Total expenditures	<u>153,237,548</u>	<u>154,490,779</u>	<u>147,863,121</u>	<u>6,627,658</u>
Excess of revenues over/(under) expenditures	<u>(72,120,669)</u>	<u>(71,903,437)</u>	<u>(56,957,573)</u>	<u>14,945,864</u>
Other financing sources (uses):				
Transfers from other funds	74,215,462	73,611,806	75,371,050	1,759,244
Transfers to other funds	<u>(5,024,747)</u>	<u>(12,039,127)</u>	<u>(19,671,031)</u>	<u>(7,631,904)</u>
Total other financing sources (uses)	<u>69,190,715</u>	<u>61,572,679</u>	<u>55,700,019</u>	<u>(5,872,660)</u>
Net change in fund balance	(2,929,954)	(10,330,758)	(1,257,554)	9,073,204
Fund balances, October 1, 2017	<u>71,558,085</u>	<u>71,558,085</u>	<u>69,138,573</u>	<u>(2,419,512)</u>
Fund balances, September 30, 2018	<u>\$ 68,628,131</u>	<u>\$ 61,227,327</u>	<u>\$ 67,881,019</u>	<u>\$ 6,653,692</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
 CHARLOTTE PUBLIC SAFETY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 75,749,642	\$ 75,749,642	\$ 73,142,358	\$ (2,607,284)
Fines and forfeitures	-	-	1,625	1,625
Miscellaneous	-	1,550,000	1,467,784	(82,216)
Less: Reserves	(3,787,482)	(3,787,482)	-	3,787,482
Total revenues	<u>71,962,160</u>	<u>73,512,160</u>	<u>74,611,767</u>	<u>1,099,607</u>
Expenditures:				
Current:				
General government				
Purchased services	676,728	676,728	673,224	3,504
Total general government	<u>676,728</u>	<u>676,728</u>	<u>673,224</u>	<u>3,504</u>
Public safety				
Personal services	354,504	354,504	355,548	(1,044)
Contract/Professional services	1,655,177	3,205,177	3,163,822	41,355
Purchased services	3,483,193	3,483,193	3,287,611	195,582
Materials/Supplies	52,654	52,654	36,173	16,481
Capital expenditures	8,500	388,698	446,745	(58,047)
Total public safety	<u>5,554,028</u>	<u>7,484,226</u>	<u>7,289,899</u>	<u>194,327</u>
Total expenditures	<u>6,230,756</u>	<u>8,160,954</u>	<u>7,963,123</u>	<u>197,831</u>
Excess of revenues over/(under) expenditures	<u>65,731,404</u>	<u>65,351,206</u>	<u>66,648,644</u>	<u>1,297,438</u>
Other financing sources (uses):				
Transfers from other funds	-	-	996,863	996,863
Transfers to other funds	(67,480,861)	(67,480,861)	(67,480,861)	-
Total other financing sources (uses)	<u>(67,480,861)</u>	<u>(67,480,861)</u>	<u>(66,483,998)</u>	<u>996,863</u>
Net change in fund balance	(1,749,457)	(2,129,655)	164,646	2,294,301
Fund balances, October 1, 2017	<u>6,000,001</u>	<u>6,000,001</u>	<u>1,440,413</u>	<u>(4,559,588)</u>
Fund balances, September 30, 2018	<u>\$ 4,250,544</u>	<u>\$ 3,870,346</u>	<u>\$ 1,605,059</u>	<u>\$ (2,265,287)</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
STREET AND DRAINAGE DISTRICTS MAINTENANCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 982,418	\$ 982,418	\$ 950,177	\$ (32,241)
Assessments levied	29,009,814	29,009,814	28,202,779	(807,035)
Intergovernmental	-	-	-	-
Miscellaneous	221,505	221,505	772,129	550,624
Less: Reserves	(1,510,680)	(1,510,680)	-	1,510,680
Total revenues	<u>28,703,057</u>	<u>28,703,057</u>	<u>29,925,085</u>	<u>1,222,028</u>
Expenditures:				
Current				
Transportation				
Contract/Professional services	45,767,239	51,428,017	26,842,281	24,585,736
Purchased services	11,930,663	12,074,110	7,801,576	4,272,534
Materials/Supplies	568,050	568,050	477,597	90,453
Capital expenditures	8,990,001	9,067,001	1,543,422	7,523,579
Sub-total transportation	<u>67,255,953</u>	<u>73,137,178</u>	<u>36,664,876</u>	<u>36,472,302</u>
Debt service	5,528,487	9,103,338	8,445,295	658,043
Total transportation	<u>72,784,440</u>	<u>82,240,516</u>	<u>45,110,171</u>	<u>37,130,345</u>
Total expenditures	<u>72,784,440</u>	<u>82,240,516</u>	<u>45,110,171</u>	<u>37,130,345</u>
Excess of revenues over/(under) expenditures	<u>(44,081,383)</u>	<u>(53,537,459)</u>	<u>(15,185,086)</u>	<u>38,352,373</u>
Other financing sources (uses)				
Proceeds from debt	18,016,000	22,431,000	19,853,000	(2,578,000)
Transfers from other funds	109,412	109,412	272,223	162,811
Transfers to other funds	(3,000)	(3,000)	(3,000)	-
Total other financing sources (uses)	<u>18,122,412</u>	<u>22,537,412</u>	<u>20,122,223</u>	<u>(2,415,189)</u>
Net change in fund balance	(25,958,971)	(31,000,047)	4,937,137	35,937,184
Fund balances, October 1, 2017	63,782,752	64,230,739	68,203,166	3,972,427
Fund balances, September 30, 2018	<u>\$ 37,823,781</u>	<u>\$ 33,230,692</u>	<u>\$ 73,140,303</u>	<u>\$ 39,909,611</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist.	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,474,064	\$ 7,778,759	\$ 200,412	\$ 9,453,235	\$ 4,471,907
Restricted cash and cash equivalents	1,743	1,429,431	-	1,431,174	-
Investments	15,926,782	8,709,396	2,276,805	26,912,983	18,053,069
Restricted investments	20,736	13,755,809	-	13,776,545	-
Restricted investments, with trustee	-	3,665,857	-	3,665,857	-
Accounts and assessments receivable - net	229,410	8,360,333	-	8,589,743	59,818
Due from other governmental agencies	59,564	4,191,091	-	4,250,655	22,812
Due from other funds	227,383	54,383	155,973	437,739	349,893
Inventory of supplies, at cost	-	593,291	-	593,291	166,576
Other assets	111,558	657,309	118,983	887,850	652,658
Total current assets:	<u>18,051,240</u>	<u>49,195,659</u>	<u>2,752,173</u>	<u>69,999,072</u>	<u>23,776,733</u>
Noncurrent assets:					
Restricted cash	731,030	3,541,628	-	4,272,658	-
Restricted investments	8,583,573	36,846,548	-	45,430,121	-
Special assessments receivable - net	-	16,535,635	-	16,535,635	-
Other assets, net	-	360,084	-	360,084	-
Capital assets:					
Land	3,274,348	22,013,839	-	25,288,187	-
Buildings	2,309,365	15,119,253	-	17,428,618	2,297,950
Improvements other than buildings	19,847,480	414,845,826	-	434,693,306	40,321
Machinery and equipment	6,896,327	18,566,187	-	25,462,514	236,723
Construction in progress	13,552	73,158,360	-	73,171,912	-
Intangible assets	-	39,667,717	-	39,667,717	-
Less accumulated depreciation and amortization	(18,858,297)	(249,458,450)	-	(268,316,747)	(678,792)
Total noncurrent assets -net	<u>22,797,378</u>	<u>391,196,627</u>	<u>-</u>	<u>413,994,005</u>	<u>1,896,202</u>
Total assets	<u>40,848,618</u>	<u>440,392,286</u>	<u>2,752,173</u>	<u>483,993,077</u>	<u>25,672,935</u>
Deferred outflows of resources:					
Deferred charge on refunding	-	6,644,481	-	6,644,481	-
Deferred outflow - Pension related	494,218	4,174,236	-	4,668,454	244,063
Deferred outflow - OPEB related	11,752	98,400	-	110,152	5,750
Total deferred outflows of resources	<u>\$ 505,970</u>	<u>\$ 10,917,117</u>	<u>\$ -</u>	<u>\$ 11,423,087</u>	<u>\$ 249,813</u>

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist	Total	Internal Service Funds
	LIABILITIES				
Current liabilities:					
Accounts and vouchers payable	\$ 243,808	\$ 4,221,197	\$ 1,085,567	\$ 5,550,572	\$ 562,474
Contracts payable	-	2,090,107	-	2,090,107	64,240
Accrued liabilities	54,116	386,306	-	440,422	23,755
Due to other governmental agencies	-	-	-	-	-
Due to other funds	88,027	513,064	227,383	828,474	50,000
Self-insurance claims payable	-	-	-	-	3,288,732
Unearned revenue	-	830,445	146,398	976,843	1,972,217
Deposits	22,479	5,132,989	-	5,155,468	-
Loans payable	-	2,032,565	-	2,032,565	-
Special assessment loans payable	-	1,798,689	-	1,798,689	-
Bonds payable	-	12,515,000	-	12,515,000	-
Matured interest payable	-	1,692,130	-	1,692,130	-
Accrued compensated absences	14,158	84,987	-	99,145	191,005
Net pension liability	17,730	148,341	-	166,071	-
Other liabilities	-	16,272	-	16,272	801,536
Total current liabilities	440,318	31,462,092	1,459,348	33,361,758	6,953,959
Noncurrent liabilities:					
Notes, loans, capital leases	-	20,063,609	-	20,063,609	-
Special assessment loans payable	-	19,750,598	-	19,750,598	-
Bonds payable	-	85,014,058	-	85,014,058	-
Advances from other funds	-	8,415,705	-	8,415,705	-
Accrued compensated absences	131,706	854,448	-	986,154	685,726
Other postemployment benefits	182,934	1,530,493	-	1,713,427	89,603
Net pension liability	1,254,761	10,574,971	-	11,829,732	627,384
Unearned revenue	-	20,639,921	-	20,639,921	-
Landfill closure costs	10,535,650	-	-	10,535,650	-
Self-insurance claims payable	-	-	-	-	3,254,000
Total noncurrent liabilities	12,105,051	166,843,803	-	178,948,854	4,656,713
Total liabilities	12,545,369	198,305,895	1,459,348	212,310,612	11,610,672
Deferred inflows of resources:					
Deferred inflow - Pension related	119,168	1,003,313	-	1,122,481	58,715
Deferred inflow - OPEB related	4,011	33,585	-	37,596	1,963
Total deferred inflow of resources	123,179	1,036,898	-	1,160,077	60,678
NET POSITION					
Net investment in capital assets	13,482,775	199,382,692	-	212,865,467	1,896,202
Restricted for debt service	-	3,286,139	-	3,286,139	-
Restricted for contractual obligations	342,783	32,579,688	-	32,922,471	-
Unrestricted	14,860,482	16,718,091	1,292,825	32,871,398	12,355,196
Total net position	\$ 28,686,040	\$ 251,966,610	\$ 1,292,825	\$ 281,945,475	\$ 14,251,398

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist		Internal Service Funds
Operating revenues:					
Charges for services	\$ 6,565,459	\$ 68,951,139	\$ 14,663,252	\$ 90,179,850	\$ 39,367,212
Miscellaneous	589,379	4,987,700	-	5,577,079	316,930
Total operating revenues	<u>7,154,838</u>	<u>73,938,839</u>	<u>14,663,252</u>	<u>95,756,929</u>	<u>39,684,142</u>
Operating expenses:					
Personal services	2,154,934	17,786,194	-	19,941,128	1,508,608
Contractual services	1,375,754	5,536,381	11,682,754	18,594,889	3,082,857
Cost of sales and service	-	11,855,337	-	11,855,337	3,370,904
Depreciation expense and amortization	914,798	14,918,283	-	15,833,081	71,941
Insurance claims	39,520	468,276	-	507,796	19,038,212
Insurance premiums	-	-	-	-	6,038,526
Purchased services	656,928	4,554,104	3,289,973	8,501,005	430,165
Materials & supplies	229,396	3,542,355	-	3,771,751	177,061
Total operating expenses	<u>5,371,330</u>	<u>58,660,930</u>	<u>14,972,727</u>	<u>79,004,987</u>	<u>33,718,274</u>
Operating income (loss)	<u>1,783,508</u>	<u>15,277,909</u>	<u>(309,475)</u>	<u>16,751,942</u>	<u>5,965,868</u>
Nonoperating revenues (expenses)					
Interest revenue	230,090	829,650	57,105	1,116,845	175,031
Interest and fiscal charges	-	(4,660,439)	-	(4,660,439)	-
Gain on abandonment/sale of assets	69,912	102,844	-	172,756	-
Total nonoperating revenues (expenses)	<u>300,002</u>	<u>(3,727,945)</u>	<u>57,105</u>	<u>(3,370,838)</u>	<u>175,031</u>
Income (loss) before contributions and transfers	2,083,510	11,549,964	(252,370)	13,381,104	6,140,899
Capital contributions	69,424	10,094,992	-	10,164,416	-
Transfers in	-	62,157	78,820	140,977	681,146
Transfers out	(60,876)	(590,134)	-	(651,010)	(28,920)
Change in net position	2,092,058	21,116,979	(173,550)	23,035,487	6,793,125
Total net position - beginning	26,641,406	230,686,732	1,466,375	258,794,513	7,475,905
Restatement of beginning net position	(47,424)	162,899	-	115,475	(17,632)
Total net position - beginning, as restated	<u>26,593,982</u>	<u>230,849,631</u>	<u>1,466,375</u>	<u>258,909,988</u>	<u>7,458,273</u>
Total net position - ending	<u>\$ 28,686,040</u>	<u>\$ 251,966,610</u>	<u>\$ 1,292,825</u>	<u>\$ 281,945,475</u>	<u>\$ 14,251,398</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities Enterprise Funds			Governmental	
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Charlotte Sanitation Dist	Internal Service Funds	
Cash flows from operating activities:					
Cash received from customers	\$ 6,489,911	\$ 69,427,849	\$ 14,684,245	\$ 90,602,005	\$ 39,140,466
Cash payments to suppliers for goods and services	(3,176,008)	(26,318,615)	(14,351,326)	(43,845,949)	(12,792,043)
Cash payments to employees for services	(2,072,244)	(17,122,886)	-	(19,195,130)	(1,597,857)
Insurance claims	-	-	-	-	(20,091,061)
Other operating revenues	589,379	5,059,729	-	5,649,108	147,421
Deposits	272	149,052	-	149,324	-
Net cash provided (used) by operating activities	<u>1,831,310</u>	<u>31,195,129</u>	<u>332,919</u>	<u>33,359,358</u>	<u>4,806,926</u>
Cash flows from non-capital financing activities:					
Operating grants	-	1,293,446	-	1,293,446	-
Loans to other funds	-	(462,570)	-	(462,570)	-
Transfer in from other funds/govts	-	18,763	109,327	128,090	(681,146)
Transfers in from other funds	-	48,237	-	48,237	-
Transfers to other funds	(60,876)	(590,133)	-	(651,009)	-
Net cash provided (used) by noncapital financing activities	<u>(60,876)</u>	<u>307,743</u>	<u>109,327</u>	<u>356,194</u>	<u>(681,146)</u>
Cash flows from capital/related financing activities:					
Acquisition of capital assets	(1,441,219)	(38,025,920)	-	(39,467,139)	689,152
Advances from other funds	-	-	-	-	(50,000)
Proceeds from sale of capital assets	557,157	169,140	-	726,297	-
Principal paid on bonds and notes	-	(13,172,864)	-	(13,172,864)	-
Interest/finance costs on bonds/notes	-	(3,461,224)	-	(3,461,224)	-
Capital contributions	69,424	8,745,457	-	8,814,881	-
Capital contributed reduction in assessment receivable	-	2,685,127	-	2,685,127	-
Capital advances from other funds	-	7,490,565	-	7,490,565	(28,920)
Capital advances to other funds	-	-	-	-	-
Proceeds from bonds/notes	-	19,039,971	-	19,039,971	-
Net cash used by capital financing activities	<u>(814,638)</u>	<u>(16,529,748)</u>	<u>-</u>	<u>(17,344,386)</u>	<u>610,232</u>
Cash flows from investing activities:					
Purchase of investment securities	(11,394,043)	(176,128,910)	(15,607,555)	(203,130,508)	(38,405,447)
Proceeds from sale and maturities of investment securities	8,491,835	163,016,963	15,007,353	186,516,151	34,409,619
Interest and dividends on investments	203,785	694,802	54,247	952,834	151,056
Net cash used by investing activities	<u>(2,698,423)</u>	<u>(12,417,145)</u>	<u>(545,955)</u>	<u>(15,661,523)</u>	<u>(3,844,772)</u>
Net increase (decrease) in cash and cash equivalents	(1,742,627)	2,555,979	(103,709)	709,643	891,240
Cash and cash equivalents, October 1, 2017	<u>3,949,464</u>	<u>10,193,839</u>	<u>304,121</u>	<u>14,447,424</u>	<u>3,580,667</u>
Cash and cash equivalents, September 30, 2018	<u>\$ 2,206,837</u>	<u>\$ 12,749,818</u>	<u>\$ 200,412</u>	<u>\$ 15,157,067</u>	<u>\$ 4,471,907</u>

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities Enterprise Funds			Governmental Activities	
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Charlotte Sanitation Dist	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided from operating activities:					
Operating income (loss)	\$ 1,783,508	\$ 15,277,909	\$ (309,475)	\$ 16,751,942	\$ 5,965,868
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	914,798	14,918,283	-	15,833,081	71,941
Deferred outflows - pension related (decrease)	(13,942)	(121,096)	-	(135,038)	(13,746)
Deferred outflows - OPEB related (decrease)	(11,752)	(98,400)	-	(110,152)	(5,750)
Deferred inflows - pension related (increase)	48,318	410,417	-	458,735	25,131
Deferred inflows - OPEB related (increase)	4,011	33,585	-	37,596	1,963
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	87,523	430,005	-	517,528	(46,456)
Due from constitutional officers	-	1,290	(2,291)	(1,001)	112
Due from other governmental agencies	64,312	-	-	64,312	78,045
Due from other funds - internal	(227,383)	142,911	375,524	291,052	(346,358)
Inventory	-	38,142	-	38,142	(8,124)
Other assets	(34)	(18,719)	(16,037)	(34,790)	(4,660)
Increase (decrease) in:					
Accounts and vouchers payable	(2,222)	668,790	36,041	702,609	166,189
Accrued liabilities	(689)	(69,199)	-	(69,888)	(1,382)
Due to constitutional officers	-	46	-	46	(600)
Due to other governmental agencies	-	(1,058,773)	-	(1,058,773)	-
Due to other funds - internal	(369,906)	(9,600)	227,383	(152,123)	(70,000)
Other liabilities	-	(1,527)	-	(1,527)	41,201
Deposits	272	149,052	-	149,324	-
Accrued compensated absences	9,845	16,499	-	26,344	1,251
Other postemployment benefits	57,817	540,482	-	598,299	1,703
Closing and monitoring costs	(502,282)	-	-	(502,282)	-
Self-insurance claims payable	-	-	-	-	(1,104,195)
Unearned revenue	-	(27,125)	21,774	(5,351)	11,703
Net pension liability	(10,884)	(27,843)	-	(38,727)	43,090
Total adjustments	47,802	15,917,220	642,394	16,607,416	(1,158,942)
Net cash provided by operating activities	\$ 1,831,310	\$ 31,195,129	\$ 332,919	\$ 33,359,358	\$ 4,806,926
Noncash investing, capital and financing activities:					
Gain on disposition of assets	\$ 69,912	\$ 102,844	\$ -	\$ 172,756	\$ -
Acquisition of contributed assets	-	1,349,535	-	1,349,535	-
Change in fair value of investments	(193,328)	(432,866)	(21,175)	(647,369)	(135,643)

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 12,820,054
Investments	7,368
Accounts and assessments receivable, net	3,739,011
Due from other governmental agencies	1,330
Due from individuals	12,418
Other assets	23
Total assets	\$ 16,580,204
LIABILITIES	
Due to other governmental agencies	\$ 5,419,655
Due to individuals	690,810
Deposits	5,257,550
Other liabilities	5,212,189
Total liabilities	\$ 16,580,204

The accompanying notes are an integral part of these financial statements.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies

Organization

Defining the Governmental Reporting Entity

Charlotte County (the "County") is a political subdivision of the State of Florida. The boundaries for Charlotte County are set out in s.7.08 of the Florida Statutes, and the history note to that section sets out its origins. Section 3, ch 3770, 1887 created DeSoto County from a portion of Manatee County. Section 1, ch 8513, 1921, created Charlotte County from part of DeSoto County. Other parts of that 1921 act created Hardee, Highland, and Glades Counties from other parts of DeSoto County. The 1921 act creating Charlotte and the other three counties took effect on April 23, 1921. It is governed by an elected Board of County Commissioners (the "Board"), which is governed by state statutes and regulations. In addition to the members of the Board of County Commissioners, there are five elected Constitutional Officers: Clerk of the Circuit Court; Sheriff; Tax Collector; Property Appraiser; and Supervisor of Elections, which were established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Constitutional Officers maintain separate accounting records and budgets.

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

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

The blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

The component units discussed below, which were created by ordinance or resolutions of the Board of County Commissioners, are included in the County's reporting entity, because of the significance of the operational and financial relationships with the County. In conformity with the Governmental Accounting Standards Board (GASB) Statement Number 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity*, the financial statements of the following component units have been included as blended component units. These component units have substantially the same governing body as the County or provide services entirely or almost entirely to the County and the County has an obligation to provide financial support. The following component units are classified as blended component units:

Murdock Village Community Redevelopment Agency: Established by Ordinance 2003-081, pursuant to Chapter 163, Part III, F.S. The purpose of this dependent special district is to organize and direct redevelopment of the Murdock Village Area of Charlotte County. The Board of the Murdock Village CRA is the same as the Board of County Commissioners, which provides substantial funding of operations.

Charlotte Harbor Community Redevelopment Agency: Established by County Resolution 92-251, pursuant to Chapter 163, Part III, F.S. The purpose of this dependent special district is to develop the area known as Charlotte Harbor within Charlotte County. The Board of the Charlotte County CRA is the same as the Board of County Commissioners, which provides substantial funding of operations.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Organization (continued)

Defining the Governmental Reporting Entity (continued)

Parkside Community Redevelopment Agency: Established by County Ordinance 2010-054 and Resolution 2011-259, pursuant to Chapter 163, Part III, F.S. The purpose of this dependent special district is to direct redevelopment in the Parkside area of Charlotte County. The Board of the Parkside CRA is the same as the Board of County Commissioners, which provides substantial funding of operations.

In addition to the above blended component units and in accordance with GASB Statement No. 14, as amended, the County includes as a discretely presented component unit, the Charlotte County Industrial Development Authority.

The Industrial Development Authority (IDA) was established by Ordinance 2006-088, pursuant to Chapter 163, Part III of the Florida Statutes. The purpose is to finance and refinance projects for public purpose and to foster the economic development of the County. The Board is composed of five members, one of whom shall be designated chairman, appointed by the Board of County Commissioners. The Board of County Commissioners must approve the issuance of industrial development bonds, and the IDA retains fees collected in the issuance of such bonds to further promote economic development activities within the County. Florida Statute Section 218 does not require dependent special districts that are component units to issue separate financial statements.

Charlotte County also has a number of independent special districts, whose financial statements are not included in this report, but are subject to independent audit and whose financial statements are made available to the public by the district. These include the Babcock Ranch Community District; the Bermont Drainage District; the Central Charlotte Drainage District; the Charlotte County Airport Authority; the Charlotte Soil and Water Conservation District; the East Charlotte Drainage District and five Community Development Districts (CDD's) established pursuant to 190.005 F.S.

Basic Financial Statements

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

Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole, both the primary government and its component units, and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results with the exception of interfund services provided and used. Fiduciary funds of the government are also eliminated from this presentation since these resources are not available for general government funding purposes. The Statement of Net Position reports all financial and capital resources of Charlotte County's governmental and business-type activities. It is presented in a net position format (assets and deferred outflows of resources less liabilities and deferred inflows of resources equal net position) and shown with three components: net investment in capital assets; restricted net position; and unrestricted net position. The Statement of Activities reports functional categories of programs provided by the County and demonstrates how, and to what degree, those programs are supported by program revenue.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

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

The County reports the following Major Governmental Funds:

The *General Fund* is the government's primary operating fund. It accounts for the operations of the Board of County Commissioners and the Constitutional Officers, including the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector, except those operations required to be accounted for in another fund.

The *Charlotte Public Safety Fund* is a special revenue fund that accounts for taxes, and other fees collected that are used for the purpose of public safety related to law enforcement.

The *Street and Drainage Districts Maintenance Fund* is a special revenue fund that accounts for taxes collected to provide construction and maintenance of roads within certain taxing districts.

The *Capital Projects Fund* is a capital fund that accounts for resources used for the acquisition and/or construction of capital facilities.

All other governmental funds are considered nonmajor.

The County reports the following Major Proprietary Funds:

The *Charlotte County Utility System* accounts for activities related to the county-owned water, and systems.

The *Charlotte County Landfill* accounts for activities related to solid waste disposal for the County.

The County reports the following Nonmajor Proprietary Funds:

The *Charlotte Sanitation District* accounts for activities related to solid waste collection from within the district.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

Additionally, the County reports the following fund types:

Internal Service Funds account for vehicle maintenance, self-insurance, health insurance trust, and accrued compensated absences provided to other departments or agencies of the government, or to other governments on a cost reimbursed basis.

Agency Funds are custodial funds and do not involve measurement of results of operations. These funds are clearing accounts for assets held by the County as an agent for other funds. Fiduciary funds held by the County include: Board: Hurricane Charley Relief Fund; Clerk: Fines and Forfeitures, Tax Deed, Support, Registry of the Court, Intangible Tax, Documentary Stamp and a Charities fund; Sheriff: Prisoners, Individual Depositors, Cash Bond, Evidence fund, and Concession; Tax Collector: Tax Collector, Tax Redemption, License and Tag, Tourist Development and Charities fund. These funds hold funds prior to disbursement or in a custodial capacity.

(a) Fund Accounting

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

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

Charlotte County complies with accounting principles generally accepted (GAAP) in the United States. GAAP includes all relevant GASB pronouncements, and other accounting and financial reporting literature codified by the GASB.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. With the economic resources measurement focus, all assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. Government-wide financial statements and proprietary fund financial statements show increases (revenues) and decreases (expenses) in net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

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

Governmental fund financial statements are presented using the current financial resources and modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds show increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. The County considers all revenues available if they are collected within sixty (60) days after year end, with the exception of the Board's insurance and grant proceeds, for which the period is six months. Primary revenues, such as taxes, special assessments and charges for services, are treated as susceptible to accrual and so have been recognized. Revenues not considered available due to timing are recorded as deferred inflows. Expenditures are recorded when a liability is incurred except for (a) unmatured interest on general long-term debt, which is recorded when due, (b) the noncurrent portion of accrued compensated absences, other postemployment benefits, and early separation incentive program which are recorded in long-term debt on the government-wide financial statements, and (c) claims and judgments which are accrued on the basic financial statements.

Revenues and indirect costs are recorded from a transactional basis directly to the appropriate activity classified by those categories reported in the Statement of Net Position. Interfund activities, as a general rule, in effect, have not been eliminated from the government-wide financial statements.

It is the County's practice to first apply restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net positions are available.

The Proprietary Funds and Agency Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred. The operating statements for the Proprietary Fund types report increases (revenues) and decreases (expenses) in total economic net worth. Operating income and expenses are a measure of the earnings and expenses from the ongoing operation of the proprietary funds. Non-operating income and expenses are due to transactions other than the primary operations of the proprietary funds such as interest revenue and expense, grant revenue, and insurance proceeds.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(c) Budgets and Budgetary Accounting

The Board adopts budgets for all Board funds except Open Space/Habitat, Don Pedro/Knights Island Beach Renourishment, and N. Manasota Key Beach Renourishment. The Property Appraiser and the Tax Collector adopt budgets for their General Funds independently of the Board, which are approved by the Florida Department of Revenue. The Sheriff, Supervisor of Elections and Clerk of the Circuit Court (to the extent of his function as ex officio Clerk to the Board and amounts above his fee structure as Clerk of the Circuit Court) prepare budgets for their General Fund, which are submitted to, and approved by the Board, and are included in the General Fund and the General Fund Budget to Actual Statement. The Special Revenue and Debt Service funds of the Clerk of the Circuit Court, Sheriff and Property Appraiser are not submitted or adopted by the Board, therefore, no Budget to Actual Statements are presented.

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

1. On or before July 15, a tentative budget for the fiscal year commencing the following October 1 is presented to the Board.
2. The tentative budget is then reviewed by the Board and any necessary changes are made.
3. Public hearings are conducted to inform the taxpayers of the tentative budget and proposed tax levies and to obtain taxpayer comments.
4. On or before September 30, the budget is legally adopted through passage of a resolution.
5. Transfers among expenditure or revenue accounts may be made during the fiscal year with Board approval if a division remains within its total operating budgets. Transfers between funds, or reserves in any fund, require approval of the Board of County Commissioners.

Changes in the adopted total budget of a fund are made only with Board approval of a budget amendment. Such amendments are made for a receipt from a source not anticipated in the budget and received for a particular purpose, including, but not limited to grants, donations, or reimbursements.

6. Section 129.07 of the Florida Statutes prohibits incurring expenditures in excess of total fund appropriations. Appropriations lapse at year-end.
7. Formal budgetary integration is employed as a management control device during the year in all fund types. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenue.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(c) Budgets and Budgetary Accounting (continued)

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States for all Governmental Fund Types. Capital project costs are budgeted in the year they are anticipated to be obligated. In subsequent years, the unused budget is reappropriated until the project is completed. Proprietary Funds are budgeted on a basis consistent with accounting principles generally accepted in the United States, except that capital and debt related transactions are based on cash receipts and disbursements. Estimated beginning fund balances are considered in the budgetary process, but are not included in the basic financial statements as budgeted revenue. Differences between estimated beginning fund balances and actual fund balances, if material, are submitted to the Board as budget amendments.

The annual budgets serve as the legal authorization for expenditures. In accordance with Florida law, expenditures cannot legally exceed the total amount budgeted for each fund. All Board budget amendments, which change the legally adopted total appropriation for a fund, are required to be approved by the Board. Budgets are legally adopted by resolution at the fund level.

Minor supplemental appropriations were necessary during the year and were affected with Board approved budget amendments. If, during the fiscal year, additional revenues become available for appropriations in excess of those estimated in the budget, the Board may make supplemental appropriations for the year up to the amount of such excess.

(d) Bond Issuance Costs and Bond Discount

Bond discount or premium in the government-wide financial statements and the Proprietary Funds are amortized over the life of the bonds using the straight line method, which approximates the interest method. Revenue Bonds payable in the government-wide financial statements and the Proprietary Funds financial statements are shown net of unamortized bond discount or premium. Debt issuance costs, excluding any portion related to prepaid insurance, are expensed in the period incurred.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as a reservation of fund balance, is employed as an extension of the statutorily required budgetary process under Florida Statutes. Appropriations, even if encumbered, lapse at fiscal year-end. It is the County's intention to substantially honor these lapsed appropriations under authority provided in the subsequent year's budget.

(f) Cash and Investments

The County, for accounting and investment purposes, maintains a cash and investment pool that is available for use by all funds, except those whose cash and investments must be segregated due to legal restrictions.

Interest earned on investments is allocated to the various funds, based upon each funds' equity balance in pooled cash and investments during the allocation period. The County considers highly liquid investments, (including restricted assets) with an original maturity of three months or less when purchased, to be cash equivalents. Gross amounts for purchase and/or sale of investments cannot be segregated by fund.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(g) Accounts Receivable

The accounts receivable of the County are recorded net of allowance for doubtful accounts of \$33,005,015.

(h) Inventory

Inventory in the Transportation Trust, Greater Charlotte Street Light, Vehicle Maintenance, and Charlotte County Utility System funds are valued at cost (average cost method). The inventory reported in the Special Revenue Funds, Internal Service Funds, and Proprietary Funds consist of materials and supplies. The County uses the consumption method of accounting for inventory. No reserve has been established within the fund balances of the Governmental Fund types.

(i) Land Held for Resale

Land held for resale consists of Murdock Village land for which the County is currently seeking developers. The land was purchased over a period of years at an aggregate price of \$105,216,060 and is presented on the government wide financial statements at a net realizable value of \$35,472,737, based upon an independent appraisal provided in September 30, 2018. This value also takes into consideration two subsequent contracted sales of certain parcels, less estimated selling costs. There is a contracted sale with Private Equity Group for 440.21 acres in the amount of \$11,600,000, with closing costs of \$518,000, and a contracted sale with Lost Lagoon, LLC for 156 acres in the amount of \$6,701,675. These are level 2 and 3 fair value measurements under the fair value hierarchy described on page 56.

(j) Capital Assets

Capital assets include land, buildings and improvements, equipment, intangible assets, construction in progress, and infrastructure assets. Intangible assets consist of software, easements, the water supply agreement with the Peace River/Manasota Key Regional Water Supply, obtained through the transfer of water treatment and distribution system and other items purchased in 1991 from General Development Utilities and the hydraulic capacity of the water transmission pipeline across the Peace River, completed in 2013. Infrastructure assets are defined as public domain capital assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the governmental unit. Capital assets are reported in the financial statements in the applicable governmental or business-type activities column, as well as the proprietary fund financial statements. The Board has a threshold for capitalizing capital assets of \$5,000, except as it relates to capitalizing infrastructure, for which the threshold is \$100,000. Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated acquisition value on the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

CHARLOTTE COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(j) Capital Assets (continued)

The ranges of the useful lives are as follows:

	<u>Assets</u>	<u>Years</u>
Buildings		20-40
Infrastructure		20-40
Equipment		5-25
Improvements other than Building		10-45
Intangible Assets		10-35

(k) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This represents a utilization of net position that applies to a future period and so will not be recognized as an expense/expenditure until then. The deferred outflows presented on the Statement of Net Position include deferred charges on refunding, OPEB liability, and pension liability.

Deferred inflows of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. At the governmental fund level this consists of revenues not recognized due to availability criteria under the modified accrual basis. At the Statement of Net Position level, deferred inflows are related to OPEB and pension liability.

(l) Compensated Absences

The County's employees accumulate sick and vacation leave based on the number of years of service. Upon termination of employment, employees can receive payment for accumulated leave, if they meet certain criteria.

In Proprietary Funds, accumulated leave is accrued when earned. The amount of accumulated sick and vacation leave, attributable to Governmental Fund Types, would not normally be liquidated with expendable available resources and are, therefore, only recorded in the government-wide Statement of Net Position and are reported in governmental funds only if they have matured.

The compensated absences liability for accrued vacation leave is measured using the salary rate in effect at the balance sheet date and includes amounts related to benefits associated with accrued paid leave. The liability related to sick leave balances for the Board of County Commissioners is measured using frozen salary rates at such dates set by the Board and ratified by the Union. All constitutional officers use current rates in effect at the balance sheet date for sick leave.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(m) Net Position/Fund Balance Classification

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

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The County considers inventories and prepaid items as part of this category.

Spendable Fund Balances:

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

Committed Fund Balance: Amounts that are committed for specific purposes by formal action of the government's highest level of decision making authority which, dependent on the nature of the matter, may be in the form of county ordinance, resolution, or agreement, in which are equally binding. These amounts are not subject to legal enforceability as in restricted; however, those amounts cannot be used for any other purpose unless the government removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

Assigned Fund Balance: Amounts that are intended by the government to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself, or (b) a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes. Pursuant to Resolution 2011-239, the Board of County Commissioners, the County Budget Director and the County Finance Officer have the authority to assign fund balance.

Unassigned Fund Balance: Is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, limited, or assigned to specific purposes within the general fund. Any negative fund balances in other governmental funds would also be classified as unassigned.

In determining the classification of total spendable fund balance remaining at the end of the fiscal year when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, expenditures will be applied first to restricted fund balance and then to unrestricted fund balance.

Within unrestricted fund balance, the order in which the expenditures will be applied when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used is as follows: Committed, Assigned, Unassigned.

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

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(m) Net Position/Fund Balance Classification (continued)

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

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

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

(n) Capital Contribution

Capital assets contributed by developers, special assessments for capital projects, and capital related grant revenues are reported as capital contribution revenues in the proprietary fund statement of revenues, expenses and changes in fund net position and in the government-wide statement of activities.

(o) Interfund Transactions

The following is a description of the basic types of interfund transactions made during the year and the related accounting policy:

- Transfers of financial resources between funds are recognized in the funds affected in the period in which the interfund receivables and payables arise.
- The County considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary cash needs. Accordingly, the related receipts and payments meet the criteria for reporting at a net amount for purposes of cash flow presentations under GASB Statement No. 9, *Reporting Cash Flows of Propriety and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Accounting*.
- During the course of normal operations, the County had monetary transfers between funds to provide operating funds. These transactions are generally reflected as transfers.
- Transactions which constitute reimbursements of a fund for expenditures initially made from it are accounted for as an expenditure in the reimbursing fund and as a reduction of the expenditure in the fund that is reimbursed.

(p) Unamortized Gains or Losses from Debt Refundings

Gains or losses on debt refunding are shown as a deferred inflow/outflow and amortized over the life of the old debt or new debt, whichever is shorter. Amortization is charged to interest expense.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

(q) Use of Estimate

The preparation of financial statements in conformity with accounting principles generally accepted in the United States, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the combined financial statements. Actual results could differ from estimates.

(r) New Accounting Pronouncements

Effective October 1, 2017, the County adopted provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 represents a significant change to the reporting requirements for OPEB plans by establishing a net OPEB liability, an actuarially calculated amount representing the OPEB benefits accrued by current employees and retirees of the system. The previous requirements were based on a funding perspective.

Certain estimates and assumptions are involved with the calculation of the net OPEB liability and actual results may differ. The impact of differences between estimated and actual results are presented as deferred inflows of resources or deferred outflows of resources. These deferred inflows and outflows will be applied in the calculation of the OPEB expense, and will impact the net OPEB liability over time, reducing the volatility created by items such as investment performance.

As a result of this change in the accounting principle, certain fiscal year 2018 beginning balances presented in this report differ from the balances presented in the fiscal year 2017 Comprehensive Annual Financial Report. The October 1, 2017 Statement of Net Position balances have been restated as shown under Note 24.

Effective October 1, 2017, the County adopted provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Prior to the implementation of this statement, applicable interest costs of the System were capitalized for assets under construction. The interest became part of the cost of the associated asset and would then be depreciated over the useful life of the asset. Beginning with fiscal year 2018, the interest costs are not reported as an expense for the period in which the expense is incurred. To illustrate the impact of this change, the amount of interest that was capitalized during fiscal year 2017 was \$1,828,555, which would have been included in the interest expense amount if GASB 89 were in effect for that reporting period.

This statement requires prospective appreciation. Therefore, no prior period adjustments have been applied and the interest capitalized prior to this statement continues to be included in the historical cost of the assets.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanations of certain differences between the governmental fund balance sheet and the government-wide statement of net position are as follows:

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.”

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (continued)

The following is a detail of certain liabilities not due and payable in the current period and therefore not reported in the funds on the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position. Amounts shown in this line item are exclusive of internal service fund amounts for each category:

Compensated Absences	\$ 13,121,694
Loans/Promissory Note Payable	44,844,493
Special Assessment Loans Payable	35,995,400
Revenue Bonds Payable	16,745,000
General Obligation Debt	26,330,000
Capital Lease	108,544
Other Postemployment Benefits	32,840,340
Net Pension Liability	160,505,963
Accrued Interest Payable	276,128
Unamortized Premium	2,089,560
Unamortized Deferred Outflow - Loss on Refunding	(1,008,421)
Unamortized Deferred Outflow - Pension and OPEB Related	(68,585,421)
Unamortized Deferred Inflow - Pension and OPEB Related	<u>18,192,266</u>
Net adjustment to reduce Fund Balance-Total Governmental Funds to arrive at Net Position-Governmental Activities	<u>\$ 281,455,546</u>

Note 3. Property Taxes

All real and tangible personal property taxes are due and payable on November 1 of each year, or as soon thereafter as the tax roll is certified by the County Property Appraiser, and become delinquent on April 1 of the following year. The Tax Collector mails, to each property owner on the tax roll, a notice of taxes levied by the various governmental entities in the County. Discounts are allowed for payment of property taxes before March 1.

Procedures for collecting delinquent taxes, including applicable tax certificate sales, tax deed sales, and tangible personal property seizure sales, are provided by the laws of Florida. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. Property taxes receivable at September 30, 2018, were immaterial and collections were doubtful. Therefore, none are recorded. Key dates in the property tax cycle (latest date, where appropriate) are as follows:

- | | |
|-------------------------|---|
| July 1 | . Assessment roll certified unless extension granted by Department of Revenue. |
| Prior to October 1 | . Millage resolution approved and taxes levied following certification of assessment roll. |
| October 1 | . Beginning of fiscal year which taxes have been levied. |
| November 1 | . Taxes due and payable or as soon thereafter as the Tax Collector receives tax roll. (Levy date) |
| 30 days after levy date | . Property taxes become due and payable (maximum discount 4 percent). |
| March 31 | . Due Date. |
| April 1 | . Taxes become delinquent. (Lien date) |
| Prior to June 1 | . Tax certificates sold. |

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 4. Cash and Investments

Deposits

General

All County depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280 of the Florida Statutes (Florida Security for Public Deposits Act) provides procedures for public deposits to insure deposits in banks and savings and loans are collateralized as public funds.

Financial institutions qualifying as public depositories shall deposit with the Treasurer eligible collateral having a fair value equal to or in excess of the average daily balance times the depository collateral – pledging the level required pursuant to Chapter 280 as computed and reported monthly or 25 percent of the average monthly balance, whichever is greater. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit. The bank balance of deposits insured by Federal Depository Insurance or pursuant to Chapter 280 of the Florida Statutes was \$87,526,716 as of September 30, 2018.

Investments

The County is authorized to invest in the following:

- (1) The Local Government Surplus Funds Trust Fund, the State Investment Pool administered by the State Board of Administration.
- (2) The Florida Local Government Investment Trust, administered by the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties.
- (3) Negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by, the United States Government.
- (4) The Florida Fixed Income Trust administered by WaterWalker Investments.
- (5) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government.
- (6) Bonds, debentures, notes or other evidence of indebtedness, including collateralized mortgage obligations and structured notes, issued or guaranteed by United States Government agencies (Federal Instrumentalities) which are not full-faith and credit agencies.
- (7) Non-negotiable interest-bearing time certificates of deposit, money market accounts or savings accounts in banks/savings and loan associations organized under the laws of the United States, doing business and situated in the State, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
- (8) Repurchase agreements (for purchase and subsequent sale) for any of the investments authorized in numbers 3 and 5 above.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 4. Cash and Investments (continued)

Investments (continued)

(9) State and/or local government taxable and tax-exempt debt, General Obligation and/or Revenue Bonds rated at least “Aa” by Moody’s and “AA” by Standard & Poor’s for long-term debt, or rated at least MIG-2 by Moody’s and SP2 by Standard & Poor’s for short-term debt.

(10) Mutual funds comprised of only those investment instruments as authorized in numbers 3, 5, and 8 above.

The County’s investments at September 30, 2018 consisted of the following:

The County invests funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Investments in the SBA consisted of the Florida PRIME at September 30, 2018.

The Florida PRIME has met the criteria as a qualifying pool and was assigned a rating of “AAAm” by the Standard and Poor’s Rating Service. As of September 30, 2018, the County had a balance of \$51,303,697 in the Florida PRIME. The County’s position in the pool is valued the same as the pool shares based on amortized cost, which approximates fair value, and is treated as cash in financial statement presentation. The Florida PRIME has no limitations or restrictions on withdrawals; however, the Executive Director, in the event of a material event, may limit withdrawals from the fund for 48 hours with the option for the trustees of the fund to extend up to an additional 15 days.

The County’s investment pools also include investments in the Florida Local Government Investment Trust (FLGIT), a public entity investment trust organized under the laws of the State of Florida. At September 30, 2018, the FLGIT portfolio included certain corporate securities. These securities amounted to 19.6% of the FLGIT portfolio. The corporate securities are rated by Standards and Poor’s as “A-” or higher and the mortgage-backed securities are rated “AA+” or higher. FLGIT reports all share information at Net Asset Value (NAV), which reflects fair value accounting. The fair value of the cash position of the County in this external investment pool is the same as the value of the pool shares held by the County. There are no restrictions or terms and conditions on the County in redeeming the investment. Shares are marked to market on a daily basis. There is no regulatory oversight of the external investment pool. The County has no unfunded commitments that are related to this investment. The pool has a current Standard & Poor’s rating of “AAAF” and a volatility rating of “S1”. Standard & Poor’s monitors the fund on a monthly basis.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 4. Cash and Investments (continued)

Investments (continued)

The County's investment pool includes investment in the Florida Fixed Income Trust (FIT), formed through indenture of trust pursuant to Florida Statutes, Sections 163.01 and 218.415. At September 30, 2018, the Florida FIT portfolio included certain corporate securities. These securities amount to 11.8% of the portfolio. The Florida FIT reports all share information at Net Asset Value (NAV), which reflects fair value accounting. The fair value of the position the County has in this external investment pool is the same value of pool shares held by the County. There are no restrictions or terms and conditions on the County redeeming the investments. There is no regulatory oversight of the external investment pool. The County has no unfunded commitments that are related to this investment. The pool has a current Standard & Poor's rating of "AA+f" and a volatility rating of "S1". Standard & Poor's monitors the fund on a monthly basis.

The County's investment policy limits the credit risk of its investments by limiting authorized investments, thus reducing the risk of potential default of investments that are not sound. The County's investments at September 30, 2018 have a Standards and Poor's rating of "AAA" for the direct obligations of the United States Government and each of its agencies and instrumentalities.

In investing public funds, the County strives to maximize return on the portfolio as a whole but will minimize investment risk. The County's formal investment policy provides basic criteria for consideration of length of investments during various periods of interest rate variability, and limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The investments held by the County, including Fiduciary Funds, are measured and recorded using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Observable other than quoted market prices

Level 3: Unobservable and significant

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 4. Cash and Investments (continued)

Investments (continued)

	<u>Fair Value Method</u>	<u>Interest Rate</u>	<u>Maturity Range</u>	<u>Balance at 9/30/18</u>
<u>Investments by Fair Value Level</u>				
Federal National Mortgage Assoc.	Level 2	0.625% - 2.06%	10/18 - 6/26	\$ 58,273,590
Federal Home Loan Mortgage Corp.	Level 2	0.875% - 3.25%	11/18 - 5/23	110,113,512
Federal Home Loan Bank	Level 2	0.875% - 3.00%	12/18 - 4/23	116,482,449
Federal Farm Credit Bank	Level 2	1.03% - 3.00%	11/18 - 3/23	51,130,890
Small Business Admin. Pools	Level 2	5.57% - 5.82%	11/18 - 4/19	<u>79,421</u>
Total Investments Measured at Fair Value				\$ 336,079,862
<u>Investments Measured at Net Asset Value</u>				
Florida Local Government Investment Trust				\$ 47,764,480
Florida Fixed Income Trust				<u>62,159,159</u>
Total Investments Measured at Net Asset Value				\$ 109,923,639
<u>Investments Measured at Amortized Cost</u>				
Florida PRIME				\$ 51,303,697
Federated Money Market				<u>3,665,857</u>
Total Measured at Amortized Cost				\$ 54,969,554
Total Investments and Cash Equivalents				\$ 500,973,055
Florida PRIME Classified as Cash Equivalents				<u>(51,303,697)</u>
Total Investments, Net of Cash Equivalents				<u>\$ 449,669,358</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 5. Accounts and Assessments Receivable

At September 30, 2018, the current portion of accounts and assessments receivable consisted of the following:

	<u>Gross</u> <u>Receivable</u>	<u>Less</u> <u>Allowance for</u> <u>Uncollectible</u>	<u>Net Receivable</u>
<u>Governmental Funds</u>			
Major Governmental Funds			
General Fund			
Board of County Commissioners	\$ 28,421,572	\$ 25,257,007	\$ 3,164,565
Property Appraiser	157	-	157
Sheriff	360	-	360
Clerk of the Circuit Court	1,187	-	1,187
Total General Fund	<u>28,423,276</u>	<u>25,257,007</u>	<u>3,166,269</u>
Total Major Governmental Funds	<u>28,423,276</u>	<u>25,257,007</u>	<u>3,166,269</u>
<u>Nonmajor Governmental Funds</u>			
Board of County Commissioners	7,898,929	7,197,861	701,068
Sheriff	75,685	-	75,685
Total Non-Major Governmental Funds	<u>7,974,614</u>	<u>7,197,861</u>	<u>776,753</u>
Internal Service Funds	<u>59,818</u>	<u>-</u>	<u>59,818</u>
Total Governmental Activities Statement of Net Position	<u>36,457,708</u>	<u>32,454,868</u>	<u>4,002,840</u>
<u>Proprietary Funds</u>			
Charlotte County Landfill	229,410	-	229,410
Utility System (Customers)	8,910,480	550,147	8,360,333
Total Proprietary Funds	<u>9,139,890</u>	<u>550,147</u>	<u>8,589,743</u>
<u>Fiduciary Funds</u>			
Clerk of the Circuit Court	3,739,011	-	3,739,011
Total Fiduciary Funds	<u>3,739,011</u>	<u>-</u>	<u>3,739,011</u>
Total All Funds	<u>\$ 49,336,609</u>	<u>\$ 33,005,015</u>	<u>\$ 16,331,594</u>

The Utility System (customers) line item includes \$2,818,551 of special assessment receivables, of which \$440,656 is delinquent.

In the event the County's anticipated pledged revenues are insufficient to cover the County's special assessment debt, the County is obligated to appropriate other legally available non-ad valorem funds.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 6. Interfund Balances

A. Due to/from other funds at September 30, 2018:

Receivable Fund	Payable Fund	Amount
General	Charlotte Public Safety	\$ 117,639
	Utility System	46
	Nonmajor Governmental Funds	1,779,508
	Total Due to General Fund	<u>\$ 1,897,193</u>
Charlotte Public Safety	General Fund	\$ 608,688
	Total Due to County Public Safety Fund	<u>\$ 608,688</u>
Street & Drainage Maintenance	General Fund	\$ 372,830
	Utility System	50,448
	Total Due to Street & Drainage Maintenance	<u>\$ 423,278</u>
Capital Projects	General Fund	\$ 3,354
	Internal Service Funds	50,000
	Utility System	462,570
	Nonmajor Governmental Funds	454,593
	Total Due to Capital Projects	<u>\$ 970,517</u>
Charlotte County Landfill	Charlotte Sanitation	\$ 227,383
	Total Due to Charlotte County Landfill	<u>\$ 227,383</u>
Utility System	General Fund	\$ 29,455
	Nonmajor Governmental Funds	24,928
	Total Due to Utility System	<u>\$ 54,383</u>
Charlotte Sanitation	General Fund	\$ 155,973
	Total Due to Charlotte Sanitation	<u>\$ 155,973</u>
Internal Service Funds	General Fund	\$ 3,535
	Nonmajor Governmental Funds	346,358
	Total Due to Internal Service Funds	<u>\$ 349,893</u>
Nonmajor Governmental Funds	General Fund	\$ 3,754,186
	Charlotte County Landfill	88,027
	Nonmajor Governmental Funds	2,904,775
	Total Due to Nonmajor Governmental Funds	<u>\$ 6,746,988</u>
	Total	<u>\$ 11,434,296</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 6. Interfund Balances (continued)

The interfund balances between funds results mainly from the time lag between the dates that the goods and services were provided or the expenditure occurs, the recording of the transaction and the date the payment between the funds are made.

B. Interfund Transfers at September 30, 2018:

Transfers In	Transfers Out	Amount
General	Charlotte Public Safety	\$ 67,415,213
	Capital Projects	1,137,737
	Charlotte County Landfill	60,876
	Utility System	561,948
	Internal Service Funds	28,920
	Nonmajor Governmental Funds	6,166,356
	Total Transfer to General Fund	<u>\$ 75,371,050</u>
Charlotte Public Safety	General Fund	<u>\$ 996,863</u>
	Total Transfer to Charlotte Public Safety Fund	<u>\$ 996,863</u>
Street & Drainage Maintenance	General Fund	\$ 162,811
	Nonmajor Governmental Funds	109,412
	Total Transfer to Street & Drainage Maintenance	<u>\$ 272,223</u>
Capital Projects	General	\$ 129,277
	Charlotte Public Safety	65,648
	Utility System	28,186
	Nonmajor Governmental Funds	585,423
	Total Transfer to Capital Projects	<u>\$ 808,534</u>
Utility System	General Fund	\$ 13,920
	Nonmajor Governmental Funds	48,237
	Total Transfer to Utility System	<u>\$ 62,157</u>
Charlotte Sanitation	General Fund	<u>\$ 78,820</u>
	Total Transfer to Charlotte Sanitation	<u>\$ 78,820</u>
Internal Service Funds	Nonmajor Governmental Funds	<u>\$ 681,146</u>
	Total Transfer to Internal Service Funds	<u>\$ 681,146</u>
Nonmajor Governmental Funds	General Fund	\$ 18,289,340
	Capital Projects	4,760,181
	Street & Drainage Maintenance	3,000
	Nonmajor Governmental Funds	4,829,540
	Total Transfer to Nonmajor Governmental Funds	<u>\$ 27,882,061</u>
	Total	<u><u>\$106,152,854</u></u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 6. Interfund Balances (continued)

Transfers are used to move recurring annual transfers and to move unrestricted revenues to finance various programs that the County must account for in other funds in accordance with budgetary authorizations.

C. Interfund Loans/Advances at September 30, 2018:

Payable Fund	Receivable Fund	Amount
Charlotte County Utilities	Capital Projects	\$ 925,140
Parkside Community Redevelopment	Capital Projects	7,588,497
Charlotte County Utilities	Capital Projects	5,903,303
Charlotte Harbor Redevelopment	General Fund	1,008,693
Charlotte County Utilities	General Fund	1,587,262
		\$ 17,012,895

The amount advanced by the Capital Projects Fund to the Charlotte County Utilities Fund relates to a loan made to fund the regional expansion program of the Peace River Manasota Regional Water Supply Authority. This balance is being repaid to the capital project fund over ten years.

The amount advanced by the Capital Projects Fund to Parkside Community Redevelopment Fund relates to a loan to fund improvements in this redevelopment area.

The amount advanced by the Capital Projects Fund to the Charlotte County Utilities Fund relates to a loan to fund utility infrastructure.

The amount advanced by the General Fund to the Charlotte Harbor Redevelopment Fund relates to a loan to fund improvements in this redevelopment area.

The amount advanced by the General Fund to the Charlotte County Utilities Fund relates to a loan made to fund various utility infrastructure.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 7. Restricted Assets

Restricted assets include those provided for by resolutions adopted by the County Commission for the issuance of bonds, or otherwise restricted by the County or required under certain debt agreements. Those restricted assets as of September 30, 2018 are as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
<u>Charlotte County Landfill</u>			
Closure and Long Term Monitoring	\$ 704,128	\$ 8,267,692	\$ 8,971,820
Deposits	1,743	20,736	22,479
Deep Injection Well	26,902	315,881	342,783
	<u>732,773</u>	<u>8,604,309</u>	<u>9,337,082</u>
<u>Utility System</u>			
Debt Service	1,429,431	16,784,045	18,213,476
Construction Trust	1,987,275	15,418,437	17,405,712
Renewal & Replacement	1,018,967	11,964,458	12,983,425
Customer Deposits	103,445	5,029,544	5,132,989
Other	431,941	5,071,730	5,503,671
	<u>4,971,059</u>	<u>54,268,214</u>	<u>59,239,273</u>
Total	<u>\$ 5,703,832</u>	<u>\$ 62,872,523</u>	<u>\$ 68,576,355</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 8. Capital Assets

Capital assets activity for the year ended September 30, 2018 are as follows:

	Governmental Activities Capital Assets			Governmental Activities Capital Assets
	10/1/2017	Additions	Deletions	9/30/2018
Governmental Activities				
Capital Assets not Depreciated:				
Land & Other	\$179,835,957	\$ 2,263,269	\$ 224,062	\$ 181,875,164
Easements	2,672,592	1,114,826	-	3,787,418
Construction in Progress	<u>82,840,167</u>	<u>62,551,344</u>	<u>91,588,281</u>	<u>53,803,230</u>
Total Assets not Depreciated	<u>265,348,716</u>	<u>65,929,439</u>	<u>91,812,343</u>	<u>239,465,812</u>
Capital Assets Depreciated:				
Buildings	239,492,153	13,362,817	-	252,854,970
Infrastructure	455,936,552	67,126,614	-	523,063,166
Improvements Other than Buildings	104,600,005	4,503,690	-	109,103,695
Equipment	114,316,699	10,302,752	6,690,347	117,929,104
Intangible Assets	<u>1,672,488</u>	<u>-</u>	<u>-</u>	<u>1,672,488</u>
Total Assets Depreciated	<u>916,017,897</u>	<u>95,295,873</u>	<u>6,690,347</u>	<u>1,004,623,423</u>
Less Accumulated Depreciation and Amortization:				
Buildings	86,812,065	6,526,505	-	93,338,570
Infrastructure	171,503,508	11,183,591	-	182,687,099
Improvements Other than Buildings	35,414,388	4,476,658	-	39,891,046
Equipment	80,679,225	11,026,150	6,382,034	85,323,341
Intangible Assets	<u>1,348,682</u>	<u>163,230</u>	<u>-</u>	<u>1,511,912</u>
Total Accumulated Depreciation and Amortization	<u>375,757,868</u>	<u>33,376,134</u>	<u>6,382,034</u>	<u>402,751,968</u>
Total Depreciable Capital Assets, Net	<u>540,260,029</u>	<u>61,919,739</u>	<u>308,313</u>	<u>601,871,455</u>
Total Governmental Activities Capital Assets, Net of Depreciation and Amortization	<u>\$805,608,745</u>	<u>\$127,849,178</u>	<u>\$ 92,120,656</u>	<u>\$ 841,337,267</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 8. Capital Assets (continued)

	Business-type Capital Assets 10/1/2017	Additions	Deletions	Business-type Capital Assets 9/30/2018
Business-type Activities				
Capital Assets not Depreciated:				
Land & Other	\$ 25,528,797	\$ -	\$ 240,610	\$ 25,288,187
Easements	797,770	37,847	-	835,617
Construction in Progress	76,650,207	32,264,210	35,742,505	73,171,912
Total Assets not Depreciated	<u>102,976,774</u>	<u>32,302,057</u>	<u>35,983,115</u>	<u>99,295,716</u>
Capital Assets Depreciated:				
Buildings	17,428,618	-	-	17,428,618
Improvements Other than Buildings	395,438,511	39,254,795	-	434,693,306
Equipment	23,563,799	3,216,386	1,317,671	25,462,514
Intangible Assets	38,832,100	-	-	38,832,100
Total Assets Depreciated	<u>475,263,028</u>	<u>42,471,181</u>	<u>1,317,671</u>	<u>516,416,538</u>
Less Accumulated Depreciation and Amortization:				
Buildings	9,331,233	298,773	-	9,630,006
Improvements Other than Buildings	202,698,774	12,397,466	-	215,096,240
Equipment	13,796,166	1,721,356	1,004,741	14,512,781
Intangible Assets	27,662,234	1,415,486	-	29,077,720
Total Accumulated Depreciation and Amortization	<u>253,488,407</u>	<u>15,833,081</u>	<u>1,004,741</u>	<u>268,316,747</u>
Total Depreciable Capital Assets, Net	<u>221,774,621</u>	<u>26,638,100</u>	<u>312,930</u>	<u>248,099,791</u>
Total Business Type Activities Capital Assets, Net of Depreciation and Amortization	<u>\$324,751,395</u>	<u>\$ 58,940,157</u>	<u>\$ 36,296,045</u>	<u>\$ 347,395,507</u>

Depreciation and amortization expense was charged to functions on the Statement of Activities as follows:

Governmental Activities:

General Government	\$ 3,527,510
Public Safety	8,566,266
Physical Environment	853,315
Transportation	13,660,812
Economic Environment	4,233
Human Services	784,198
Culture and Recreation	5,810,707
Court Services	169,093
Total	<u>\$ 33,376,134</u>

Business-type Activities:

Utilities	\$ 14,918,283
Landfill	914,798
Total	<u>\$ 15,833,081</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2018:

	Balance as of 10/1/2017	Additions	Deletions	Balance as of 9/30/2018	Due Within One Year
Governmental Activities					
Loans/Promissory Note Payable	\$ 49,052,728	\$ 5,000,000	\$ 9,208,235	\$ 44,844,493	\$ 8,004,698
Special Assessment Loans Payable	23,915,600	20,307,000	8,227,200	35,995,400	4,935,600
Revenue Bonds Payable	17,800,000	-	1,055,000	16,745,000	1,090,000
General Obligation Debt	28,955,000	-	2,625,000	26,330,000	2,685,000
Self-Insurance Claims Payable	9,085,556	-	958,380	8,127,176	4,873,176
Other Postemployment Benefits	42,516,975	-	9,587,032	32,929,943	-
Accrued Compensated Absences	14,312,074	9,468,528	9,782,177	13,998,425	4,763,512
Unamortized Premium	2,205,523	-	115,963	2,089,560	-
Net Pension Liability	158,503,716	2,629,631	-	161,133,347	724,864
Capital Lease	217,087	-	108,543	108,544	108,544
Total	<u>346,564,259</u>	<u>37,405,159</u>	<u>41,667,530</u>	<u>342,301,888</u>	<u>27,185,394</u>
Business-type Activities					
Revenue Bonds	107,900,000	-	12,190,000	95,710,000	12,515,000
Utility Loans Payable	10,896,302	11,534,272	334,400	22,096,174	2,032,565
Special Assessment Loans	14,692,052	7,505,699	648,464	21,549,287	1,798,689
Other Postemployment Benefits	1,115,128	598,299	-	1,713,427	-
Accrued Compensated Absences	1,058,955	1,028,202	1,001,858	1,085,299	99,145
Net Pension Liability	11,532,401	463,402	-	11,995,803	166,071
Landfill Closure	11,037,932	-	502,282	10,535,650	-
Unamortized Premium/(Discount)	2,122,234	-	303,176	1,819,058	-
Total	<u>160,355,004</u>	<u>21,129,874</u>	<u>14,980,180</u>	<u>166,504,698</u>	<u>16,611,470</u>
Long-Term Debt	<u>\$506,919,263</u>	<u>\$ 58,535,033</u>	<u>\$ 56,647,710</u>	<u>\$508,806,586</u>	<u>\$ 43,796,864</u>

Long-term debt liabilities for internal service funds are included as part of the total for government activities, because they predominantly serve the government funds. At year-end, \$876,731 of internal service fund compensated absences are included in the above amount. For governmental activities, compensated absences, claims and judgments, pension liabilities, and postemployment benefit liabilities are generally liquidated by the General Fund.

Other postemployment benefits are funded on a pay-as-you-go basis from the County's general fund when due.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Long-term debt payable at September 30, 2018 is comprised of the following issues:

Revenue Bonds Payable, Business-type Activities

\$23,455,000 Series 2008 Utility Refunding Revenue Bonds, issued to refund the Series 1996B (South Gulf Cove Water Expansion Phase 1) and 1998 Utility Bonds, (the 1998 bonds refunded the 1996A bonds that were issued for reserve account insurance), maturing serially through 2023, interest at 3.94%, secured by a pledge of 100% of the net revenues of the system operations and connection fees. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$25,280,479. \$ 21,280,000

\$64,900,000 Series 2011 Utility Refunding Revenue Bonds, issued to (1) refund the Series 2001 (issued to purchase the Rotonda Utility System), (2) refund the Series 2003B (issued to refund the Series 1991 bonds, which were issued to purchase the utility system from GDU), (3) refund the Series 2009 (issued for the expansion of the reclaimed water system and the expansion of the Burnt Store reverse osmosis water plant), (4) payoff the \$18,000,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission (issued to finance the expansion of the Burnt Store Utility Reverse Osmosis Water Treatment Plant and to refinance a loan previously made to the County by the Commissions, the proceeds of which were used to finance the acquisition of a utility system from Florida Water Services), (5) to fund the reserve account, (6) to pay the costs of terminating that portion of a Qualified Hedge Agreement relating to the 2003B Bonds and (7) to pay certain expenses relating to issuance and sale of the 2011 Bonds, including the premiums for a Bond Insurance Policy and a Reserve Account Insurance Policy. The bonds mature serially through 2024 at interest rates of 3% - 5.25% and are secured by a pledge of the net revenues derived from the operation of the system and water and sewer connection fees. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$40,635,988. 34,085,000

\$41,385,000 Series 2013 Utility System Refunding Revenue Bonds, issued by Banc of America Preferred Funding Corporation to refund the Series 2003A utility bonds. The 2003A utility bonds refunded the 1993 utility bonds which refunded the 1991 utility bonds that were issued to purchase the utility system from General Development Utility. The 2013 bonds mature in 2021, with interest at 1.44%, secured by a pledge of 100% of the net revenues of the system operations and connections fees. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$20,062,252. 19,495,000

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Revenue Bonds Payable, Business-type Activities, Continued

<p>\$23,955,000 Series 2016 Utility System Refunding Bonds, issued by Banc of America Preferred Funding Corporation to refund the Series 2006 utility bonds, and to advance refund a portion of the Series 2011 utility refunding revenue bonds, as described above. The 2016 bond matures in 2024, with interest at 1.71% secured by a pledge of 100% of the net revenues of the system operations and connection fees. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$22,147,035.</p>	<u>20,850,000</u>
Total Revenue Bonds Payable	\$ 95,710,000
Plus Unamortized Premium	<u>1,819,058</u>
Total Revenue Bonds Payable for Business-type Activities	<u>\$ 97,529,058</u>

Loans Payable, Business-type Activities

<p>\$10,732,071 State of Florida Department of Environment Protection Revolving Loan issued to fund the East Port Reclamation Facility Stage 5 Improvements, Deep Creek Force Main Replacement, Parkside CRA Utility Improvements, and Parkside CRA - Gertrude Avenue to Aaron Street, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .03%. The loan is repayable in forty (40) semiannual payments beginning March 15, 2020. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$10,974,720. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$4,086,859, and an additional \$568,182 in eligible expenditures not yet received.</p>	\$ 4,086,859
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<p>\$463,193 State of Florida Department of Environment Protection Revolving Loan issued to fund Utility Clean Water Planning Activities, secured by a pledge of 100% of the net revenues and available sewer connection fees. The interest rate of the loan is 1.03%. The loan is repayable in forty (40) semi-annual payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$513,727.</p>	463,193
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<p>\$5,265,800 State of Florida Department of Environment Protection Revolving Loan issued to fund Wastewater Pollution Control Facilities, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is 1.40%. The loan is repayable in forty (40) semiannual payments beginning June 15, 2019. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$6,172,240. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$1,047,450, and an additional \$40,124 in eligible expenditures not yet received.</p>	1,047,450
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CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Loans Payable, Business-type Activities, Continued

\$10,376,983 State of Florida Department of Environment Protection Revolving Loan issued to fund Utility Improvements for Parkside CRA Ambrose Lane to West Tarpon Boulevard and Fixed Based Automatic Meter Reading System, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .86%. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$11,545,244. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$8,142,852, and an additional \$38,869 in eligible expenditures not yet received.

8,142,852

\$23,766,505 State of Florida Department of Environment Protection Revolving Loan issued to fund Loveland Grand Master Lift Station, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .54%. The loan is repayable in forty (40) semiannual payments beginning June 15, 2019. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$25,337,280. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$3,936,181, and an additional \$1,884,912 in eligible expenditures not yet received.

3,936,181

\$2,616,024 State of Florida Department of Environment Protection Revolving Loan issued to fund East/West Springlake Wastewater Expansion, Vacuum Collection, and Gravity Sanitary Sewer System, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .62%. The loan is repayable in forty (40) semi-annual loan payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$2,841,600. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$1,754,039, and an additional \$97,878 in eligible expenditures not yet received.

1,754,039

\$3,000,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for Midway gravity sewer interceptor and wastewater force main expansion, secured by a pledge of 100% of the net revenues of the system operations. The loan is financed over a five year period. Interest rate is due monthly, calculated in a manner provided in Treasury Regulation Section 1.148-4.

2,665,600

Total Loans Payable for Business-type Activities \$ 22,096,174

CHARLOTTE COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018

Note 9. Long-Term Obligations (continued)

Special Assessment Loans Payable, Business-type Activities

<p>\$994,724 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 2 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 2 sewer MSBU. The interest rate of the loan is 3.34%. The loan is repayable in forth (40) semi-annual loan payments, beginning October 15, 2001. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$188,500.</p>	\$ 177,955
<p>\$1,738,244 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 2 MSBU water expansion, secured by the collection of assessments of the SGC Ph 2 water MSBU. The interest rate of the loan is 3.52% to 3.57%. The loan is repayable in forty (40) semi-annual loan payments, beginning October 15, 2001. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$345,385.</p>	324,794
<p>\$1,104,928 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 3 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 3 sewer MSBU. The interest rate of the loan is 3.16%. The loan is repayable in forty (40) semi-annual loan payments beginning February 15, 2003. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$248,915.</p>	232,110
<p>\$1,793,615 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 3 MSBU water expansion, secured by the collection of assessments of the SGC Ph 3 water MSBU. The interest rate of the loan is 3.05%. The loan is repayable in forty (40) semi-annual loan payments beginning August 15, 2002. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$455,757.</p>	426,006
<p>\$1,761,769 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 4 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 4 sewer MSBU. The interest rate of the loan is 2.93%. The loan is repayable in forty (40) semi-annual loan payments beginning April 15, 2004. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$632,580.</p>	580,333
<p>\$2,047,527 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 4 MSBU water expansion, secured by the collection of assessments of the SGC Ph 4 water MSBU. The interest rate of the loan is 2.67%. The loan is repayable in forty (40) semi-annual loan payments beginning December 15, 2004. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$805,733.</p>	739,962

CHARLOTTE COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018

Note 9. Long-Term Obligations (continued)

Special Assessment Loans Payable, Business-type Activities, Continued

<p>\$556,822 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 5 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 5 sewer MSBU. The interest rate of the loan is 3.16%. The loan is repayable in forty (40) semi-annual payments beginning November 15, 2005. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$253,525.</p>	227,962
<p>\$863,558 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 5 MSBU water expansion, secured by the collection of assessments of the SGC Ph 5 water MSBU. The interest rate of the loan is 2.81%. The loan is repayable in forty (40) semi-annual payments, beginning February 15, 2006. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$385,433.</p>	347,689
<p>\$170,781 State of Florida Department of Environment Protection Revolving Loan issued to fund the Pirate Harbor MSBU pre-construction sewer expansion, expenses secured by the collections of assessments of the Pirate Harbor MSBU. The interest rate of the loan is 2.63%. The loan is repayable in forty (40) payments beginning March 15, 2010. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$121,391.</p>	104,816
<p>\$1,070,649 State of Florida Department of Environment Protection Revolving Loan issued to fund the Pirate harbor MSBU construction sewer expansion, expenses secured by the collections of assessments of the Pirate Harbor MSBU. The interest rate of the loan is 3.12%. The loan is repayable in forty (40) payments beginning October 15, 2009. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$794,676.</p>	668,300
<p>\$19,351,890 State of Florida Department of Environment Protection Revolving Loan issued to fund the East/West Springlake MSBU construction sewer expansion expenses secured by the collections of assessments of the East/West Springlake MSBU. The interest rate of the loan is .72% for \$16,195,119 and .62% for \$2,929,971. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$21,182,280. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$14,670,066, and an additional \$145,551 in eligible expenditures not yet received.</p>	14,670,066

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Special Assessment Loans Payable, Business-type Activities, Continued

\$3,750,529 State of Florida Department of Environment Protection Revolving Loan issued to fund East/West Springlake Wastewater Expansion, secured by a pledge of 100% of net revenues of the system operations and Assessment Revenues of the MSBU. The interest rate of the loan is .13%. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$3,876,680. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/18, the County has an outstanding loan balance for reimbursements received of \$3,049,294, and \$698,005 in eligible expenditures not yet received.

3,049,294

Total Special Assessment Loans Payable for Business-type Activities

\$ 21,549,287

Total Loans and Bonds Payable for Business-type Activities

\$ 141,174,519

Total principal and interest for utility bonds and loans for 2018 was \$15,675,170. The total pledged revenue less expenses was \$30,011,070, resulting in a debt coverage for 2018 of 1.91%.

The total principal and interest for special assessment loans for 2018 was \$833,290. The total pledged revenue less expenses for 2018 was \$1,411,500, resulting in a debt coverage for 2018 of 1.70%.

Special Assessment Loans Payable, Governmental Activities

\$1,500,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, to refinance a loan previously made for Burnt Store Village, Rotonda Sands N and Rotonda Lakes streets and drainage capital improvements financed over a four year period (2017 - 2021). Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4.

\$ 1,500,000

\$2,494,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, to refinance a loan previously made for dredging NW Charlotte and Suncoast Waterway and paving in Gulf Cove, financed over a five year period (2017-2022). Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4.

2,494,000

\$8,200,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving improvements in Deep Creek, Peace River Shores, Punta Gorda - Urban and Rotonda Heights, financed over a five year period (2016-2021), with a balloon payment of \$5,184,000 in June of 2021. Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4.

6,692,000

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Special Assessment Loans Payable, Governmental Activities, Continued

\$10,125,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving improvements in Harbour Heights, South Gulf Cove and Deep Creek, financed over a five year period (2017-2021), with a balloon payment of \$5,610,600 in December 2021. Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4. 8,996,400

\$13,125,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for paving in Deep Creek N, Punta Gorda N-Urban, South Punta Gorda Heights, South Punta Gorda Heights - W, Cook & Brown Streets and NW Charlotte N, financed over a five year period (2017-2022), with a balloon payment of \$7,273,000 in December, 2022. Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 13,125,000

\$3,188,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for paving in South Gulf Cove N and Suncoast Blvd., financed over a five year period (2018-2023) with a balloon payment of \$1,908,000 in June, 2023. Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 3,188,000

Total Special Assessment Loans Payable for Governmental Activities \$ 35,995,400

Loans/Promissory Note Payable, Governmental Activities

\$7,911,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving improvements, financed over a five year period (2016-2021), with a balloon payment of \$4,011,000 in June 2021. Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. \$ 5,961,000

\$5,000,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for Murdock Village, financed over a five year period (2017-2022). Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 5,000,000

\$3,700,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for Energy Efficiency Capital Improvements, financed over a five year period (2014-2018), with a final balloon payment of \$2,720,000. Interest is due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 2,720,000

The Series A Tax Exempt Commercial Paper Loan Program loans are secured 100% by non-ad valorem pledged revenues. The total principal and interest remaining to be paid on the programs are \$74,820,380 and the total available revenue for the paving and dredging projects was \$74,801,132.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Loans/Promissory Note Payable, Governmental Activities, Continued

\$49,095,000 Promissory Note, Series 2012, issued to finance acquisition of land for the Murdock Village project, through Bank of America. The Promissory Note, Series 2012, is a refinancing of the Series 2009A over a ten year period (2012-2022), with a balloon payment of \$18,234,187. Funding to extinguish the debt is being appropriated through the annual budget process, using a fifteen (15) year amortization schedule until such time a developer is selected and a combination of proceeds from sale and tax increment financing extinguishes the remaining debt. The debt is secured by 100% non-ad valorem pledged revenues, the total principal and interest remaining to be paid on the program is \$34,091,032 and the total available revenue was \$61,522,758 in fiscal year 2018. Interest is due quarterly at the rate of 2.95%.

31,163,493

Total Loans/Promissory Note Payable for Governmental Activities

44,844,493

Total Special Assessments/Loans/Promissory Note Payable for Governmental Activities

\$ 80,839,893

Bonds Payable, Governmental Activities

\$20,250,000 Capital Improvements Revenue Bonds Series 2015, issued to fund the Stadium Improvement, maturing serially through 2036, interest at 2% - 5%. The Capital Improvements Revenue Bonds Series is refinancing the Series 2007 over a twenty two year period (2015-2036). The debt is secured and pledged by 100% Communication Service Tax. The total principal and interest remaining to be paid on the program is \$22,473,947 and the total available revenue is \$4,892,322, in fiscal year 2018.

\$ 16,745,000

\$41,290,000 Limited General Obligation Bond Series 2012, issued to fund Conservation Charlotte, maturing serially through 2026, interest is at 2.11%. This debt is secured and pledged 100% by .2 mills of the ad-valorem tax. The total principal and interest remaining to be paid on the program is \$29,020,150 and the total available revenue was \$2,963,264 in fiscal year 2018.

26,330,000

Total Bonds Payable

\$ 43,075,000

Plus Unamortized Premium

2,089,560

Total Bonds Payable for Governmental Activities

45,164,560

Total Loans and Bonds Payable for Governmental Activities

\$ 126,004,453

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Fiscal Year	Principal	Interest	Total	Interest Rate
2019	\$ 16,346,254	\$ 3,544,720	\$ 19,890,974	0.62% - 5.00%
2020	18,058,696	3,163,879	21,222,575	0.03% - 5.00%
2021	18,462,172	2,741,227	21,203,399	0.03% - 5.00%
2022	18,487,717	2,316,371	20,804,088	0.03% - 5.00%
2023	16,763,293	1,877,678	18,640,971	0.03% - 5.00%
2024 - 2028	41,713,244	2,306,183	44,019,427	0.03% - 3.12%
2029 - 2033	9,184,632	175,759	9,360,391	2.63% - 3.12%
2034 - 2038	339,453	3,900	343,353	2.63% - 3.12%
Subtotal				
Business-type				
Debt	\$ 139,355,461	\$ 16,129,717	\$ 155,485,178	
Premium on Bonds	<u>1,819,058</u>	<u>-</u>	<u>1,819,058</u>	
Total all				
Business-type				
Debt	<u>\$ 141,174,519</u>	<u>\$ 16,129,717</u>	<u>\$ 157,304,236</u>	

Fiscal Year	Principal	Interest	Total	Interest Rate
2019 *	\$ 15,625,298	\$ 2,466,118	\$ 18,091,416	0.51% - 5.00%
2020	14,149,019	2,546,965	16,695,984	0.51% - 5.00%
2021	21,641,685	2,212,391	23,854,076	0.51% - 5.00%
2022	33,673,891	1,781,293	35,455,184	0.51% - 5.00%
2023	14,375,000	958,458	15,333,458	0.51% - 5.00%
2024 - 2028	19,810,000	2,630,723	22,440,723	0.51% - 5.00%
2029 - 2033	3,165,000	484,219	3,649,219	0.51% - 5.00%
2034 - 2038	1,475,000	125,044	1,600,044	0.51% - 5.00%
Subtotal				
Governmental				
Debt	123,914,893	13,205,211	137,120,104	
Premium on Bond	<u>2,089,560</u>	<u>-</u>	<u>2,089,560</u>	
Total All				
Governmental				
Debt	<u>\$ 126,004,453</u>	<u>\$ 13,205,211</u>	<u>\$ 139,209,664</u>	

*Requirements shown for year-ending September 30, 2018 relate to payments due on October 1, 2018.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 9. Long-Term Obligations (continued)

Restrictive Covenants

Utility System revenue bonds are payable solely from and collateralized by a first lien upon and pledge of the net revenues and certain other fees and charges derived from the operation of the utility system. The pledge of the net revenues derived from the County from these operations does not constitute a lien upon the utility systems or any other property of the County.

The County has established and funded the Closure Reserve Account to ensure the availability of financial resources for the proper closure of the landfill in accordance with Section 403.7125 of the Florida Statutes.

The County has established the Utility System Sinking Fund and Reserve Accounts in accordance with the resolution authorizing the issuance of the utility system revenue bonds. Monies deposited in the sinking fund and reserve accounts are pledged solely for the payment of the principal and interest on the bonds.

The County has established a Renewal and Replacement Fund in accordance with the resolution authorizing the issuance of the utility system revenue bonds. The money deposited in this fund shall only be used for the purpose of paying the cost of major extensions, improvements or extraordinary repairs to the utility system or water facilities.

The Board has pledged Communications Services Taxes (CST) with respect to the Series 2007 Charlotte County Capital Improvement Revenue Bonds, requiring compliance with the flows of funds and establishment of debt service funds and restricted revenue accounts under the Bond resolution.

The covenants of the various loan agreements, authorizing the various Florida Local Government Finance Commissions loans outstanding, include appropriation in the annual budget amounts of non-ad valorem revenues or other legally available funds sufficient to satisfy the loan repayments.

In the opinion of management, the County is compliant with all debt covenants as of September 30, 2018.

Note 10. Conduit Debt Obligations

In accordance with GASB Interpretation No. 2, Disclosure of Conduit Debt Obligations, an interpretation of NCGA Statement 1, the County discloses certain conduit debt obligations. Conduit debt obligations occur when the governmental entity issues debt bearing its name to lower the cost of borrowing for specific governmental or nongovernmental third parties without being liable for repayment of the debt or interest thereon. The County has conduit debt obligations related to bonds issued in the name of the Charlotte County Industrial Development Authority, a discretely presented component unit who is the party responsible for the repayment of this debt. The County has conduit debt as follows:

Charlotte County Industrial Development Authority - \$1,587,961 Charlotte County Industrial Development Authority Refunding Revenue Bond (Charlotte County Family YMCA Project), Series 2010. The principal purpose of this bond is for refunding the Prior Indebtedness (the Series 2000 Bonds), which was used to pay a portion of the costs of the acquisition, construction and equipping of the facilities. This loan has been paid in full, therefore, there is no outstanding principal balance at September 30, 2018.

Charlotte County Industrial Development Authority - \$10,000,000 Charlotte County Industrial Development Authority Town and Country Utilities Project, Series 2015 Bonds. The principal purpose of this bond is to provide funding for infrastructure of utilities servicing the Babcock Ranch development, an approximately 17,787 acre mixed-use master planned project located in Charlotte and Lee Counties. The outstanding principal balance at September 30, 2018 is \$10,000,000.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 11. Lease Obligations

Operating Leases:

The County has entered into various non-cancelable lease agreements for office space under operating leases. In most cases, the County expects that in the normal course of operations these leases will be renewed or replaced by other leases.

Total rental expenditures for all operating leases within governmental activities for the year ended September 30, 2018 were \$620,992. There were no rental expenditures for operating leases within proprietary fund types. The following is a schedule of minimum future rentals on non-cancelable operating leases:

Fiscal Year Ending September 30	Amount
2019	\$ 395,534
2020	198,685
2021	58,071
2022	58,071
2023	19,357
Thereafter	-
Total	\$ 729,718

The County also acts as a lessor in several operating leases, primarily rental of space on communication towers related to cell phone companies and rental of office space. For the year ended September 30, 2018, total rental revenues related to those operating leases were \$222,223.

Capital Leases:

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. The County, as lessee, has one capital lease that began in 2017 that is payable in three years. There were no capital leases in the proprietary fund types. Future minimum lease payments under capital leases as of September 30, 2018 are as follows:

Fiscal Year Ending September 30	Governmental Funds
2019	\$ 108,544
Total minimum lease payments	\$ 108,544

The following schedule shows the leased assets capitalized as of September 30, 2018 by major asset class:

	Governmental Funds Capital Assets
Equipment	\$ 304,605
Less: Accumulated depreciation for entity wide	(31,862)
Carrying value	\$ 272,743

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 12. Defeased Debt

On July 6, 2016 the County issued \$23,955,000 in Utility System Refunding Revenue Bonds, Series 2016, representing a current refunding of the Series 2006 Refunding Bonds and an advance refunding of a portion of the Series 2011 Utility System Refunding Revenue Bonds, plus accrued interest.

These bonds were redeemed through a private placement issue with Banc of America Preferred Funding Corporation. The Series 2016 note will bear interest at a fixed rate of 1.71% per annum.

The amount defeased was as follows:

Series 2011 \$2,060,000 maturing 10/01/2023, callable on 10/01/2021.

Series 2011 \$5,580,000 maturing 10/01/2024, callable on 10/01/2021.

Note 13. Tax Abatements

Charlotte County is authorized, pursuant to Section 196.1995 Florida Statutes, to grant economic development ad valorem tax exemptions after approval via referendum. In 2010, Charlotte County electorate voted to authorize an ad valorem tax exemption incentive.

On April 12, 2016, Charlotte County approved Ordinance No. 2016-18, which approved an ad valorem tax exemption for Cheney Brothers, Inc. (Cheney), a food service distribution company, as an inducement to establish and operate a distribution center and create new jobs in Charlotte County.

Terms of the agreement provided for Cheney to begin construction within thirty months from the date of conveyance and achieve substantial completion within forty-eight (48) months in accordance with all applicable building specifications. In return, Cheney is to receive a 100% ad valorem tax exemption over a ten year term.

Cheney opened in Charlotte County during fiscal year 2016 and employs approximately 500 workers, with long term plans for up to 900 workers.

For fiscal year ended September 30, 2018, Charlotte County's ad valorem taxes were reduced by \$218,240 under this agreement.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 14. Deficit Fund Balances of Individual Funds

The following non-major governmental funds had deficit fund balances at September 30, 2018:

Parkside Community Redevelopment - The current deficit fund balance of \$2,691,368 in this special revenue fund is the result of expenditures incurred prior to receipt of revenues anticipated.

Metropolitan Planning Organization - The current deficit fund balance of \$5,854 in this special revenue fund is the result of expenditures being expensed in anticipation of federal grants being received in the current fiscal year. These grant revenues are expected to be received in the following year.

Transit - The current deficit fund balance of \$200,314 is the result of expenditures being budgeted and expensed in anticipation of federal transit grant funds being received in the current fiscal year. These grant revenues are expected to be received in the following year to offset the deficit fund balance.

The following Internal Services fund at September 30, 2018 had a deficit fund balance:

Health Insurance Trust Fund - The health self insurance fund has a deficit net position of \$167,329, which has been addressed through increasing department contributions by 5% in fiscal year 2018.

Note 15. Other Assets Non-Current

Other assets non-current on the Statement of Net Position Governmental Activities in the amount of \$250,000 is comprised of the long-term portion of Accounts Receivable mortgages funded with State Housing Initiative Program (S.H.I.P.) grant funds.

Other assets non-current on the Statement of Net Position Business-type Activities are related to the Charlotte County Utility System Enterprise Fund, totaling \$360,084, which consists of the long term portion of Unamortized Bond Insurance costs.

Note 16. Non Current Receivables - Net

Special assessments receivable balance is \$19,354,189 of this \$16,535,635 represents the long term portion of assessments receivable for various water and sewer construction projects. Initial assessments are based upon engineering cost estimates and charged to the various benefiting units after a public hearing to set the assessment rates. Currently there are 14 separate water and/or sewer assessments. Typically the construction cost is funded by state revolving fund loans and the usual repayment period is 15-20 years. During construction and up until completion of the project, these costs and assessments may be changed, some requiring further public hearings if over a set maximum amount.

Note 17. Restricted Net Position

The government-wide Statement of Net Position reports \$182,882,718 of restricted net position, which is restricted by debt service, contractual obligations and enabling legislation related as to the use of funds established by Florida Statutes.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans

Florida Retirement System (FRS) - Defined Benefit Pension Plans

General Information about the FRS

The FRS was created in 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).

FRS Pension Plan

Plan Description. The FRS Pension Plan (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 employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the 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 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 Plan may include up to 4 years of credit for military service toward creditable service. The 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 Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the 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 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 (5) highest fiscal years' earnings. For members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight (8) highest fiscal year's earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
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 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CHARLOTTE COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017-18 fiscal year were as follows:

<u>Class</u>	<u>10/1/2017 - 6/30/2018</u>		<u>7/1/2018 - 9/30/18</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer(1)</u>	<u>Employee</u>	<u>Employer(1)</u>
FRS, Regular	3.00	7.92	3.00	8.26
FRS, Elected County Officers	3.00	45.50	3.00	48.70
FRS, Senior Management Service	3.00	22.71	3.00	24.06
FRS, Special Risk Regular	3.00	23.27	3.00	24.50
FRS, Special Risk Administrative	3.00	34.63	3.00	34.98
DROP - Applicable to Members from all of the Above Classes	0.00	13.26	0.00	14.03
FRS, Reemployed Retiree	(2)	(2)	(2)	(2)

Notes:

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy for the period 10/1/17 - 6/30/18 and 1.66 percent for the period 7/1/18 - 9/30/18. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The County's contribution to the Plan totaled \$13,120,603 for the fiscal year ended September 30, 2018, excluding HIS plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2018, the County reported a liability of \$136,734,652 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was .45 percent, which was the same as its proportionate share measured as of June 30, 2017.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$24,141,180. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,583,480	\$ (420,426)
Change of assumptions	44,678,233	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(10,564,419)
Changes in proportion and differences between County FRS contributions and proportionate share of contributions	5,865,909	(2,525,252)
County FRS contributions subsequent to the measurement date	<u>3,669,809</u>	<u>-</u>
Total	<u>\$ 65,797,431</u>	<u>\$ (13,510,097)</u>

The deferred outflows of resources related to pensions totaling \$3,669,809, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2019	\$18,233,324
2020	12,662,958
2021	2,360,380
2022	8,662,810
2023	5,618,323
Thereafter	<u>1,079,730</u>
	<u>\$48,617,525</u>

Actuarial Assumptions. The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00 %	2.90 %	2.90 %	1.80 %
Fixed income	18.00 %	4.40 %	4.30 %	4.00 %
Global equity	54.00 %	7.60 %	6.30 %	17.00 %
Real estate (property)	11.00 %	6.60 %	6.00 %	11.30 %
Private equity	10.00 %	10.70 %	7.80 %	26.50 %
Strategic investments	6.00 %	6.00 %	5.70 %	8.60 %
Total	<u>100.00 %</u>			

Assumed Inflation - Mean	2.60 %	1.90 %
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Note: (1) As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent and 7.10 percent for the July 1, 2018 and 2017 actuarial valuation, respectively. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00 percent) of 1 percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$249,546,475	\$ 136,734,652	\$ 43,037,764

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

Florida Retirement System (FRS) - Defined Benefit Pension Plans (continued)

FRS Pension Plan (continued)

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

Payables to the Pension Plan. At September 30, 2018, the County reported a payable of \$1,014,831 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2018.

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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. From October 1, 2017 to June 30, 2018, the contribution rate was 1.66 percent of payroll. From July 1, 2018 to September 30, 2018 the contribution rate was 1.66 percent, pursuant to section 112.363, Florida Statutes. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. 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 totaled \$1,867,104 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2018, the County reported a net pension liability of \$36,394,498 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2017-18 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was .34 percent, which was the same as its proportionate share measured as of June 30, 2017.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

HIS Pension Plan (continued)

For the fiscal year ended September 30, 2018, the County recognized HIS pension expense of \$2,965,921. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 557,182	\$ (61,833)
Change of assumptions	4,047,517	(3,847,930)
Net difference between projected and actual earnings on HIS pension plan investments	21,968	-
Changes in proportion and differences between County HIS contributions and proportionate share of HIS contributions	2,063,731	(618,949)
County contributions subsequent to the measurement date	500,965	-
Total	<u>\$ 7,191,363</u>	<u>\$ (4,528,712)</u>

The deferred outflows of resources, totaling \$500,965, was 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2019	\$ 758,603
2020	756,751
2021	607,380
2022	336,396
2023	(229,334)
Thereafter	(68,110)
	<u>\$ 2,161,686</u>

Actuarial Assumptions. The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.87 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

HIS Pension Plan (continued)

Discount Rate. The discount rate used to measure the total pension liability was 3.87 percent and 3.58 percent for the July 1, 2018 and 2017 actuarial valuation, respectively. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.87 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87 percent) or 1 percentage-point higher (4.87 percent) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
County's proportionate share of the net pension liability	\$ 41,451,201	\$ 36,394,498	\$ 32,179,443

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

Payables to the Pension Plan. At September 30, 2018, the County reported a payable of \$133,063 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

FRS - Defined Contribution Pension Plan

The 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.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 18. Retirement Plans (continued)

FRS - Defined Contribution Pension 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 is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2017-18 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over his or her account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, 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 \$3,729,197 for the fiscal year ended June 30, 2018.

CHARLOTTE COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018

Note 19. Other Postemployment Benefits Plan

Plan Description

In accordance with Section 112.0801, Florida Statutes, because the County provides medical plans to employees of the County and their eligible dependents, the County is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired County employees through a single employer defined benefit plan (the "Plan").

Retired employees (retired on or after 1/1/2004) of the Board of County Commissioners; Clerk of the Circuit Court; Property Appraiser; Supervisor of Elections; and Tax Collector, (the "Agencies") who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for retired employees who have completed 20 years of service with the Agencies who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the Agencies to contribute a per month supplement. The monthly supplement for eligible non-IAFF (International Association of Fire Fighters) retirees retired before October 1, 2008, is \$5.00 per year of service up to \$150.00 per month. The monthly supplement for eligible non-IAFF retirees retiring on or after October 1, 2008, is \$10.00 per year of service up to \$300.00 per month. The monthly supplement for eligible IAFF retirees retired before January 23, 2008, is \$5.00 per year of service up to \$150.00 per month. The monthly supplement for eligible IAFF retirees retiring on or after January 23, 2008, is \$20.00 per year of service up to \$600.00 per month. The monthly supplement is applied to health premium costs purchased from the Agencies. All retirees retiring after January 23, 2008, covered on another plan may elect to receive a monthly check. All supplements cease when the retiree becomes eligible for Medicare. Dependent coverage is available at full premium cost.

The Charlotte County Sheriff's Office contributes 100% of the active health premiums up to age 65 for retirees participating in the group health plan who completed at least 25 years of service with the Sheriff's office. Retirees are then required to reimburse the Sheriff a \$131 monthly subsidy provided by the Florida Retirement System.

Retirees who worked less than 25 years with the Sheriff's office and are participating in the group health plan are required to contribute 100% of active premiums. An employer-provided implicit subsidy for the health plan will still exist for these participants.

All retirees may elect coverage in the dental and/or vision plans offered by the Sheriff's office. However, they must contribute 100% of the active premium rates. Spouse coverage is available, as well, at the active premium rates.

Membership

As of September 30, 2018, membership consisted of:

	<u>Agencies</u>	<u>Sheriff</u>
Inactive employees or beneficiaries currently receiving benefit payments	61	76
Inactive employees entitled to, but not yet, receiving benefit payments	-	-
Active employees	<u>1,295</u>	<u>556</u>
Total	<u><u>1,356</u></u>	<u><u>632</u></u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan (continued)

Funding Policy

Funding for the Plan is on a pay-as-you-go basis from the County's general assets when due. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose.

Total OPEB Liability

The Agencies had an actuarial valuation dated October 1, 2016, with rollforward procedures to the measurement date of October 1, 2017. The Sheriff had an actuarial valuation with a September 30, 2018 measurement date.

The County's total OPEB liability was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

The Actuarial Methods are:

	Agencies	Sheriff
Actuarial Cost Method	Entry Age	Entry Age
Asset Valuation Method	Unfunded	Unfunded
Actuarial Assumptions:		
Discount Rate	3.50% (1)	4.18% (1)
Projected Salary Increases	3.70% - 7.80%	6.00%
Payroll Growth Assumptions	3.25%	3.00%
Healthcare Cost Trend Rates	6.50% (2)	8.75% (3)
Price Inflation Rate	2.60% (4)	2.50% (4)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

- (1) As required by GASB Statement No. 75, this rate is equal to the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date. Note that the Agency rate has decreased from the previous 4.00% used in the October 1, 2016 actuarial valuation report due to the implementation of GASB 75.
- (2) 6.50% for 2017, with a gradual annual declining to 4.40% in 2040 and beyond.
- (3) 8.75% for 2017, 8.50% for 2018, grading down to 4.0% in 2073.
- (4) Not explicitly used in the valuation except for future projections. Provided for informational purposes only.

Mortality Rates are based on the respective class members RP-2000 mortality tables. All mortality rates are those outlined in the July 1, 2016 FRS actuarial valuation report.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan (continued)

Changes in the Total OPEB Liability

The total OPEB liability as of September 30, 2018 was as follows:

	<u>Agencies</u>	<u>Sheriff</u>	<u>Total</u>
Total OPEB Liability at 9/30/17, as restated	\$ 9,783,278	\$ 23,904,989	\$ 33,688,267
Changes for the year:			
Service cost	485,792	2,003,408	2,489,200
Interest	309,015	932,160	1,241,175
Changes of assumptions or other inputs	(237,578)	(1,326,716)	(1,564,294)
Benefit payments	<u>(606,347)</u>	<u>(604,631)</u>	<u>(1,210,978)</u>
Net changes	<u>(49,118)</u>	<u>1,004,221</u>	<u>955,103</u>
 Total OPEB Liability at 9/30/18	 <u>\$ 9,734,160</u>	 <u>\$ 24,909,210</u>	 <u>\$ 34,643,370</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.1% to 3.5% for all Agencies and a change from 3.64% to 4.18% for the Sheriff based on the two separate actuarial reports obtained.

Sensitivity of the Total OPEB Liability to Changes in Discount Rate

The following presents the total OPEB liability of the Agencies, as well as what the Agencies' total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.5%) or one percent point higher (4.5%) than the current discount rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Total OPEB Liability	\$ 10,332,388	\$ 9,734,160	\$ 9,153,901

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.18%) or one percent point higher (5.18%) than the current discount rate:

	1% Decrease <u>(3.18%)</u>	Current Discount Rate <u>(4.18%)</u>	1% Increase <u>(5.18%)</u>
Total OPEB Liability	\$ 27,430,529	\$ 24,909,210	\$ 22,652,446

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Agencies, as well as what the Agencies' total OPEB liability would be if it were calculated using a "healthcare cost trend rate" that is one percentage point lower (5.5% to 3.4%) or one percentage point higher (7.5% to 5.4%) than the current healthcare cost trend rate:

	1% Decrease <u>5.5% to 3.4%</u>	Current Trend Rate <u>6.5% to 4.4%</u>	1% Increase <u>7.5% to 5.4%</u>
Total OPEB Liability	\$ 9,016,999	\$ 9,734,160	\$ 10,581,263

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a "healthcare cost trend rate" that is one percentage point lower (7.5% to 3.0%) or one percentage point higher (9.5% to 5.0%) than the current healthcare cost trend rate.

	1% Decrease <u>7.5% to 3.0%</u>	Current Trend Rate <u>8.5% to 4.0%</u>	1% Increase <u>9.5% to 5.0%</u>
Total OPEB Liability	\$ 21,572,314	\$ 24,909,210	\$ 28,901,346

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 19. Other Postemployment Benefits Plan (continued)

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2018, the Agencies recognized OPEB expense of \$770,564. At September 30, 2018, the Agencies reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Change of assumptions or other inputs	\$ -	\$ (213,336)
Amounts paid by the County for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017	625,046	-
Total	<u>\$ 625,046</u>	<u>\$ (213,336)</u>

For the year ended September 30, 2018, the Sheriff recognized OPEB expense of \$2,780,229. At September 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ (1,160,876)
Total	<u>\$ -</u>	<u>\$ (1,160,876)</u>
	<u>\$ -</u>	<u>\$ (1,160,876)</u>

Amounts reported as deferred outflows of resources related to amounts paid by the County for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017 will be recognized in OPEB expense in the fiscal year ended September 30, 2019 and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended September 30:	Agencies	Sheriff
2019	\$ (24,243)	\$ (165,839)
2020	(24,243)	(165,839)
2021	(24,243)	(165,839)
2022	(24,243)	(165,839)
2023	(24,243)	(165,839)
Thereafter	(92,121)	(331,681)
	<u>\$ (213,336)</u>	<u>\$ (1,160,876)</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 20. Risk Management

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal years 1980 and 1987, the County established the Self Insurance and Health Insurance Funds, respectively included in the financial statements as internal service funds, to account for and finance its uninsured risks of loss. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability is \$1,500,000, workers' compensation is \$1,000,000 and the excess for property is \$150,000,000.

In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$375,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount. Fees in the amount of \$1,906,291 were paid to Cigna Healthcare to administer health insurance claims. Health insurance claims incurred, but not reported of \$1,320,732, were accrued in the health insurance trust fund as of September 30, 2018. The amount accrued was obtained from the health insurance actuary report. This report is available upon request from the County's Risk Management Department.

All funds and Constitutional Officers of the County participate in the programs and make payments to the Self Insurance and Health Insurance Funds based on actuarial estimates of the amounts needed to pay prior and future year claims, which is attributable to expected claim payments exceeding funds available. The claims liability of \$5,222,000 in the Self Insurance Fund and \$1,320,732 in the Health Insurance Trust Fund reported at September 30, 2018 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the self-insurance claims liability amounts in fiscal year 2017 and 2018, are based on an actuarial review at a confidence level of 70% and discounted to present value at an assumed investment yield rate of 4.0% per annum. Changes in the health insurance claims liability amounts for the same periods are the actuarially determined undiscounted amounts.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 20. Risk Management (continued)

Reconciliation of claims liabilities:

	<u>Self Insurance</u>	<u>Board Health Insurance</u>	<u>Sheriff Health Insurance</u>
Balance at October 1, 2016	\$ 5,600,000	\$ 1,335,766	\$ 1,424,518
Current Year Claims and Changes in Estimates	1,900,534	19,469,797	9,011,141
Claim Payments	<u>(1,263,534)</u>	<u>(19,395,636)</u>	<u>(8,997,030)</u>
Balance at September 30, 2017	6,237,000	1,409,927	1,438,629
Current Year Claims and Changes in Estimates	154,508	18,883,704	9,093,397
Claim Payments	<u>(1,169,508)</u>	<u>(18,972,899)</u>	<u>(8,947,582)</u>
Balance at September 30, 2018	<u>\$ 5,222,000</u>	<u>\$ 1,320,732</u>	<u>\$ 1,584,444</u>

The Sheriff participates in the Statewide Florida Sheriff's Self-Insurance Fund. The fund is managed by representatives of the participating Florida Sheriff's offices and provides professional and automobile liability insurance to participating offices. The Florida Sheriff's Self-Insurance Fund provides liability insurance coverage subject to the following limitations: \$5,000,000 per occurrence and an aggregate of \$10,000,000 ultimate net loss per sheriff during any policy period.

Premiums charged to participating sheriffs are based upon amounts believed by management of the fund to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2018, the Sheriff was charged \$756,674 for the self-insurance program

The Sheriff participates in the Countywide self-insurance program for property liability. For fiscal year ended September 30, 2018, the Sheriff's portion for the self-insurance program, paid by the Board of County Commissioners, was \$404,528.

The Sheriff participates in the Florida Sheriff's Workers' Compensation Self-Insurance Fund. The fund is managed by representatives of participating Florida Sheriff's offices. The total cost for fiscal year ended September 30, 2018 was \$1,063,806.

The Sheriff is self insured for health insurance. The plan is administered by an independent third party that processes the claims. The Sheriff pays the administrator for actual claims and their administrative fee. During the fiscal year, the Sheriff incurred expenses totaling \$9,961,540. In addition to the Self-Insured Plan, the Sheriff and the Charlotte County Board of County Commissioners share expenses in an Employee Health Center Program. This program was developed in hopes to bend the trend and paid medical claims and prescription drug cost. Effectively redirecting claims cost from our medical plan to the clinic will result in a two year net savings after operating cost. The Sheriff and Board of County Commissioners have contracted with CareHere to operate this facility.

The Sheriff purchases commercial stop loss insurance for claims in excess of \$125,000 per person. Total premiums paid during the fiscal year for stop loss coverage totaled \$776,252.

CHARLOTTE COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018

Note 20. Risk Management (continued)

The Sheriff purchases canine liability, aircraft and marine, life, and disability, independently of the aforementioned self-insurance programs, through third party insurance carriers.

Note 21. Commitments and Contingencies

The County is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency and which, upon audit, may result in a request for reimbursement due to disallowed expense amounts. These amounts, if any, constitute a contingent liability of the County. Accordingly, such liabilities are not reflected within the basic financial statements. The County does not believe any contingent liabilities are material.

The County is currently involved in multiple construction projects in which material commitments for future services have been made. The following are projects in which these obligations have been contracted:

	<u>Committed</u>	<u>Payments</u>
Bridges	\$16,536,110	\$ 15,723,695
Buildings	37,976,555	21,163,054
Dredging	5,636,876	4,930,673
Parks	6,018,867	5,253,770
Paving	36,119,454	23,626,680
Sidewalks	3,644,329	2,375,167
Stormwater	1,722,278	1,543,973
Water/Sewer Improvements	35,614,794	15,572,347
Widening	76,163,707	74,770,011

The County currently has significant encumbrances for the governmental funds. These encumbrances include commitments for future expenditures, based on purchase orders or contracts, where the goods or services have been ordered but not received. They do not include construction contracts as they are listed above.

<u>Major Funds</u>	<u>Encumbrance</u>
General Fund	\$ 1,505,228
Charlotte Public Safety	30,073
Sales Tax Extension 2009	407,531
Road Improvements	728,121
Street & Drainage Districts Maintenance	796,754
Sales Tax Extension 2015	1,349,058

Note 22. Miscellaneous Revenues

Miscellaneous revenues in Governmental Activities are composed primarily of monies received from private sources, reimbursements of prior year expenses of \$2,014,549, and sale of surplus equipment of \$1,324,091. For the year ending September 30, 2018, the County recognized \$6,461,019 in miscellaneous revenue.

CHARLOTTE COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018

Note 23. Recognition of Closure and Post Closure Cost

Federal and State laws require final cover and closure as well as post closure care of the Charlotte County Zemel Road Landfill. Closure cost estimates, including final cover, anticipated costs of equipment and facilities constructed near or after closure and thirty years of monitoring and maintenance costs, subsequent to closing, amount to \$19,879,922. The estimated life of the landfill, and other factors, may change due to population growth, disposal rates, types of material disposed and other changes in landfill technology. A portion of these costs are reported each period as operating expense based on landfill capacity used as of each balance sheet date.

Landfill capacity of approximately 53% has been used to date. The closure cost of \$10,535,650 for this capacity is reflected as a liability at September 30, 2018. Closure and post closure costs of \$9,344,272 remain to be recognized in the estimated 22 years of the remaining useful life.

The Landfill is required by Rule 62-701.630(5)(c) of the Florida Administrative Code to make annual contributions to an interest bearing cash reserve fund. Management believes the Landfill is in compliance with these requirements as of September 30, 2018, with restricted cash and investments of \$8,971,820 held for the purpose of closing the landfill in 2040. In the event closure escrows and interest earnings prove inadequate due to inflation, changes in technology or additional closure/post closure requirements, these costs may need to be covered by charges to future landfill users. The activity in the escrow account for the year ended September 30, 2018 is as follows:

Beginning Balance 9/30/2017	\$ 8,649,144
Deposits	361,306
Interest Earned	133,092
Return Excess Deposits	<u>(171,722)</u>
Ending Balance 9/30/2018	<u>\$ 8,971,820</u>

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 24. Restatements

GASB 75 Adoption

The implementation of GASB 75 resulted in a restatement of beginning net position due to the recording of the total OPEB liability based on GASB 75 criteria as of October 1, 2017 on the Statement of Net Position. As a result of implementing GASB 75, the beginning net position of the County was increased by 11,154,815.

Prior Period Adjustment

During fiscal year 2018, it was determined that Capital Projects Fund incurred expenditures of \$5,903,303 that were deemed to be applicable to the Utility System. The Utility System should have recorded this amount, along with a capital contribution from the Florida Department of Transportation of \$617,603, for a total asset of \$6,520,906. As a result, beginning fund balance of the Capital Projects fund was increased in the amount of \$5,903,303 and beginning net position of the Utility System was increased \$617,603 from that previously reported.

The effect of the restatements on governmental activities and business-type activities is as follows:

	Governmental Activities	Business-Type Activities	Total
Net position beginning as previously stated	\$ 958,452,790	\$ 258,794,513	\$ 1,217,247,303
GASB adoption	11,656,943	(502,128)	11,154,815
Prior period adjustment	-	617,603	617,603
Net position - beginning, restated	\$ 970,109,733	\$ 258,909,988	\$ 1,229,019,721

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 25. Expenditures in Excess of Appropriations

The following funds have expenditures in excess of appropriations at September 30, 2018:

Drug Abuse Trust - The \$15,000 in excess of expenditures over appropriations is because funds that were originally budgeted as an Interfund Transfer to the Sheriff were expended for Drug Abuse programs administered by an outside agency.

Crimes Prevention - The \$75,000 in excess of expenditures over appropriations is due to the annual assistance for at risk youth programs being higher than the revenues received from the court system.

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 26. Fund Balance Classification

A detailed schedule of governmental fund balances at September 30, 2018 is as follows:

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 842,010	\$ 842,010
Prepays	645,541	2,960	-	-	565,755	1,214,256
Total Nonspendable Fund Balance	<u>645,541</u>	<u>2,960</u>	<u>-</u>	<u>-</u>	<u>1,407,765</u>	<u>2,056,266</u>
Restricted:						
Beach Renourishment	-	-	-	-	8,266,245	8,266,245
Building Department Activities	-	-	-	-	1,800,887	1,800,887
Capital Improvements	-	-	-	-	6,673,850	6,673,850
Court Programs	-	-	-	-	2,236,435	2,236,435
Culture & Recreation	-	-	-	-	1,459,111	1,459,111
Drug Abuse	-	-	-	-	52,217	52,217
Environmental Programs	-	-	-	-	1,018,543	1,018,543
Fire/EMS Services	-	-	-	-	398,057	398,057
Grants	10,482	-	-	-	3,028,542	3,039,024
IT Equipment Replacement	312,480	-	-	-	-	312,480
Law Enforcement	-	-	-	-	222,592	222,592
Public Safety	-	-	-	-	3,186,687	3,186,687
Road Improvements	-	-	-	-	8,790,666	8,790,666
Sales Tax Projects	-	-	-	-	44,164,283	44,164,283
Stormwater Utilities	-	-	-	-	19,011,607	19,011,607
Street/Drainage - Maintenance	-	-	58,377,494	-	-	58,377,494
Street Lighting	-	-	-	-	2,095,127	2,095,127
Tourism	-	-	-	-	3,484,726	3,484,726
Transportation	-	-	-	-	11,459,299	11,459,299
Vehicle Replacement	1,376,062	-	-	-	-	1,376,062
Waterway Maintenance	-	-	-	-	5,457,326	5,457,326
Total Restricted Fund Balance	<u>1,699,024</u>	<u>-</u>	<u>58,377,494</u>	<u>-</u>	<u>122,806,200</u>	<u>182,882,718</u>

Note 26. Fund Balance Classification (continued)

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
Committed:						
Beach Renourishment	-	-	-	-	1,500,000	1,500,000
Capital Improvements	-	-	-	19,832,639	3,144,885	22,977,524
Environmental Programs	-	-	-	-	1,807,646	1,807,646
Fire/EMS Services	-	-	-	-	184,179	184,179
Human Services	-	-	-	-	622,274	622,274
Public Safety	-	-	-	-	4,558	4,558
Redevelopment	-	-	-	-	168,320	168,320
Road Improvement	-	-	-	-	709,616	709,616
Sales Tax Project	-	-	-	-	53,189	53,189
Stadium	-	-	-	-	160,516	160,516
Waterway Maintenance	-	-	-	-	275,913	275,913
Total Committed Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,832,639</u>	<u>8,631,096</u>	<u>28,463,735</u>
Assigned:						
Beach Renourishment	-	-	-	-	2,393,082	2,393,082
Building Department Activities	-	-	-	-	2,315,838	2,315,838
Capital Improvements	-	-	-	28,884,608	42,678	28,927,286
Court Programs	-	-	-	-	947,309	947,309
Culture and Recreation	-	-	-	-	289,265	289,265
Debt Service	-	-	-	-	257,973	257,973
Donations	52,295	-	-	-	-	52,295
Drivers Education Programs	-	-	-	-	9,564	9,564
Drug Abuse Treatment & Education	-	-	-	-	9,281	9,281
Economic Incentive	1,598,325	-	-	-	-	1,598,325
Environmental Programs	-	-	-	-	380,656	380,656
Equipment Replacement	234,944	-	-	-	-	234,944
Fire/EMS Services	-	-	-	-	8,242,245	8,242,245
Grants	-	-	-	-	2,053,824	2,053,824
Human Services	-	-	-	-	259,600	259,600
IT Equipment Replacement	159,405	-	-	-	-	159,405
Law Enforcement	-	-	-	-	36,877	36,877
Public Safety	-	1,602,099	-	-	5,712,757	7,314,856
Radio Communications	-	-	-	-	2,081,067	2,081,067
Redevelopment	-	-	-	-	2,394,269	2,394,269
Road Improvements	-	-	-	-	22,775,132	22,775,132
Sales Tax Projects	-	-	-	-	3,544,418	3,544,418
Stadium	-	-	-	-	37,389	37,389

CHARLOTTE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Note 26. Fund Balance Classification (continued)

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assigned, continued						
Stormwater Utilities	-	-	-	-	3,145,574	3,145,574
Street/Drainage - Maintenance	-	-	14,762,809	-	-	14,762,809
Street Lighting	-	-	-	-	627,574	627,574
Tourism	-	-	-	-	292,356	292,356
Transportation	-	-	-	-	11,017,562	11,017,562
Vehicle Replacement	162,541	-	-	-	-	162,541
Waterway Maintenance	-	-	-	-	2,618,783	2,618,783
Other Expenditures	3,013,018	-	-	-	-	3,013,018
Total Assigned Fund Balance	<u>5,220,528</u>	<u>1,602,099</u>	<u>14,762,809</u>	<u>28,884,608</u>	<u>71,485,073</u>	<u>121,955,117</u>
 Unassigned Fund Balance	 <u>60,315,926</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>(2,897,536)</u>	 <u>57,418,390</u>
 Total Fund Balance	 <u>\$ 73,101,547</u>	 <u>\$ 3,207,158</u>	 <u>\$ 87,903,112</u>	 <u>\$ 77,601,855</u>	 <u>\$ 272,917,671</u>	 <u>\$ 514,731,343</u>

CHARLOTTE COUNTY, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POSTEMPLOYMENT BENEFITS PLAN

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY & RELATED RATIOS

	<u>Agencies</u>	<u>Sheriff</u>
Reporting period ending	9/30/2018	9/30/2018
Measurement Date	10/1/2017	9/30/2018
Total OPEB Liability		
Service Cost	\$ 485,792	\$ 2,003,408
Interest	309,015	932,160
Changes of Assumptions	(237,578)	(1,326,716)
Benefit payments	<u>(606,347)</u>	<u>(604,631)</u>
Net change in total OPEB liability	(49,118)	1,004,221
Total OPEB liability - beginning	<u>9,783,278</u>	<u>23,904,989</u>
Total OPEB liability - ending	<u>\$ 9,734,160</u>	<u>\$ 24,909,210</u>
Covered employee payroll	\$ 65,246,146	\$ 31,150,845
Total OPEB liability as a percentage of covered employee payroll	14.92 %	79.96 %

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County is showing one year's presentation.

Notes to Schedule:

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

	<u>Agencies</u>	<u>Sheriff</u>
For the period ended 9/30/18	3.50 %	4.18 %
For the period ended 9/30/17	3.10 %	3.64 %

CHARLOTTE COUNTY, FLORIDA
 SCHEDULE OF COUNTY CONTRIBUTIONS
 FRS PENSION PLAN
 Last Five Fiscal Years
 For the Fiscal Year Ended September 30, 2018

	2018	2017
Contractually required contribution	11,221,580	11,684,212
Contributions in relation to the contractually required contribution	(11,221,580)	(11,684,212)
Contribution deficiency (excess)	-	-
County's covered payroll	81,353,588	78,361,733
Contributions as a percentage of covered payroll	13.79 %	14.91 %

<u>2016</u>	<u>2015</u>	<u>2014</u>
12,005,898	8,383,621	7,305,112
<u>(12,005,898)</u>	<u>(8,383,621)</u>	<u>(7,305,112)</u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
77,262,180	71,077,363	66,168,496
15.00 %	11.79 %	11.04 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FRS PENSION PLAN
 Last Five Fiscal Years
 For the Fiscal Year Ended September 30, 2018

	2018	2017
County's proportion of the net pension liability	0.45 %	0.45 %
County's proportionate share of the net pension liability	\$136,734,652	\$ 134,038,267
County's covered payroll	\$ 81,228,303	\$ 76,983,696
County's proportionate share of the net pension liability as a percentage of its covered payroll	168.33 %	174.11 %
Plan fiduciary net position as a percentage of the total pension liability	84.26 %	83.89 %

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.45 %	0.41 %	0.40 %
\$ 113,555,999	\$ 52,939,591	\$ 24,391,167
\$ 73,551,453	\$ 71,150,877	\$ 66,168,496
154.39 %	74.40 %	36.86 %
84.88 %	92.00 %	96.09 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA
 SCHEDULE OF COUNTY CONTRIBUTIONS
 HIS PENSION PLAN
 Last Five Fiscal Years
 For the Fiscal Year Ended September 30, 2018

	2018	2017
Contractually required contribution	\$ 1,855,142	\$ 2,035,831
Contributions in relation to the contractually required contribution	(1,855,142)	(2,035,831)
	\$ -	\$ -
 Contribution deficiency (excess)	 \$ -	 \$ -
 County's covered payroll	 \$112,483,212	 \$108,249,212
Contributions as a percentage of covered payroll	1.65 %	1.88 %

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,783,512	\$ 1,326,125	\$ 1,138,289
<u>(1,783,512)</u>	<u>(1,326,125)</u>	<u>(1,138,289)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$102,116,215	\$ 99,102,351	\$ 91,937,809
1.75 %	1.34 %	1.24 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 HIS PENSION PLAN
 Last Five Fiscal Years
 For the Fiscal Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.34 %	0.34 %
County's proportionate share of the net pension liability	\$ 36,394,498	\$ 35,997,850
County's covered payroll	\$112,444,356	\$ 106,339,590
County's proportionate share of the net pension liability as a percentage of its covered payroll	32.37 %	33.85 %
Plan fiduciary net position as a percentage of the total pension liability	2.15 %	1.64 %

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.33 %	0.32 %	0.32 %
\$ 38,791,128	\$ 32,914,801	\$ 29,787,399
\$ 102,012,629	\$ 99,250,162	\$ 91,937,809
38.03 %	33.16 %	32.40 %
0.97 %	0.50 %	0.99 %

NOTE: Data was unavailable prior to 2014.

**COMBINING & INDIVIDUAL FUND
STATEMENTS & SCHEDULES**

CHARLOTTE COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Special Revenue Funds			
	Transportation Trust	Fine and Forfeiture	Law Enforcement Trust	Drug Abuse Trust
ASSETS				
Cash and cash equivalents	\$ 2,235,161	\$ 1,771	\$ 1,073	\$ 4,426
Investments	20,124,713	15,505	12,606	51,973
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	162,209	89,074	-	4,950
Due from other governmental agencies	1,666,131	-	-	-
Inventory of supplies, at cost	645,894	-	-	-
Other assets	254,106	27,609	39	149
Total assets	<u>\$ 25,088,214</u>	<u>\$ 133,959</u>	<u>\$ 13,718</u>	<u>\$ 61,498</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ 989,092	\$ 30,875	\$ -	\$ -
Contracts payable	123,721	-	-	-
Accrued liabilities	268,489	37,541	-	-
Due to other funds	-	2,189	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	32,959	-	-	-
Total liabilities	<u>1,414,261</u>	<u>70,605</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	351,898	-	-	-
Fund Balances				
Nonspendable	845,194	27,152	-	-
Restricted	11,459,299	-	-	52,217
Committed	-	-	-	-
Assigned	11,017,562	36,202	13,718	9,281
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>23,322,055</u>	<u>63,354</u>	<u>13,718</u>	<u>61,498</u>
Total liabilities and fund balances (deficits)	<u>\$ 25,088,214</u>	<u>\$ 133,959</u>	<u>\$ 13,718</u>	<u>\$ 61,498</u>

Special Revenue Funds

Law Library	Legal Aid	Radio Communications	Criminal Justice Education	Student Driver Education	Crimes Prevention	Tourist Development Tax Trust	Building Construction Services
\$ 1,558	\$ 545	\$ 163,407	\$ 1,389	\$ 2,293	\$ 7,245	\$ 249,677	\$ 582,632
18,291	6,401	1,918,680	16,308	26,929	85,067	2,900,340	4,048,022
-	-	-	-	-	60,270	-	-
3,139	3,139	6,028	1,603	3,060	73,519	788,580	-
-	-	1,310	50	-	-	789	14,570
-	-	-	-	-	-	-	-
57	25	7,793	47	77	253	21,006	70,745
<u>\$ 23,045</u>	<u>\$ 10,110</u>	<u>\$ 2,097,218</u>	<u>\$ 19,397</u>	<u>\$ 32,359</u>	<u>\$ 226,354</u>	<u>\$ 3,960,392</u>	<u>\$ 4,715,969</u>

\$ -	\$ -	\$ 7,911	\$ -	\$ 22,795	\$ -	\$ 133,801	\$ 326,076
-	-	-	-	-	-	-	59,988
-	-	5,034	-	-	-	18,492	79,321
23,045	-	-	-	-	-	18,188	24,998
-	-	-	-	-	-	-	35,785
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>23,045</u>	<u>-</u>	<u>12,945</u>	<u>-</u>	<u>22,795</u>	<u>-</u>	<u>170,481</u>	<u>526,168</u>

-	-	1,310	-	-	-	789	14,396
-	-	1,896	-	-	-	12,040	58,680
-	-	-	6,003	-	216,589	3,484,726	1,800,887
-	-	-	-	-	-	-	-
-	10,110	2,081,067	13,394	9,564	9,765	292,356	2,315,838
-	-	-	-	-	-	-	-
-	10,110	2,082,963	19,397	9,564	226,354	3,789,122	4,175,405
<u>\$ 23,045</u>	<u>\$ 10,110</u>	<u>\$ 2,097,218</u>	<u>\$ 19,397</u>	<u>\$ 32,359</u>	<u>\$ 226,354</u>	<u>\$ 3,960,392</u>	<u>\$ 4,715,969</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Special Revenue Funds			
	Greater Charlotte Street Light	Open Space/Habitat	Native Tree Replacement	Boater Revolving
ASSETS				
Cash and cash equivalents	\$ 227,796	\$ 48	\$ 150,185	\$ 139,010
Investments	2,674,729	561	1,476,502	1,632,225
Accounts and assessments receivable, net	179	-	-	-
Due from other funds	30,085	-	-	35,666
Due from other governmental agencies	-	-	139,058	142,192
Inventory of supplies, at cost	196,116	-	-	-
Other assets	15,796	2	4,479	5,181
Total assets	<u>\$ 3,144,701</u>	<u>\$ 611</u>	<u>\$ 1,770,224</u>	<u>\$ 1,954,274</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ 155,226	\$ -	\$ 128,593	\$ 181,289
Contracts payable	-	-	-	-
Accrued liabilities	9,319	-	-	-
Due to other funds	7,471	-	-	24,609
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	46,475	-	-	-
Total liabilities	<u>218,491</u>	<u>-</u>	<u>128,593</u>	<u>205,898</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund Balances				
Nonspendable	203,509	-	-	-
Restricted	2,095,127	-	-	1,459,111
Committed	-	-	1,342,632	-
Assigned	627,574	611	298,999	289,265
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>2,926,210</u>	<u>611</u>	<u>1,641,631</u>	<u>1,748,376</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,144,701</u>	<u>\$ 611</u>	<u>\$ 1,770,224</u>	<u>\$ 1,954,274</u>

Special Revenue Funds

911 and Enhanced 911	Local Housing Assistance Trust	Chester Cole Trust Fund	Mitigation Drainage	Charlotte Harbor Community Redevelopment	Murdock Village Redevelopment	Parkside Community Redevelopment
\$ 108,446	\$ 291,152	\$ 329	\$ 4,501	\$ 64,136	\$ 1,194,403	\$ 463,359
550,135	2,688,625	3,864	52,854	753,061	2,171,689	5,440,648
-	-	-	-	-	-	-
-	195	-	-	249,651	-	-
190,186	-	-	-	2,514,381	-	-
-	-	-	-	-	-	-
1,689	261,321	12	177	1,728	6,667	-
<u>\$ 850,456</u>	<u>\$ 3,241,293</u>	<u>\$ 4,205</u>	<u>\$ 57,532</u>	<u>\$ 3,582,957</u>	<u>\$ 3,372,759</u>	<u>\$ 5,904,007</u>
\$ 40,199	\$ 9,277	\$ 331	\$ 1,000	\$ 1,895,794	\$ -	\$ 457,594
-	-	-	-	322,282	-	119,056
-	6,247	-	-	-	-	-
-	-	-	-	164,101	-	430,228
-	-	-	-	-	-	-
-	-	-	-	1,008,693	-	7,588,497
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,525	-	-	-	1,002,257	-
<u>40,199</u>	<u>19,049</u>	<u>331</u>	<u>1,000</u>	<u>3,390,870</u>	<u>1,002,257</u>	<u>8,595,375</u>
63,174	-	-	-	-	-	-
-	3,100	-	-	-	-	-
747,083	2,974,588	-	-	-	-	-
-	3,000	1,555	-	168,320	-	-
-	241,556	2,319	56,532	23,767	2,370,502	-
-	-	-	-	-	-	(2,691,368)
<u>747,083</u>	<u>3,222,244</u>	<u>3,874</u>	<u>56,532</u>	<u>192,087</u>	<u>2,370,502</u>	<u>(2,691,368)</u>
<u>\$ 850,456</u>	<u>\$ 3,241,293</u>	<u>\$ 4,205</u>	<u>\$ 57,532</u>	<u>\$ 3,582,957</u>	<u>\$ 3,372,759</u>	<u>\$ 5,904,007</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Special Revenue Funds			
	Don			
	Stump Pass Dredging MSBU	Pedro/Knights Island Beach Renourishment	N Manasota Key Beach Renourishment	Impact Fees Trust
ASSETS				
Cash and cash equivalents	\$ 521,048	\$ 42,446	\$ 132,306	\$ 785,390
Investments	6,118,011	498,385	1,553,498	5,871,155
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	10,938	-	-	-
Due from other governmental agencies	5,012,090	-	-	-
Inventory of supplies, at cost	-	-	-	-
Other assets	18,226	1,292	4,036	17,305
Total assets	<u>\$ 11,680,313</u>	<u>\$ 542,123</u>	<u>\$ 1,689,840</u>	<u>\$ 6,673,850</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ 110,594	\$ -	\$ -	\$ -
Contracts payable	256,786	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>367,380</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	1,385,569	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	6,034,282	542,123	1,689,840	6,673,850
Committed	1,500,000	-	-	-
Assigned	2,393,082	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>9,927,364</u>	<u>542,123</u>	<u>1,689,840</u>	<u>6,673,850</u>
Total liabilities and fund balances (deficits)	<u>\$ 11,680,313</u>	<u>\$ 542,123</u>	<u>\$ 1,689,840</u>	<u>\$ 6,673,850</u>

Special Revenue Funds

Grants	Animal Care Trust Fund	Metropolitan Planning Organization	Habitat Conservation Management	Habitat Conservation Endowment	Waterway Maintenance Districts	Road Revolving	Transit
\$ 51,860	\$ 606	\$ 2,498	\$ 126,701	\$ 32,900	\$ 659,378	\$ 36,425	\$ 5,139
188,915	4,011	29,325	1,072,525	271,914	7,742,253	427,691	1,070
-	-	-	-	-	-	-	20,055
-	50	-	-	-	113,007	-	-
465,665	-	96,142	-	-	-	-	1,841,921
-	-	-	-	-	-	-	-
11,472	12	3,379	3,218	813	23,908	1,310	10,597
<u>\$ 717,912</u>	<u>\$ 4,679</u>	<u>\$ 131,344</u>	<u>\$ 1,202,444</u>	<u>\$ 305,627</u>	<u>\$ 8,538,546</u>	<u>\$ 465,426</u>	<u>\$ 1,878,782</u>
\$ 93,967	\$ -	\$ 1,119	\$ -	\$ -	\$ 29,172	\$ -	\$ 63,889
-	-	-	-	-	55,352	-	-
18,052	-	10,079	-	-	-	-	15,849
527,113	-	126,000	-	-	102,000	-	1,999,358
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
950	-	-	-	-	-	-	-
<u>640,082</u>	<u>-</u>	<u>137,198</u>	<u>-</u>	<u>-</u>	<u>186,524</u>	<u>-</u>	<u>2,079,096</u>
-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
53,954	-	-	716,887	301,656	5,457,326	-	-
-	4,558	-	465,014	-	275,913	370,133	-
23,866	121	-	20,543	3,971	2,618,783	95,293	-
-	-	(5,854)	-	-	-	-	(200,314)
<u>77,830</u>	<u>4,679</u>	<u>(5,854)</u>	<u>1,202,444</u>	<u>305,627</u>	<u>8,352,022</u>	<u>465,426</u>	<u>(200,314)</u>
<u>\$ 717,912</u>	<u>\$ 4,679</u>	<u>\$ 131,344</u>	<u>\$ 1,202,444</u>	<u>\$ 305,627</u>	<u>\$ 8,538,546</u>	<u>\$ 465,426</u>	<u>\$ 1,878,782</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Special Revenue Funds			
	Stormwater	Barrier Islands Fire Service	Charlotte County Fire	Little Gasparilla Fire
	Utility Districts		Rescue Service	
ASSETS				
Cash and cash equivalents	\$ 1,738,574	\$ 10,538	\$ 744,963	\$ 21
Investments	20,413,897	123,729	8,195,626	247
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	65,258	6,661	268,590	2,296
Due from other governmental agencies	-	-	571,547	-
Inventory of supplies, at cost	-	-	-	-
Other assets	63,599	4,640	273,147	1
Total assets	<u>\$ 22,281,328</u>	<u>\$ 145,568</u>	<u>\$ 10,053,873</u>	<u>\$ 2,565</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ 57,360	\$ 2,357	\$ 120,686	\$ -
Contracts payable	66,787	-	-	-
Accrued liabilities	-	9,456	440,818	-
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>124,147</u>	<u>11,813</u>	<u>561,504</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	-	-	555,087	-
Fund Balances				
Nonspendable	-	4,200	244,921	-
Restricted	19,011,607	4,105	393,952	-
Committed	-	-	184,179	-
Assigned	3,145,574	125,450	8,114,230	2,565
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>22,157,181</u>	<u>133,755</u>	<u>8,937,282</u>	<u>2,565</u>
Total liabilities and fund balances (deficits)	<u>\$ 22,281,328</u>	<u>\$ 145,568</u>	<u>\$ 10,053,873</u>	<u>\$ 2,565</u>

Special Revenue Funds						Debt Service
Charlotte County Health Facility	Event Center	Stadium Maintenance & Operations	Hurricane Fund	Clerk of the Court	Sheriff	Debt Service
\$ 49,999	\$ 1,860	\$ 5,056	\$ 54,975	\$ 3,271,038	\$ 2,363,830	\$ 150,686
587,074	21,844	59,006	645,507	-	-	1,769,328
-	389,414	33,803	45,252	-	75,685	152,095
240	-	52,576	1,800,000	1,978	5,019	42,197
-	-	5,568	5,325,114	177,543	25,000	785,049
-	-	-	-	-	-	-
1,816	-	7,426	-	53,011	-	4,534
<u>\$ 639,129</u>	<u>\$ 413,118</u>	<u>\$ 163,435</u>	<u>\$ 7,870,848</u>	<u>\$ 3,503,570</u>	<u>\$ 2,469,534</u>	<u>\$ 2,903,889</u>
\$ 5,685	\$ 145,210	\$ 33,881	\$ 318,460	\$ 3,980	\$ 4,930	\$ -
-	-	-	115,597	-	-	-
-	-	7,956	-	65,509	-	-
-	267,908	-	97,010	126,994	25,000	1,207,738
-	-	-	-	1,851	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	383,178
-	-	-	-	-	-	1,055,000
-	-	-	-	795	-	-
-	-	10,000	-	-	-	-
<u>5,685</u>	<u>413,118</u>	<u>51,837</u>	<u>531,067</u>	<u>199,129</u>	<u>29,930</u>	<u>2,645,916</u>
-	-	5,568	5,309,823	167,009	-	-
-	-	7,063	-	-	-	-
-	-	-	-	2,236,435	2,439,604	-
617,719	-	98,967	-	-	-	-
15,725	-	-	2,029,958	900,997	-	257,973
-	-	-	-	-	-	-
<u>633,444</u>	<u>-</u>	<u>106,030</u>	<u>2,029,958</u>	<u>3,137,432</u>	<u>2,439,604</u>	<u>257,973</u>
<u>\$ 639,129</u>	<u>\$ 413,118</u>	<u>\$ 163,435</u>	<u>\$ 7,870,848</u>	<u>\$ 3,503,570</u>	<u>\$ 2,469,534</u>	<u>\$ 2,903,889</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Capital Projects			
	Stadium Improvement	Sales Tax Extension 2009	Sales Tax Extension 2014	Road Improvements
ASSETS				
Cash and cash equivalents	\$ 11,007	\$ 685,212	\$ 3,205,852	\$ 2,818,374
Investments	129,241	8,045,589	37,642,317	28,603,948
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	-	-	-	249,007
Due from other governmental agencies	-	-	4,242,445	779,168
Inventory of supplies, at cost	-	-	-	-
Other assets	357	24,738	112,905	88,263
Total assets	<u>\$ 140,605</u>	<u>\$ 8,755,539</u>	<u>\$ 45,203,519</u>	<u>\$ 32,538,760</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts and vouchers payable	\$ -	\$ 485,232	\$ 3,356,277	\$ 95,384
Contracts payable	-	1,181,739	879,375	633,388
Accrued liabilities	-	-	-	-
Due to other funds	41,667	21,173	273,372	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>41,667</u>	<u>1,688,144</u>	<u>4,509,024</u>	<u>728,772</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	4,665,989	39,498,294	8,790,666
Committed	61,549	-	53,189	339,483
Assigned	37,389	2,401,406	1,143,012	22,679,839
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>98,938</u>	<u>7,067,395</u>	<u>40,694,495</u>	<u>31,809,988</u>
Total liabilities and fund balances (deficits)	<u>\$ 140,605</u>	<u>\$ 8,755,539</u>	<u>\$ 45,203,519</u>	<u>\$ 32,538,760</u>

Capital Projects

Infrastructure Fund	Growth Increment Fund	Total Nonmajor Governmental Funds
\$ 270,347	\$ 280,058	\$ 23,953,629
3,174,349	3,288,369	183,148,552
-	-	776,753
2,678,273	-	6,746,988
-	-	23,995,919
-	-	842,010
10,533	10,071	1,429,567
<u>\$ 6,133,502</u>	<u>\$ 3,578,498</u>	<u>\$ 240,893,418</u>

\$ 208,367	\$ 360,916	\$ 9,877,319
212,499	30,019	4,056,589
-	-	992,162
-	-	5,510,162
-	-	37,636
-	-	8,597,190
-	-	383,178
-	-	1,055,000
-	-	795
-	-	1,096,166
<u>420,866</u>	<u>390,935</u>	<u>31,606,197</u>

-	-	7,854,623
-	-	1,407,765
-	-	122,806,200
-	3,144,885	8,631,096
5,712,636	42,678	71,485,073
-	-	(2,897,536)
<u>5,712,636</u>	<u>3,187,563</u>	<u>201,432,598</u>
<u>\$ 6,133,502</u>	<u>\$ 3,578,498</u>	<u>\$ 240,893,418</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Transportation Trust	Fine and Forfeiture	Law Enforcement Trust	Drug Abuse Trust
Revenues:				
Taxes	\$ 5,491,280	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	3,400,563	-	-	-
Charges for services	12,174,268	562,277	-	84,573
Fines and forfeitures	-	-	18,843	-
Impact fees	-	-	-	-
Miscellaneous	723,335	4,415	162	706
Total revenues	<u>21,789,446</u>	<u>566,692</u>	<u>19,005</u>	<u>85,279</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	2,076,695	-	-
Public safety	-	467,966	-	-
Physical environment	392,644	-	-	-
Transportation	22,103,221	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	75,000
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>22,495,865</u>	<u>2,544,661</u>	<u>-</u>	<u>75,000</u>
Excess of revenues over/(under) expenditures	<u>(706,419)</u>	<u>(1,977,969)</u>	<u>19,005</u>	<u>10,279</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	3,000	1,956,701	-	-
Transfers out	(311,339)	-	(25,000)	-
Total other financing sources (uses)	<u>(308,339)</u>	<u>1,956,701</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balances (deficits)	<u>(1,014,758)</u>	<u>(21,268)</u>	<u>(5,995)</u>	<u>10,279</u>
Fund balances, (deficits) October 1, 2017	<u>24,336,813</u>	<u>84,622</u>	<u>19,713</u>	<u>51,219</u>
Fund balances, (deficits) September 30, 2018	<u>\$ 23,322,055</u>	<u>\$ 63,354</u>	<u>\$ 13,718</u>	<u>\$ 61,498</u>

Special Revenue Funds

Law Library	Legal Aid	Radio Communications	Criminal Justice Education	Student Driver Education	Crimes Prevention	Tourist Development Tax Trust	Building Construction Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,159,690	\$ 120
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,863,481
-	-	-	-	-	-	25,000	75,637
36,490	36,490	-	24,481	-	62,691	-	95,714
-	-	90,693	2,483	42,499	-	-	-
-	-	-	-	-	-	-	-
28	265	582,350	186	218	580	25,533	93,289
<u>36,518</u>	<u>36,755</u>	<u>673,043</u>	<u>27,150</u>	<u>42,717</u>	<u>63,271</u>	<u>4,210,223</u>	<u>6,128,241</u>
-	-	823,769	-	-	-	-	-
13,473	-	-	-	-	-	-	-
-	-	-	-	56,454	-	-	6,019,213
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	75,000	-	-	-	75,000	-	-
-	-	-	-	-	-	2,335,592	-
-	-	-	-	-	-	-	-
<u>13,473</u>	<u>75,000</u>	<u>823,769</u>	<u>-</u>	<u>56,454</u>	<u>75,000</u>	<u>2,335,592</u>	<u>6,019,213</u>
<u>23,045</u>	<u>(38,245)</u>	<u>(150,726)</u>	<u>27,150</u>	<u>(13,737)</u>	<u>(11,729)</u>	<u>1,874,631</u>	<u>109,028</u>
-	-	-	-	-	-	-	-
-	44,600	-	-	-	128,149	125,000	-
<u>(23,045)</u>	<u>-</u>	<u>(4,439)</u>	<u>(25,000)</u>	<u>-</u>	<u>(150,000)</u>	<u>(1,424,878)</u>	<u>(106,152)</u>
<u>(23,045)</u>	<u>44,600</u>	<u>(4,439)</u>	<u>(25,000)</u>	<u>-</u>	<u>(21,851)</u>	<u>(1,299,878)</u>	<u>(106,152)</u>
-	6,355	(155,165)	2,150	(13,737)	(33,580)	574,753	2,876
-	3,755	2,238,128	17,247	23,301	259,934	3,214,369	4,172,529
<u>\$ -</u>	<u>\$ 10,110</u>	<u>\$ 2,082,963</u>	<u>\$ 19,397</u>	<u>\$ 9,564</u>	<u>\$ 226,354</u>	<u>\$ 3,789,122</u>	<u>\$ 4,175,405</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Greater Charlotte Street Light	Open Space/Habitat	Native Tree Replacement	Boater Revolving
Revenues:				
Taxes	\$ 3,428,148	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	515,401
Intergovernmental	-	-	139,058	601,184
Charges for services	479,438	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	109,550	6	484,159	16,147
Total revenues	<u>4,017,136</u>	<u>6</u>	<u>623,217</u>	<u>1,132,732</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	1,197,923
Transportation	2,903,806	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	198,362	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>2,903,806</u>	<u>-</u>	<u>198,362</u>	<u>1,197,923</u>
Excess of revenues over/(under) expenditures	<u>1,113,330</u>	<u>6</u>	<u>424,855</u>	<u>(65,191)</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	29,684	-	-	-
Transfers out	(17,455)	-	-	(353,671)
Total other financing sources (uses)	<u>12,229</u>	<u>-</u>	<u>-</u>	<u>(353,671)</u>
Net change in fund balances (deficits)	1,125,559	6	424,855	(418,862)
Fund balances, (deficits) October 1, 2017	1,800,651	605	1,216,776	2,167,238
Fund balances, (deficits) September 30, 2018	<u>\$ 2,926,210</u>	<u>\$ 611</u>	<u>\$ 1,641,631</u>	<u>\$ 1,748,376</u>

Special Revenue Funds

911 and Enhanced 911	Local Housing Assistance Trust	Chester Cole Trust Fund	Mitigation Drainage	Charlotte Harbor Community Redevelopment	Murdock Village Redevelopment	Parkside Community Redevelopment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,048,190	-	-	4,116,647	-	-
765,303	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
79,518	488,369	1,141	740	58,098	39,023	-
<u>844,821</u>	<u>1,536,559</u>	<u>1,141</u>	<u>740</u>	<u>4,174,745</u>	<u>39,023</u>	<u>-</u>
-	-	-	-	-	29,590	1,867,438
-	-	-	-	-	-	-
911,137	-	-	-	-	-	-
-	-	-	66,975	-	-	-
-	-	-	-	4,660,088	-	-
-	853,884	-	-	-	-	-
-	-	1,288	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	9,315,348	-
<u>911,137</u>	<u>853,884</u>	<u>1,288</u>	<u>66,975</u>	<u>4,660,088</u>	<u>9,344,938</u>	<u>1,867,438</u>
<u>(66,316)</u>	<u>682,675</u>	<u>(147)</u>	<u>(66,235)</u>	<u>(485,343)</u>	<u>(9,305,915)</u>	<u>(1,867,438)</u>
-	-	-	-	-	5,000,000	-
-	-	-	-	630,940	4,200,000	1,341,364
-	-	-	-	-	-	-
-	-	-	-	630,940	9,200,000	1,341,364
(66,316)	682,675	(147)	(66,235)	145,597	(105,915)	(526,074)
813,399	2,539,569	4,021	122,767	46,490	2,476,417	(2,165,294)
<u>\$ 747,083</u>	<u>\$ 3,222,244</u>	<u>\$ 3,874</u>	<u>\$ 56,532</u>	<u>\$ 192,087</u>	<u>\$ 2,370,502</u>	<u>\$ (2,691,368)</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Don			
	Stump Pass Dredging MSBU	Pedro/Knights Island Beach Renourishment	N Manasota Key Beach Renourishment	Impact Fees Trust
Revenues:				
Taxes	\$ 1,031,346	\$ -	\$ -	\$ -
Assessments levied	189,252	543,132	1,693,107	-
Licenses and permits	-	-	-	-
Intergovernmental	510,313	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	4,668,404
Miscellaneous	53,958	(1,009)	(3,267)	40,740
Total revenues	<u>1,784,869</u>	<u>542,123</u>	<u>1,689,840</u>	<u>4,709,144</u>
Expenditures:				
Current				
General government	-	-	-	14,271
Court related	-	-	-	-
Public safety	-	-	-	19,080
Physical environment	416,429	-	-	-
Transportation	-	-	-	91,310
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	15,390
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>416,429</u>	<u>-</u>	<u>-</u>	<u>140,051</u>
Excess of revenues over/(under) expenditures	<u>1,368,440</u>	<u>542,123</u>	<u>1,689,840</u>	<u>4,569,093</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	209,901	-	-	-
Transfers out	-	-	-	(1,912,911)
Total other financing sources (uses)	<u>209,901</u>	<u>-</u>	<u>-</u>	<u>(1,912,911)</u>
Net change in fund balances (deficits)	1,578,341	542,123	1,689,840	2,656,182
Fund balances, (deficits) October 1, 2017	8,349,023	-	-	4,017,668
Fund balances, (deficits) September 30, 2018	<u>\$ 9,927,364</u>	<u>\$ 542,123</u>	<u>\$ 1,689,840</u>	<u>\$ 6,673,850</u>

Special Revenue Funds

Grants	Animal Care Trust Fund	Metropolitan Planning Organization	Habitat Conservation Management	Habitat Conservation Endowment	Waterway Maintenance Districts	Road Revolving	Transit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,024,265	-	-
-	-	-	-	-	-	-	-
2,083,951	-	420,466	-	-	-	-	3,424,038
-	628	-	380,901	104,949	-	-	209,076
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
39,972	2,045	(380)	9,611	2,037	73,561	4,040	13,701
<u>2,123,923</u>	<u>2,673</u>	<u>420,086</u>	<u>390,512</u>	<u>106,986</u>	<u>1,097,826</u>	<u>4,040</u>	<u>3,646,815</u>
-	-	436,582	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
66,587	-	-	209,192	-	410,117	-	-
-	-	-	-	-	-	-	-
6,426	-	-	-	-	-	-	-
2,065,471	1,699	-	-	-	-	-	4,246,984
-	-	121,581	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	585,696	-	-
<u>2,138,484</u>	<u>1,699</u>	<u>558,163</u>	<u>209,192</u>	<u>-</u>	<u>995,813</u>	<u>-</u>	<u>4,246,984</u>
<u>(14,561)</u>	<u>974</u>	<u>(138,077)</u>	<u>181,320</u>	<u>106,986</u>	<u>102,013</u>	<u>4,040</u>	<u>(600,169)</u>
-	-	-	-	-	454,000	-	-
297,828	-	19,860	-	-	118,873	-	687,355
<u>(273,279)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(687,666)</u>
<u>24,549</u>	<u>-</u>	<u>19,860</u>	<u>-</u>	<u>-</u>	<u>572,873</u>	<u>-</u>	<u>(311)</u>
9,988	974	(118,217)	181,320	106,986	674,886	4,040	(600,480)
67,842	3,705	112,363	1,021,124	198,641	7,677,136	461,386	400,166
<u>\$ 77,830</u>	<u>\$ 4,679</u>	<u>\$ (5,854)</u>	<u>\$ 1,202,444</u>	<u>\$ 305,627</u>	<u>\$ 8,352,022</u>	<u>\$ 465,426</u>	<u>\$ (200,314)</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Stormwater	Barrier Islands Fire Service	Charlotte County Fire	Little Gasparilla Fire
	Utility Districts		Rescue Service	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments levied	5,250,090	590,588	22,740,941	214,207
Licenses and permits	-	-	-	-
Intergovernmental	409,630	-	64,829	-
Charges for services	-	-	50,678	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	190,460	2,388	707,822	267
Total revenues	<u>5,850,180</u>	<u>592,976</u>	<u>23,564,270</u>	<u>214,474</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	586,484	24,039,101	216,014
Physical environment	2,434,530	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>2,434,530</u>	<u>586,484</u>	<u>24,039,101</u>	<u>216,014</u>
Excess of revenues over/(under) expenditures	<u>3,415,650</u>	<u>6,492</u>	<u>(474,831)</u>	<u>(1,540)</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	28,619	75,910	123,963	1,168
Transfers out	-	-	(98,532)	-
Total other financing sources (uses)	<u>28,619</u>	<u>75,910</u>	<u>25,431</u>	<u>1,168</u>
Net change in fund balances (deficits)	3,444,269	82,402	(449,400)	(372)
Fund balances, (deficits) October 1, 2017	18,712,912	51,353	9,386,682	2,937
Fund balances, (deficits) September 30, 2018	<u>\$ 22,157,181</u>	<u>\$ 133,755</u>	<u>\$ 8,937,282</u>	<u>\$ 2,565</u>

Special Revenue Funds						Debt Service
Charlotte County Health Facility	Event Center	Stadium Maintenance & Operations	Hurricane Fund	Clerk of the Court	Sheriff	Debt Service
\$ 1,333,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,855,587
-	-	-	-	-	-	-
-	-	442	98,072	234,859	458,540	-
-	1,715,696	106,326	-	3,239,867	629,906	-
-	-	-	-	1,099,802	-	-
-	-	-	-	-	-	-
7,122	-	92,841	21,668	57,285	3,319	328,452
<u>1,340,507</u>	<u>1,715,696</u>	<u>199,609</u>	<u>119,740</u>	<u>4,631,813</u>	<u>1,091,765</u>	<u>8,184,039</u>
-	-	-	96,760	4,541	-	-
-	-	-	-	3,862,504	-	-
-	-	-	846,620	-	1,667,303	-
-	-	-	28,675	-	-	-
-	-	-	3,352,495	-	-	-
-	-	-	-	-	-	-
1,047,324	-	-	-	-	-	-
-	2,226,847	1,757,653	205,707	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,043,486
<u>1,047,324</u>	<u>2,226,847</u>	<u>1,757,653</u>	<u>4,530,257</u>	<u>3,867,045</u>	<u>1,667,303</u>	<u>5,043,486</u>
<u>293,183</u>	<u>(511,151)</u>	<u>(1,558,044)</u>	<u>(4,410,517)</u>	<u>764,768</u>	<u>(575,538)</u>	<u>3,140,553</u>
-	-	-	-	-	-	-
-	511,151	1,683,378	6,800,000	465,176	-	1,804,647
-	-	(39,726)	-	(612,130)	(30,000)	(4,892,323)
-	511,151	1,643,652	6,800,000	(146,954)	(30,000)	(3,087,676)
293,183	-	85,608	2,389,483	617,814	(605,538)	52,877
340,261	-	20,422	(359,525)	2,519,618	3,045,142	205,096
<u>\$ 633,444</u>	<u>\$ -</u>	<u>\$ 106,030</u>	<u>\$ 2,029,958</u>	<u>\$ 3,137,432</u>	<u>\$ 2,439,604</u>	<u>\$ 257,973</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	<u>Capital Projects</u>			
	<u>Stadium Improvement</u>	<u>Sales Tax Extension 2009</u>	<u>Sales Tax Extension 2014</u>	<u>Road Improvements</u>
Revenues:				
Taxes	\$ -	\$ -	\$ 27,009,032	\$ 4,701,056
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	500,004	-	53,189	674,837
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	51,504	112,103	656,549	285,524
Total revenues	<u>551,508</u>	<u>112,103</u>	<u>27,718,770</u>	<u>5,661,417</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	125,348	8,751,176	26,375,011	6,493,444
Debt service	-	-	-	906,721
Total expenditures	<u>125,348</u>	<u>8,751,176</u>	<u>26,375,011</u>	<u>7,400,165</u>
Excess of revenues over/(under) expenditures	<u>426,160</u>	<u>(8,639,073)</u>	<u>1,343,759</u>	<u>(1,738,748)</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	50,000	-	-	1,371,504
Transfers out	(500,004)	(932,564)	-	-
Total other financing sources (uses)	<u>(450,004)</u>	<u>(932,564)</u>	<u>-</u>	<u>1,371,504</u>
Net change in fund balances (deficits)	(23,844)	(9,571,637)	1,343,759	(367,244)
Fund balances, (deficits) October 1, 2017	<u>122,782</u>	<u>16,639,032</u>	<u>39,350,736</u>	<u>32,177,232</u>
Fund balances, (deficits) September 30, 2018	<u>\$ 98,938</u>	<u>\$ 7,067,395</u>	<u>\$ 40,694,495</u>	<u>\$ 31,809,988</u>

Capital Projects

<u>Infrastructure Fund</u>	<u>Growth Increment Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 55,009,644
-	-	32,245,582
-	-	6,378,882
-	-	18,339,449
-	-	20,759,752
-	-	1,254,320
-	-	4,668,404
48,999	25,455	5,534,585
48,999	25,455	144,190,618
-	-	3,272,951
-	-	5,952,672
-	-	34,829,372
-	-	5,223,072
-	-	33,110,920
-	-	860,310
-	-	7,587,766
-	-	6,861,132
2,695,432	390,935	44,831,346
-	-	15,851,251
2,695,432	390,935	158,380,792
(2,646,433)	(365,480)	(14,190,174)
-	-	5,454,000
2,678,273	2,495,017	27,882,061
-	-	(12,420,114)
2,678,273	2,495,017	20,915,947
31,840	2,129,537	6,725,773
5,680,796	1,058,026	194,706,825
\$ 5,712,636	\$ 3,187,563	\$ 201,432,598

COMMUNITY REDEVELOPMENT AGENCIES

CHARLOTTE COUNTY, FLORIDA
 CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
 BALANCE SHEET
 September 30, 2018

ASSETS

Cash and cash equivalents	\$	64,136
Investments		753,061
Due from other funds - Boater Revolving		24,609
Due from other funds - Restore Act		225,042
Interest receivable on investments		1,728
Due from other governments		<u>2,514,381</u>
 Total assets	 \$	 <u><u>3,582,957</u></u>

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts and vouchers payable	\$	1,895,794
Contracts payable		322,282
Due to other funds - General		164,101
Advances from other funds - General		<u>1,008,693</u>
Total liabilities		<u><u>3,390,870</u></u>
 Fund		
Committed		168,320
Assigned		<u>23,767</u>
Total fund balance		<u><u>192,087</u></u>
 Total liabilities and fund balance	 \$	 <u><u>3,582,957</u></u>

CHARLOTTE COUNTY, FLORIDA
 CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 For the Fiscal Year Ended September 30, 2018

Revenue:		
Intergovernmental	\$	4,116,647
Interest		11,804
Miscellaneous		46,294
Total revenue		<u>4,174,745</u>
Expenditures:		
Current		
Transportation		
Contract/Professional services		27,538
Purchased services		101,240
Capital outlay		4,531,310
Total expenditures		<u>4,660,088</u>
Excess of expenditures over revenues		<u>(485,343)</u>
Other financing sources:		
Transfers from other funds		<u>630,940</u>
Total other financing sources		<u>630,940</u>
Net change in fund balance		145,597
Fund balance, (deficit) October 1, 2017		<u>46,490</u>
Fund balance, September 30, 2018	\$	<u><u>192,087</u></u>

CHARLOTTE COUNTY, FLORIDA
MURDOCK VILLAGE COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
September 30, 2018

ASSETS

Cash and cash equivalents	\$ 1,194,403
Investments	2,171,689
Interest receivable on investments	<u>6,667</u>
Total assets	<u><u>\$ 3,372,759</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	
Deposit	<u>\$ 1,002,257</u>
Total liabilities	<u>1,002,257</u>
 Fund Balance	
Assigned	<u>2,370,502</u>
Total fund balance	<u>2,370,502</u>
 Total liabilities and fund balance	<u><u>\$ 3,372,759</u></u>

CHARLOTTE COUNTY, FLORIDA
MURDOCK VILLAGE COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2018

Revenue:		
Interest		\$ <u>39,023</u>
Total revenue		<u>39,023</u>
Expenditures:		
Current		
General Government		
Contract/Professional services		12,019
Purchased services		17,571
Debt service		<u>9,315,348</u>
Total expenditures		<u>9,344,938</u>
Excess of expenditures over revenues		<u>(9,305,915)</u>
Other financing sources:		
Proceeds from debt		5,000,000
Transfers from other funds		<u>4,200,000</u>
Total other financing sources		<u>9,200,000</u>
Net change in fund balance		(105,915)
Fund balance, October 1, 2017		<u>2,476,417</u>
Fund balance, September 30, 2018		<u>\$ <u>2,370,502</u></u>

CHARLOTTE COUNTY, FLORIDA
PARKSIDE COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
September 30, 2018

ASSETS

Cash and cash equivalents	\$ 463,359
Investments	<u>5,440,648</u>
Total assets	<u>\$ 5,904,007</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and vouchers payable	\$ 457,594
Contracts payable	119,056
Due to other funds - Capital Projects	430,228
Advances from other funds - Capital Projects	<u>7,588,497</u>
Total liabilities	<u>8,595,375</u>
Fund Balance (deficit)	
Unassigned	<u>(2,691,368)</u>
Total fund balance (deficit)	<u>(2,691,368)</u>
Total liabilities and fund balance (deficit)	<u>\$ 5,904,007</u>

CHARLOTTE COUNTY, FLORIDA
 PARKSIDE COMMUNITY REDEVELOPMENT AGENCY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 For the Fiscal Year Ended September 30, 2018

Expenditures:	
Current	
General Government	
Contract/Professional services	\$ 17,860
Purchased services	188,424
Capital outlay	<u>1,661,154</u>
Total expenditures	<u>1,867,438</u>
Excess of revenues (under) expenditures	
	<u>(1,867,438)</u>
Other financing sources:	
Transfers from other funds	<u>1,341,364</u>
Total other financing sources	<u>1,341,364</u>
Net change in fund balance	(526,074)
Fund balance, (deficit) October 1, 2017	<u>(2,165,294)</u>
Fund balance, (deficit) September 30, 2018	<u><u>\$ (2,691,368)</u></u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 September 30, 2018

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,386,856	\$ 2,085,453	\$ 82,154	\$ 102,088	\$ 815,356	\$ 4,471,907
Investments	14,973,733	1,276,361	962,073	840,902	-	18,053,069
Accounts and assessments receivable, net	16,765	43,053	-	-	-	59,818
Due from other funds	-	-	349,893	-	-	349,893
Due from other governmental agencies	5,931	-	16,881	-	-	22,812
Inventory of supplies, at cost	-	-	166,576	-	-	166,576
Other assets	49,110	585,385	18,163	-	-	652,658
Total current assets	<u>16,432,395</u>	<u>3,990,252</u>	<u>1,595,740</u>	<u>942,990</u>	<u>815,356</u>	<u>23,776,733</u>
Noncurrent assets:						
Capital assets:						
Buildings	-	-	2,297,950	-	-	2,297,950
Improvements other than buildings	-	-	40,321	-	-	40,321
Machinery and equipment	9,696	-	227,027	-	-	236,723
Less accumulated depreciation	(9,696)	-	(669,096)	-	-	(678,792)
Total capital assets (net)	<u>-</u>	<u>-</u>	<u>1,896,202</u>	<u>-</u>	<u>-</u>	<u>1,896,202</u>
Total assets	<u>16,432,395</u>	<u>3,990,252</u>	<u>3,491,942</u>	<u>942,990</u>	<u>815,356</u>	<u>25,672,935</u>
Deferred outflows of resources:						
Deferred outflow - Pension related	56,126	32,372	155,565	-	-	244,063
Deferred outflow - OPEB related	1,202	674	3,874	-	-	5,750
Total deferred outflow of resources	<u>57,328</u>	<u>33,046</u>	<u>159,439</u>	<u>-</u>	<u>-</u>	<u>249,813</u>
Total Assets	<u>16,489,723</u>	<u>4,023,298</u>	<u>3,651,381</u>	<u>942,990</u>	<u>815,356</u>	<u>25,922,748</u>
LIABILITIES						
Current liabilities:						
Accounts and vouchers payable	19,616	286,169	256,689	-	-	562,474
Contracts payable	-	-	64,240	-	-	64,240
Accrued liabilities	4,648	2,494	16,613	-	-	23,755
Due to other funds	-	-	50,000	-	-	50,000
Self-insurance claims payable	1,968,000	1,320,732	-	-	-	3,288,732
Other liabilities	-	801,536	-	-	-	801,536
Unearned revenue	-	1,972,217	-	-	-	1,972,217
Accrued compensated absences	1,507	-	6,648	-	182,850	191,005
Total current liabilities	<u>1,993,771</u>	<u>4,383,148</u>	<u>394,190</u>	<u>-</u>	<u>182,850</u>	<u>6,953,959</u>
Noncurrent liabilities:						
Accrued compensated absences	13,400	10,871	28,949	-	632,506	685,726
Self-insurance claims payable	3,254,000	-	-	-	-	3,254,000
Other postemployment benefits	18,738	10,513	60,352	-	-	89,603
Net pension liability	141,112	81,390	404,882	-	-	627,384
Total noncurrent liabilities	<u>3,427,250</u>	<u>102,774</u>	<u>494,183</u>	<u>-</u>	<u>632,506</u>	<u>4,656,713</u>
Total liabilities	<u>5,421,021</u>	<u>4,485,922</u>	<u>888,373</u>	<u>-</u>	<u>815,356</u>	<u>11,610,672</u>
Deferred inflows of resources:						
Deferred inflow - Pension related	13,085	7,548	38,082	-	-	58,715
Deferred inflow - OPEB related	410	230	1,323	-	-	1,963
Total deferred inflows of resources	<u>13,495</u>	<u>7,778</u>	<u>39,405</u>	<u>-</u>	<u>-</u>	<u>60,678</u>
NET POSITION						
Net Investment in Capital Assets	-	-	1,896,202	-	-	1,896,202
Unrestricted	10,752,134	(167,329)	827,401	942,990	-	12,355,196
Total net position (deficit)	<u>\$ 10,752,134</u>	<u>\$ (167,329)</u>	<u>\$ 2,723,603</u>	<u>\$ 942,990</u>	<u>\$ -</u>	<u>\$ 14,251,398</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
Operating revenues:						
Charges for services	\$ 5,758,771	\$ 28,403,378	\$ 4,409,632	\$ 795,431	\$ -	\$ 39,367,212
Miscellaneous	172,416	(6,113)	7,633	-	142,994	316,930
Total operating revenues	<u>5,931,187</u>	<u>28,397,265</u>	<u>4,417,265</u>	<u>795,431</u>	<u>142,994</u>	<u>39,684,142</u>
Operating expenses:						
Personal services	199,350	117,704	738,359	453,195	-	1,508,608
Contractual services	358,917	2,776,942	(53,002)	-	-	3,082,857
Depreciation expense and amortization	-	-	71,941	-	-	71,941
Insurance claims	154,508	18,883,704	-	-	-	19,038,212
Insurance premiums	2,300,885	3,737,641	-	-	-	6,038,526
Purchased services	4,636	21,185	243,215	-	161,129	430,165
Materials & Supplies	52,359	10,801	113,901	-	-	177,061
Cost of sales and service	-	-	3,370,904	-	-	3,370,904
Total operating expenses	<u>3,070,655</u>	<u>25,547,977</u>	<u>4,485,318</u>	<u>453,195</u>	<u>161,129</u>	<u>33,718,274</u>
Operating income (loss)	<u>2,860,532</u>	<u>2,849,288</u>	<u>(68,053)</u>	<u>342,236</u>	<u>(18,135)</u>	<u>5,965,868</u>
Nonoperating revenues						
Interest revenue	140,180	10,386	6,330	-	18,135	175,031
Total nonoperating revenues	<u>140,180</u>	<u>10,386</u>	<u>6,330</u>	<u>-</u>	<u>18,135</u>	<u>175,031</u>
Income (loss) before contributions and transfers	3,000,712	2,859,674	(61,723)	342,236	-	6,140,899
Transfers in	-	-	681,146	-	-	681,146
Transfers out	(3,049)	-	(25,871)	-	-	(28,920)
Change in net position	<u>2,997,663</u>	<u>2,859,674</u>	<u>593,552</u>	<u>342,236</u>	<u>-</u>	<u>6,793,125</u>
Total net position - beginning as previously stated	7,753,744	(3,031,416)	2,152,823	600,754	-	7,475,905
Restatement of beginning net position	727	4,413	(22,772)	-	-	(17,632)
Total net position (deficit) - ending	<u>\$ 10,752,134</u>	<u>\$ (167,329)</u>	<u>\$ 2,723,603</u>	<u>\$ 942,990</u>	<u>\$ -</u>	<u>\$ 14,251,398</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
Cash flows from operating activities:						
Cash received from customers	\$ 5,758,771	\$ 28,379,385	\$ 4,063,885	\$ 795,431	\$ 142,994	\$ 39,140,466
Cash payments to suppliers for goods and services	(2,709,310)	(6,461,960)	(3,459,644)	-	(161,129)	(12,792,043)
Cash payments to employees for services	(186,700)	(109,801)	(848,161)	(453,195)	-	(1,597,857)
Insurance claims	(1,169,508)	(18,921,553)	-	-	-	(20,091,061)
Other operating revenues	161,656	(6,111)	(8,124)	-	-	147,421
Net cash provided (used by) operating activities	<u>1,854,909</u>	<u>2,879,960</u>	<u>(252,044)</u>	<u>342,236</u>	<u>(18,135)</u>	<u>4,806,926</u>
Cash flows from noncapital financing activities:						
Operating transfers from other funds	-	-	(681,146)	-	-	(681,146)
Net cash provided by non capital financing activities	<u>-</u>	<u>-</u>	<u>(681,146)</u>	<u>-</u>	<u>-</u>	<u>(681,146)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	689,152	-	-	689,152
Advances from other funds	-	-	(50,000)	-	-	(50,000)
Capital transfers (to) from other funds	(3,049)	-	(25,871)	-	-	(28,920)
Net cash used by capital financing activities	<u>(3,049)</u>	<u>-</u>	<u>613,281</u>	<u>-</u>	<u>-</u>	<u>610,232</u>
Cash flows from investing activities:						
Purchase of investment securities	(7,906,727)	(22,515,186)	(5,344,530)	(887,849)	(1,751,155)	(38,405,447)
Proceeds from sale and maturities of investment securities	5,164,973	21,526,235	5,531,172	556,527	1,630,712	34,409,619
Interest and dividends on investments	121,687	3,663	7,571	-	18,135	151,056
Net cash provided (used) by investing activities	<u>(2,620,067)</u>	<u>(985,288)</u>	<u>194,213</u>	<u>(331,322)</u>	<u>(102,308)</u>	<u>(3,844,772)</u>
Cash and cash equivalents:						
Net change in cash and cash equivalents	(768,207)	1,894,672	(125,696)	10,914	(120,443)	891,240
Cash and cash equivalents, October 1, 2017	<u>2,155,063</u>	<u>190,781</u>	<u>207,850</u>	<u>91,174</u>	<u>935,799</u>	<u>3,580,667</u>
Cash and cash equivalents, September 30, 2018	<u>\$ 1,386,856</u>	<u>\$ 2,085,453</u>	<u>\$ 82,154</u>	<u>\$ 102,088</u>	<u>\$ 815,356</u>	<u>\$ 4,471,907</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
Reconciliation of operating income (loss) to net cash provided (used) from operating activities:						
Operating income (loss)	\$ 2,860,532	\$ 2,849,288	\$ (68,053)	\$ 342,236	\$ (18,135)	\$ 5,965,868
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense and amortization	-	-	71,941	-	-	71,941
Deferred outflows - pension related - (decrease)	(2,299)	(2,113)	(9,334)	-	-	(13,746)
Deferred outflows - OPEB related - (decrease)	(1,202)	(674)	(3,874)	-	-	(5,750)
Deferred inflows - pension related - (increase)	5,664	3,377	16,090	-	-	25,131
Deferred inflows - OPEB related - (increase)	410	230	1,323	-	-	1,963
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(10,760)	(35,696)	-	-	-	(46,456)
Due from constitutional officers	-	-	112	-	-	112
Due from other governments	-	77,546	499	-	-	78,045
Due from other funds	-	-	(346,358)	-	-	(346,358)
Inventory	-	-	(8,124)	-	-	(8,124)
Other assets	(145)	(77)	(4,438)	-	-	(4,660)
Increase (decrease) in:						
Accounts and vouchers payable	7,487	7,663	151,039	-	-	166,189
Accrued liabilities	209	20	(1,611)	-	-	(1,382)
Accrued compensated absences	1,163	88	-	-	-	1,251
Other postemployment benefits	1,081	622	-	-	-	1,703
Unearned revenue	-	11,703	-	-	-	11,703
Other liabilities	-	51,346	(10,145)	-	-	41,201
Due to constitutional officers	-	(600)	-	-	-	(600)
Due to other funds	-	-	(70,000)	-	-	(70,000)
Self-insurance claims payable	(1,015,000)	(89,195)	-	-	-	(1,104,195)
Net pension liability increase	7,769	6,432	28,889	-	-	43,090
Total adjustments	(1,005,623)	30,672	(183,991)	-	-	(1,158,942)
Net cash provided (used) by operating activities:	\$ 1,854,909	\$ 2,879,960	\$ (252,044)	\$ 342,236	\$ (18,135)	\$ 4,806,926
Noncash investing, capital and financing activities:						
Change in fair value of investments	\$ (118,474)	\$ (14,767)	\$ (2,402)	\$ -	\$ -	\$ (135,643)

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 September 30, 2018

	<u>Board of County Commissioners</u>	<u>Clerk of the Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total Agency Funds</u>
ASSETS					
Cash and cash equivalents	\$ 628	\$ 6,350,809	\$ 378,632	\$ 6,089,985	\$ 12,820,054
Investments	7,368	-	-	-	7,368
Accounts and assessments receivable, net	-	3,739,011	-	-	3,739,011
Due from other governmental agencies	-	5	-	1,325	1,330
Due from individuals	-	-	-	12,418	12,418
Other assets	23	-	-	-	23
Total assets	<u>\$ 8,019</u>	<u>\$ 10,089,825</u>	<u>\$ 378,632</u>	<u>\$ 6,103,728</u>	<u>\$ 16,580,204</u>
LIABILITIES					
Due to other governmental agencies	\$ -	\$ 4,589,603	\$ 175,062	\$ 654,990	\$ 5,419,655
Due to individuals	-	-	203,570	487,240	690,810
Deposits	-	296,052	-	4,961,498	5,257,550
Other liabilities	8,019	5,204,170	-	-	5,212,189
Total liabilities	<u>\$ 8,019</u>	<u>\$ 10,089,825</u>	<u>\$ 378,632</u>	<u>\$ 6,103,728</u>	<u>\$ 16,580,204</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS
 For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
BOARD OF COUNTY COMMISSIONERS				
Assets				
Cash	\$ 1,204	\$ 628	\$ 1,204	\$ 628
Investments	6,730	1,334	696	7,368
Other assets	15	23	15	23
	<u>\$ 7,949</u>	<u>\$ 1,985</u>	<u>\$ 1,915</u>	<u>\$ 8,019</u>
Liabilities				
Other liabilities	\$ 7,949	\$ 153	\$ 83	\$ 8,019
	<u>\$ 7,949</u>	<u>\$ 153</u>	<u>\$ 83</u>	<u>\$ 8,019</u>
CLERK OF THE CIRCUIT COURT				
Assets				
Cash	\$ 5,559,080	\$ 75,814,087	\$ 75,022,358	\$ 6,350,809
Accounts receivable	3,622,518	382,075	265,582	3,739,011
Due from other governments	-	22	17	5
	<u>\$ 9,181,598</u>	<u>\$ 76,196,184</u>	<u>\$ 75,287,957</u>	<u>\$ 10,089,825</u>
Liabilities				
Vouchers payable	\$ -	\$ 12,513,614	\$ 12,513,614	\$ -
Due to other governments	4,246,821	28,294,444	27,951,662	4,589,603
Deposits	310,197	744,604	758,749	296,052
Other liabilities	4,624,580	12,481,359	11,901,769	5,204,170
	<u>\$ 9,181,598</u>	<u>\$ 54,034,021</u>	<u>\$ 53,125,794</u>	<u>\$ 10,089,825</u>
SHERIFF				
Assets				
Cash	\$ 203,510	\$ 2,293,700	\$ 2,118,578	\$ 378,632
	<u>\$ 203,510</u>	<u>\$ 2,293,700</u>	<u>\$ 2,118,578</u>	<u>\$ 378,632</u>
Liabilities				
Due to other governments	\$ 42,719	\$ 796,223	\$ 663,880	\$ 175,062
Due to individuals	160,791	1,456,010	1,413,231	203,570
	<u>\$ 203,510</u>	<u>\$ 2,252,233</u>	<u>\$ 2,077,111</u>	<u>\$ 378,632</u>

CHARLOTTE COUNTY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS
 For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
TAX COLLECTOR				
Assets				
Cash	\$ 5,744,338	\$396,243,739	\$395,898,092	\$ 6,089,985
Due from other governments	1,437	2,996,976	2,997,088	1,325
Due from individuals	8,181	849,729	845,492	12,418
	<u>\$ 5,753,956</u>	<u>\$400,090,444</u>	<u>\$399,740,672</u>	<u>\$ 6,103,728</u>
Liabilities				
Due to other governments	\$ 593,731	\$ 40,599,928	\$ 40,538,669	\$ 654,990
Due to individuals	302,991	15,428,436	15,244,187	487,240
Deposits	4,857,234	433,367,943	433,263,679	4,961,498
	<u>\$ 5,753,956</u>	<u>\$489,396,307</u>	<u>\$489,046,535</u>	<u>\$ 6,103,728</u>
TOTAL - AGENCY FUNDS				
Assets				
Cash	\$11,508,132	\$474,352,154	\$473,040,232	\$ 12,820,054
Investments	6,730	1,334	696	7,368
Accounts receivable	3,622,518	382,075	265,582	3,739,011
Due from other governmental agencies	1,437	2,996,998	2,997,105	1,330
Due from individuals	8,181	849,729	845,492	12,418
Other assets	15	23	15	23
	<u>\$15,147,013</u>	<u>\$478,582,313</u>	<u>\$477,149,122</u>	<u>\$ 16,580,204</u>
Liabilities				
Vouchers payable	\$ -	\$ 12,513,614	\$ 12,513,614	\$ -
Due to other governments	4,883,271	69,690,595	69,154,211	5,419,655
Due to individuals	463,782	16,884,446	16,657,418	690,810
Deposits	5,167,431	434,112,547	434,022,428	5,257,550
Other liabilities	4,632,529	12,481,512	11,901,852	5,212,189
	<u>\$15,147,013</u>	<u>\$545,682,714</u>	<u>\$544,249,523</u>	<u>\$ 16,580,204</u>

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

To the Honorable Board of County
Commissioners of Charlotte 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

of Charlotte County, Florida, (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated _____ We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency, which are presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended September 30, 2018, as listed in the table of contents. Our _____ the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive style.

Orlando, Florida
March 15, 2019

Independent Auditor's Management Letter

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

Report on the Financial Statements

We have audited the financial statements and the related notes to the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Charlotte County, Florida ("the County"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 15, 2019. We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency, which are presented as supplementary information in the accompanying combining and individual fund financial statements, as of and for the year ended September 30, 2018. We did not audit the financial statements of the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector (collectively, the "Officers"), whose statements reflect 2% of the assets, 1% of the net position, and 7% of the revenues of the County's governmental activities, 17% of the assets, 0% of the fund balance, and 23% of the revenues of the General Fund, and 8% of the assets, 3% of the fund balance, and 3% of the revenues of the remaining fund information. The financial statements of the Officers were audited by another auditor whose reports have been furnished to us, and our opinions, insofar as they relate to data included for the Officers, are based solely on the reports of the other auditor.

Auditor's Responsibility

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

This letter excludes consideration of the Officers, which were audited by another auditor and for which separate management letters have been issued.

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Policies and E911 Requirements of Sections 365.172 and 365.173, Florida Statutes. Disclosures in those reports and schedule, which are dated March 15, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Sections 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. Refer to Note 1 in the notes to the financial statements regarding the creation of the Charlotte County, Florida and each component unit.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County 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. 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.

Deepwater Horizon Oil Spill

Section 10.556(10)(e), Rules of the Auditor General, requires a determination of the County's compliance with Federal and State laws, rules, regulations, contracts or grant agreements related to the receipt and expenditure of funds related to the Deepwater Horizon oil spill. The County's Deepwater Horizon oil spill funds received are unrestricted and, therefore, do not have related compliance requirements.

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 of the County, we did not have any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.



Orlando, Florida
March 15, 2019

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

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

We have examined the Charlotte County, Florida's (the "County's") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, and E911 requirements of Sections 365.172 and 365.173, Florida Statutes, during the year ended September 30, 2018. 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the County complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, and E911 requirements of Sections 365.172 and 365.173, Florida Statutes, during the year ended September 30, 2018.

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

Cherry Bekaert LLP

Orlando, Florida
March 15, 2019

CHARLOTTE COUNTY, FLORIDA
 SCHEDULE OF INSURANCE POLICIES IN FORCE
 FOR FISCAL YEAR 2017-18

Broker: Gehring Group Professional Services

<u>INSURER</u>	<u>RISK</u>	<u>COVERAGE</u>	<u>PREMIUM</u>	<u>IMPACTED DEPT.</u>
Florida Municipal Insurance Trust	Property <i>Eff: 10/01/17</i>	\$150,000,000	\$1,581,788	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Liability Package <i>Eff: 10/01/17</i>	\$ 1,500,000	\$ 101,855	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Auto Liab w/Phys <i>Eff: 10/01/17</i>	\$ 1,500,000	\$ 107,829	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Public Officials <i>Eff: 10/01/17</i>	\$ 1,500,000	\$ 140,972	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	XS WC <i>Eff: 10/01/17</i>	\$ 1,000,000	\$ 265.993	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Boiler & Machinery <i>Eff: 10/01/17</i>	\$ 50,000,000	Included in FMIT Program	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Inland Marine <i>Eff: 10/01/17</i>	\$ 8,698,747 (Schedule on File)	Included in FMIT Program	BCC Depts, Elected Officials
Travelers'	Commercial Crime <i>Eff: 10/01/17 (3 Yr)</i>	\$ 1,000,000	\$ 5,499	BCC Depts. & Elected Officials
Commerce & Industry	Storage Tank <i>Eff: 12/11/17</i>	\$ 1,000,000/ \$ 2,000,000	\$ 22,638	BCC Depts.
Allied World Assurance Company	Pollution Liability <i>Eff: 10/01/17</i>	\$ 1,000,000/ \$ 20,000,000	\$ 18,134	Utilities Department
Wright Flood	Flood Insurance	Various	\$ 196,966	Various
Hartford	Statutory AD&D <i>Eff: 10/01/17</i>	\$ 71,407 71,407 201,980	\$ 33,994	Sheriff & Fire Dept.

SECTION II
CLERK OF THE CIRCUIT COURT
Roger D. Eaton

Report of the Independent Auditor

Honorable Roger D. Eaton
Clerk of the Circuit Court
Charlotte County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Auditor's Responsibility, continued

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Clerk as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Charlotte County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Charlotte County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note 8 to the financial statements, the Clerk adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the year ended September 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

Other Matters, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The supplementary information, Combining Balance Sheet-Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Nonmajor Governmental Funds, Combining Statement of Changes in Assets and Liabilities-All Agency Funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Ashley Brown + Co.

Punta Gorda, Florida
February 28, 2019

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

Assets	General	Modernization Trust	Civil Cases Filing Fees Trust
Cash and cash equivalents	\$ 3,907,075	\$ 2,742,862	\$ 109,087
Accounts and assessments receivable, net	1,187	-	-
Due from other funds	-	-	-
Due from other constitutional officers			
Board of County Commissioners	9,366	-	-
Property Appraiser	2	-	-
Sheriff	122	-	-
Due from other governmental agencies	1,044	-	-
Other assets	70,752	-	-
Total assets	\$ 3,989,548	\$ 2,742,862	\$ 109,087
Liabilities and Fund Balances			
Liabilities			
Accounts and vouchers payable	\$ 182,612	\$ -	\$ -
Accrued liabilities	183,582	-	-
Due to other constitutional officers			
Board of County Commissioners	242,304	-	-
Tax Collector	1,387	-	-
Due to other governmental agencies	4,262	1,851	-
Deposits	38,035	-	-
Other liabilities	3,337,366	-	-
Total liabilities	3,989,548	1,851	-
Deferred Inflows of Resources			
Assets received but not available			
Fund Balance			
Restricted			
Court related technology - Clerk	-	1,579,511	-
Court related technology - Board	-	656,924	-
Assigned			
Court functions	-	504,576	109,087
Total fund balances	-	2,741,011	109,087
Total liabilities and fund balances			
	\$ 3,989,548	\$ 2,742,862	\$ 109,087

See accompanying notes.

IV-D Reimbursement	Court Related	Total Governmental Funds
\$ 183,604	\$ 235,485	\$ 7,178,113
-	-	1,187
-	678	678
-	1,300	10,666
-	-	2
-	-	122
10,534	167,009	178,587
-	53,011	123,763
<u>\$ 194,138</u>	<u>\$ 457,483</u>	<u>\$ 7,493,118</u>
\$ -	\$ 3,980	\$ 186,592
-	65,509	249,091
-	126,994	369,298
-	-	1,387
-	-	6,113
-	-	38,035
-	795	3,338,161
<u>-</u>	<u>197,278</u>	<u>4,188,677</u>
	167,009	167,009
-	-	1,579,511
-	-	656,924
<u>194,138</u>	<u>93,196</u>	<u>900,997</u>
<u>194,138</u>	<u>93,196</u>	<u>3,137,432</u>
<u>\$ 194,138</u>	<u>\$ 457,483</u>	<u>\$ 7,493,118</u>

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	General	Modernization Trust	Civil Cases Filing Fees Trust
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	1,553,001	1,072,913	-
Fines and forfeitures	-	-	-
Miscellaneous	1,341,547	40,446	2,074
Total revenues	2,894,548	1,113,359	2,074
Expenditures:			
Current			
General government	4,305,033	4,541	-
Court related	1,566,805	50,707	-
Total expenditures	5,871,838	55,248	-
Excess of revenues over/(under) expenditures	(2,977,290)	1,058,111	2,074
Other financing sources (uses):			
Transfers in	3,218,601	-	-
Transfers out	(241,311)	(315,697)	-
Surplus to state	-	-	-
Total other financing sources (uses)	2,977,290	(315,697)	-
Excess of revenues and other sources over/(under) expenditures and other uses	-	742,414	2,074
Fund balances, October 1, 2017	-	1,998,597	107,013
Fund balances, September 30, 2018	\$ -	\$ 2,741,011	\$ 109,087

See accompanying notes.

IV-D Reimbursement	Court Related	Total Governmental Funds
\$ 126,843	\$ 108,016	\$ 234,859
376	2,166,578	4,792,868
-	1,099,802	1,099,802
4,484	10,281	1,398,832
<u>131,703</u>	<u>3,384,677</u>	<u>7,526,361</u>
-	-	4,309,574
-	3,596,228	5,213,740
-	<u>3,596,228</u>	<u>9,523,314</u>
<u>131,703</u>	<u>(211,551)</u>	<u>(1,996,953)</u>
-	465,176	3,683,777
(125,051)	(171,382)	(853,441)
-	(215,569)	(215,569)
<u>(125,051)</u>	<u>78,225</u>	<u>2,614,767</u>
6,652	(133,326)	617,814
187,486	226,522	2,519,618
<u>\$ 194,138</u>	<u>\$ 93,196</u>	<u>\$ 3,137,432</u>

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 SEPTEMBER 30, 2018

Assets	<u>Fines and Forfeitures</u>	<u>Tax Deed</u>	<u>Support Trust</u>
Cash and cash equivalents	\$ 609,560	\$ 2,964,590	\$ 1,156
Accounts and assessments receivable, net	3,739,011	-	-
Due from other constitutional officers			
Board of County Commissioners	-	-	-
Due from other governmental agencies	-	-	-
Total assets	<u>\$ 4,348,571</u>	<u>\$ 2,964,590</u>	<u>\$ 1,156</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ -	\$ 678
Due to other constitutional officers			
Board of County Commissioners	87,433	-	-
Sheriff	4,306	-	-
Due to other governmental agencies	3,938,552	-	478
Deposits	296,052	-	-
Other liabilities	22,228	2,964,590	-
Total liabilities	<u>\$ 4,348,571</u>	<u>\$ 2,964,590</u>	<u>\$ 1,156</u>

See accompanying notes.

<u>Registry of Court</u>	<u>Intangible Tax Fund</u>	<u>Documentary Stamp</u>	<u>Charities Fund</u>	<u>Total Fiduciary Funds</u>
\$ 2,210,088	\$ 75,888	\$ 482,263	\$ 7,264	\$ 6,350,809
-	-	-	-	3,739,011
-	-	4	-	4
-	-	1	-	1
<u>\$ 2,210,088</u>	<u>\$ 75,888</u>	<u>\$ 482,268</u>	<u>\$ 7,264</u>	<u>\$ 10,089,825</u>
\$ -	\$ -	\$ -	\$ -	\$ 678
-	-	-	-	87,433
-	-	-	-	4,306
-	75,888	482,268	-	4,497,186
-	-	-	-	296,052
2,210,088	-	-	7,264	5,204,170
<u>\$ 2,210,088</u>	<u>\$ 75,888</u>	<u>\$ 482,268</u>	<u>\$ 7,264</u>	<u>\$ 10,089,825</u>

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting principles and policies:

(a) Defining the Governmental Reporting Entity

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

(b) Fund Accounting

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

The following funds are used by the Clerk:

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk, which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund.

General property taxes levied by the Board of County Commissioners (the Board) for the Clerk are reported as operating transfers in. Excess revenues at the end of the year, due back to the Board, are shown as operating transfers out.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources other than major capital projects that are legally restricted to expenditures for specified purposes.

Internal Service Fund – The Internal Service Fund is used to account for accrued compensated absences provided to other funds.

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

(c) Measurement Focus

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

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

(c) Measurement Focus, Continued

Internal Service Fund – Internal Service Funds are accounted for using the economic resources measurement focus. Accordingly, all assets and liabilities are included on the balance sheet and the reported fund equity (total reported assets less total reported liabilities) provides an indication of the economic net worth of the fund.

Agency Fund – Agency Funds are custodial in nature (assets equal liabilities) and do not measure results of operations.

(d) Basis of Accounting

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

The modified accrual basis of accounting is applied in the General, Special Revenue, and Agency Funds. The modification in such method from the accrual basis is that revenues are recorded when they become measurable and available to finance operations of the current year.

The accrual basis of accounting is applied to the Internal Service Fund. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Expenditures are generally recognized when the liability is incurred. The exception to this rule is that accumulated sick and vacation pay are not recorded until paid.

(e) Budgetary Process

Chapter 218 and Chapter 28, Florida Statutes, governs the preparation, adoption and administration process of the Clerk's annual budget. The Clerk's budget, however, is prepared in two parts. One portion relates to the State court system, and is required to be filed with the Clerk of Courts Operation Corporation (COCC) for approval by the Legislative Budget Commission (LBC). The remaining portion relates to the requirements of the Clerk as ex officio to the Board, Clerk of the Board of County Commissioners, County Auditor and custodian, or treasurer, of all County funds. The budget for this portion is submitted to and approved by the Board of County Commissioners. However, the budget in total is required to be filed with the State Court Administrator. Estimated beginning fund balance is considered in the budgetary process, but is not included in the financial statements as budgeted revenues.

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

(f) Fixed Assets

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

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

(g) Compensated Absences

The Clerk's employees accumulate sick and annual leave, based on the number of years of service. Upon termination of employment, employees can receive payment for accumulated leave, if they meet certain criteria.

Statement of Governmental Accounting Standards Board Number 16, "Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. This amount is reported in the government-wide financial statements of Charlotte County, Florida.

(h) Fund Balances

Designated Fund Balance – Designated fund balance indicates amounts set aside by the Clerk for specific purposes.

Undesignated Fund Balance – Undesignated fund balance indicates that portion of fund equity, which is available for appropriation in future periods.

(i) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This represents a utilization of net position that applies to a future period and so will not be recognized as an expense/expenditure until then. This type of outflow consists of the deferred charge on refunding.

Deferred inflows of resources is defined as an acquisition of net positions by the government that is applicable to a future reporting period. At the fund level, this consists of revenues not recognized due to availability criteria under the modified accrual basis.

Note 2. Cash and Cash Equivalents

The Clerk's deposit policy allows for deposits to be held in demand deposits, savings accounts, certificates of deposit, money market accounts and overnight repurchase agreements. At September 30, 2018, the Clerk maintained deposits in a cash pool and Florida PRIME.

In accordance with Florida Statute Chapter 280 (Public Depository Security Act of the State of Florida), financial institutions qualifying as public depositories place with the State Board of Administration securities which have market value equal to 50 percent of any applicable deposit insurance. The Public Depository Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit.

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018

Note 2. Cash and Cash Equivalents, Continued

At September 30, 2018, the book balance of deposits of \$14,344,278 was the total balance for all Clerk funds as participants of the cash pool and Florida PRIME and cannot be segregated by fund. The bank balance of deposits at September 30, 2018 was \$14,829,618 and cash on hand totaled \$9,630.

Florida Statutes authorize investments in certificates of deposits, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies.

The Clerk invests in Florida PRIME funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of "AAAm" at September 30, 2018, and is measured at amortized cost. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

Note 3. Interfund Receivable and Payables

Interfund receivable and payable balances at September 30, 2018 were:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Special Revenue		
Court Related	\$ 678	\$ -
Total Special Revenue	<u>678</u>	<u>-</u>
Agency		
Support Trust	-	678
Total Agency	<u>-</u>	<u>-</u>
Total All Funds	<u>\$ 678</u>	<u>\$ 678</u>

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 4. Retirement System

Plan Description

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

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

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 22.71% and 24.06%; and DROP participants 13.26% and 14.03%. During the fiscal year ended September 30, 2018, the Clerk of the Circuit Court contributed to the plan an amount equal to 12% of covered payroll.

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

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 4. Retirement System, continued

Funding Policy, continued

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

The Clerk of the Circuit Court recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$324,867, \$74,665, and \$98,465, respectively, for the fiscal year ended September 30, 2018. The Clerk of the Circuit Court's payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$86,862, and \$18,519, respectively. The Clerk of the Circuit Court is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - and amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68, effective October 1, 2016.*

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

Note 5. Long-Term Debt – Internal Service Funds

The following changes in long-term debt occurred during the year ended September 30, 2018, which are reported as Internal Service Funds in the financial statements as follows:

Balance as of September 30, 2017	Additions	Deductions	Balance as of September 30, 2018
\$ 935,799	\$ 66,514	\$ 186,958	\$ 815,356

Long-term debt is comprised of the following at September 30, 2018:

Noncurrent portion of compensated absences
Employees of the Clerk are entitled to paid sick
leave and annual leave, based on length of
service and job classifications.

\$632,506

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 6. Risk Management

The Clerk participates in the Countywide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability is \$1,500,000, workers' compensation is \$1,000,000, and the excess for property is \$150,000,000. In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$375,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2018, the Clerk was charged \$1,534,146 for life and health insurance.

Note 7. Commitments and Contingencies

The Clerk 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 expense amounts. These amounts, if any, constitute a contingent liability of the Clerk. Accordingly, such liabilities are not reflected within the general-purpose financial statements. The Clerk does not believe any contingent liabilities are material.

Note 8. Other Post Employment Benefits

Plan Description

In accordance with Section 112.0801, Florida Statutes, because the Clerk provides medical plans to employees of the Clerk and their eligible dependents, the Clerk is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired Clerk employees.

Retired employees (retired on or after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008 the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Clerk has contributed \$18,720 during the year.

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post Employment Benefits, Continued

Membership

As of September 30, 2018, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	6	
Inactive employees entitled to, but not yet, receiving benefit payments	0	
Active employees	87	
Total	93	

Funding Policy

Funding for this plan is on a pay as you go basis from the County's general assets when due. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose.

Total OPEB Liability

The County had an actuarial valuation dated October 1, 2016, with roll forward procedures to the measurement date of October 1, 2017.

The County's total OPEB liability was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

The Actuarial Methods are:

Actuarial Cost Method Asset Valuation Method	Entry Age Unfunded
Actuarial Assumptions:	
Discount Rate	3.50% (1)
Projected Salary Increases	3.70% - 7.80%
Payroll Growth Assumptions	3.25%
Healthcare Cost Trend Rates	6.50% (2)
Price Inflation Rate	2.60% (3)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post Employment Benefits, Continued

Total OPEB Liability, continued

- 1) As required by GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this rate is equal to the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date. Note that County rate has decreased from the previous 4.00% used in the October 1, 2016 actuarial valuation report due to the implementation of GASB 75.
- 2) 6.50% for 2017, with a gradual annual declining to 4.40% in 2040 and beyond.
- 3) Not explicitly used in the valuation except for future projections. Provided for informational purposes only.

Mortality Rates are based on the respective class members RP-2000 mortality tables. All mortality rates are those outlined in the July 1, 2016 FRS actuarial valuation report.

Changes in the Total OPEB Liability

The total OPEB liability as of September 30, 2018 was as follows:

	<u>County</u>	<u>Clerk of the Circuit Court</u>
Total OPEB Liability at 9/30/17, as restated	\$ 9,783,278	\$ 462,625
Changes for the year:		
Service cost	485,792	22,946
Interest	309,015	14,611
Differences between actual & expected experience:		
Changes of assumptions or other inputs Benefit payments	(237,578) (606,347)	(11,233) (28,669)
Other changes	-	-
	(49,118)	(2,345)
Total OPEB Liability at 9/30/18	\$ 9,734,160	\$ 460,280

Changes in assumptions or other inputs reflect a change in the discount rate from 4% to 3.5% for all agencies.

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post Employment Benefits, Continued

Sensitivity of the Total OPEB Liability to Changes in Discount Rate

The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 488,567	\$ 460,280	\$ 432,842

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a "healthcare cost trend rate" that is one percentage point lower (5.5% to 3.4%) or one percentage point higher (7.5% to 5.4%) than the current healthcare cost trend rate:

	<u>1% Decrease 5.5% to 3.4%</u>	<u>Current Discount Rate 6.5% to 4.4%</u>	<u>1% Increase 7.5% to 5.4%</u>
Total OPEB Liability	\$ 426,369	\$ 460,280	\$ 500,335

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2018, the Clerk recognized OPEB expense of \$36,409. At September 30, 2018, the Clerk reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected & actual experience	\$ -	\$ -
Change of assumptions or other inputs	-	(10,087)
Amounts paid by the Clerk for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017	<u>29,553</u>	<u>-</u>
Total	<u><u>\$ 29,553</u></u>	<u><u>\$ (10,087)</u></u>

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post Employment Benefits, Continued

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB, continued

Amounts reported as deferred outflows of resources related to amounts paid by the Clerk for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017 will be recognized in OPEB expense in the fiscal year ended September 30, 2019 and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended September 30, 2018	
2019	\$ (1,146)
2020	(1,146)
2021	(1,146)
2022	(1,146)
2023	(1,146)
Thereafter	(4,357)

**SUPPLEMENTAL
INFORMATION**

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 1,288,993	\$ 1,542,987	\$ 1,553,001	\$ 10,014
Miscellaneous	952,849	1,276,254	1,341,547	65,293
Total revenues	<u>2,241,842</u>	<u>2,819,241</u>	<u>2,894,548</u>	<u>75,307</u>
Expenditures:				
Current				
General government				
Personal services	3,542,825	3,311,993	3,271,640	40,353
Contract/Professional services	103,039	171,739	167,207	4,532
Purchased services	556,063	561,613	541,343	20,270
Materials/Supplies	101,624	226,321	212,625	13,696
Capital expenditures	119,538	161,888	112,218	49,670
Total general government	<u>4,423,089</u>	<u>4,433,554</u>	<u>4,305,033</u>	<u>128,521</u>
Court related				
Personal services	1,276,714	1,131,910	1,127,825	4,085
Contract/Professional services	66,320	125,820	124,030	1,790
Purchased services	226,941	195,741	189,703	6,038
Materials/Supplies	38,935	106,909	102,382	4,527
Capital expenditures	68,623	44,623	22,865	21,758
Total court related	<u>1,677,533</u>	<u>1,605,003</u>	<u>1,566,805</u>	<u>38,198</u>
Total expenditures	<u>6,100,622</u>	<u>6,038,557</u>	<u>5,871,838</u>	<u>166,719</u>
Excess of revenues over/(under) expenditures	<u>(3,858,780)</u>	<u>(3,219,316)</u>	<u>(2,977,290)</u>	<u>242,026</u>
Other financing sources (uses):				
Transfers in	3,870,780	3,219,316	3,218,601	(715)
Transfers out	-	-	(241,311)	(241,311)
Total other financing sources (uses)	<u>3,870,780</u>	<u>3,219,316</u>	<u>2,977,290</u>	<u>(242,026)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ 12,000</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, October 1, 2017			-	
Fund balance, September 30, 2018			<u>\$ -</u>	

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 MODERNIZATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 815,000	\$ 1,055,000	\$ 1,072,913	\$ 17,913
Fines and forfeitures	170,000	-	-	-
Miscellaneous	-	35,000	40,446	5,446
Total revenues	<u>985,000</u>	<u>1,090,000</u>	<u>1,113,359</u>	<u>23,359</u>
Expenditures:				
Current				
General government				
Purchased services	40,062	-	-	-
Materials/Supplies	-	4,500	4,541	(41)
Total general government	<u>40,062</u>	<u>4,500</u>	<u>4,541</u>	<u>(41)</u>
Court related				
Contract/Professional services	-	1,000	939	61
Purchased services	-	50,836	49,768	1,068
Materials/Supplies	106,836	-	-	-
Total court related	<u>106,836</u>	<u>51,836</u>	<u>50,707</u>	<u>1,129</u>
Excess of revenues over/(under) expenditures	<u>838,102</u>	<u>1,033,664</u>	<u>1,058,111</u>	<u>22,271</u>
Other financing sources (uses):				
Transfers out	(1,063,812)	(316,412)	(315,697)	715
Total other financing sources (uses)	<u>(1,063,812)</u>	<u>(316,412)</u>	<u>(315,697)</u>	<u>715</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ (225,710)</u>	<u>\$ 717,252</u>	<u>742,414</u>	<u>\$ 22,986</u>
Fund balance, October 1, 2017			1,998,597	
Fund balance, September 30, 2018			<u>\$ 2,741,011</u>	

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 CIVIL CASE FILING FEES
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ 2,000	\$ 2,074	\$ 74
Total revenues	-	2,000	2,074	74
Excess of revenues over/(under) expenditures	-	2,000	2,074	74
Other financing sources (uses):				
Transfers out	(74,065)	-	-	-
Total other financing sources (uses)	(74,065)	-	-	-
Excess of revenues and other sources over/(under) expenditures and other uses	\$ (74,065)	\$ 2,000	2,074	\$ 74
Fund balance, October 1, 2017			107,013	
Fund balance, September 30, 2018			\$ 109,087	

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 IV-D
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 75,000	\$ 124,500	\$ 126,843	\$ 2,343
Charges for services	-	-	376	376
Miscellaneous	-	-	4,484	4,484
Total revenues	75,000	124,500	131,703	7,203
Excess of revenues over/(under) expenditures	75,000	124,500	131,703	7,203
Other financing sources (uses):				
Transfers out	(75,000)	(124,500)	(125,051)	(551)
Total other financing sources (uses)	(75,000)	(124,500)	(125,051)	(551)
Excess of revenues and other sources over/(under) expenditures and other uses	\$ -	\$ -	6,652	\$ 6,652
Fund balance, October 1, 2017			187,486	
Fund balance, September 30, 2018			\$ 194,138	

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 COURT RELATED
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 161,461	\$ 134,061	\$ 108,016	\$ (26,045)
Charges for services	2,188,483	2,179,283	2,166,578	(12,705)
Fines and forfeitures	985,196	1,108,896	1,099,802	(9,094)
Miscellaneous	4,000	10,000	10,281	281
Total revenues	3,339,140	3,432,240	3,384,677	(47,563)
Expenditures:				
Current				
Court related				
Personal services	2,521,999	2,356,251	2,351,569	4,682
Contract/Professional services	106,250	103,550	80,016	23,534
Purchased services	963,295	1,092,716	1,088,291	4,425
Materials/Supplies	53,755	76,620	69,565	7,055
Capital expenditures	-	7,500	6,787	713
Total court related	3,645,299	3,636,637	3,596,228	40,409
Excess of revenues over/(under) expenditures	(306,159)	(204,397)	(211,551)	(7,154)
Other financing sources (uses):				
Transfers in	540,737	459,637	465,176	5,539
Transfers out	(183,840)	(255,240)	(171,382)	83,858
Surplus to state	-	-	(215,569)	(215,569)
Total other financing sources (uses)	356,897	204,397	78,225	(126,172)
Excess of revenues and other sources over/(under) expenditures and other uses	\$ 50,738	\$ -	(133,326)	\$ (133,326)
Fund balance, October 1, 2017			226,522	
Fund balance, September 30, 2018			\$ 93,196	

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUND
 SEPTEMBER 30, 2018

	Accrued Compensated Absences
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 815,356
Total current assets	815,356
Total assets	815,356
LIABILITIES	
Current liabilities:	
Accrued compensated absences	182,850
Total current liabilities	182,850
Noncurrent liabilities:	
Accrued compensated absences	632,506
Total noncurrent liabilities	632,506
Total liabilities	815,356
NET POSITION	
Invested in capital assets, net of related debt	-
Unrestricted	-
Total net position	\$ -

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUND
 For the Fiscal Year Ended September 30, 2018

	<u>Accrued Compensated Absences</u>
Operating revenues:	
Miscellaneous	\$ 142,994
Total operating revenues	<u>142,994</u>
Operating expenses:	
Other expense	<u>161,129</u>
Total operating expenses	<u>161,129</u>
Operating income (loss)	<u>(18,135)</u>
Nonoperating revenues (expenses)	
Interest revenue (expense)	<u>18,135</u>
Total nonoperating revenues (expenses)	<u>18,135</u>
Income (loss) before contributions and transfers	-
Change in net position	-
Total net position - beginning	-
Total net position - ending	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUND
 For the Fiscal Year Ended September 30, 2018

	Accrued Compensated Absences
Cash flows from operating activities:	
Cash received from customers	\$ 142,994
Cash payments to suppliers for goods and services	(161,129)
Net cash provided (used) by operating activities	(18,135)
Cash flows from investing activities:	
Purchase of investment securities	(1,751,155)
Proceeds from sale and maturities of investment securities	1,630,712
Interest and dividends on investments	18,135
Net cash provided by investing activities	(102,308)
Net increase (decrease) in cash and cash equivalents	(120,443)
Cash and cash equivalents, October 1, 2017	935,799
Cash and cash equivalents, September 30, 2018	\$ 815,356

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2018

	<u>Accrued Compensated Absences</u>
Reconciliation of operating income (loss) to net cash provided (used) from operating activities:	
Operating income (loss)	<u>\$ (18,135)</u>
Net cash provided (used) by operating activities	<u><u>\$ (18,135)</u></u>

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2018

FINES AND FORFEITURE FUND	Balances October 1, 2017	Additions	Deletions	Balances September 30, 2018
ASSETS				
Cash	\$ 539,035	\$ 8,998,943	\$ 8,928,418	\$ 609,560
Accounts receivable	3,622,518	376,725	260,232	3,739,011
	<u>\$ 4,161,553</u>	<u>\$ 9,375,668</u>	<u>\$ 9,188,650</u>	<u>\$ 4,348,571</u>
LIABILITIES				
Vouchers payable	\$ -	\$ 2,355,825	\$ 2,355,825	\$ -
Due to other constitutional officers	70,417	1,255,407	1,234,085	91,739
Due to other governmental agencies	3,756,519	2,855,693	2,673,660	3,938,552
Deposits	310,197	736,138	750,283	296,052
Other liabilities	24,420	710,161	712,353	22,228
	<u>\$ 4,161,553</u>	<u>\$ 7,913,224</u>	<u>\$ 7,726,206</u>	<u>\$ 4,348,571</u>
TAX DEED FUND				
ASSETS				
Cash	\$ 2,225,027	\$ 9,927,693	\$ 9,188,130	\$ 2,964,590
	<u>\$ 2,225,027</u>	<u>\$ 9,927,693</u>	<u>\$ 9,188,130</u>	<u>\$ 2,964,590</u>
LIABILITIES				
Vouchers payable	\$ -	\$ 2,983,058	\$ 2,983,058	\$ -
Other liabilities	2,225,027	4,252,132	3,512,569	2,964,590
	<u>\$ 2,225,027</u>	<u>\$ 7,235,190</u>	<u>\$ 6,495,627</u>	<u>\$ 2,964,590</u>

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2018

	Balances October 1, 2017	Additions	Deletions	Balances September 30, 2018
SUPPORT TRUST FUND				
ASSETS				
Cash	\$ 1,169	\$ 89,357	\$ 89,370	\$ 1,156
Accounts receivable	-	5,350	5,350	-
	<u>\$ 1,169</u>	<u>\$ 89,357</u>	<u>\$ 89,370</u>	<u>\$ 1,156</u>
LIABILITIES				
Vouchers payable	\$ -	\$ 2,675	\$ 2,675	\$ -
Due to other funds	682	11,640	11,644	678
Due to other governmental agencies	487	55,763	55,772	478
	<u>\$ 1,169</u>	<u>\$ 70,078</u>	<u>\$ 70,091</u>	<u>\$ 1,156</u>
REGISTRY OF THE COURT FUND				
ASSETS				
Cash	\$ 2,367,692	\$ 15,995,575	\$ 16,153,179	\$ 2,210,088
	<u>\$ 2,367,692</u>	<u>\$ 15,995,575</u>	<u>\$ 16,153,179</u>	<u>\$ 2,210,088</u>
LIABILITIES				
Vouchers payable	\$ -	\$ 7,171,357	\$ 7,171,357	\$ -
Other liabilities	2,367,692	7,512,010	7,669,614	2,210,088
	<u>\$ 2,367,692</u>	<u>\$ 14,683,367</u>	<u>\$ 14,840,971</u>	<u>\$ 2,210,088</u>
INTANGIBLE TAX FUND				
ASSETS				
Cash	\$ 53,867	\$ 5,080,238	\$ 5,058,217	\$ 75,888
	<u>\$ 53,867</u>	<u>\$ 5,080,238</u>	<u>\$ 5,058,217</u>	<u>\$ 75,888</u>
LIABILITIES				
Deposits	\$ -	\$ 4,213	\$ 4,213	\$ -
Due to other governmental agencies	53,867	3,008,925	2,986,904	75,888
	<u>\$ 53,867</u>	<u>\$ 3,013,138</u>	<u>\$ 2,991,117</u>	<u>\$ 75,888</u>

CHARLOTTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2018

DOCUMENTARY STAMP FUND	Balances October 1, 2017	Additions	Deletions	Balances September 30, 2018
ASSETS				
Cash	\$ 364,849	\$ 35,715,225	\$ 35,597,811	\$ 482,263
Due from other constitutional officers	-	19	15	4
Due from other governmental agencies	-	3	2	1
	<u>\$ 364,849</u>	<u>\$ 35,715,247</u>	<u>\$ 35,597,828</u>	<u>\$ 482,268</u>
LIABILITIES				
Vouchers payable	\$ -	\$ 699	\$ 699	\$ -
Due to other governmental agencies	364,849	21,107,016	20,989,597	482,268
Deposits	-	4,253	4,253	-
	<u>\$ 364,849</u>	<u>\$ 21,111,968</u>	<u>\$ 20,994,549</u>	<u>\$ 482,268</u>
CHARITIES FUND				
ASSETS				
Cash	\$ 7,441	\$ 7,056	\$ 7,233	\$ 7,264
	<u>\$ 7,441</u>	<u>\$ 7,056</u>	<u>\$ 7,233</u>	<u>\$ 7,264</u>
LIABILITIES				
Other Liabilities	\$ 7,441	\$ 7,056	\$ 7,233	\$ 7,264
	<u>\$ 7,441</u>	<u>\$ 7,056</u>	<u>\$ 7,233</u>	<u>\$ 7,264</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 5,559,080	\$ 75,814,087	\$ 75,022,358	\$ 6,350,809
Accounts receivable	3,622,518	382,075	265,582	3,739,011
Due from other constitutional officers	-	19	15	4
Due from other governmental agencies	-	3	2	1
	<u>\$ 9,181,598</u>	<u>\$ 76,196,184</u>	<u>\$ 75,287,957</u>	<u>\$ 10,089,825</u>
LIABILITIES				
Vouchers payable	\$ -	\$ 12,513,614	\$ 12,513,614	\$ -
Due to other funds	682	11,640	11,644	678
Due to other constitutional officers	70,417	1,255,407	1,234,085	91,739
Due to other governmental agencies	4,175,722	27,027,397	26,705,933	4,497,186
Deposits	310,197	744,604	758,749	296,052
Other liabilities	4,624,580	12,481,359	11,901,769	5,204,170
	<u>\$ 9,181,598</u>	<u>\$ 54,034,021</u>	<u>\$ 53,125,794</u>	<u>\$ 10,089,825</u>

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

Honorable Roger D. Eaton
Clerk of the Circuit Court
Charlotte County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2019, for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting, continued

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley Brown & Co.

Punta Gorda, Florida
February 28, 2019

Independent Auditor's Management Letter

Honorable Roger D. Eaton
Clerk of the Circuit Court
Charlotte County, Florida

Report on the Financial Statements

We have audited the financial statements of the Charlotte County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated February 28, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 28, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. There were no component units related to the Clerk.

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley Brown & Co.

Punta Gorda, Florida
February 28, 2019



366 East Olympia Avenue
Punta Gorda, Florida 33950
Phone: 941.639.6600
Fax: 941.639.6115

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

Honorable Roger D. Eaton
Clerk of the Circuit Court
Charlotte County, Florida

Report on Compliance

We have examined the Charlotte County, Florida, Clerk of the Circuit Court (the “Clerk’s”) compliance with the local government investment policy requirements of 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and depository requirements for alimony transactions, support, maintenance and support payments of Section 61.181, Florida Statutes, for the year ended September 30, 2018. Management is responsible for the Clerk’s compliance with those requirements. Our responsibility is to express an opinion on the Clerk’s compliance based on our examination.

Scope

Our examination was conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk’s compliance with specified requirements.

Opinion

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

Ashley, Brown & Co.

Punta Gorda, Florida
February 28, 2019

SECTION III
PROPERTY APPRAISER
Paul L. Polk

Report of the Independent Auditor

Honorable Paul L. Polk, CFA, AAS
Property Appraiser
Charlotte County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Auditor's Responsibility, continued

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Property Appraiser as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Charlotte County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Charlotte County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note 7 to the financial statements, the Property Appraiser adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the year ended September 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

Other Matters, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Property Appraiser's financial statements. The supplementary information, Combining Balance Sheet- Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Nonmajor Governmental Funds, Combining Statement of Changes in Assets and Liabilities- All Agency Funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Ashley Brown + Co.

Punta Gorda, Florida
March 13, 2019

CHARLOTTE COUNTY, FLORIDA
 PROPERTY APPRAISER
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018

Assets	<u>General</u>
Cash and cash equivalents	\$ 1,005,289
Accounts and assessments receivable, net	157
Other assets	5,305
Total assets	<u>\$ 1,010,751</u>
Liabilities and Fund Balances	
Liabilities	
Accounts and vouchers payable	\$ 384
Accrued liabilities	129,097
Due to other funds	
Board of County Commissioners	814,630
Clerk of the Circuit Court	2
Tax Collector	1,249
Due to other governmental agencies	65,389
Total liabilities and fund equity	<u>\$ 1,010,751</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
 PROPERTY APPRAISER
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	General
Revenues:	
Charges for services	\$ 5,707,431
Miscellaneous	1,496
Total revenues	5,708,927
Expenditures:	
Current	
General government	
Personal services	4,429,064
Operating expenditures	409,001
Capital outlay	37,564
Total expenditures	4,875,629
Excess of revenues over/(under) expenditures	833,298
Other financing sources (uses):	
Transfers out	(833,298)
Total other financing sources (uses)	(833,298)
Net change in fund balance	-
Fund balance, October 1, 2017	-
Fund balance, September 30, 2018	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting principles and policies:

(a) Defining the Governmental Reporting Entity

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

(b) 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 funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following funds are used by the Property Appraiser:

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. General property taxes levied by the Board of County Commissioners for the Property Appraiser are reported as charges for services. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

(c) Measurement Focus

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

(d) Basis of Accounting

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

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

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

(d) Basis of Accounting, Continued

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, if any, which is recognized when due; and (2) expenditures are not divided between years by the recording of prepaid expenses.

(e) Budgetary Process

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Property Appraiser's annual budget. The Property Appraiser's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

(f) Fixed Assets

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

(g) Compensated Absences

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

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

At September 30, 2018, the Property Appraiser had \$102,334 in long-term compensated absences payable.

Note 2. Deposits

The Property Appraiser's deposits policy allows for deposits to be held in demand deposit and/or money market accounts. At September 30, 2018, the Property Appraiser maintained cash in a demand deposit account. All Property Appraiser depositories are banks or savings institutions designated as qualified depositories by the State Treasurer.

At September 30, 2018, the book balance was \$1,005,289 for the Property Appraiser and the bank balance was \$1,020,339.

At September 30, 2018, the Property Appraiser held \$75 cash on hand for use as petty cash.

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 3. Retirement System

Plan Description

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

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

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular and renewed membership 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 22.71% and 24.06%; rehired regular service 4.96% and 5.16%; and DROP participants 13.26% and 14.03%. During the fiscal year ended September 30, 2018, the Property Appraiser contributed to the plan an amount equal to 12.21% of covered payroll.

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

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 3. Retirement System, continued

Funding Policy, continued

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

The Property Appraiser recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$197,027, \$48,100, and \$108,765, respectively, for the fiscal year ended September 30, 2018. The Property Appraiser's payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$54,824, and \$12,642, respectively. The Property Appraiser is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014*.

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

Note 4. General Long-Term Debt

The following changes in general long-term debt occurred during the year ended September 30, 2018:

Compensated absences payable at October 1, 2017	\$	104,194
Decrease in accrued compensated absences		8,232
Compensated absences payable at September 30, 2018	\$	112,426
Long-term debt is comprised of the following at September 30, 2018		
Noncurrent portion of compensated absences	\$	102,334

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 5. Risk Management

The Property Appraiser participates in the countywide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability and workers' compensation is \$1,200,000 and the excess for property is \$150,000,000. In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$375,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the premiums and estimated operating costs of the program. For fiscal year ended September 30, 2018, the Property Appraiser was charged \$74,070 for the self-insurance program and \$1,011,885 for life and health insurance, which includes the retiree subsidy.

The Property Appraiser, independently of the aforementioned self-insurance programs, through third party insurance carriers, purchases automobile liability insurance.

Note 6. Contingencies

The Property Appraiser is involved from time to time in certain routine litigation, the substance of which as either liabilities or recoveries, would not materially affect the financial position of the Property Appraiser. The majority of litigation involves appraised value issues, which, depending on the final resolution, affect fees earned by the Property Appraiser and/or the loss or recovery of legal fees. Presently there are zero outstanding litigation disputes against the Property Appraiser.

Note 7. Other Post Employment Benefits

Plan Description

In accordance with Section 112.0801, Florida Statutes, because the Property Appraiser provides medical plans to employees of the Property Appraiser and their eligible dependents, the Property Appraiser is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired Property Appraiser employees.

Retired employees (retired on or after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefits, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008, the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Property Appraiser has contributed \$12,160 during the year.

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post-Employment Benefits, Continued

Membership

As of September 30, 2018, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to, but not yet, receiving benefit payments	0
Active employees	<u>49</u>
Total	<u><u>54</u></u>

Funding Policy

Funding for this plan is on a pay as you go basis from the County's general assets when due. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose.

Total OPEB Liability

The County had an actuarial valuation dated October 1, 2016, with roll forward procedures to the measurement date of October 1, 2017.

The County's total OPEB liability was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry Age
Asset Valuation Method	Unfunded
Actuarial Assumptions:	
Discount Rate	3.50% (1)
Projected Salary Increases	3.70% - 7.80%
Payroll Growth Assumptions	3.25%
Healthcare Cost Trend Rates	6.50% (2)
Price Inflation Rate	2.60% (3)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post-Employment Benefits, Continued

Total OPEB Liability, continued

- 1) As required by GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this rate is equal to the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date. Note that agency rate has decreased from the previous 4.00% used in the October 1, 2016 actuarial valuation report due to the implementation of GASB 75.
- 2) 6.50% for 2017, with a gradual annual declining to 4.40% in 2040 and beyond.
- 3) Not explicitly used in the valuation except for future projections. Provided for informational purposes only.

Mortality Rates are based on the respective class members RP-2000 mortality tables. All mortality rates are those outlined in the July 1, 2016 FRS actuarial valuation report.

Changes in the Total OPEB Liability

The total OPEB liability as of September 30, 2018 was as follows:

	<u>County</u>	<u>Property Appraiser</u>
Total OPEB Liability at 9/30/17, as restated	\$ 9,783,278	\$ 299,881
Changes for the year:		
Service cost	485,792	14,914
Interest	309,015	9,472
Differences between actual & expected experience:		
Changes of assumptions or other inputs	(237,578)	(7,282)
Benefit payments	(606,347)	(18,586)
Other changes	-	-
Net change	<u>(49,118)</u>	<u>(1,482)</u>
Total OPEB Liability at 9/30/18	<u>\$ 9,734,160</u>	<u>\$ 298,399</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 4% to 3.5% for all agencies.

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post-Employment Benefits, Continued

Sensitivity of the Total OPEB Liability to Changes in Discount Rate

The following presents the total OPEB liability of the Property Appraiser, as well as what the Property Appraiser's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 316,738	\$ 298,399	\$ 280,611

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Property Appraiser, as well as what the Property Appraiser's total OPEB liability would be if it were calculated using a "healthcare cost trend rate" that is one percentage point lower (5.50% to 3.4%) or one percentage point higher (7.5% to 5.40%) than the current healthcare cost trend rate:

	1% Decrease 5.5% to 3.4%	Current Discount Rate 6.5% to 4.4%	1% Increase 7.5% to 5.4%
Total OPEB Liability	\$ 276,415	\$ 298,399	\$ 324,367

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2018, the Property Appraiser recognized OPEB expense of \$23,643. At September 30, 2018, the Property Appraiser reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected & actual experience	\$ -	\$ -
Change of assumptions or other inputs	-	(6,539)
Amounts paid by the Property Appraiser for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017	19,159	-
Total	\$ 19,159	\$ (6,539)

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post-Employment Benefits, Continued

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB, continued

Amounts reported as deferred outflows of resources related to amounts paid by the Property Appraiser for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017 will be recognized in OPEB expense in the fiscal year ended September 30, 2019 and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended September 30, 2018	
2019	\$ (743)
2020	(743)
2021	(743)
2022	(743)
2023	(743)
Thereafter	(2,824)

**SUPPLEMENTAL
INFORMATION**

CHARLOTTE COUNTY, FLORIDA
PROPERTY APPRAISER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 5,699,270	\$ 5,707,431	\$ 5,707,431	\$ -
Miscellaneous	-	-	1,496	1,496
Total revenues	<u>5,699,270</u>	<u>5,707,431</u>	<u>5,708,927</u>	<u>1,496</u>
Expenditures:				
Current				
General government				
Personal services	5,092,392	5,062,069	4,429,064	633,005
Operating expenditures	458,572	458,572	409,001	49,571
Capital outlay	-	38,484	37,564	920
Total general government	<u>5,550,964</u>	<u>5,559,125</u>	<u>4,875,629</u>	<u>683,496</u>
Total expenditures	<u>5,550,964</u>	<u>5,559,125</u>	<u>4,875,629</u>	<u>683,496</u>
Excess of revenues over expenditure	<u>148,306</u>	<u>148,306</u>	<u>833,298</u>	<u>684,992</u>
Other financing sources (uses):				
Transfers out	-	-	(833,298)	(833,298)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(833,298)</u>	<u>(833,298)</u>
Excess of revenues and other sources over expenditures and other (uses)	148,306	148,306	-	(148,306)
Fund balance, October 1, 2017	-	-	-	-
Fund balance, September 30, 2018	<u>\$ 148,306</u>	<u>\$ 148,306</u>	<u>\$ -</u>	<u>\$ (148,306)</u>

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

Honorable Paul L. Polk, CFA, AAS
Property Appraiser
Charlotte County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2019, for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting, continued

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley Brown & Co.

Punta Gorda, Florida
March 13, 2019



366 East Olympia Avenue
Punta Gorda, Florida 33950
Phone: 941.639.6600
Fax: 941.639.6115

Independent Auditor's Management Letter

Honorable Paul L. Polk, CFA, AAS
Property Appraiser
Charlotte County, Florida

Report on the Financial Statements

We have audited the financial statements of the Charlotte County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 13, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 13, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. There were no component units related to the Property Appraiser.

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley Brown & Co.

Punta Gorda, Florida
March 13, 2019

Independent Accountant's Examination Report

Honorable Paul L. Polk, CFA, AAS
Property Appraiser
Charlotte County, Florida

Report on Compliance

We have examined the Charlotte County, Florida, Property Appraiser's (the "Property Appraiser") compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies, for the year ended September 30, 2018. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance

Scope

Our examination was conducted in accordance with AICPA Professional Standards, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

Opinion

In our opinion, the Charlotte County, Florida, Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

Ashley, Brown & Co.

Punta Gorda, Florida
March 13, 2019

SECTION IV

SHERIFF

William Prummell, Jr.

Report of the Independent Auditor

Honorable William Prummell, Jr.
Sheriff
Charlotte County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Auditor's Responsibility, continued

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Sheriff as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Charlotte County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Charlotte County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note 8 to the financial statements, the Sheriff adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended September 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

Other Matters, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The supplementary information, Combining Balance Sheet-Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Nonmajor Governmental Funds, Combining Statement of Changes in Assets and Liabilities- All Agency Funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Ashley Brown + Co.

Punta Gorda, Florida

March 13, 2019

CHARLOTTE COUNTY, FLORIDA
SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

Assets	<u>General</u>	<u>Commissary</u>
Cash and cash equivalents	\$ 4,296,232	\$ 1,756,053
Investments at amortized cost	1,833,457	136,216
Accounts receivable	360	75,685
Due from other funds	138,149	5,019
Due from other governmental agencies	534,940	-
Other assets	18,122	-
Total assets	<u>\$ 6,821,260</u>	<u>\$ 1,972,973</u>
Liabilities and Fund Balances		
Liabilities		
Accounts and vouchers payable	\$ 649,255	\$ 2,062
Accrued liabilities	2,389,546	-
Due to other constitutional officers		
Board of County Commissioners	2,995,932	-
Due to other governmental agencies	770,370	-
Deposits	16,157	-
Total liabilities	<u>6,821,260</u>	<u>2,062</u>
Fund Balance		
Reserved for:		
Restricted	-	1,970,911
Total fund balances	<u>-</u>	<u>1,970,911</u>
Total liabilities and fund balances	<u>\$ 6,821,260</u>	<u>\$ 1,972,973</u>

See accompanying notes.

<u>Forfeitures</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 240,255	\$ 231,306	\$ 6,523,846
-	-	1,969,673
-	-	76,045
-	-	143,168
25,000	-	559,940
-	-	18,122
<u>\$ 265,255</u>	<u>\$ 231,306</u>	<u>\$ 9,290,794</u>
\$ 2,868	\$ -	\$ 654,185
-	-	2,389,546
-	25,000	3,020,932
-	-	770,370
-	-	16,157
<u>2,868</u>	<u>25,000</u>	<u>6,851,190</u>
262,387	206,306	2,439,604
<u>262,387</u>	<u>206,306</u>	<u>2,439,604</u>
<u>\$ 265,255</u>	<u>\$ 231,306</u>	<u>\$ 9,290,794</u>

CHARLOTTE COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2018

	<u>General</u>	<u>Commissary</u>
Revenues:		
Intergovernmental	\$ 150,000	\$ -
Charges for services	2,246,369	629,906
Fines and forfeitures	4,494	-
Miscellaneous	552,806	3,319
Total revenues	<u>2,953,669</u>	<u>633,225</u>
Expenditures:		
Current		
General government		
Personal services	2,643,389	-
Operating expenses	155,449	-
Capital outlay	53,375	-
	<u>2,852,213</u>	<u>-</u>
Public safety		
Personal services	50,308,800	-
Operating expenses	9,602,120	348,484
Capital outlay	2,731,417	222,239
	<u>62,642,337</u>	<u>570,723</u>
Total expenditures	<u>65,494,550</u>	<u>570,723</u>
Excess of revenues over/ (under) expenditures	<u>(62,540,881)</u>	<u>62,502</u>
Other financing sources (uses):		
Transfers in	65,470,036	-
Transfers out	(2,929,155)	-
Total other financing sources (uses)	<u>62,540,881</u>	<u>-</u>
Net changes in fund balances	-	62,502
Fund balances, October 1, 2017	-	1,908,409
Fund balances, September 30, 2018	<u>\$ -</u>	<u>\$ 1,970,911</u>

See accompanying notes.

<u>Forfeitures</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 100,847	\$ 357,693	\$ 608,540
-	-	2,876,275
-	-	4,494
-	-	556,125
<u>100,847</u>	<u>357,693</u>	<u>4,045,434</u>
-	-	2,643,389
-	-	155,449
-	-	53,375
<u>-</u>	<u>-</u>	<u>2,852,213</u>
-	94,512	50,403,312
164,965	122,791	10,238,360
500,000	214,312	3,667,968
<u>664,965</u>	<u>431,615</u>	<u>64,309,640</u>
<u>664,965</u>	<u>431,615</u>	<u>67,161,853</u>
<u>(564,118)</u>	<u>(73,922)</u>	<u>(63,116,419)</u>
-	-	65,470,036
(30,000)	-	(2,959,155)
<u>(30,000)</u>	<u>-</u>	<u>62,510,881</u>
(594,118)	(73,922)	(605,538)
856,505	280,228	3,045,142
<u>\$ 262,387</u>	<u>\$ 206,306</u>	<u>\$ 2,439,604</u>

CHARLOTTE COUNTY, FLORIDA
 SHERIFF
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
 AGENCY FUNDS
 SEPTEMBER 30, 2018

Assets	<u>Prisoners</u>	<u>Individual Depositors</u>	<u>Cash Bond</u>
Cash and cash equivalents	\$ 63,040	\$ 9,485	\$ 3,884
Total assets	<u>\$ 63,040</u>	<u>\$ 9,485</u>	<u>\$ 3,884</u>
Liabilities and Fund Balances			
Liabilities			
Due to other constitutional officers	\$ -	\$ -	\$ -
Clerk of the Circuit Court	-	-	3,742
Board of County Commissioners	19,067	9,085	-
Due to other funds	28,971	-	-
Due to individuals	15,002	400	142
Total liabilities	<u>\$ 63,040</u>	<u>\$ 9,485</u>	<u>\$ 3,884</u>

See accompanying notes.

<u>Evidence</u>	<u>Concession</u>	<u>Explorers</u>	<u>Total Fiduciary Funds</u>
\$ 152,411	\$ 71,721	\$ 78,091	\$ 378,632
<u>\$ 152,411</u>	<u>\$ 71,721</u>	<u>\$ 78,091</u>	<u>\$ 378,632</u>
-	-	-	3,742
-	-	-	28,152
114,197	-	-	143,168
38,214	71,721	78,091	203,570
<u>\$ 152,411</u>	<u>\$ 71,721</u>	<u>\$ 78,091</u>	<u>\$ 378,632</u>

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting principles and policies:

(a) Defining the Governmental Reporting Entity

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

(b) Fund Accounting

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

The following funds are used by the Sheriff:

Governmental Funds

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

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

Fiduciary Funds

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

(c) Measurement Focus

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

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

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

Governmental Funds, Continued

(d) Basis of Accounting

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

The modified accrual basis of accounting is followed by the General, Special Revenue and Agency Funds. The modification in such method from the accrual basis is that revenues are recorded when they become measurable and available to finance operations of the current year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, if any, which is recognized when due; (2) expenditures are not divided between years by the recording of prepaid expenses; and (3) accrued compensated absences are not recorded until paid.

(e) Budgetary Process

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

The level of control for appropriations is exercised at the functional level.

Budgets for the Special Revenue Funds are not required to be adopted.

(f) Fixed Assets

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

(g) Compensated Absences

The Sheriff's employees accumulate annual leave based on the number of years of continuous service. Upon termination of employment, employees generally receive payment for accumulated leave. Estimated long-term accrued compensated absences are recorded in the basic financial statements of the Charlotte County Board of County Commissioners.

Statement of Governmental Accounting Standards Board Number 16, "Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences.

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 2. Cash and Cash Equivalents

The Sheriff's deposits policy allows for deposits to be held in demand deposit accounts. At September 30, 2018, the Sheriff maintained deposits in checking accounts and Florida PRIME.

In accordance with the Florida Statute Chapter 280 (Public Depository Security Act of the State of Florida), financial institutions qualifying as public depositories place with the State Board of Administration securities which have market value equal to 50 percent of any applicable deposit insurance. The Public Depository Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit.

At September 30, 2018, cash and cash equivalents had a book balance of deposits of \$6,902,478 and the bank balance was \$8,137,117. The Sheriff held petty cash on hand as of September 30, 2018, in the amount of \$4,634. The Sheriff had a book and bank balance in the Florida PRIME in the amount of \$1,969,673.

Florida Statutes authorize investments in certificates of deposits, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies.

The Sheriff invests in Florida PRIME funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of "AAAm" at September 30, 2018, and is measured at amortized cost. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

Note 3. Interfund Receivables and Payables

Interfund receivable and payable balances at September 30, 2018 were:

Fund	Due From Other Funds	Due to Other Funds
General Fund	\$ 138,149	\$ -
Commissary Fund	5,019	-
Agency		
Prisoners	-	28,971
Evidence	-	114,197
	\$ 143,168	\$ 143,168

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 4. Retirement Plan

Plan Description and Provisions

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

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

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 22.71% and 24.06%; DROP participants 13.26% and 14.03%; and special risk regular 23.27% and 24.50%. During the fiscal year ended September 30, 2018, the Sheriff contributed to the plan an amount equal to 19.65% of covered payroll.

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

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 4. Retirement System, continued

Funding Policy, continued

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

The Sheriff recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$4,662,859, \$583,974, and \$1,666,105, respectively, for the fiscal year ended September 30, 2018. The Sheriff's payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$504,415, and \$11,315, respectively. The Sheriff is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - and amendment of GASB Statement No. 27*, and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68, effective October 1, 2015*.

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

Note 5. General Fixed Assets

The following changes in general fixed assets occurred during the year ended September 30, 2018:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Machinery & Equipment	\$ 24,774,220	\$ 4,149,943	\$ (2,561,013)	\$ 26,363,150
Accumulated Depreciation	(17,651,576)	(3,133,536)	2,280,399	(18,504,713)
Net Book Value	<u>\$ 7,122,644</u>	<u>\$ 1,016,407</u>	<u>\$ (280,614)</u>	<u>\$ 7,858,437</u>

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 6. General Long-Term Debt

The following changes in compensated absences occurred during the year ended September 30, 2018:

Long-term debt payable at October 1, 2017	\$ 8,048,496
Increase in accrued compensated absences	4,094,273
Decrease in accrued compensated absences	(4,222,759)
Long-term debt payable at September 30, 2018	<u>\$ 7,920,010</u>
Short-term portion	\$ 3,679,523
Long-term portion	4,240,487
Total compensated absences	<u>\$ 7,920,010</u>

Note 7. Self-Insurance Program

The Sheriff participates in the Statewide Florida Sheriff's Self-Insurance Fund. The fund is managed by representatives of the participating Florida Sheriff's offices and provides professional and automobile liability insurance to participating offices. The Florida Sheriff's Self-Insurance Fund provides liability insurance coverage subject to the following limitations: \$5,000,000 per occurrence and an aggregate of \$10,000,000 ultimate net loss per sheriff during any policy period.

Premiums charged to participating sheriffs are based upon amounts believed by management of the fund to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2018, the Sheriff was charged \$756,674 for the self-insurance program.

The Sheriff participates in the countywide self-insurance program for property liability. For fiscal year ended September 30, 2018, the Sheriff's portion for the self-insurance program, paid by the Board of County Commissioners, was \$404,528.

The Sheriff participates in the Florida Sheriff's Workers' Compensation Self-Insurance Fund. The fund is managed by representatives of participating Florida Sheriff's offices. The total cost for fiscal year ended September 30, 2018 was \$1,063,806.

The Sheriff is self insured for health insurance. The plan is administered by an independent third party that processes the claims. The Sheriff pays the administrator for actual claims and their administrative fee. During the fiscal year, the Sheriff incurred expenses totaling \$9,961,540. In addition to the Self-Insured Plan, the Sheriff and the Charlotte County Board of County Commissioners, share expenses in an Employee Health Center Program. This program was developed in hopes to lower healthcare claims for medical services, reduce prescription cost and identify in hopes to mitigate future high cost claims risk. Effectively redirecting claims cost from our medical plan to the clinic will result in a two year net savings after operating cost.

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Self-Insurance Program, continued

	Sheriff Health Insurance
Balance at October 1, 2016	\$ 1,424,518
Current Year Claims and Changes in Estimates	9,011,141
Claim Payments	(8,997,030)
Balance at September 30, 2017	1,438,629
Current Year Claims and Changes in Estimates	9,093,397 *
Claim Payments	(8,947,582)
Balance at September 30, 2018	\$ 1,584,444

* Adjusted to reflect \$181,509 in excess fees returned to the Board of County Commissioners after year-end.

The Sheriff purchases commercial stop loss insurance for claims in excess of \$125,000 per person. Total premiums paid during the fiscal year for stop loss coverage totaled \$776,252.

The Sheriff purchases canine liability, aircraft and marine, life, and disability, independently of the aforementioned self-insurance programs, through third party insurance carriers.

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post-Employment Benefits

The Charlotte County Sheriff's Office's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the Charlotte County Sheriff's Office. The Plan, which is administered by the Charlotte County Sheriff's Office, allows employees who retire and meet retirement eligibility requirements under one of the Charlotte County Sheriff's Office's retirement plans to continue medical, dental and/or vision insurance coverage as a participant in the Charlotte County Sheriff's Office's plan. For purposes of applying Paragraph 4 under Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust, as no assets are accumulated. The contributions made to the program are assumed to be the benefits paid to retirees and administrative expenses.

Implementation of New GASB Statement – During fiscal year 2018, the Charlotte County Sheriff's Office implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their net expense in financial statement's prepared using the economic resources measurement focus and accrual basis of accounting. For the Sheriff, this information, including OPEB expense of \$2,780,229, is included in the government-wide financial statements of the County. OPEB expenditures recognized in the financial statements of the Sheriff under the modified accrual method equals the total amount paid by the Sheriff, amounting to \$615,131 for the year ended September 30, 2018. The effect of the transition on the total OPEB liability presented in the County's government-wide financial statements for the year ended September 30, 2018 is as follows:

GASB 75 Transition	
Net OPEB Obligation September 30, 2017	\$ 38,248,652
Decrease in Liability due to GASB 75 Transition	(14,343,663)
Total OPEB Liability October 1, 2017	\$ 23,904,989

Employees Covered by Benefit Terms – At October 1, 2017, the following employees were covered by the benefit terms:

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	76
Inactive Plan Members Covered Spouses	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	556
TOTAL	636

Benefits Provided:

The Charlotte County Sheriff's Office (CCSO) contributes 100% of the active health premiums up to age 65 for retirees participating in the group health plan who completed at least 25 years of service with CCSO. Retirees are then required to reimburse CCSO the monthly subsidy provided by the Florida Retirement System. On average, this subsidy was \$131 monthly.

Retirees who worked less than 25 years with CCSO and are participating in the group health plan are required to contribute 100% of the active premiums. An employer-provided implicit subsidy for the health plan will still exist for these participants.

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post-Employment Benefits, continued

All retirees may elect coverage in the dental and/or vision plans offered by CCSO. However, they must contribute 100% of the active premium rates. Spouse coverage is available as well at the active premium rates.

Total OPEB Liability

The measurement date is September 30, 2018.

The measurement period for the OPEB expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2017 through September 30, 2018.

The Sponsor's Total OPEB Liability was measured as of September 30, 2018.

NOTE – The Sponsor's Total OPEB Liability for the Charlotte County Sheriff's Office's ledger adjustment was measured as of September 30, 2017, using a discount rate of 3.64%.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2017, using the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate(s)	6.00%
Discount Rate	4.18%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

Mortality:

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2016 Florida Retirement System (FRS) valuation report.

Active Lives

For female lives, 100% of the Combined Healthy White-Collar table was used. For male (non-special risk) lives, a 50% Combined Healthy White-Collar table, 50% Combined Healthy Blue-Collar table blend was used. For male special risk lives, a 10% Combined Healthy White-Collar table, 90% Combined Healthy Blue-Collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB.

Inactive Health Lives

For female lives, 100% of the Annuitant White-Collar table was used. For male (non-special risk) lives, a 50% Annuitant White-Collar table, 50% Annuitant Blue-Collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB.

Disabled Lives

For female (non-special risk) lives, 100% of the Disabled Female table was used, set forward two years. For female special risk lives, a 60% Disabled Female table, 40% Annuitant White Collar table with no setback blend was used. For male (non-special risk) lives, a 100% of the Disabled Male table was used, set back four years. For Male special risk lives, a 60% Disabled Male table, 40% Annuitant White Collar table with no setback blend was used. Disabled mortality has not been adjusted for mortality improvements.

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post-Employment Benefits, continued

Total OPEB Liability, continued

Discount Rate:

Given the Charlotte County Sheriff's Office's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 4.18%. The high quality municipal bond rate was based on the week closest, but not later than, the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Retirement Rates and Eligibility:

Tier 1

Regular Class – 100% are assumed to retire at age 62 and 6 years of service or upon completion of 30 years of service, regardless of age. Service-incurred disabled employees retire immediately, while non-duty related disabled employees retire upon completion of at least 8 years of service.

Special Risk Class – 100% are assumed to retire at age 55 and 6 years of service or upon completion of 25 years of special risk service, regardless of age. Service-incurred disabled employees retire immediately, while non-duty related disabled employees retire upon completion of at least 8 years of service.

Tier 2

Regular Class – 100% are assumed to retire at age 65 and 8 years of service or upon completion of 33 years of service, regardless of age. Service-incurred disabled employees retire immediately, while non-duty related disabled employees retire upon completion of at least 8 years of service.

Special Risk Class – 100% are assumed to retire at age 60 and 8 years of service or upon completion of 30 years of special risk service, regardless of age. Service-incurred disabled employees retire immediately, while non-duty related disabled employees retire upon completion of at least 8 years of service.

Early Retirement Rates:

Tier 1

Regular Class – Members may retire early at age 43 and 6 years of service. Members are assumed to retire early at the rates shown below:

<u>Age</u>	<u>Rate</u>
43 – 54	5%
55 – 56	10%
57 – 59	15%
60 – 64	20%
65	100%

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post-Employment Benefits, continued

Total OPEB Liability, continued

Early Retirement Rates, continued

Special Risk Class – Members may retire early at age 36 and 6 years of service. Members are assumed to retire early at the rates shown below:

<u>Age</u>	<u>Rate</u>
36 – 49	5%
50 – 51	10%
52 – 53	15%
54 – 59	20%
60	100%

Termination Rates – See table of sample rates below:

<u>Age</u>	<u>Rate</u>
20	6%
30	5%
40	2.6%
50	0.8%
60	0.2%

Disability Rates – See table of sample rate below. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 8 years of service. Twenty-five percent (25%) of disabilities are assumed to be in line of duty.

<u>Age</u>	<u>Rate</u>
20	0.051%
30	0.058%
40	0.121%
50	0.429%
60	1.611%

Marital Status – Eighty percent (80%) assumed married with male spouse three years older than female spouses.

Health Care Participation – One Hundred percent (100%) participation assumed for explicit benefits, 30% for implicit benefits. Ten percent (10%) are assumed to elect spouse coverage.

Medical Aging Factors – 4% per year prior to age 65; 3% per year between ages 65 and 75; 2% per year between ages 75 and 85; 0% per year thereafter.

Health Claims – Developed using a blend of manual and active fully insured rates. 100% are assumed to enroll in the PPO offered. It is also assumed that even though this plan's benefits coordinate with Medicare, the premium is the same as the active rate for Post-Medicare retirees.

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post-Employment Benefits, continued

Total OPEB Liability, continued

Funding Method – Entry Age Cost Method (Level Percentage of Pay).

Demographic Assumptions – The participation rate and spousal coverage election percentage were updated. Explicit benefit participation was increased from 90% to 100%. Review of participation showed that nearly all members eligible for the explicit subsidy elected to take it. The participation rate for implicit benefits was decreased from 90% to 30% to capture lower than previously expected participation experience over the last 5 years. For similar reasons, the spousal coverage election percentage was decreased from 40% to 10%.

Excise Tax – The effect of any potential impact due to the 40% excise tax on high cost plans has been ignored for this valuation due to the significant uncertainty surrounding the application of the requirements under the Patient Protection and Affordable Care Act signed into law on March 23, 2010.

Notes on the valuation – The following changes have been made since the prior valuation:

The census data reflects changes in status for the twelve-month period since October 1, 2016.

The annual per capita claims costs have been updated to reflect current age-adjusted premiums.

The premium rates have been updated to use the rates effective for 2018.

The mortality rates have been updated to use rates mandated by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates are those outlined in Milliman's July 1, 2016 FRS valuation report.

The retiree and spouse medical participation rates for both implicit and explicit benefits have been updated to reflect recent medical plan participation experience.

The average monthly FRS subsidy reimbursement from retirees to the Charlotte County Sheriff's office was adjusted from \$125/month to \$131/month.

The GASB 75 discount rate as of the measurement date is 4.18%. The prior GASB 45 measurement used 4.00%. The current GASB 75 discount rate is based on the 20-year municipal bond rate as of the September 27, 2018.

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post-Employment Benefits, continued

Change in Total OPEB Liability

	Increases & (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2017	\$ 23,904,989
Changes for the Year:	
Service Cost	2,003,408
Interest	932,160
Differences between Expected & Actual Experience	-
Changes of Assumptions	(1,326,715)
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(604,631)
Other Changes	-
Total Net Changes	1,004,222
Reporting Period Ending September 30, 2018	\$ 24,909,211

Changes in assumptions reflect a change in the discount rate from 3.64% for the reporting period ended September 30, 2017, to 4.18% for the reporting period ended September 30, 2018.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

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

	1% Decrease 3.18%	Current Discount Rate 4.18%	1% Increase 5.18%
Total OPEB Liability	\$ 27,430,425	\$ 24,909,211	\$ 22,652,446

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

	1% Decrease 3.00% - 7.50%	Healthcare Cost Trend Rates 4.00% - 8.50%	1% Increase 5.00% - 9.50%
Total OPEB Liability	\$ 21,572,314	\$ 24,909,211	\$ 28,901,346

CHARLOTTE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 8. Other Post-Employment Benefits, continued

OPEB Expense & Deferred Outflows of Resources & Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the Sponsor will recognize OPEB Expense of \$2,780,229. On September 30, 2018, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected & Actual Experience	\$ -	\$ -
Changes of Assumptions	-	1,160,876
Total	\$ -	\$ 1,160,876

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Year Ended September 30:		
2019	\$	(165,839)
2020		(165,839)
2021		(165,839)
2022		(165,839)
2023		(165,839)
Thereafter		(331,681)

Note 9. Commitments and Contingencies

The Sheriff was a defendant in several lawsuits as of September 30, 2018. In the opinion of the Sheriff's legal counsel, the resolution of pending cases is not expected to result in losses, which would materially affect the financial position of the Sheriff.

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 expense amounts. These amounts, if any, constitute a contingent liability of the Sheriff. Accordingly, such liabilities are not reflected within the financial statements. The Sheriff does not believe any contingent liabilities are material.

**SUPPLEMENTAL
INFORMATION**

CHARLOTTE COUNTY, FLORIDA
SHERIFF
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Charges for services	1,750,000	1,750,000	2,246,369	496,369
Fines and forfeitures	-	-	4,494	4,494
Miscellaneous	-	-	552,806	552,806
Total revenues	<u>1,900,000</u>	<u>1,900,000</u>	<u>2,953,669</u>	<u>1,053,669</u>
Expenditures:				
Current				
General government				
Non-court related				
Personal services	2,620,860	2,652,450	2,643,389	9,061
Operating expenses	196,339	155,753	155,449	304
Capital outlay	6,501	15,497	53,375	(37,878)
Total general government	<u>2,823,700</u>	<u>2,823,700</u>	<u>2,852,213</u>	<u>(28,513)</u>
Public safety				
Personal services	52,545,208	51,557,804	50,308,800	1,249,004
Operating expenses	10,256,914	10,226,650	9,602,120	624,530
Capital expenditures	1,714,213	2,731,881	2,731,417	464
Total public safety	<u>64,516,335</u>	<u>64,516,335</u>	<u>62,642,337</u>	<u>1,873,998</u>
Total expenditures	<u>67,340,035</u>	<u>67,340,035</u>	<u>65,494,550</u>	<u>1,845,485</u>
Excess of revenues over (under) expenditures	<u>(65,440,035)</u>	<u>(65,440,035)</u>	<u>(62,540,881)</u>	<u>2,899,154</u>
Other financing sources (uses):				
Transfers in	65,440,035	65,440,035	65,470,036	30,001
Transfers out	-	-	(2,929,155)	(2,929,155)
Total other financing sources (uses)	<u>65,440,035</u>	<u>65,440,035</u>	<u>62,540,881</u>	<u>(2,899,154)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, October 1, 2017			-	
Fund balance, September 30, 2018			<u>\$ -</u>	

CHARLOTTE COUNTY, FLORIDA
 SHERIFF
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Second Dollar	DOJ-US Border Patrol Stonegarden
Assets		
Cash and cash equivalents	\$ 231,306	\$ -
Total assets	\$ 231,306	\$ -
Liabilities and Fund Balances		
Liabilities		
Due to other constitutional officers	\$ 25,000	\$ -
Total liabilities	25,000	-
Fund Equity		
Fund Balance		
Reserved for special purpose	206,306	-
Total fund equity	206,306	-
Total liabilities and fund equity	\$ 231,306	\$ -

Special Revenue Funds

<u>Local- MAC Grant</u>	<u>DOJ-JAGC Traffic-Radar Grant</u>	<u>Total Non-Major Governmental Funds</u>
\$ -	\$ -	\$ 231,306
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,306</u>
\$ -	\$ -	\$ 25,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>
-	-	206,306
<u>-</u>	<u>-</u>	<u>206,306</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,306</u>

CHARLOTTE COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2018

	Second Dollar	Special DOJ-US Border Patrol Stonegarden
Revenues:		
Intergovernmental	\$ 48,149	\$ 93,082
Total revenues	48,149	93,082
Expenditures:		
Current		
Public safety		
Personal services	-	84,022
Operating expenses	122,071	-
Capital outlay	-	9,060
Total expenditures	122,071	93,082
Excess of revenues over expenditures	(73,922)	-
Net change in fund balances	(73,922)	-
Fund balances, October 1, 2017	280,228	-
Fund balances, September 30, 2018	\$ 206,306	\$ -

Revenue Funds

Local- MAC Grant	DOJ-JAGC Traffic-Radar Grant	Total Non-Major Governmental Funds
\$ 199,860	\$ 16,602	\$ 357,693
<u>199,860</u>	<u>16,602</u>	<u>357,693</u>
10,799	-	94,821
411	-	122,482
188,650	16,602	214,312
<u>199,860</u>	<u>16,602</u>	<u>431,615</u>
-	-	(73,922)
-	-	(73,922)
-	-	280,228
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,306</u>

CHARLOTTE COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
PRISONERS' FUND				
ASSETS				
Cash	\$ 31,928	\$ 1,445,029	\$ 1,413,917	\$ 63,040
LIABILITIES				
Due to other constitutional officers	\$ -	\$ 19,067	\$ -	\$ 19,067
Due to other funds	16,948	112,404	100,381	28,971
Due to individuals	14,980	1,313,558	1,313,536	15,002
	<u>\$ 31,928</u>	<u>\$ 1,445,029</u>	<u>\$ 1,413,917</u>	<u>\$ 63,040</u>
INDIVIDUAL DEPOSITORS' FUND				
ASSETS				
Cash	\$ 6,651	\$ 123,372	\$ 120,538	\$ 9,485
	<u>\$ 6,651</u>	<u>\$ 123,372</u>	<u>\$ 120,538</u>	<u>\$ 9,485</u>
LIABILITIES				
Due to other constitutional officers	\$ 6,640	\$ 94,783	\$ 92,338	\$ 9,085
Due to individuals	11	28,589	28,200	400
	<u>\$ 6,651</u>	<u>\$ 123,372</u>	<u>\$ 120,538</u>	<u>\$ 9,485</u>
CASH BOND FUND				
ASSETS				
Cash	\$ 8,657	\$ 480,248	\$ 485,021	\$ 3,884
LIABILITIES				
Due to other constitutional officers	\$ 8,399	\$ 438,665	\$ 443,322	\$ 3,742
Due to other funds	-	41,467	41,467	-
Due to individuals	258	116	232	142
	<u>\$ 8,657</u>	<u>\$ 480,248</u>	<u>\$ 485,021</u>	<u>\$ 3,884</u>

CHARLOTTE COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
EVIDENCE FUND				
ASSETS				
Cash	\$ 32,273	\$ 172,923	\$ 52,785	\$ 152,411
LIABILITIES				
Due to other funds	\$ 10,732	\$ 131,304	\$ 27,839	\$ 114,197
Due to individuals	21,541	41,619	24,946	38,214
	<u>\$ 32,273</u>	<u>\$ 172,923</u>	<u>\$ 52,785</u>	<u>\$ 152,411</u>
CONCESSION				
ASSETS				
Cash	\$ 61,010	\$ 51,677	\$ 40,966	\$ 71,721
LIABILITIES				
Due to individuals	\$ 61,010	\$ 51,677	\$ 40,966	\$ 71,721
EXPLORERS				
ASSETS				
Cash	\$ 62,991	\$ 20,451	\$ 5,351	\$ 78,091
LIABILITIES				
Due to individuals	\$ 62,991	\$ 20,451	\$ 5,351	\$ 78,091
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 203,510	\$ 2,293,700	\$ 2,118,578	\$ 378,632
	<u>\$ 203,510</u>	<u>\$ 2,293,700</u>	<u>\$ 2,118,578</u>	<u>\$ 378,632</u>
LIABILITIES				
Due to other funds	\$ 27,680	\$ 243,708	\$ 128,220	\$ 143,168
Due to other constitutional officers	15,039	552,515	535,660	31,894
Due to individuals	160,791	1,456,010	1,413,231	203,570
	<u>\$ 203,510</u>	<u>\$ 2,252,233</u>	<u>\$ 2,077,111</u>	<u>\$ 378,632</u>

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

Honorable William Prummell, Jr.
Sheriff
Charlotte County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2019, for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting, continued

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Co.

Punta Gorda, Florida
March 13, 2019

Independent Auditor's Management Letter

Honorable William Prummell, Jr.
Sheriff
Charlotte County, Florida

Report on the Financial Statements

We have audited the financial statements of the Charlotte County, Florida, Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 13, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 13, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. There were no component units related to the Sheriff.

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley Brown + Co.

Punta Gorda, Florida
March 13, 2019



366 East Olympia Avenue
Punta Gorda, Florida 33950
Phone: 941.639.6600
Fax: 941.639.6115

Independent Accountant's Examination Report

Honorable William Prummell, Jr.
Sheriff
Charlotte County, Florida

Report on Compliance

We have examined the Charlotte County, Florida, Sheriff's (the "Sheriff") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2018. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with

Opinion

In our opinion, the Charlotte County, Florida, Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

Ashley, Brown & Co.

Punta Gorda, Florida
March 13, 2019

SECTION V
SUPERVISOR OF ELECTIONS
Paul A. Stamoulis

Report of the Independent Auditor

Honorable Paul A. Stamoulis
Supervisor of Elections
Charlotte County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Supervisor of Elections (the "Supervisor"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Supervisor's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Auditor's Responsibility, continued

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Supervisor as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Charlotte County, Florida that is attributable to the Supervisor. They do not purport to, and do not, present fairly the financial position of Charlotte County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note 7 to the financial statements, the Supervisor adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the year ended September 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

Other Matters, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Supervisor's financial statements. The supplementary information, Combining Balance Sheet- Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Nonmajor Governmental Funds, Combining Statement of Changes in Assets and Liabilities- All Agency Funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Ashley Brown + Co.

Punta Gorda, Florida
February 28, 2019

CHARLOTTE COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 BALANCE SHEET
 GOVERNMENTAL FUND
 SEPTEMBER 30, 2018

Assets	<u>General</u>
Cash and cash equivalents	\$ 716,430
Other assets	15,835
Total assets	<u>\$ 732,265</u>
Liabilities and Fund Balances	
Liabilities	
Accounts and vouchers payable	\$ 146,768
Accrued liabilities	23,923
Due to other constitutional officers	
Board of County Commissioners	266,474
Unearned revenue	279,826
Other liabilities	15,274
Total liabilities	<u>732,265</u>
Total liabilities and fund equity	<u>\$ 732,265</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2018

	General
Revenues:	
Intergovernmental	\$ 48,201
Charges for services	3,052
Miscellaneous	1,378
Total revenues	52,631
Expenditures:	
Current	
General government	1,768,173
Debt service	108,543
Total expenditures	1,876,716
Excess of revenues over/(under) expenditures	(1,824,085)
Other financing sources (uses):	
Transfers in	2,090,359
Transfers out	(266,274)
Total other financing sources (uses)	1,824,085
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2017	-
Fund balance, September 30, 2018	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting principles and policies:

(a) Defining the Governmental Reporting Entity

The Supervisor of Elections, as an elected constitutional officer, was established by the Constitution of the State of Florida, Article VIII, Section 1(d). As such, the Supervisor of Election's financial statements are included in the basic financial statements of Charlotte County, the primary government.

A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. Based on the criteria established by Statement of Governmental Accounting Standards Board Number 14, "The Financial Reporting Entity", there are no component units included in the Supervisor of Elections financial statements.

(b) Fund Accounting

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

The following fund is used by the Supervisor of Elections:

General Fund – This fund is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund.

(c) Measurement Focus

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

(d) Basis of Accounting

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest, if any, on general long-term debt, which are recognized when due.

CHARLOTTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

(e) Budgetary Process

Chapter 129, Florida Statutes, governs the preparation, adoption and amendment process of the Supervisor or Elections' annual budget. The Supervisor of Elections' budget and amendments are approved by the Board of County Commissioners. The budget for the General Fund is prepared on the modified accrual basis. The level of control for appropriations is exercised at the functional level.

(f) Fixed Assets

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

(g) Compensated Absences

The Supervisor of Elections' employees accumulate sick and annual leave, based on the number of years of continuous service. Upon termination of employment, employees can receive payment for accumulated leave if they meet certain criteria.

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

Note 2. Cash and Cash Equivalents

The Supervisor's deposits are maintained in a cash pool and Florida PRIME. At September 30, 2018 the cash and cash equivalents amounted to \$716,430.

Florida Statutes authorize investments in certificates of deposits, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies.

The Supervisor invests in Florida PRIME funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of "AAAm" at September 30, 2018, and is measured at amortized cost. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

CHARLOTTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 3. Retirement System

Plan Description

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

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

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.92% and 8.26%; county elected officers 45.50% and 48.70%; senior management 22.71% and 24.06%; and DROP participants 13.26% and 14.03%. During the fiscal year ended September 30, 2018, the Supervisor of Elections contributed to the plan an amount equal to 21% of covered payroll.

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

CHARLOTTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 3. Retirement System, continued

Funding Policy, continued

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

The Supervisor of Elections recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$32,277, \$11,477, and \$98,212, respectively, for the fiscal year ended September 30, 2018. The Supervisor of Elections' payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$4,069, and \$2,823, respectively. The Supervisor of Elections is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - and amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68, effective October 1, 2016.*

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

Note 4. Risk Management

The Supervisor of Elections participates in the countywide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability is \$1,500,000, workers' compensation is \$1,000,000 and the excess for property is \$150,000,000. In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$375,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2018, the Supervisor of Elections was charged \$11,475 for the self-insurance program for general liability, automobile liability and workers' compensation, and \$176,759 for life and health insurance.

CHARLOTTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 5. Changes in General Long-Term Debt

The following changes in general long-term debt occurred during the year ended September 30, 2018:

Balance as of September 30, 2017	Additions	Deductions	Balance as of September 30, 2018
\$ 180,434	\$ 21,610	\$ 94,323	\$ 107,721

Long-term debt is comprised of the following at September 30, 2018:

Noncurrent portion of compensated absences	\$ 64,525
--	-----------

Note 6. Lease Commitments

The following is a schedule of future lease payments applicable to the Supervisor of Elections activities capitalized under lease agreement dated June 5, 2018:

Fiscal Year Ended	Amount
September 30, 2018	\$ 108,544
Total lease payments	108,544
Less amount representing interest	-
Present value of future minimum lease payments	\$ 108,544

Note 7. Other Post Employment Benefits

Plan Description

In accordance with Section 112.0801, Florida Statutes, because the Supervisor of Elections provides medical plans to employees of the Supervisor of Elections and their eligible dependents, the Supervisor of Elections is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired Supervisor of Elections employees.

Retired employees (retired on or after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008 the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Supervisor of Elections has contributed \$3,600 during the year.

CHARLOTTE COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018

Note 7. Other Post Employment Benefits, continued

Membership

As of September 30, 2018, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	1	
Inactive employees entitled to, but not yet, receiving benefit payments	0	
Active employees	10	
Total	11	

Funding Policy

Funding for this plan is on a pay as you go basis from the County's general assets when due. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose.

Total OPEB Liability

The County had an actuarial valuation dated October 1, 2016, with roll forward procedures to the measurement date of October 1, 2017.

The County's total OPEB liability was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry Age	
Asset Valuation Method	Unfunded	
Actuarial Assumptions:		
Discount Rate	3.50%	(1)
Projected Salary Increases	3.70% - 7.80%	
Payroll Growth Assumptions	3.25%	
Healthcare Cost Trend Rates	6.50%	(2)
Price Inflation	2.60%	(3)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CHARLOTTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post Employment Benefits, continued

Total OPEB Liability, continued

- 1) As required by GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this rate is equal to the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date. Note that County rate has decreased from the previous 4.00% used in the October 1, 2016 actuarial valuation report due to the implementation of GASB 75.
- 2) 6.50% for 2017, with a gradual annual declining to 4.40% in 2040 and beyond.
- 3) Not explicitly used in the valuation except for future projections. Provided for informational purposes only.

Mortality Rates are based on the respective class members RP-2000 mortality tables. All mortality rates are those outlined in the July 1, 2016 FRS actuarial valuation report.

Changes in the Total OPEB Liability

The total OPEB liability as of September 30, 2018 was as follows:

	<u>County</u>	<u>Supervisor of Elections</u>
Total OPEB Liability at 9/30/17, as restated	\$ 9,783,278	\$ 62,828
Changes for the year:		
Service cost	485,792	3,120
Interest	309,015	1,984
Differences between actual & expected experience:		
Changes of assumptions or other inputs	(237,578)	(1,526)
Benefit payments	(606,347)	(3,894)
Other changes	-	
Net change	<u>(49,118)</u>	<u>(316)</u>
Total OPEB Liability at 9/30/18	<u>\$ 9,734,160</u>	<u>\$ 62,512</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 4% to 3.5% for all agencies.

Sensitivity of the Total OPEB Liability to Changes in Discount Rate

The following presents the total OPEB liability of the Supervisor of Elections, as well as what the Supervisor of Election's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 66,354	\$ 62,512	\$ 58,786

CHARLOTTE COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018

Note 7. Other Post Employment Benefits, continued

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Supervisor of Elections, as well as what the Supervisor of Election's total OPEB liability would be if it were calculated using a "healthcare cost trend rate" that is one percentage point lower (5.50% to 3.4%) or one percentage point higher (7.5% to 5.40%) than the current healthcare cost trend rate:

	1% Decrease <u>5.5% to 3.4%</u>	Current Discount Rate <u>6.5% to 4.4%</u>	1% Increase <u>7.5% to 5.4%</u>
Total OPEB Liability	\$ 57,906	\$ 62,512	\$ 67,952

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2018, the Supervisor of Elections recognized OPEB expense of \$4,949. At September 30, 2018, the County reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected & actual experience	\$ -	\$ -
Change of assumptions or other inputs	-	(1,370)
Amounts paid by the Supervisor of Election for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017	<u>4,014</u>	<u>-</u>
	<u>\$ 4,014</u>	<u>\$ (1,370)</u>

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB, continued

Amounts reported as deferred outflows of resources related to amounts paid by the Supervisor of Elections for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017 will be recognized in OPEB expense in the fiscal year ended September 30, 2019 and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended September 30, 2018		
2019	\$	(156)
2020		(156)
2021		(156)
2022		(156)
2023		(156)
Thereafter		(590)

**SUPPLEMENTAL
INFORMATION**

CHARLOTTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 48,201	\$ 48,201
Charges for services	-	-	3,052	3,052
Miscellaneous	-	-	1,378	1,378
Total revenues	<u>-</u>	<u>-</u>	<u>52,631</u>	<u>52,631</u>
Expenditures:				
Current				
General government				
Non-court related				
Personal services	1,386,079	1,386,079	1,307,554	78,525
Contract/Professional services	39,000	39,000	4,028	34,972
Operating expenditures	547,730	547,730	383,648	164,082
Materials/Supplies	117,550	117,550	72,943	44,607
Total general government	<u>2,090,359</u>	<u>2,090,359</u>	<u>1,768,173</u>	<u>322,186</u>
Debt Service				
Principal retirement	-	-	108,543	(108,543)
Total debt service	<u>-</u>	<u>-</u>	<u>108,543</u>	<u>(108,543)</u>
Total expenditures	<u>2,090,359</u>	<u>2,090,359</u>	<u>1,876,716</u>	<u>213,643</u>
Excess of revenues over/(under) expenditures	<u>(2,090,359)</u>	<u>(2,090,359)</u>	<u>(1,824,085)</u>	<u>266,274</u>
Other financing sources (uses):				
Transfers in	2,090,359	2,090,359	2,090,359	-
Transfers out	-	-	(266,274)	(266,274)
Total other financing sources (uses)	<u>2,090,359</u>	<u>2,090,359</u>	<u>1,824,085</u>	<u>(266,274)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2017	-	-	-	-
Fund balance, September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Honorable Paul A. Stamoulis
Supervisor of Elections
Charlotte County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Supervisor of Elections (the "Supervisor"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2019, for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Internal Control Over Financial Reporting, continued

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley Brown & Co.

Punta Gorda, Florida
February 28, 2019

Independent Auditor's Management Letter

Honorable Paul A. Stamoulis
Supervisor of Elections
Charlotte County, Florida

Report on the Financial Statements

We have audited the financial statements of the Charlotte County, Florida, Supervisor of Elections (the "Supervisor"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated February 28, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 28, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. There were no component units related to the Supervisor.

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley Brown & Co.

Punta Gorda, Florida
February 28, 2019

Independent Accountant's Examination Report

Honorable Paul A. Stamoulis
Supervisor of Elections
Charlotte County, Florida

Report on Compliance

We have examined the Charlotte County, Florida, Supervisor of Elections' (the "Supervisor") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2018. Management is responsible for the Supervisor's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor's compliance based on our

Scope

Our examination was conducted in accordance with AICPA Professional Standards, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Supervisor's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor's compliance with specified requirements.

Opinion

In our opinion, the Charlotte County, Florida, Supervisor complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

Ashley, Brown & Co.

Punta Gorda, Florida
February 28, 2019

SECTION VI
TAX COLLECTOR
Vicki L. Potts

Report of the Independent Auditor

Honorable Vickie L. Potts
Tax Collector
Charlotte County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Auditor's Responsibility, continued

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Tax Collector as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Charlotte County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Charlotte County, Florida as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note 7 to the financial statements, the Tax Collector adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the year ended September 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

Other Matters, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's financial statements. The supplementary information, Combining Balance Sheet- Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Nonmajor Governmental Funds, Combining Statement of Changes in Assets and Liabilities- All Agency Funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Ashley Brown & Co.

Punta Gorda, Florida
March 13, 2019

CHARLOTTE COUNTY, FLORIDA
 TAX COLLECTOR
 BALANCE SHEET
 GOVERNMENTAL FUND
 SEPTEMBER 30, 2018

Assets	<u>General</u>
Cash and cash equivalents	\$ 2,455,562
Other assets	345
Total assets	<u>\$ 2,455,907</u>
Liabilities	
Liabilities	
Accounts and vouchers payable	\$ 37,612
Accrued liabilities	120,981
Due to other constitutional officers Board of County Commissioners	2,138,006
Due to other governmental agencies	159,308
Total liabilities	<u>\$ 2,455,907</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
 TAX COLLECTOR
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND
 For the Fiscal Year Ended September 30, 2018

	General
Revenues:	
Charges for services	\$ 8,743,132
Miscellaneous	103,140
Total revenues	8,846,272
Expenditures:	
Current	
General government	7,117,754
Total expenditures	7,117,754
Excess of revenues over expenditures	1,728,518
Other financing sources (uses):	
Transfers out	(1,728,518)
Total other financing sources (uses)	(1,728,518)
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2017	-
Fund balance, September 30, 2018	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
 TAX COLLECTOR
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITES - AGENCY FUNDS
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2018

Assets	Agency Funds
Cash and cash equivalents	\$ 6,089,985
Due from other governments	1,325
Due from individuals	12,418
Total assets	\$ 6,103,728
<p style="text-align: center;">Liabilities</p>	
Due to other constitutional officers:	
Board of County Commissioners	\$ 315,454
Total due to other constitutional officers	315,454
Due to other governments	339,536
Due to individuals	487,240
Deposits	4,961,498
Total liabilities	\$ 6,103,728

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting principles and policies:

(a) Defining the Governmental Reporting Entity

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

(b) Fund Accounting

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

The following funds are used by the Tax Collector:

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

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

(c) Measurement Focus

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

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

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

(d) Basis of Accounting

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

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

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

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

(e) Budgetary Process

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Tax Collector's annual budget. A budget is only required to be prepared for the General Fund. The Tax Collector's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

(f) Capital Assets

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

(g) Compensated Absences

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

As of September 30, 2018 the Tax Collector had \$434,901 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Charlotte County, Florida.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 2. Deposits and Investments

Deposits

The Tax Collector's policy allows for deposits to be held in demand deposits, savings accounts, certificates of deposit, money market accounts and overnight repurchase agreements. At September 30, 2018, the Tax Collector maintained deposits in a cash pool and overnight repurchase agreements for all fund types.

At September 30, 2018, the bank balance of \$8,426,218 is the total balance for all Tax Collector funds as participants of the pool and cannot be segregated by fund. The book balance was \$8,545,547 at September 30, 2018.

The Tax Collector had \$27,150 of cash on hand at September 30, 2018.

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

Note 3. Retirement System

Plan Description

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

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

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

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 3. Retirement System, continued

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018, respectively, were as follows: regular 7.52% and 7.92%; county elected officers 42.47% and 45.50%; senior management 21.77% and 22.71%; and DROP participants 12.99% and 13.26%. During the fiscal year ended September 30, 2018, the Tax Collector contributed to the plan an amount equal to 11.1% of covered payroll.

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

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

The Tax Collector recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$295,608, \$59,214, and \$127,306 respectively, for the fiscal year ended September 30, 2018. The Tax Collector's payments after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$83,865 and \$16,055, respectively. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - and amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68, effective October 1, 2014.*

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

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 4. General Long-Term Debt

The following changes in general long-term debt occurred during the year ended September 30, 2018:

Long-term debt payable at October 1, 2017	\$ 418,408
Increase in accrued compensated absences	475,519
Decrease in accrued compensated absences	(459,026)
Long-term debt payable at September 30, 2018	\$ 434,901

General long-term debt is comprised of the following:

Noncurrent portion of compensated absences	
Employees of the Tax Collector are entitled to paid sick and annual leave, based on length of service and job classifications	\$ 198,610

Note 5. Risk Management

The Tax Collector participates in the countywide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability and workers' compensation is \$1,200,000 and the excess for property is \$150,000,000. In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$375,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2018, the Tax Collector was charged \$49,983 for the self-insurance program and \$1,199,588 for life and health insurance which includes the retiree subsidy.

Note 6. Contingencies

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

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post Employment Benefits

Plan Description

In accordance with Section 112.0801, Florida Statutes, because the Tax Collector provides medical plans to employees of the Tax Collector and their eligible dependents, the Tax Collector is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired Tax Collector employees.

Retired employees (retired on or after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008 the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Tax Collector has contributed \$12,109 during the year.

Membership

As of September 30, 2018, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to, but not yet, receiving benefit payments	0
Active employees	<u>63</u>
Total	<u><u>65</u></u>

Funding Policy

Funding for the Plan is on a pay-as-you-go basis from the County’s general assets when due. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose.

Total OPEB Liability

The County had an actuarial valuation dated October 1, 2016, with roll forward procedures to the measurement date of October 1, 2017.

The County’s total OPEB liability was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post Employment Benefits, Continued

Total OPEB Liability, continued

The Actuarial Methods are:

Actuarial Cost Method Asset Valuation Method	Entry Age Unfunded
Actuarial Assumptions:	
Discount Rate	3.50% (1)
Projected Salary Increases	3.70% - 7.80%
Payroll Growth Assumptions	3.25%
Healthcare Cost Trend Rates	6.50% (2)
Price Inflation Rate	2.60% (3)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

- 1) As required by GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this rate is equal to the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date. Note that County rate has decreased from the previous 4.00% used in the October 1, 2016 actuarial valuation report due to the implementation of GASB 75.
- 2) 6.50% for 2017, with a gradual annual declining to 4.40% in 2040 and beyond.
- 3) Not explicitly used in the valuation except for future projections. Provided for informational purposes only.

Mortality Rates are based on the respective class members RP-2000 mortality tables. All mortality rates are those outlined in the July 1, 2016 FRS actuarial valuation report.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post Employment Benefits, Continued

Changes in the Total OPEB Liability

The total OPEB liability as of September 30, 2018 was as follows:

	<u>County</u>	<u>Tax Collector</u>
Total OPEB Liability at 9/30/17, as restated	\$ 9,783,278	\$ 337,959
Changes for the year:		
Service cost	485,792	16,782
Interest	309,015	10,675
Differences between actual & expected experience:		
Changes of assumptions or other inputs	(237,578)	(8,207)
Benefit payments	(606,347)	(20,946)
Other changes	-	
Net change	<u>\$ (49,118)</u>	<u>\$ (1,696)</u>
Total OPEB Liability at 9/30/18	<u>\$ 9,734,160</u>	<u>\$ 336,263</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 4% to 3.5% for all agencies.

Sensitivity of the Total OPEB Liability to Changes in Discount Rate

The following presents the total OPEB liability of the Tax Collector, as well as what the Tax Collector's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 356,929	\$ 336,263	\$ 316,218

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Tax Collector, as well as what the Tax Collector's total OPEB liability would be if it were calculated using a "healthcare cost trend rate" that is one percentage point lower (5.50% to 3.4%) or one percentage point higher (7.5% to 5.40%) than the current healthcare cost trend rate:

	<u>1% Decrease 5.5% to 3.4%</u>	<u>Current Trend Rate 6.5% to 4.4%</u>	<u>1% Increase 7.5% to 5.4%</u>
Total OPEB Liability	\$ 311,489	\$ 336,263	\$ 365,526

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Note 7. Other Post Employment Benefits, Continued

OPEB Expense & Deferred Outflow of Resources & Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2018, the Tax Collector recognized OPEB expense of \$26,619. At September 30, 2018, the Tax Collector reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following resources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected & actual experience	\$ -	\$ -
Change of assumptions or other inputs	-	(7,370)
Amounts paid by the Tax Collector for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017	<u>21,592</u>	<u>-</u>
Total	<u>\$ 21,592</u>	<u>\$ (7,370)</u>

Amounts reported as deferred outflows of resources related to amounts paid by the Tax Collector for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2017, will be recognized in OPEB expense in the fiscal year ended September 30, 2019 and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended September 30, 2018	
2019	\$ (837)
2020	(837)
2021	(837)
2022	(837)
2023	(837)
Thereafter	(3,185)

**SUPPLEMENTAL
INFORMATION**

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 6,793,626	\$ 7,190,198	\$ 8,743,132	\$ 1,552,934
Miscellaneous	-	-	103,140	103,140
Total revenues	<u>6,793,626</u>	<u>7,190,198</u>	<u>8,846,272</u>	<u>1,656,074</u>
Expenditures:				
Current				
General government				
Non-court related				
Personal services	5,365,237	5,571,774	5,513,383	58,391
Operating expenditures	1,229,313	1,366,827	1,411,449	(44,622)
Capital expenditures	199,076	251,597	192,922	58,675
Total general government	<u>6,793,626</u>	<u>7,190,198</u>	<u>7,117,754</u>	<u>72,444</u>
Total expenditures	<u>6,793,626</u>	<u>7,190,198</u>	<u>7,117,754</u>	<u>72,444</u>
Excess of revenues over/(under) exp:	-	-	1,728,518	1,728,518
Other financing sources (uses):				
Transfers out	-	-	(1,728,518)	(1,728,518)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,728,518)</u>	<u>(1,728,518)</u>
Excess of revenues and other sources over/(under) expenditures and other u	-	-	-	-
Fund balance, October 1, 2017	-	-	-	-
Fund balance, September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
 TAX COLLECTOR
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITES - AGENCY FUNDS
 AGENCY FUNDS
 SEPTEMBER 30, 2018

Assets	<u>Real Estate Fund</u>	<u>Delinquent Fund</u>	<u>License and Tag Fund</u>
Cash and cash equivalents	\$ 5,128,163	\$ 466,775	\$ 345,602
Due from other governments	-	-	1,325
Due from individuals	80	-	12,338
Total assets	<u>\$ 5,128,243</u>	<u>\$ 466,775</u>	<u>\$ 359,265</u>
Liabilities			
Due to other constitutional officers:			
Board of County Commissioners	\$ 132,732	\$ -	\$ 37,478
Total due to other constitutional officers	<u>132,732</u>	<u>-</u>	<u>37,478</u>
Due to other governments	19,509	-	320,027
Due to individuals	14,504	466,775	1,760
Deposits	4,961,498	-	-
Total liabilities	<u>\$ 5,128,243</u>	<u>\$ 466,775</u>	<u>\$ 359,265</u>

Tourist Development Tax Fund	Charity Fund	Total
\$ 145,244	\$ 4,201	\$ 6,089,985
-	-	1,325
-	-	12,418
<u>\$ 145,244</u>	<u>\$ 4,201</u>	<u>\$ 6,103,728</u>

<u>\$ 145,244</u>	<u>\$ -</u>	<u>\$ 315,454</u>
145,244	-	315,454
-	-	339,536
-	4,201	487,240
-	-	4,961,498
<u>\$ 145,244</u>	<u>\$ 4,201</u>	<u>\$ 6,103,728</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
REAL ESTATE FUND				
ASSETS				
Cash	\$ 4,918,851	\$ 351,305,866	\$ 351,096,554	\$ 5,128,163
Due from other govern- mental agencies	-	1,017,918	1,017,918	-
Due from individuals	40	476,422	476,382	80
	<u>\$ 4,918,891</u>	<u>\$ 352,800,206</u>	<u>\$ 352,590,854</u>	<u>\$ 5,128,243</u>
LIABILITIES				
Due to other funds	\$ -	\$ 7,762,035	\$ 7,762,035	\$ -
Due to other constitu- tional officers	35,914	132,803	35,985	132,732
Due to other govern- mental agencies	19,172	19,548	19,211	19,509
Due to individuals	6,571	1,456,180	1,448,247	14,504
Deposits	4,857,234	431,687,734	431,583,470	4,961,498
	<u>\$ 4,918,891</u>	<u>\$ 441,058,300</u>	<u>\$ 440,848,948</u>	<u>\$ 5,128,243</u>
DELINQUENT FUND				
ASSETS				
Cash	\$ 289,197	\$ 13,774,508	\$ 13,596,930	\$ 466,775
	<u>\$ 289,197</u>	<u>\$ 13,774,508</u>	<u>\$ 13,596,930</u>	<u>\$ 466,775</u>
LIABILITIES				
Due to other funds	\$ -	\$ 16	\$ 16	\$ -
Due to individuals	289,197	13,748,283	13,570,705	466,775
	<u>\$ 289,197</u>	<u>\$ 13,748,299</u>	<u>\$ 13,570,721</u>	<u>\$ 466,775</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
LICENSE AND TAG FUND				
ASSETS				
Cash	\$ 396,470	\$ 26,936,483	\$ 26,987,351	\$ 345,602
Due from other funds	-	1,796,976	1,796,976	-
Due from other govern- mental agencies	1,437	56,994	57,106	1,325
Due from individuals	8,141	373,195	368,998	12,338
	<u>\$ 406,048</u>	<u>\$ 29,163,648</u>	<u>\$ 29,210,431</u>	<u>\$ 359,265</u>
LIABILITIES				
Due to other funds	\$ -	\$ 1,821,470	\$ 1,821,470	\$ -
Due to other constitu- tional officers	32,471	577,322	572,315	37,478
Due to other govern- mental agencies	371,056	25,940,809	25,991,838	320,027
Due to individuals	2,521	215,990	216,751	1,760
Deposits	-	1,680,209	1,680,209	-
	<u>\$ 406,048</u>	<u>\$ 30,235,800</u>	<u>\$ 30,282,583</u>	<u>\$ 359,265</u>
TOURIST DEVELOPMENT TAX FUND				
ASSETS				
Cash	\$ 135,118	\$ 4,222,590	\$ 4,212,464	\$ 145,244
Due from other funds	-	125,088	125,088	-
Due from individuals	-	112	112	-
	<u>\$ 135,118</u>	<u>\$ 4,347,790</u>	<u>\$ 4,337,664</u>	<u>\$ 145,244</u>
LIABILITIES				
Due to other constitu- tional officers	\$ 135,118	\$ 4,220,835	\$ 4,210,709	\$ 145,244
Due to other funds	-	125,090	125,090	-
Due to individuals	-	3,470	3,470	-
	<u>\$ 135,118</u>	<u>\$ 4,349,395</u>	<u>\$ 4,339,269</u>	<u>\$ 145,244</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
CHARITIES FUND				
ASSETS				
Cash	\$ 4,702	\$ 4,292	\$ 4,793	\$ 4,201
	<u>\$ 4,702</u>	<u>\$ 4,292</u>	<u>\$ 4,793</u>	<u>\$ 4,201</u>
LIABILITIES				
Due to individuals	\$ 4,702	\$ 4,513	\$ 5,014	\$ 4,201
	<u>\$ 4,702</u>	<u>\$ 4,513</u>	<u>\$ 5,014</u>	<u>\$ 4,201</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 5,744,338	\$ 396,243,739	\$ 395,898,092	\$ 6,089,985
Due from other funds	-	1,922,064	1,922,064	-
Due from other govern- mental agencies	1,437	1,074,912	1,075,024	1,325
Due from individuals	8,181	849,729	845,492	12,418
	<u>\$ 5,753,956</u>	<u>\$ 400,090,444</u>	<u>\$ 399,740,672</u>	<u>\$ 6,103,728</u>
LIABILITIES				
Due to other funds	\$ -	\$ 9,708,611	\$ 9,708,611	\$ -
Due to other consti- tutional officers	203,503	4,930,960	4,819,009	315,454
Due to other govern- mental agencies	390,228	25,960,357	26,011,049	339,536
Due to individuals	302,991	15,428,436	15,244,187	487,240
Deposits	4,857,234	433,367,943	433,263,679	4,961,498
	<u>\$ 5,753,956</u>	<u>\$ 489,396,307</u>	<u>\$ 489,046,535</u>	<u>\$ 6,103,728</u>

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

Honorable Vickie L. Potts
Tax Collector
Charlotte County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2019, for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting, continued

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Co.

Punta Gorda, Florida
March 13, 2019

Independent Auditor's Management Letter

Honorable Vickie L. Potts
Tax Collector
Charlotte County, Florida

Report on the Financial Statements

We have audited the financial statements of the Charlotte County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 13, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 13, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. There were no component units related to the Tax Collector.

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

Ashley Brown + Co.

Punta Gorda, Florida
March 13, 2019

Independent Accountant's Examination Report

Honorable Vickie L. Potts
Tax Collector
Charlotte County, Florida

Report on Compliance

We have examined the Charlotte County, Florida, Tax Collector's (the "Tax Collector") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2018. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Scope

Our examination was conducted in accordance with AICPA Professional Standards, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

Opinion

In our opinion, the Charlotte County, Florida, Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.



Punta Gorda, Florida
March 13, 2019

SECTION VII
SINGLE AUDIT

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

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

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

We have audited Charlotte County, Florida's (the "County's") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the County's major federal programs and state financial assistance projects for the year ended September 30, 2018. The County's major federal program and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2018.

Report on Internal Control over Compliance

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

A deficiency in 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 financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and 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 financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Handwritten signature of Cheryl Behrman in cursive script.

Orlando, Florida
March 15, 2019

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS
PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2018

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no	

Federal Awards and State Projects Section

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

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2018

Part I - Summary of Auditor's Results (continued)

Federal Awards and State Projects Section (continued)

Identification of major federal program and state projects:

Federal Program:

Name of Program or Cluster	CFDA Number
U.S. Department of Transportation: Highway Planning and Construction Cluster	20.205

State Projects:

Name of Project	CSFA Numbers
State of Florida Department of Environmental Protection: Clean Water State Revolving Fund Construction Loan Agreement	37.077
State of Florida Department of Transportation: Transportation Regional Incentive Program	55.026

Dollar threshold used to determine Type A programs:

Federal programs	\$ 750,000
State projects	\$ 604,118

Auditee qualified as low-risk auditee for federal purposes? x yes no

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2018

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III - Federal Award Findings and Questioned Costs

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

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

Part IV - State Project Findings and Questioned Costs

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

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

Note: A summary of prior audit findings is not provided since there were no prior year audit findings. Similarly, a corrective action plan is not provided since there are no current year audit findings.

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2018

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
Emergency Watershed Protection Program	10.923	NR184209XXXXC018	\$ 60,543	\$ -
Total U.S. Department of Agriculture			\$ 60,543	\$ -
<u>U.S. Department of Housing & Urban Development</u>				
Community Development Block Grant - State's Program	14.228	B-11-UN-12-0025	\$ 6,266	\$ -
Passed through the State of Florida Department of Economic Opportunity:				
Community Development Block Grant - State's Program	14.228	10DB-4X-09-18-01-F05	160	-
Total Community Development Block Grants			\$ 6,426	\$ -
Passed through Charlotte County Homeless Coalition, Inc.: Emergency Solutions Grant Program	14.231	HPZ7F	\$ 268	\$ -
Total U.S. Department of Housing & Urban Development			\$ 6,694	\$ -
<u>U.S. Department of Justice</u>				
Passed through the State of Florida Department of Juvenile Justice:				
Juvenile Justice & Delinquency Prevention Allocation to States	16.540	10504	\$ 33,191	\$ -
<u>Justice Assistance Grant Cluster</u>				
Edwatd Byrne Memorial Justice Assistance Grant - Training Lab Simulator Project, etc.	16.738	2017-DJ-BX-0738	\$ 16,419	\$ -
Equitable Sharing Program	16.922	FL0080000	501,466	-
Total U.S. Department of Justice			\$ 551,076	\$ -

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2018

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<u>U.S. Department of Transportation</u>				
<u>Highway Planning & Construction Cluster</u>				
Passed through the Florida Department of Transportation:				
Highway Planning & Construction - Signal Timing Analysis & Implementaton Software	20.205	438142-1-58-01/G0D17	\$ 1,904	\$ -
Highway Planning & Construction - US 41 (SR 45) Gateway Project Boardwalk	20.205	429820-1-58-01/G0866	2,801,847	-
Highway Planning & Construction - US (SR 45) Gateway Project Boardwalk	20.205	429820-2-58-02/G0866	906,349	-
Highway Planning & Construction - US 41 (SR 45) Gateway Project Boardwalk CEI	20.205	429820-2-68-01/G0866	208,451	-
Highway Planning & Construction - Metropolitan Planning Grant 17/18	20.205	43931611401/PL-0408(54) G0B45	267,745	-
Highway Planning & Construction - Metropolitan Planning Grant 18/19	20.205	43931621401/PL-0408(56) G0Y72	80,844	-
Total Highway Planning & Construction Cluster			<u>\$ 4,267,140</u>	<u>\$ -</u>
Passed through the Florida Department of Environmental Protection:				
Recreational Trails Program - US 41 (SR 45) Gateway Project Sun Trail	20.219	T1602	\$ 200,000	\$ -
Passed through the Florida Department of Transportation:				
Federal Transit-Metropolitan Transportation Planning Grant 17/18	20.505	410114-1-14-26/G0601	\$ 15,491	\$ -
Federal Transit-Metropolitan Transportation Planning Grant 18/19	20.505	410114-1-14-27/G0601	39,563	-
			<u>\$ 55,054</u>	<u>\$ -</u>
Federal Transit Cluster				
Federal Transit Formula Grants (11/12)	20.507	FL-90-X800-00	\$ 109,101	\$ -
Federal Transit Formula Grants (12/13)	20.507	FL-90-X827-00	393,258	-
Federal Transit Formula Grants (13/14)	20.507	FL-90-X860-00	314,054	-
Federal Transit Formula Grants (14/15)	20.507	FL-2017-020-00	305,818	-
Federal Transit Formula Grants (15/16)	20.507	FL-2018-004-00	236,113	-
Federal Transit Formula Grants (16/17)	20.507	FL-2017-120-00	190,940	-
Federal Transit Formula Grants (17/18)	20.507	FL-2018-114-00	785,237	-
Total Federal Transit Cluster			<u>\$ 2,334,521</u>	<u>\$ -</u>
Passed through the Florida Department of Transportation:				
Formula Grants for Rural Areas	20.509	410119-1-84-36/G0743	\$ 41,242	\$ -
Formula Grants for Rural Areas	20.509	410119-1-84-35/G0743	60,880	-
			<u>\$ 102,122</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2018

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<u>Transit Services Program Cluster</u>				
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	438947-1-84-02/ARL99	\$ 38,251	\$ -
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	438947-1-84-03/ARL99	6,897	-
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	435210-8-93-04/ARL99	<u>118,191</u>	<u>-</u>
Total Transit Services Program Cluster			<u>\$ 163,339</u>	<u>\$ -</u>
Passed through the Florida Department of Transportation:				
Bus & Bus Facilities Formula Program	20.526	436205-1-94-01/ARU16	<u>\$ 49,095</u>	<u>\$ -</u>
Total U.S. Department of Transportation			<u>\$ 7,171,271</u>	<u>\$ -</u>
<u>U.S. Department of the Treasury</u>				
Resources & Ecosystems Sustainability, Tourist Opportunities, & Revived Economies for the Gulf Coast States - Gulf RESTORE	21.015	1 RDCGR040014-01-00	\$ 49,684	\$ -
Resources & Ecosystems Sustainability, Tourist Opportunities, & Revived Economies for the Gulf Coast States - Gulf RESTORE	21.015	1 RDCGR040017-01-00	63,338	-
Resources & Ecosystems Sustainability, Tourist Opportunities, & Revived Economies for the Gulf Coast States - Gulf RESTORE	21.015	1 RDCGR040022-01-00	<u>225,042</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>\$ 338,064</u>	<u>\$ -</u>
<u>U.S. Election Assistance Commission</u>				
Passed through the Florida Department of State:				
Help America Vote Act Requirements Payments	90.401	MOA #2012-2013-0001	502	-
Help America Vote Act Requirements Payments	90.401	MOA #2013-2014-0001-R	20,026	-
Help America Vote Act Requirements Payments	90.401	MOA #2014-2015-0001-CHA	29,052	-
Total U.S. Election Assistance Commission			<u>\$ 49,580</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2018

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through the Florida Department of Eldr Affairs & the Area of Agency on Aging for Southwest Florida, Inc.:				
<u>Aging Cluster:</u>				
Special Programs for Aging Title III, Part B 16/17	93.044	OAA 202.17	\$ 53,531	\$ -
Special Programs for Aging Title III, Part B 17/18	93.044	OAA 202.18	<u>169,722</u>	<u>-</u>
Total Aging Cluster			<u>\$ 223,253</u>	<u>\$ -</u>
National Family Caregiver Support, Title III, Part E 16/17	93.052	OAA 202.17	\$ 38,535	\$ -
National Family Caregiver Support, Title III, Part E 17/18	93.052	OAA 202.18	<u>73,522</u>	<u>-</u>
			<u>112,057</u>	<u>-</u>
Passed through Florida Department of Revenue:				
Child Support Enforcement - IV D	93.563	COC08	<u>126,843</u>	<u>-</u>
Passed through the Florida Department of Economic Opportunity:				
Low Income Home Energy Assistance Program 2018	93.568	17EA-OF-09-18-01-007	<u>437,538</u>	<u>-</u>
<u>477 Cluster:</u>				
Community Services Block Grant 17/18	93.569	17SB-0D-09-18-01-106	\$ 106,190	\$ -
Total 477 Cluster			<u>\$ 106,190</u>	<u>\$ -</u>
Total U.S. Department of Health & Human Services			<u>\$ 1,005,881</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2018

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<u>U.S. Department of Homeland Security</u>				
Passed through Florida Division of Emergency Management:				
Public Assistance Grants - Tropical Storm Debby	97.036	13-DB-73-09-18-02-516	\$ 849,850	\$ -
Public Assistance Grants - Mutual Aid Hurricane Irma	97.036	FEMA-17-235	3,524	-
Public Assistance Grants - Mutual Aid Hurricane Maria	97.036	FEMA-DR-4339	4,232	-
Public Assistance Grants - 4337 Hurricane Irma	97.036	FEMA-4337-DR-FL Z0011	81,042	-
Public Assistance Grants - 4337 Hurricane Irma	97.036	FEMA-4337-DR-F Z0091/8402F	785,995	-
			<u>1,724,643</u>	<u>-</u>
Emergency Management Performance Grants	97.042	18-FG-7A-09-18-01-092	61,833	-
Emergency Management Performance Grants	97.042	19-FG-XX-09-18-01-XXX	17,131	-
			<u>78,964</u>	<u>-</u>
Passed through Florida Commission on Community Service doing business as Volunteer Florida:				
Emergency Management Performance Grants - CERT 17/18	97.042	DUNS 04-022-346311	6,432	-
Public Assistance Grants - Mutual Aid Hurricane Matthew	97.046	FEMA-4283-DR-FL 05-001-16	6,390	-
Passed through Florida Division of Emergency Management:				
Homeland Security Grant Program - Operation Stonegarden	97.067	16-DW-W1-09-18-23-236	85,545	-
Homeland Security Grant Program - All Hazardous Training	97.067	18-DS-X1-09-18-01-257	7,800	-
			<u>93,345</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>\$ 1,909,774</u>	<u>\$ -</u>
		Total Federal Awards	<u>\$ 11,092,883</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2018

<u>State Agency/Pass Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>State Expenditures</u>	<u>Transfers to Subrecipients</u>
<u>State of Florida Executive Office of the Governor</u>				
Emergency Management Programs	31.063	18BG-W9-09-18-01-093	\$ 85,308	\$ -
Emergency Management Programs	31.063	19-BG-21-09-18-01-036	25,003	-
			<u>110,311</u>	<u>-</u>
Emergency Management Projects	31.067	18-CP-11-09-18-01-180	3,081	-
Total State of Florida Executive Office of the Governor			<u>\$ 113,392</u>	<u>\$ -</u>
<u>State of Florida Department of Environmental Protection</u>				
Beach Management Funding Assistance Program	37.003	16CH1	\$ 1,240,586	\$ -
Beach Management Funding Assistance Program	37.003	17CH1	144,983	-
			<u>1,385,569</u>	<u>-</u>
Statewide Surface Water Restoration & Wastewater Projects	37.039	LP0802A	35,502	-
Statewide Surface Water Restoration & Wastewater Projects	37.039	LP08023	500,000	-
Statewide Surface Water Restoration & Wastewater Projects	37.039	S0818	1,429,896	-
			<u>1,965,398</u>	<u>-</u>
Drinking Water State Revolving Fund Construction Loan Agreement	37.076	DW080260	400,164	-
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW080200	1,113,179	-
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW080220	2,873,209	-
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW080240-0	164,230	-
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW080240-1	5,821,093	-
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW080250	2,224,597	-
			<u>12,196,308</u>	<u>-</u>
Total State of Florida Department of Environmental Protection			<u>\$ 15,947,439</u>	<u>\$ -</u>
<u>State of Florida Department of Economic Opportunity</u>				
Passed through Florida Sports Foundation:				
Local Economic Development Initiatives				
Englewood Beach Waterfest	40.040	N/A	\$ 5,000	\$ -
Local Economic Development Initiatives				
Snowbird Baseball Classic 17/18	40.040	N/A	10,000	-
Local Economic Development Initiatives				
Sugar Bert Boxing National Qualifier	40.040	N/A	5,000	-
Local Economic Development Initiatives				
Spring Fling Women's Collegiate Lacrosse Tournament	40.040	N/A	5,000	-
			<u>25,000</u>	<u>-</u>
Florida Job Growth Infrastructure Grant	40.043	G0039	\$ 53,189	\$ -
Total State of Florida Department of Economic Opportunity			<u>\$ 78,189</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2018

<u>State Agency/Pass Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>State Expenditures</u>	<u>Transfers to Subrecipients</u>
<u>State of Florida Housing Finance Corporation</u>				
State Housing Initiatives Partnership Program (SHIP) - Local Assistance Plan	40.901	SHIP 17/18	\$ 786,978	\$ -
Total State of Florida Housing Finance Corporation			\$ 786,978	\$ -
<u>State of Florida Department of Agriculture & Consumer Services</u>				
Mosquito Control	42.003	24761	\$ 52,567	\$ -
Total State of Florida Department of Agriculture & Consumer Services			\$ 52,567	\$ -
<u>State of Florida Department of Financial Services</u>				
Fire Marshal Administrative Services	43.007	FM389	\$ 97,022	\$ -
Total State of Florida Department of Financial Services			\$ 97,022	\$ -
<u>State of Florida Department of Transportation</u>				
Passed through the State of Florida Transportation - Disadvantaged Commission:				
Commission for the Transportation Disadvantaged Trip & Equipment Grant	55.001	432028-1-84-01/G0X14	\$ 123,677	\$ -
Commission for the Transportation Disadvantaged Trip & Equipment Grant	55.001	432027-1-84-01/G0M30	355,776	-
			<u>479,453</u>	<u>-</u>
Commission for the Transportation Disadvantaged Planning Grant Program	55.002	432027-1-84-0-1/G0X93	6,520	-
Commission for the Transportation Disadvantaged Planning Grant Program	55.002	432029-1-14-01/G0N20	16,827	-
			<u>23,347</u>	<u>-</u>
Florida Highway Beautification Grant - Keep Florida Beautiful	55.003	440965-1/G0J15	70,058	-
Florida Highway Beautification Grant - Keep Florida Beautiful	55.003	440964-1/G0J14	69,000	-
			<u>139,058</u>	<u>-</u>
Public Transit Block Grant Program	55.010	410138-1-84-01/AQQ15	56,268	-
Public Transit Block Grant Program	55.010	410138-1-84-01/G0R56	332,888	-
			<u>389,156</u>	<u>-</u>
Transportation Regional Incentive Program	55.026	435388-1-38-01/ARR06	50,402	-
Transportation Regional Incentive Program	55.026	440267-1-44-01/G0L05	622,531	-
			<u>672,933</u>	<u>-</u>
Total State of Florida Department of Transportation			\$ 1,703,947	\$ -

CHARLOTTE COUNTY, FLORIDA
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 For the Fiscal Year Ended September 30, 2018

<u>State Agency/Pass Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>State Expenditures</u>	<u>Transfers to Subrecipients</u>
<u>State of Florida Department of Health & Rehabilitative Services</u>				
County Grant Awards	64.005	C6008	\$ 24,097	\$ -
Total State of Florida Department of Health & Rehabilitative Services			\$ 24,097	\$ -
<u>State of Florida Department of Elder Affairs</u>				
Passed through the Area Agency on Aging for Southwest Florida, Inc:				
Community Care for the Elderly - (CCE) 2017	65.010	CCE 202.17	\$ 422,783	\$ -
Community Care for the Elderly - (CCE) 2018	65.010	CCE 202.18	152,356	-
			<u>575,139</u>	<u>-</u>
Home Care for the Elderly - (HCE) - 2017	65.001	HCE 202.17	20,188	-
Home Care for the Elderly - (HCE) - 2018	65.001	HCE 202.18	3,880	-
			<u>24,068</u>	<u>-</u>
Alzheimer's Respite Services - 2017	65.004	ADI 202.17	183,822	-
Alzheimer's Respite Services - 2018	65.004	ADI 202.18	50,610	-
			<u>234,432</u>	<u>-</u>
Total State of Florida Department of Elder Affairs			\$ 833,639	\$ -
<u>State of Florida Department of Revenue</u>				
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise	73.016	N/A	\$ 500,004	\$ -
Total State of Florida Department of Revenue			\$ 500,004	\$ -
Total State Financial Assistance			\$ 20,137,274	\$ -

The accompanying notes are an integral part of these financial schedules.

CHARLOTTE COUNTY, FLORIDA
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Note 1. General

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance (the "Schedule") includes the federal and state activity of Charlotte County, Florida (the "County"). The County reporting entity is defined in Note 1 to the County's Basic Financial Statements for the fiscal year ended September 30, 2018. All federal financial assistance programs received directly from federal agencies, as well as federal financial assistance programs passed through other government agencies, are included in the schedule.

The Schedule is presented in accordance with uniform guidance.

Note 2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's Basic Financial Statements for the fiscal year ended September 30, 2018.

The County has elected to use the 10 percent de minimis indirect cost rate as covered in 2 CFR 200.414 (f) Indirect Costs.

Note 3. Contingencies

Grant monies received by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of September 30, 2018, there was no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

Note 4. Disaster Grants - Public Assistance (Presidentially Declared Disasters)

After a presidentially declared disaster, Federal Emergency Management Agency ("FEMA") provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In 2018, FEMA approved an additional amount of \$849,850 for eligible expenditures for Tropical Storm Debby that occurred in June 2012. Also in 2018, FEMA approved \$867,037 for Hurricane Irma that occurred in September 2017. All of the approved expenditures for Tropical Storm Debby and Hurricane Irma took place in fiscal year ended September 30, 2017. A total of \$1,716,887 in eligible Disaster Grant expenditures were incurred in prior periods and presented on the Schedule for the fiscal year ended September 30, 2018.

OTHER INFORMATION

CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL
For the Fiscal Year Ended September 30, 2018

Balance at September 30, 2017 - unrestricted	\$ 4,948,769
Revenues:	
Interest	40,889
Total revenues	<u>4,989,658</u>
Expenditures:	
Beach Renourishment	445,515
El Jobean Sewer	296,896
Total expenditures	<u>742,411</u>
Balance at September 30, 2018 - unrestricted	<u>\$ 4,247,247</u>

NOTE: The above funds and activities relate to Agreement No. MRID 534797.000



Created in-house by the Comptroller Division staff for Roger D. Eaton